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This version is the accepted manuscript. The final version is available at:
<https://doi.org/10.1108/IJEBR-01-2020-0042>

Citation: [García-Cabrera, A.M., Lucía-Casademunt, A.M. and Padilla-Angulo, L. \(2020\), "Immigrants' entrepreneurial motivation in Europe: liabilities and assets", International Journal of Entrepreneurial Behavior & Research, Vol. 26 No. 8, pp. 1707-1737. <https://doi.org/10.1108/IJEBR-01-2020-0042>](#)

IMMIGRANTS' ENTREPRENEURIAL MOTIVATION IN EUROPE: LIABILITIES AND ASSETS

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ACKNOWLEDGEMENTS

We are grateful to Paco Liñán for his contribution in an earlier version of this article. Financial support from Spain's National Economic, Industry and Competitiveness Department (Project: ECO2016-80518-R) is gratefully acknowledged by Antonia M. García-Cabrera and Ana M. Lucia-Casademunt.

Structured Abstract:

Purpose: This paper examines how the institutional distance between immigrants' country of residence and country of origin, as well as the regulative and normative aspects of institutions in immigrants' country of residence, social context variables and individual psycho-behavioural factors, condition immigrants' entrepreneurial motivation (i.e., mainly by necessity, by a combination of necessity and opportunity, or mainly by opportunity), which is in contrast to the previous literature on immigrant entrepreneurship that mainly focuses on micro-level factors.

Design/methodology/approach: By using hierarchical linear regression models to test our hypotheses, we analyse 468 first-generation immigrant entrepreneurs settled in 31 European countries using data from the European Working Conditions Survey (6th EWCS; Eurofound, 2015 database) combined with other datasets to derive the macro-level variables (i.e., the Doing Business Project; Hofstede, Hofstede and Minkov, 2010).

Findings: We find that distance in the normative aspects of institutions harms entrepreneurial opportunity motivation. At the same time, however, opportunity motivation is likely to benefit from both the normative aspects of institutions that reduce locals' opportunity motivation and the distance in the regulative aspects of institutions.

Originality/value: This article analyses immigrant entrepreneurship in Europe, which has been underexamined in the extant literature, and takes into account the micro-, meso- and macro-level factors affecting the entrepreneurial motivation of immigrants in Europe. This analysis responds to the need already highlighted by previous research to include not only micro-level factors but also meso- and macro-level factors in the analysis of immigrant entrepreneurship (Aliaga-Isla and Rialp, 2013).

KEYWORDS: immigrant entrepreneur, institutions, institutional distance, liability of foreignness

Introduction

Immigrant entrepreneurship has been increasingly influenced by globalization (Chrysostome, 2010) and has increased transnational business activities. Traditionally, authors have discussed *immigrant entrepreneurship* as a homogeneous concept referring to individuals who set up a business to survive in the host country. However, currently, *immigrant entrepreneurship* has diverse connotations. According to Chrysostome (2010) and Khosa and Kalitanvi (2015), many immigrant entrepreneurs start their businesses not because of the usual obstacles faced by foreigners in working for others in a host country and hence out of necessity but because they identify and want to exploit a business opportunity as a personal preference. Furthermore, according to Williams (2009), both types of drivers (necessity and opportunity) can exist simultaneously and be components of a single individual's entrepreneurial motivation. This is relevant because the previous literature states that *opportunity* and *necessity* entrepreneurship differ in their growth aspirations (Acs et al., 2008). Opportunity-motivated entrepreneurs are more likely to found high-growth firms that generate employment (Reynolds et al., 2002). In this article, we examine the drivers of the entrepreneurial motivation of immigrants, including regulative, normative, social and individual psycho-behavioural factors, which are explained in detail below, by integrating opportunity and necessity motivations.

Regarding why immigrants decide to engage in entrepreneurial activities, Dana and Morris (2007) identify positive factors that “pull” people into entrepreneurship (opportunity-based entrepreneurship), such as the need for achievement, desire for independence, control of one's future, higher social status, use of one's own initiative and the desire to harness one's own personal skills and abilities (Nwankwo, 2005), and negative situational factors that “push” people into entrepreneurship (necessity-based entrepreneurship), such as those related to unemployment, social marginality, under-payment, discrimination in the labour market, and family circumstances. Although it is widely accepted that immigrant entrepreneurs are pushed into entrepreneurship due to limited opportunities within a host country, some authors agree that the pull factor, which includes orientation towards vision, motivation, and/or risk taking, also plays an important role (Azmat, 2010; Dana and Morris, 2007).

The entrepreneurial activities of immigrants, as well as the cross-border activities of firms in general, entail risks and hardships, referred to as ‘liabilities of foreignness’ (Luo and Mezias, 2002; Zaheer, 1995). These liabilities of foreignness are “the costs of doing business abroad that result in a competitive disadvantage” (Zaheer, 1995, p. 342). They are the challenges faced by entrepreneurs when acting in environments with which they are not familiar, delimiting the scope of immigrants’ actions by triggering the need to adapt to the foreign business environment. Moreover, the literature on international business also highlights that immigrants, similar to firms operating abroad, can take advantage of their national origin to gain opportunities to further strengthen their position and to expand the available assets (Kogut and Kulatilaka, 1994; Bartlett and Ghoshal, 1989; Nazareno et al., 2019). In other words, the ‘foreigner condition’ can be an asset for immigrants (Stoyanov et al., 2018).

Looking at the theoretical explanations of immigrant entrepreneurship, Kloosterman’s (2010) analytical framework represents an important theoretical development within the existing migrant entrepreneurship and ethnic entrepreneurship literatures over the past two decades (Vershina and Rodgers, 2019). It combines the micro-level institutional framework with the meso- and macro-level institutional frameworks. To date, most of the literature has analysed institutions at the macro level (Manolova et al., 2008; Stenholm et al., 2013) to demonstrate the broad cultural effects on business motivation and entry (Aparicio et al., 2016; Urbano and Alvarez, 2014). However, Aliaga-Isla and Rialp (2013) warn that most studies on immigrant entrepreneurship have focused their analysis at the micro level. As a result, there is a need for studies focusing jointly on the micro, meso and macro levels. To fill this gap, we examine the influence of institutional distance (linguistic distance and regulative distance), aspects of institutions in the host country (easy-to-perform business index and uncertainty avoidance values; macro-level framework), social connections of entrepreneurs (meso-level structure), and the individual’s cognitive structures (micro-level factors) on the entrepreneurial motivation of immigrants in Europe. In particular, we borrow the concepts of *entrepreneurial personal attitude* and *perceived behavioural control* from the best-established model in the psychological literature on entrepreneurial intentions: the theory of planned behaviour (TPB, Ajzen, 1991). These concepts are appropriate since the entrepreneurship literature has long recognized that intentions are key

precursors to the creation of a new venture (Bird, 1988). Furthermore, we support the closer integration of social groups as a meso-level structure in models of entrepreneurial action (Kim, Wennberg and Croidieu, 2016). That is, we adopt and measure the concept of horizontal networking by the degree of people's involvement in broad social networks (Turkina, Thi and Thai, 2011).

Accordingly, our three research questions are as follows. 1) Do individual cognitive structures, such as entrepreneurial attitude and perceived behavioural control, condition immigrants' entrepreneurial motivation? 2) Does a meso-level structure related to the social connections of entrepreneurs influence immigrants' entrepreneurial motivation? 3) How do the macro-level aspects of institutions in an immigrant's country of residence condition his/her entrepreneurial motivation, considering his/her (a) liability of foreignness and (b) assets of foreignness? To address these questions, we use new data related to entrepreneurship included in the more recent EWCS database (2015), referring to 468 first-generation immigrant entrepreneurs settled in 31 European countries. In particular, we combine the new data related to entrepreneurship from the 2015 EWCS with other micro-level data from the same survey and other datasets used to derive our macro-level variables, which are explained in detail below, to overcome the difficulty of obtaining first-hand information regarding the entrepreneurial activities and motivations of immigrants from different countries (Kloosterman, 2000) and thus contribute to the immigrant entrepreneurship literature.

We chose Europe because it represents an important region for the migration phenomenon and due to its recent emphasis on promoting inclusive entrepreneurship in the European Union, including immigrant entrepreneurship (OECD/EU, 2015). During 2017, there were 4.4 million people who migrated to EU-28 Member States. An estimated 2.4 million of these migrants were from non-member countries, while the remaining 1.9 million came from different EU Member States than the one to which they immigrated (Eurostat, 2019). Although there has been a significant increase in migration to Europe during the last few years, this is likely to continue in the foreseeable future because of the demand for immigrant labour in addition to low birth rates and the ageing population in Europe (Lutz et al., 2003). Indeed, since immigration is a source of economic revitalization and social renewal, from a socio-economic perspective, Europe needs

immigration (Aliaga-Isla and Rialp, 2013; Baycan-Levent and Nijkamp, 2009). Therefore, more quantity and diversity in future migration flows is expected (Baycan-Levent and Nijkamp, 2009).

An outstanding effect of migration is the increasing rate of self-employed immigrants in the European labour market. At present, approximately 11.5% of all self-employed workers in the EU are foreign-born (Eurostat, 2018). As immigrant entrepreneurship has increased, it has come to play a crucial role in extending the employment opportunities for ethnic minorities and as a driving force promoting economic growth and structural balance in labour markets. Indeed, much research reports on the influence of entrepreneurship on the economic and social integration of immigrants (Azmat, 2010).

Despite its increasing relevance, immigrant entrepreneurship has been scarcely studied in Europe, a continent that represents a rich source for studying immigration as a result of the Maastricht Treaty and the free movement of workers among Member States (Aliaga-Isla and Rialp, 2013). In addition, the increasing number of countries belonging to the European Union and the different sociocultural traditions and legislative frameworks (Kelly, 2004; Scholz and Müller, 2010) make Europe a social laboratory in which to study this phenomenon.

We contribute to the immigrant entrepreneurship literature by providing empirical evidence demonstrating the key role that macro-level factors, particularly regulative and linguistic distance, play in explaining immigrant entrepreneurial motivation in Europe. This addresses the scarcity of research on immigrant entrepreneurship in Europe and highlights the need to take into account not only micro-level factors but also meso- and macro-level factors in the analysis of immigrant entrepreneurial motivation. Our study also emphasizes the value of combining different datasets, such as the EWCS, with other macro-level datasets to better understand immigrant entrepreneurship and overcome the difficulty of obtaining first-hand information from immigrants.

Theoretical Background

Entrepreneurial motivation refers to the drivers and reasons that lead individuals to start a venture (Hessels et al., 2008); thus, individuals with entrepreneurial motivation engage in the entrepreneurial process to identify, create and later exploit business opportunities (Dunkelberg et

al. 2013). This makes entrepreneurial motivation a critical variable for actual entrepreneurship (Zahra et al., 2005). The literature commonly distinguishes between necessity- and opportunity-driven motivations (Williams, 2009) and associates opportunity-driven motivations with growth and prosperity (Acs et al., 2008; Reynolds et al., 2002). Immigrant entrepreneurship has commonly been associated with necessity-driven motivations because immigrants suffer from the usual obstacles to work that foreigners face in a host country (Chrysostome, 2010), which leads immigrants to consider entrepreneurship as a less difficult alternative to wage employment (Dheer, 2018). Immigrants with opportunity-driven motivations identify and exploit business opportunities as a personal preference (Chrysostome, 2010). In addition, mixed motivations also exist, and both types of drivers (necessity and opportunity) can be present in a single individual's entrepreneurial motivation (Williams, 2009).

As immigrants are people who leave their home country and relocate to other countries, Reuber et al. (2018) considerations about the pursuit of entrepreneurial opportunities across national borders are of interest. These authors highlight that individuals, social connections and formal and informal institutions are relevant for the possibility of pursuing opportunities in cases where several countries are involved. Referring to individuals, Shane et al. (2003) argue that human motivations influence decisions made after the discovery of opportunities, and thus, the variance across individuals in regard to entrepreneurial motivations will influence whoever pursues entrepreneurial opportunities. In addition, the feasibility of constructing opportunities overseas, and thus entrepreneurial motivation, can be affected by social connections and developing relationships since they can help foreigners decrease the knowledge gaps and uncertainty resulting from their unfamiliarity with the local market (Reuber et al., 2018).

Entrepreneurial motivation, in turn, can be conditioned by the institutional structure of the organizational field (Stenholm et al., 2013). Institutions actually both facilitate *and* constrain the pursuit of business opportunities (Reuber et al., 2018), and individuals who perceive the existence of institutions favourable for the exploitation of expansive business opportunities will increase their opportunity-driven motivation (García-Cabrera et al., 2016). Thus, if the objective is to understand immigrants' entrepreneurial motivation, the micro-level factors related to the individual, the meso-level factors linked to the social connection variables, and the macro-level

factors related to their country of residence, must be considered. We will discuss these ideas below.

Micro-level factors: individuals' cognitive structures

The entrepreneurship research has extensively used the TPB (Krueger et al., 2000; Liñán and Chen 2009; Liñán et al., 2011; Rauch and Hulsink, 2015; Shirokova et al. 2016) because it helps better explain and predict entrepreneurial activities (Bird, 1988; Krueger et al., 2000). In particular, the TPB says that entrepreneurial intentions are directly influenced by three cognitive structures: (1) *entrepreneurial personal attitude*, or the degree of attraction towards entrepreneurship and the belief that it will lead to a favourable outcome; (2) *entrepreneurial perceived behavioural control*, or the perception of the ease or difficulty of becoming an entrepreneur, which can be understood as a proxy of self-efficacy, defined by Bandura (1997) as the belief that one can execute the behaviour required to produce the desired outcomes; and (3) *perceived subjective norms*, which refer to the perception that “reference people” may or may not approve of the decision to open a business. Since the previous empirical research has found strong evidence supporting the influence of entrepreneurial personal attitude and perceived behavioural control on entrepreneurial intentions (Armitage and Conner, 2001; Rauch and Hulsink, 2015) but not for perceived subjective norms (Autio et al., 2001; Krueger et al., 2000), we retain the first two variables for our analysis.

Motivation theories relate to the nature of human agency and the factors that generate action (Deci and Ryan, 1985). Based on motivational theories of entrepreneurship, Fayolle et al. (2014) argue that the internal tension that motivations generate in individuals could lead them to a higher degree of entrepreneurial intention either to satisfy their internal needs or to obtain external rewards. From this perspective, motivation is supposed to affect the antecedents of intention (i.e., personal attitude, perceived behavioural control and subjective norms). Moreover, according to Carsrud and Brännback (2011, p. 12), “Motivations may be the spark that transforms a latent intention into real action and, therefore, the missing link between intentions and action”; hence, motivation is supposed to be an outcome of entrepreneurial intention. Both previous arguments are possible because the relationship between intentions and motivations is improbably linear or unidirectional

(Carsrud and Brännback, 2011). In the current work, we focus on the less analysed sequence of ‘intention-motivation’ and propose that personal attitude and perceived behavioural control, as antecedents of entrepreneurial intention, also influence the development of immigrants’ entrepreneurial motivation. The TPB in combination with the expectations of the *feasibility* and *desirability* of behaviours provides the basis for arguing this relationship.

Specifically, and further developing ideas from Turkina and Thai (2015), we propose that immigrants with high perceived behavioural control, which is a proxy of self-efficacy (Bandura, 1997), and hence greater confidence in their skills and abilities and with the additional internal resources necessary to handle a venture, will increase their opportunity-driven motivation. In addition, these immigrants with a strong entrepreneurial attitude, believing that the outcome of their entrepreneurial activity in their country of residence will be desirable, will also have increased opportunity motivation. For example, if they believe that their entrepreneurial activity could contribute towards taking care of the environment, then this belief might generate opportunity motivation by providing them with a feeling of personal achievement (Hechavarria and Reynolds, 2009). In contrast, necessity-driven entrepreneurial motivation, which relates to immigrants’ search for alternatives to their precarious situation in the labour market of the host country or as a last resort for access to a way of life, is more unlikely to be affected in a similar way by entrepreneurial attitude and perceived behavioural control than in the case of opportunity-driven entrepreneurial motivation.

Accordingly, we propose that *entrepreneurial personal attitude* and *entrepreneurial perceived behavioural control* must be considered to predict the relevance with which necessity drivers, opportunity drivers or the combination of both give rise to entrepreneurial behaviour. Based on the above arguments, we posit the following:

Hypothesis 1. The greater immigrants’ entrepreneurial personal attitude (H1a) and entrepreneurial perceived behavioural control (H1b) are, the higher their entrepreneurial opportunity motivation.

Meso-level factors: social groups, associations and other collectives

Entrepreneurship is integrated within a variety of complex social structures, not all of which can be described or measured as macro-institutional or micro-individual characteristics (Kim et al. 2016). These authors argue that such structures could collectively make great contributions to causal processes that affect entrepreneurial actions and outcomes. In this view, they stress the importance of meso-level structures for enhancing entrepreneurial mechanisms and examine how social groups, associations, and other collectives working at the meso level can contribute to reaching a more comprehensive understanding of contextual influences in the entrepreneurial process.

According to the social-systems perspective, individuals do not behave independently but are integrated into a "relational system of interaction between individuals and communities" (Kroeber and Parsons, 1958, p. 583), with that system being a major regulator of individual economic behaviour (Greif, 2006). From this systemic point of view, McMullen and Shepherd (2006) argue that entrepreneurial action and motivation should be studied within a broader context and that an exclusive focus on individuals in combination with macro-level variables should be avoided (McMullen and Shepherd, 2006).

In line with the general consensus about the need to incorporate meso-level factors into entrepreneurship analysis, we propose the inclusion of social context factors in the host country to predict their relevance as drivers of immigrants' entrepreneurial opportunity motivation. Immigrants, just as all social beings, are embedded in the formal and informal social structures that condition their way of thinking, feeling and acting. This is consistent with efforts by scholars to understand social groups in the entrepreneurial context (Ruef, 2010).

Immigrants could increase their social capital through membership associations because access to information and entrepreneurial opportunities are typically facilitated through ties between organizations and organizational populations (Audia et al., 2006). In this respect, membership associations are "social capital assets" (Bryce, 2006, p. 312) within communities since they are designed to allow their members to pursue a diverse range of interests by providing dedicated time and space for people with common interests to interact with one another.

It is in this respect that Teckchandani (2014) analyses how membership associations play an important role in facilitating entrepreneurial activity in communities, and Stoyanov et al. (2018) remark that immigrants are usually part of foreign networks that serve as channels of knowledge and information and that can provide support in the process of opportunity recognition and exploitation. These ideas guide our approach. Immigrants, through membership in associations, may increase their social capital and therefore their access to useful and relevant information regarding the regulative (laws), normative (cultural values) and cognitive (common practices used by firms) aspects of institutions, which could greatly facilitate both the narrowing of knowledge gaps and decreasing of the uncertainty resulting from unfamiliarity with the local market (Reuber et al., 2018) and access to entrepreneurial opportunities. This information might help immigrant entrepreneurs, for example, identify entrepreneurial niches and increase their perception of the feasibility of entrepreneurial activity.

Hypothesis 2. The greater immigrants' participation in associations is, the higher their entrepreneurial opportunity motivation.

Macro-level factors

With respect to macro-level factors, some authors highlight the critical role that the institutional context plays in the development of immigrant entrepreneurship in host countries (e.g., Kloosterman, 2010). Therefore, we propose that macro-level factors be considered to predict the relevance of opportunity drivers, necessity drivers, or the combination of both to entrepreneurial behaviour. Specifically, Scott (1995) distinguishes among regulative (laws), normative (cultural values) and cognitive (common practices used by firms) aspects of institutions. At the national level, these aspects of institutions, since they are idiosyncratic to each organizational field, allow us to differentiate among countries (North, 1990) and result in entrepreneurial patterns that vary across countries, e.g., the role of risk, existence of venture capital, imitative-based and innovation-based conceptualization of opportunity, etc. (Reuber et al., 2018). In addition, given that individuals must adapt their behaviour, including entrepreneurial behaviour, to the requirements

of each country's institutions if they want to succeed (Scott, 1995), immigrants in a host country will face the *liability of foreignness* (Mata and Alves, 2018).

The literature on international business often states that firms operating abroad, due to their unfamiliarity with the environment, face the liability of foreignness, that is, “the costs of doing business abroad that result in a competitive disadvantage” (Zaheer, 1995, p. 342). According to Mata and Alves (2018), this liability of foreignness not only affects firms but also immigrants—those individuals living and working in countries other than their country of origin. For example, immigrants, when comparing themselves with the natives of the host country, will feel disadvantaged in regard to identifying, creating and exploiting business opportunities. We propose that this awareness of the liability of foreignness may affect immigrants' entrepreneurial motivation. Specifically, this liability of foreignness may erode immigrants' perception of the *feasibility* and *desirability* of entrepreneurial activities, reducing their opportunity-driven motivation. Based on the institutional approach, we discuss immigrants' liability of foreignness and justify this likely relationship below.

Institutional distance refers to the dissimilarity “between the regulatory, cognitive, and normative institutions of two countries” (Kostova and Zaheer, 1999, p. 71). Referring to businesses, such distance mainly concerns the impediments to information flows between people from two different countries (Brewer, 2007). Information flows are necessary to access information and knowledge about the field context in the host country that are critical to identifying opportunities and to defining and developing new ventures (Shane, 2000; Shrader et al., 2000). Thus, such impediments likely affect immigrants' perception of the *feasibility* of entrepreneurial activities, which is a necessary condition for the development of entrepreneurial motivation (Ajzen, 1991; Turkina and Thai, 2015). Since each dyad of home and host countries will be characterized by different degrees of dissimilarity among the regulative, cognitive and normative aspects of institutions, not all immigrants will be confronted with the same liabilities in host countries (Mata and Alves, 2018); these liabilities will depend on the specific pair of (home and host) countries involved. From this perspective, differences between home and host countries may exacerbate the liability of foreignness (Eden and Miller, 2004) and reduce opportunity motivation. Scholars have not explored how institutional distance affects immigrants' entrepreneurial motivations, and we

aim to fill this gap in the literature by examining the regulative and normative aspects of institutions.

Regarding the regulative aspects of the institutional environment, we must consider differences in property rights, constitutions, and laws (Scott, 1995). Regulative distance concerns the impediments immigrants will face in becoming familiar with the administrative, political or economic systems in the host country, which will condition their ability to access suitable information flows to acquire knowledge about the host country (Brewer, 2007), e.g., specific customers' needs, sourcing issues, tax issues, and how to register the new venture. In this view, Azmat (2010) argues that immigrant entrepreneurs are likely to find it difficult to adjust to the laws and regulations in the host country if they have been exposed to a weak institutional environment in their home country, unless weak institutions also prevail in the host country. In addition, regulative distance relates to immigrants' discrimination at work (Mata and Alves, 2018; Berry et al., 1989), e.g., the need for work permits and permits to start a business and the lack of legitimacy in the eyes of consumers, suppliers and potential partners (Kloosterman, 2010). Being discriminated at work encompasses difficulties interacting with other people and accessing flows of information and knowledge.

In contrast, in cases where the regulative aspects of institutions in the host country are similar to those in immigrants' country of origin, e.g., similar economic laws, the informational asymmetry faced by immigrants when doing businesses will be reduced (Mata and Alves, 2018) and, hence, so will liabilities of foreignness. In addition, close relationships between countries because of participation in the same international treaties (e.g., see Berry et al., 2010) facilitate increased awareness between countries and consequently the exchange of information (Brewer, 2007). Moreover, if international treaties include provisions that extend the legal privileges of host country natives to immigrants from some countries (Mata and Alves, 2018), especially countries belonging to the same economic bloc, i.e., regulation that warrants that immigrants are not discriminated at work for nationality reasons, then those immigrants will experience lower institutional distance of a regulative nature and liability of foreignness. This lower institutional distance of a regulative nature allows them to see entrepreneurial activities as feasible and

desirable to the same extent as do natives and will have a positive impact on their opportunity-driven motivation.

Based on the above arguments, we propose the following:

Hypothesis 3a. Immigrants from countries distant in the regulative aspects of institutions will have lower opportunity motivation.

Regarding the normative aspects of institutions, we must consider the prevailing cultural values (Scott, 1995). Cultures differ among countries, as shown by Hofstede and their colleagues through several empirical works carried out over four decades, covering an increased number of countries (see Hofstede, 1980, 2001; Hofstede and Hofstede, 2005; Hofstede et al., 2010). As cultures differ, immigrants may face cultural values very different from those in their country of origin (Contín-Pilart and Larraza-Kintana, 2015). Integration into the local culture is not easy because, on the one hand, it requires a degree of cultural intelligence (Dheer and Lenartowicz, 2018) that not all individuals have, and on the other hand, locals may hold negative stereotypes and prejudices about foreigners (Berry et al., 1989). Therefore, we expect that greater cultural distances may result in more difficulty adapting to the local conditions on the part of immigrants and consequently greater liability of foreignness when considering entrepreneurial activities. A remarkable element of normative institutions is language, widely related to culture (Hofstede, 1980) and extensively analysed in the literature on international business (e.g., Harzing et al., 2011; Tenzer et al., 2017). For example, some authors find that shared language reduces cultural distance because it allows foreigners to enter into and assimilate with the host country more easily (Mariotti and Piscitello, 1995). A common language facilitates access to local information, the development of interpersonal understandings, the bargaining process when contracting local services or employees, etc., thus helping immigrants create the basis for informal, social and personal networks (Zaheer et al., 2009). A common language reduces immigrants' liability of foreignness and facilitates their identification and exploitation of business opportunities, thus increasing their opportunity-driven motivation. The absence of a common language increases the difficulty of integrating into the host country (Contín-Pilart and Larraza-Kintana, 2015) and,

consequently, the liability of foreignness, in turn increasing opportunity-driven motivation, since entrepreneurship will unlikely be considered *feasible* and *desirable*.

Based on the above arguments, we propose the following:

Hypothesis 3b. The greater the distance between immigrants' country of residence and country of origin in normative institutional aspects, i.e., language, are, the lower their opportunity motivation.

Although the literature has emphasized the role of foreignness as a liability that leads immigrants to become entrepreneurs out of necessity, Bolívar-Cruz et al., (2014) found that foreigners become involved in entrepreneurial activities driven by *opportunity reasons* to a higher degree than do locals. From our perspective, this is in line with the findings of other recent works, which show that foreignness can also be an asset for immigrant entrepreneurs (Stoyanov et al., 2018). According to these works, immigrants can take advantage of their national origin to gain the skills and capabilities needed to operate in the host country and to identify business opportunities both in the host country (Stoyanov et al., 2018) and at the international level (Vinogradov and Jørgensen, 2017).

Assets from foreignness may emerge, for example, because immigrants have greater knowledge of their countries of origin and other countries that are institutionally close to their home country and have fluency in some foreign languages. As a consequence, immigrants can more easily monitor both the local and global environments, without the need to translate information, so their access to public information is higher than that of locals (Vinogradov and Jørgensen, 2017), as is their awareness of the relevant information sources (Srinivasan and Pyati, 2007). Therefore, although both locals and immigrants may search for business opportunities, immigrants may be more effective at this task (Min and Bozorgmehr, 2003). This obviously affects feelings of *feasibility* when considering entrepreneurial activities and consequently immigrants' opportunity-driven motivation. Thus, as foreignness can emerge as an asset for immigrant entrepreneurs, we discuss below some aspects of the institutional environment in the country of residence that allow for foreignness to become an asset. We will refer again to the regulative and normative aspects of institutions.

It is well established that individuals' entrepreneurial activity is conditioned by the environment that surrounds them (Shane, 2003). In this respect, the regulative aspects of institutions can promote suitable host country conditions for founding businesses. For example, regulations that enable stability may encourage entrepreneurs to assess risk, whereas regulations that enable flexibility facilitate entrepreneurs to iterate through possibilities to overcome uncertainty (Young et al., 2018). As a result, the regulative aspects of institutions can condition entrepreneurs' motivations (Szyliowicz and Galvin 2010) by, for example, increasing opportunity motivation or awakening individuals with latent opportunity motives to the possibility of starting up and managing their own businesses (García-Cabrera et al., 2016). Two approaches can explain this relationship. First, from a social and cultural approach to entrepreneurial motivation, Schumpeter (1934) underlines the will to succeed as a motivation. Second, from a vocational choice model, Holland (1985) asserts that individuals will be more attracted to businesses that offer environmental characteristics that match their personality.

Therefore, we can expect that individuals who perceive a regulatory environment that offers the chance to start fruitful ventures could feel their latent opportunity motivation. Referring to immigrants, Dheer (2018) asserts that regulations passed to facilitate the start-up of small businesses can have a 'spillover' effect on immigrant entrepreneurship, and Kloosterman (2003) finds that policies to deregulate markets in the Netherlands (e.g., decreasing regulatory, licensing, health and safety requirements for small businesses) facilitated the start-up of immigrant-owned ventures. As countries differ in the degree to which their regulatory environments are conducive to the founding and operation of a local firm—which can affect opportunity entrepreneurial motivation—and business regulations are measured according to the level of ease of doing business (The World Bank, 2019), we posit the following:

Hypothesis 4a. The greater the extent to which the regulative aspects of institutions support business activities in the host country is, the higher immigrant entrepreneurs' opportunity motivation.

In addition, the normative aspects of institutions can also condition individuals' entrepreneurial motivation. Previous works have underlined the role of the social environment as a key factor in

explaining the entrepreneur's decision to start a new firm (e.g., Contín-Pilart and Larraza-Kintana, 2015). Socially shared assumptions and normative expectations drive organizational decision making and practice and thus are relevant to understanding entrepreneurial choices. For example, some authors have found that national values such as uncertainty avoidance may favour or discourage entrepreneurial behaviour (Hayton et al., 2002). According to Geert Hofstede's (1980) model of national values, built on the study of values in forty countries, uncertainty avoidance refers to the extent to which members of a culture fear uncertain or unknown situations, showing society's intolerance of uncertainty. This conception of uncertainty avoidance remained until the extended and more updated model offered by Hofstede, Hofstede and Minkov (2010), which covers seventy-six countries for this national value. With Geert Hofstede and Gert J. Hofstede being from Holland, the incorporation of Minkov, who is from Bulgaria—an Eastern European country—provided relevant knowledge and understanding of European nations that had been empirically analysed by Minkov but were missing in Hofstede's original database (Hofstede, Hofstede and Minkov, 2010), thus broadening the geographical scope of the conceptualization of such national cultural value. Accordingly, it can be said that societies low in uncertainty avoidance accept uncertainty, and their members are ready to assume the risks and exploit the opportunities they can identify in their environment (Busenitz and Lau 1996), but societies high in uncertainty avoidance fear failure, and consequently, their members avoid assuming risks. However, following Contín-Pilart and Larraza-Kintana (2015), we can expect that not all individuals living in a country will respond equally to these environmental conditions. For example, it seems reasonable to think that socially shared values will condition individuals who are born or socialized in the country where such values apply, which may not be the case for immigrants, especially first-generation settlers. Thus, those countries with a culture favourable to assuming risks and starting new ventures will boost local latent entrepreneurs to launch new firms, but this effect can be weaker on immigrants because they have a lower sociocultural fit than locals and, consequently, an incomplete understanding and acceptance of the social values that predominate in the country (Contín-Pilart and Larraza-Kintana, 2015). Conversely, we propose that in cases where national culture harms entrepreneurial opportunity motivations, for example, in countries where uncertainty avoidance values are high (Busenitz and Lau 1996), immigrants,

compared to locals, will be relatively isolated from the negative stimulus of the sociocultural environment (Contín-Pilart and Larraza-Kintana, 2015) and may perceive many fruitful business opportunities that are not well exploited by locals; then, their opportunity entrepreneurial motivation will increase. In addition, as evidence shows that immigrants are characterized by their strong orientation towards vision, tolerance to uncertain an future and risk-taking that are related to their decision to migrate (Zimmermann et al., 2003; Azmat, 2010; Williams and Baláž, 2012), being a foreigner again becomes an asset for immigrant entrepreneurs. Thus, we posit the following:

Hypothesis 4b. The greater the normative aspects of institutions that harm entrepreneurial activities in the country of residence, i.e., uncertainty avoidance national values, are, the greater immigrant entrepreneurs' opportunity motivation.

Methodology

Sample and procedure

The original objective of the European Working Conditions Survey (EWCS) was essentially to provide an analysis of the working conditions in several European countries (the first survey in 1999 included only 11 European countries) while looking at workers' own assessment of their working lives. However, the last version of the EWCS (2015) incorporates, among others, new questions related to entrepreneurship, broadening the objective of the survey. Specifically, these new questions related to entrepreneurship that we exploit for our analysis are as follows: "Q7. Are you working as an employee, or are you self-employed?"; "Q10. When you became self-employed, was it mainly through your own personal preference or because you had no other alternatives for work?: 1. Mainly through own personal preferences; 2. No other alternatives for work; 3. A combination of both (spontaneous); 4. Neither of these reasons (spontaneous); 8. Don't know (spontaneous); and 9. Refused (spontaneous)"; "Q91. To what extent do you agree or disagree with the following statements?" [...] "B - I enjoy being my own boss (MODIFIED TREND 2010), and C. It is easy for me to find new customers (NEW) [...].

These new questions and added options as answers to existing questions in previous versions of the EWCS allow us to perform the present analysis. In particular, we combine the data related to entrepreneurship from the enriched EWCS with other micro-level information from the same survey and datasets used to derive our macro-level variables explained in detail below to make possible our research and contribute to the immigrant entrepreneurship literature. This technique overcomes the difficulties of obtaining first-hand information from different countries regarding the entrepreneurial activities and motivations of immigrants (Kloosterman, 2000).

The last European Working Conditions Survey (6th EWCS; Eurofound, 2015)¹ interviewed nearly 44,000 workers in 35 countries. The sample is representative of people 15 years of age and over (16 and over in Spain, the UK and Norway) who are employed and residents in the 35 targeted countries. Within each country, a multi-stage, stratified random sampling design was used according to geographic regions, level of urbanization and limited geographical areas. A screening procedure was applied to select the eligible respondent within each household. From the total sample collected and in light of our research objective, we obtained a sub-sample of 468 first-generation immigrant entrepreneurs located in Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, the UK, Serbia, Turkey, Norway, Switzerland, and Albania. This sizeable reduction of the sample is the result of selecting only immigrant self-employed people from the countries analysed by Hofstede, Hofstede and Minkov (2010), an approach that offers country scores for six cultural dimensions applied to 76 countries, 31 of which are European countries also included in the EWCS (2015).

Regarding the validity of the sample size, we obtain a highly satisfactory sampling error of 3.43%. In addition, the proportion of immigrants by EU-28 country in our sample is quite similar to the 2015 Eurostat database (see Table A1 in the Appendix), with only a few exceptions, and our sample is quite well distributed. In sum, these results suggest that our sample is representative of the population of immigrants to EU-28 Member States.

¹ <https://www.eurofound.europa.eu/es/surveys/european-working-conditions-surveys/sixth-european-working-conditions-survey-2015>

Variable measurement

Dependent variable. We studied entrepreneurial motivation (i.e., the preference of immigrants for self-employment) through the following question: “When you became self-employed, was it mainly through your own personal preference or because you had no other alternatives for work?” Specifically, participants were asked to specify their entrepreneurial motivation using a 3-point scale, where 1 means mainly through necessity (i.e., not or very few personal preferences), 2 means for both reasons (i.e., to some relevant degree by personal preference), and 3 means mainly through personal preference. We used the responses in the mentioned ranked order and included the variable in our model, treating it as a numeric variable (from low to high opportunity entrepreneurial motivation).

Independent variables. For micro-level factors, we proxied *entrepreneurial personal attitude* with the answer to the following question: “I enjoy being my own boss”. We proxied *perceived behavioural control* with the answers to the following questions: “It is easy for me to find new customers”, and “Which of the following statements would best describe your skills in your own work?: (1) I need further training to cope well with my duties, (2) My present skills correspond well with my duties, or (3) I have the skills to cope with more demanding duties”.

For meso-level factors, we measure the membership of associations by the following question: “In general, how often are you involved in any of the following activities outside work: Political/trade union activity”. The possible answers are as follows: 1: Never, 2: Less often, 3: Several times a month, 4: Several times a week, or 5: Daily.

For macro-level factors, we include linguistic distance, regulative distance, and the regulative and normative aspects of institutions in the host country.

It is widely recognized that it is very difficult to measure *linguistic distance* because languages are complex since they involve many different dimensions: vocabulary, grammar, written form, syntax and other characteristics (Chiswick and Miller, 2005). Specialized linguists have historically dedicated most of their careers to studying the difference between two specific languages (Isphording and Otten, 2014), and unfortunately, there is no yardstick for measuring distances between languages. Some researchers have tried to obtain standardized and continuous

measures of linguistic distance; however, all of these measures have some weaknesses, which are disputed. For example, Chiswick and Miller (1999, 2001, 2005) use large micro-level datasets to construct a measure based on language course average exam scores of US American English native speakers after a fixed number of class hours. The authors assume symmetry in the difficulty of English native speakers learning the corresponding language and the speakers of this foreign language learning English, an assumption that is questionable (Isphording and Otten, 2014). Comparative linguistics, a branch of linguistics, develops language trees arranging languages into different families and evaluating family relations (e.g., Lewis 2009) and linguistic distance between different languages proxied by the number of branches between languages (e.g., Desmet et al., 2009; Adsera and Pytlikova, 2012). However, the measure obtained through this approach is built on arbitrary assumptions of cardinality, and it is difficult to include isolated languages (Isphording and Otten, 2014). Additionally, all these measures cannot take into account immigrants' different incentives for investing in destination languages, which might be relevant in explaining differences in language proficiency (Chiswick and Miller, 2005).

We cannot use any of the above-mentioned measures for different reasons: (1) the European context is particularly complex for measuring linguistic distance since some of the analysed countries have different official languages; (2) even knowing where the immigrant comes from, in case the country of origin has different official languages (as is the case in many European countries), we could not know which is his/her mother tongue; and (3) the EWCS does not provide precise information on the immigrant's country of origin but offers instead information on the language that is chosen by the immigrant to answer the questionnaire in each country. This is valuable information since EWCS offers 32 different languages and dialects to the immigrants to answer the survey.

Taking into account the above difficulties, our measure of linguistic distance takes the value of 1 if the language in which the questionnaire is answered is not an official language of the host country. In case the language in which the questionnaire is answered is one of the official languages in the host country, we use the percentage of people in the host country that have this as their first language (Special Eurobarometer 386) to calculate the value of the variable, which will be 1 minus the percentage of people in the host country with this language as their first

language. Then, the larger the proportion of people for which this language is their first language is, the lower the linguistic distance (Table A2 in the Appendix shows the country values for linguistic distance in detail; 68% of the respondents answer the questionnaire in the host country's unique official language, 29% in one of the host country's official languages, and 3% in none of the host country's official languages).

Concerning *regulative distance*, we took into consideration the previous literature that suggests that distance between countries should be measured not at merely the country or society level but also at the individual level (see literature review by López-Duarte et al., 2019). Therefore, we started with three issues. First, the EU is a bloc of countries that are characterized by common political, economic, security and legal systems and where workers can freely move (26 out 31 countries in the sample). Second, the 5 remaining countries in the sample participate in free trade areas but are not subjected to a common regulative system (Norway, Switzerland, Albania, Serbia and Turkey). Third, one relevant regulatory impediment faced by immigrant entrepreneurs when moving to countries that do not belong to the same economic bloc as their home country concerns discrimination at work (Mata and Alves, 2018; Berry et al., 1989) since discrimination encompasses difficulties interacting with other people and accessing flows of information that are necessary to identify opportunities and define and develop new ventures (Shane, 2000; Shrader et al, 2000).

Accordingly, we built *regulative distance* through two indicators: (1) the belonging of the immigrant's country of residence to one economic bloc, i.e., the EU, and (2) if immigrants have not been subjected to labour discrimination linked to nationality in the country of residence (as reported by them to the EWCS, 2015). We built a dummy variable that takes the value of 0 if both previous conditions are met, which means that *regulative distance* unlikely exists (it is a proxy for immigrants' movement from one EU country to another EU country); otherwise, the variable takes the value of 1, denoting that some *regulative distance* exists (immigrants move from a non-EU country to one EU country or move from any country to a non-EU country).

In addition, we studied institutions in the host country through the *regulative aspects of institutions*, proxied by the Ease of Doing Business Index (EDBI) provided by the Doing Business

Project (measures of business regulations and their enforcement across 190 economies), and *normative aspects*, proxied by the index of uncertainty avoidance cultural values provided by Hofstede, Hofstede and Minkov (2010).

Control Variables. We first control for immigrant entrepreneurs' gender as previous authors have done (e.g., Vinogradov and Jørgensen, 2017; Bolívar-Cruz et al., 2014). The variable is coded as 1 if the immigrant is male and 2 if female. Shane (2008) asserts that women are attracted to entrepreneurship due to their flexibility, and several authors have found that being female positively conditions opportunity-motivated entrepreneurship (Boudreaux and Nikolaev, 2019) and opportunity recognition in the case of immigrants (Bolívar et al., 2014). We also control for individuals' age, which is a continuous variable (e.g., Turkina and Thai, 2015; Bolívar-Cruz et al., 2014). Previous studies have found that the disposition to start a new firm decreases with age (Levesque and Minniti, 2006). Third, we follow previous authors and control for level of education (e.g., Turkina and Thai, 2015; Bolívar-Cruz et al., 2014), which we measured with the following question: "What is the highest level of education or training that you have successfully completed?" (answers were grouped into five categories: early childhood education and primary education: 1; lower secondary education, upper secondary education and post-secondary non-tertiary education, 2; short-cycle tertiary education and bachelor or equivalent, 3; master or equivalent, 4; and doctorate or equivalent, 5). Since immigrants with higher education may have greater opportunities for wage employment, their incentive to start a business by their own preference likely declines (Van Der Sluis et al., 2008). In addition, based on Boudreaux and Nikolaev's (2019) work, we can consider that many European countries have good economic prospects but also ageing populations. As a consequence, they offer good job opportunities and at the same time suffer from a shortage of highly skilled labour. Thus, these countries may attract highly skilled people from countries with lower economic prospects (Nejad and Young, 2016) who look for wage employment. Therefore, we can expect that the higher immigrants' levels of education are, the lower their opportunity for entrepreneurial motivation.

Data analysis

First, we carried out a correlation analysis between variables to examine the possibility of bias due to multicollinearity in coefficient significance tests. Second, we used multiple linear regressions to test the hypotheses. To assess the potential for regression coefficient instability, we also conducted collinearity diagnostics in linear regressions –i.e., the variance inflation factor (VIF).

Results

Descriptive statistics of macro-level variables

Table A3 in the appendix shows descriptive statistics for the Ease for Doing Business Index average value. The Ease of Doing Business Index for the countries in the sample rises 33.06, representing a good regulatory environment to conduct business operations.

Table A4 offers information about country values for several additional variables while indicating the EU-28 (26) and non-EU-28 countries (5) included in the sample. Table A4 also shows uncertainty avoidance country values and indicates the category (“very high”, “high”, “almost high”, “intermediate”, “low”, or “very low”) in relation to other world cultures, according to Hofstede, Hofstede and Minkov (2010). According to these categories, 77.4% of the countries included in the sample fall in the “very high” or “high” (uncertainty avoidance) categories, which represents a normative (i.e., cultural) barrier to locals’ entrepreneurial activities and motivation.

Hypothesis tests

Table 1 shows the means and standard deviations (SDs), together with the correlations among variables. Regarding multicollinearity in the data, the general rule of thumb is that the correlation between the independent variables should not exceed 0.75.

Table 1. Correlations, Means and SD

	1	2	3	4	5	6	7	8	9	10	11	12
1. Opportunity motivation	1											
2. Gender (male, 1; female, 2)	0.081*	1										
3. Age	0.039	0.048	1									
4. Level of Education	-0.214***	0.063	0.017	1								
5. Entrepreneurial personal attitude	0.190***	0.01	-0.021	-0.028	1							
6. Perceived behavioural control: find customers	0.333***	0.027	0.091*	-0.214***	0.262***	1						
7. Perceived behavioural control: own skills	0.065	-0.109**	0.007	-0.038	-0.039	-0.002	1					
8. Social connections of entrepreneurs	-0.058	-0.051	0.069	0.145***	-0.056	-0.086*	0.037	1				
9. Linguistic distance	-0.150***	0.002	0.060	0.199***	-0.105**	0.166***	0.047	-0.065	1			
10. Regulative distance	0.124***	-0.019	-0.008	-0.107**	0.039	0.119**	-0.055	-0.011	-0.089**	1		
11. Ease of Doing Business Index	0.050	0.164***	0.054	0.040	-0.016	0.008	0.062	-0.039	0.374***	0.120***	1	
12. Uncertainty avoidance	0.124**	0.132***	0.049	-0.122***	-0.016	0.077*	0.096**	0.049	0.108**	0.013	0.679***	1
Mean	1.72	1.40	46.83	2.53	2.70	1.51	2.23	0.75	0.20	0.24	33.06	70.89
SD	0.87	0.49	12.44	0.92	1.26	0.92	0.60	0.26	0.33	0.43	0.40	18.14

* $p < .10$; ** $p < .05$; *** $p < .01$

In our three sub-samples, the highest correlation is between the *Ease of Doing Business Index* and *Uncertainty avoidance* variables, at 0.679***, suggesting that multicollinearity is not a problem. Even so, since 0.679 is quite near 0.750, to avoid incurring multicollinearity, we ran separate regressions to estimate the effect of these two independent variables on *Opportunity motivation*.

Table 2 shows the results for Models 1 and 2, which only differ in the host country institutions considered (step 4), either regulative (*Ease of Doing Business Index*) or normative (*Uncertainty avoidance*). Two out of the three control variables used show the expected influence in the estimated equations, and the third is insignificant. Specifically, females have higher opportunity-driven entrepreneurial motivation, while the higher immigrants' level of education is, the lower their opportunity-driven entrepreneurial motivation. Regarding the result for females, for instance, previous research such as Wang (2019) finds that immigrant women entrepreneurs tend to develop connections with local communities taking many different forms (professional, social, and personal networks) and strategically use them to identify entrepreneurial opportunities.

In addition, the results verify the significant and positive effect that micro-level factors (entrepreneurial personal attitude and perceived behavioural control) exert on entrepreneurial motivation; hence, the higher these factors are, the more immigrants choose self-employment for opportunity reasons. Other authors, such as Hagos et al. (2019), also find that subjective performance of migrant entrepreneurs, affect their business attitudes. Thus, H1a and H1b are supported. Concerning meso-level factors, the results of the analysis reveal that immigrants' participation in political/trade union activity does not significantly affect their entrepreneurial opportunity motivation. That is, the results do not support H2.

Regarding macro-level factors, linguistic distance has a significant and negative effect on entrepreneurial motivation: if the mother tongue of immigrants is not the same as the official language in the host country, then they become self-employed mainly by necessity. However, regulative distance has no influence on entrepreneurial motivation in Model 1 and shows a significant and unexpected positive effect on entrepreneurial motivation in Model 2: if immigrants are born outside the EU and have been subjected to labour discrimination linked to nationality in the country of residence, then they become self-employed mainly by opportunity. Accordingly, the results support H3a but not H3b. The results show a significant and positive effect of macro-level factors in terms of the normative aspects of

institutions in the host country. Therefore, the higher the uncertainty avoidance values (Model 2, step 4) are, the more immigrants choose self-employment for opportunity reasons. Thus, H4b is supported. Finally, the results also show a positive effect for the regulative aspects of institutions in the host country, proxied by the Ease of Doing Business Index (Model 1, step 4), as expected, but this time, the effect is not significant, hence not supporting H4a.

Table 2. Results of Estimated Models Examining Opportunity Motivation

Variables	Model 1 Opportunity motivation with Ease of Doing Business Index (n=485)	Model 2 Opportunity motivation with Uncertainty Avoidance (n=485)
Step 1: Controls		
Gender	0.088*	0.088*
Age	0.063	0.063
Level of Education	-0.211***	-0.211***
ΔR^2	5.2%	5.2%
ΔF	7.171***	7.171***
Step 2: Controls + micro-level factors		
Gender	0.099**	0.099**
Age	0.045	0.045
Level of Education	-0.151***	-0.151***
Entrepreneurial personal attitude	0.235***	0.235***
Perceived behavioural control: find customers	0.128***	0.128***
Perceived behavioural control: own skills	0.091*	0.091*
ΔR^2	9.3%	9.3%
ΔF	14.021***	14.021***
Step 3: Controls + micro-level factors + meso-level factors		
Gender	0.099**	0.099**
Age	0.046	0.046
Level of Education	-0.149***	-0.114**
Entrepreneurial personal attitude	0.235***	0.235***
Perceived behavioural control: find customers	0.128***	0.128***
Perceived behavioural control: own skills	.092*	.092*
Social connections of entrepreneurs	-0.014	-0.014
ΔR^2	0.0%	0.0%
ΔF	0.083	0.083
Step 4: Controls + micro-level factors + meso-level factors + macro-level factors		
Gender	0.089*	0.086*
Age	0.053	0.053
Level of Education	-0.130***	-0.114***
Entrepreneurial personal attitude	0.218***	0.240***
Perceived behavioural control: find customers	0.119**	0.214***
Perceived behavioural control: own skills	0.097**	0.093*
Social connections of entrepreneurs	-.027	-0.037
Linguistic distance	-0.099*	-0.088*
Regulative distance	0.074	0.084*
Ease of Doing Business Index	0.075	---
Uncertainty avoidance	---	0.116**
ΔR^2	1.6%	2.4%
ΔF	2.435*	3.695**
<i>Durbin-Watson</i>	1.948	1.952
Final adjusted R ²	14.1%	14.7%
<i>F</i>	7.368***	7.810***
VIF	1.006-1.285	1.006-1.078

* $p < .10$; ** $p < .05$; *** $p < .01$.

Discussion of Results

Our results indicate that in addition to micro-level factors, macro-level factors, including regulative and linguistic distance, together with the normative aspects of institutions, also play a key role in understanding immigrants' motivations to become entrepreneurs in their host countries. These results relate to some previous research on entrepreneurship, such as Lalonde (2013), which finds that immigrant entrepreneurship is a strong culturally driven process, and the research by Hechavarria and Reynolds (2009), which finds that culture, when proxied by the World Values Survey data, is helpful for predicting opportunity and necessity entrepreneurship rates at the country level. In our study, linguistic distance negatively affects immigrants' entrepreneurial opportunity motivation. That is, the entrepreneurial motivation of immigrants whose mother tongue is different from the official language in the host country is mostly driven by necessity motivation. These results suggest that cultural distance hinders opportunity entrepreneurship. This is probably because a greater distance makes it more difficult to have detailed knowledge of local market conditions. Regarding our results relating to language distance, studies such as that of Wei (2018) find that gaining local dialect skills positively influences the decision of migrants to become either necessity- or opportunity-driven entrepreneurs. However, according to our results, there is a counter-balancing effect from the local culture. When the local culture is less entrepreneurship-friendly (higher uncertainty avoidance), immigrants are at an advantage when exploiting opportunities compared to natives. As first-generation immigrants have likely not been socialized in the values of the host country, the uncertainty avoidance values in the host country may not condition immigrants' choices and decisions. In contrast, our results suggest that immigrants are more likely to be driven by opportunity motivation to become self-employed in host countries where uncertainty avoidance values harm the local population's will to become entrepreneurs, leaving unexplored and unexploited opportunities. In addition, concerning regulative distance, our work unexpectedly finds that greater distance increases opportunity motivation, while lesser distance reduces it. Therefore, in cases where similar or common economic laws exist across two countries (and, so, immigrants moving between them have better knowledge of the legal framework) and they are not discriminated with respect to natives in terms of work, opportunity motivation declines. This can happen because these foreign people may feel that because they understand the legal framework and are not

discriminated against (i.e., lower regulative distance) and both circumstances facilitate information flows between actors in the labour market, they can more easily integrate into it and access salaried employment; in this case, necessity could emerge as a predominant driving factor for entrepreneurs due to unfulfilled expectations and the need to access a way of life. In contrast, in cases of higher regulative distance, with immigrants being aware of the difficulties in integrating into the labour market, they will seek business opportunities, for example, in their ethnic communities. In this respect, the distance between rules in the immigrants' country of origin and those existing within the ethnic community in the host country is less in the eyes of immigrants, and so, the flows of information required to understand how to do business are facilitated. Relatedly, previous research, such as that of Abd Hamid, et al. (2019), shows that immigrant entrepreneurs can use their home country identities, their uniqueness and distinctiveness, in a strategic way to find unique opportunities for their ventures.

The absence of an impact of the regulative aspects of institutions in the host country, proxied by the Ease of Doing Business Index, on the entrepreneurial motivation of immigrants could be explained by the fact that although the index tries to measure the business-friendliness of a country's regulation and formal procedures by using an average of ten sub-indices and it is expected that immigrants can also profit from it, the index mostly focuses on local entrepreneurs and provides no information on the coverage of this regulation, in practice, among non-locals. Hence, the direct relevance of the indicator to immigrant entrepreneurs might be somehow limited. Previous research, such as Kazlou and Klinthall (2019), who are able to control for host country regulative aspects of institutions relevant for non-locals, in particular specific policy initiatives aimed directly at immigrant entrepreneurs in Sweden, finds significant impacts on immigrant entrepreneurship (in particular, in the form of changes in entrepreneurial income among new immigrants).

With respect to the meso-level variable, our results find that membership in the political/trade union association is not effective in promoting business motivation, which seems to be in line with the study by Teckchandani (2014). This author finds that political association is not significantly associated with establishment births, while labour associations negatively affect it (Teckchandani, 2014). These results may suggest that not all types of associations are equally effective in the creation of social capital or at least are not equally effective in providing the aspects of social capital required for the development of

entrepreneurial orientation. In this respect, Stolle and Rochon (1998) suggest that while political and human rights associations provide their members with the ability to be politically active in their communities, such associations are unlikely to help members develop interactions with neighbours, reciprocity or even a general social view on trust, which is quite relevant for immigrants to gain legitimacy and access to qualified information. Therefore, based on these studies, we can say that the focus on social connections and membership in associations should likely provide additional comprehension of this relationship under study if different kinds of association and different aspects of social capital are considered, especially those useful for the development of immigrants' entrepreneurial motivation.

Finally, the results also indicate that micro-level factors are relevant for explaining immigrants' entrepreneurial opportunity motivation. Higher entrepreneurial personal attitude and perceived behavioural control are associated with higher opportunity motivation, and this positive effect is highly significant for perceived behavioural control, which reflects the perceived ability to become an entrepreneur (Krueger et al., 2000; Moriano, 2005) and is similar to Bandura's concept of self-efficacy (Bandura, 1997). These results are consistent with previous research finding strong evidence of the influence of personal attitude and perceived behavioural control on entrepreneurial intentions (Armitage and Conner, 2001; Rauch and Hulsink, 2015), closely related to entrepreneurial opportunity motivation. Planned behaviours such as starting a business are intentional and thus predicted by intentions towards that particular behaviour (Souitaris et al., 2007) or entrepreneurial intentions. Consequently, it seems logical to associate entrepreneurial intentions with opportunity motivations rather than the necessity for the economic survival of the immigrant in the host country because it is difficult for him/her to find a job. In particular, our results suggest that the more attractive entrepreneurship is for the immigrant, and the higher the self-perception of his/her own capabilities to engage in entrepreneurship, the stronger his/her opportunity motivation to become an entrepreneur.

Conclusions

It is important to understand the factors that affect immigrant entrepreneurship because, in addition to the well-known economic impact (Chrysostome and Lin, 2010) through, for example, increasing service variety in the host country (Solimano, 2006), it fosters immigrants' social integration and provides role models for immigrants (Chrysostome and Lin, 2010; Curci and Mackoy, 2010) that can trigger the entrepreneurial intentions of other immigrants in the same host country.

Despite being an increasingly relevant socioeconomic phenomenon, immigrant entrepreneurship has been scarcely studied in Europe—a particularly appropriate social laboratory in which to study this phenomenon. Moreover, previous research highlights the need to include in the analysis of immigrant entrepreneurship not only micro-level factors but also meso- and macro-level factors (Aliaga-Isla and Rialp, 2013). This study aims to fill these two gaps in the literature by examining immigrant entrepreneurship and, specifically, the factors affecting the entrepreneurial motivation of immigrants in Europe, taking into account not only micro-level factors but also meso- and macro-level factors.

Our results indicate the important role played by macro-level factors, including regulative and linguistic distance, in explaining opportunity motivation. This reinforces the idea raised by previous research that it is important to understand the cultural origins of immigrant entrepreneurs to develop effective support programmes to promote immigrant entrepreneurship (Chrysostome and Lin, 2010; Curci and Mackoy, 2010; Lalonde 2013; Thi Thanh Thai and Turkina, 2013). For example, according to our results, compared to immigrants from developed countries, those from developing countries will be more prone to develop opportunity-driven entrepreneurship, a type of entrepreneurship usually associated with high-growth firms and the generation of employment (Reynolds et al., 2002). However, because immigrants experience more institutional distance and, in general, more liability of foreignness show such disposition, effective support programmes should be designed to generate a suitable context for these immigrants as entrepreneurs, facilitating the achievement of the positive effects of opportunity entrepreneurship for the territory. Our results suggest that to support opportunity entrepreneurship among non-EU immigrants, it is important and necessary that host country governments develop customized support networks for immigrants to overcome the barriers typically faced by this particular type of immigrant, with language issues being of special relevance.

We also found that the regulative and normative aspects of institutions in the local market can affect immigrants' entrepreneurial motivation. Of special relevance is the local culture in cases where it is risk-adverse and inhibits the local population from carrying out entrepreneurial activities, leaving unexplored and unexploited opportunities. In these contexts, immigrants can become valuable external resources for countries to boost their economies, as these foreigners are not conditioned by the local cultural values. Thus, expanding the scope of existing aids to boost entrepreneurship for these foreign people can be a good approach for those countries higher in uncertainty avoidance cultural values.

Furthermore, our study does not show significant correlations between member associations and entrepreneurial opportunity motivation, which could well be explained on the basis of Stolle and Rochon's (1998) work: not all types of associations are equally effective in the creation of aspects of social capital that assist immigrant entrepreneurs and boost their entrepreneurial orientation.

On a practical level, our results have several implications. First, to promote opportunity entrepreneurial behaviour among immigrants, programs should give incentives to immigrants to gain local language skills, since it becomes a particularly relevant barrier for opportunity-driven entrepreneurship. Second, tailored programs should facilitate immigrants' access to business training to help them increase their entrepreneurial personal attitude and behavioural control, since these variables increase opportunity motivation. And third, host country supporting agencies and organizations should promote social networking and encourage communication between immigrant entrepreneurs and local business communities to help immigrants to find new customers (related to our measure of behavioural control) and identify opportunities. For example, one possible way to promote opportunity entrepreneurial behaviour among immigrants could be the use of incubator models, as suggested by Meister and Mauer (2019) in their analysis of one business incubation model for refugee entrepreneurs in Germany. They find that a customised business incubator can provide access to refugee (and also all immigrant) entrepreneurs to key resources and knowledge helpful for opportunity exploitation and even entrepreneurial co-creation and collaboration with local incubatees. Business incubators can also support immigrant entrepreneurs with a variety of business skills. Finally, host country governments should promote awareness of the contributions of immigrant entrepreneurs to their host country

economies, since they can become highly valuable external resources by increasing service variety and exploring unexploited opportunities by locals.

Our research has some limitations. For example, the study was not deliberately conducted on immigrants with, for example, personal interviews, given the difficulty of obtaining first-hand information from immigrants; that is, we use only secondary information to construct our variables. Thus, although our data allow us to contribute new findings and ideas about the phenomenon, further research is necessary to reach a greater depth on our comprehension of how institutional distance and the regulative and normative aspects of institutions in the country of residence condition immigrants' entrepreneurial motivation. Our data does not allow to incorporate in our analysis other relevant features of international migration such as transnationalism (for a complete overview of new structural forces shaping immigrant entrepreneurship, see Nazareno et al., 2019). We do not include in the analysis social capital elements such as social networks; it is plausible to expect that immigrants' access to local social networks will help them to find business opportunities by making it easier for them to access information about the new unknown environment (Thi Thanh Thai and Turkina, 2013). As a consequence, this may increase immigrants' entrepreneurial opportunity motivation. Future research could integrate different types of social capital elements into the analysis.

We proxy regulative distance, which relates to distance in the rules and laws, by non-EU membership. Although this measure conveniently integrates many different dimensions of regulative institutions, future research could explore other ways to measure regulative distance by using specific regulative institutions' dimensions affecting business operations in each country, such as the legal system, anti-trust laws or the settlement of disputes (Xu et al., 2004).

Future research could also explore the differences in the factors affecting immigrant opportunity-driven entrepreneurship across industry sectors to check for immigrants' country of origin/sector patterns. Gender differences in the relevance of the different factors analysed in this study to explain immigrants' entrepreneurship motivation could also be explored. Gender differences in entrepreneurship have long been acknowledged, and it is plausible to expect these differences in immigrant entrepreneurship regarding the factors affecting entrepreneurial motivations. Other authors report gender differences in different aspects of immigrant entrepreneurship (Collins and Low, 2010; De Vita et al., 2014). Finally,

we performed a cross-sectional analysis. Future research could also perform a dynamic analysis to examine the factors affecting the success and survival of immigrants' new business ventures.

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APPENDIX

Table A1. Comparison of Distribution of our Sample (Only EU-28 Countries) and Eurostat 2015 Sample on Immigrants to EU-28 Countries.

Country	EWCS Sample 2015 Number of Immigrants	EWCS 2015 Sample %	Eurostat 2015 Number of Immigrants	Eurostat 2015 Dataset %
Austria	17	4.0%	166,323	3.7%
Belgium	46	10.8%	146,626	3.2%
Bulgaria	3	0.7%	25,223	0.6%
Croatia	36	8.5%	11,706	0.3%
Czech Republic	5	1.2%	29,602	0.7%
Denmark	6	1.4%	78,492	1.7%
Estonia	4	0.9%	15,413	0.3%
Finland	2	0.5%	28,746	0.6%
France	25	5.9%	364,221	8.0%
Germany	13	3.1%	1,571,047	34.6%
Greece	19	4.5%	64,446	1.4%
Hungary	2	0.5%	58,344	1.3%
Ireland	19	4.5%	80,792	1.8%
Italy	9	2.1%	280,078	6.2%
Latvia	17	4.0%	9,479	0.2%
Lithuania	4	0.9%	22,130	0.5%
Luxembourg	61	14.4%	23,803	0.5%
Malta	7	1.7%	16,936	0.4%
Netherlands	17	4.0%	166,872	3.7%
Poland	1	0.2%	218,147	4.8%
Portugal	9	2.1%	29,896	0.7%
Slovakia	1	0.2%	6,997	0.2%
Slovenia	12	2.8%	15,420	0.3%
Spain	33	7.8%	342,114	7.5%
Sweden	11	2.6%	134,240	3.0%
UK	45	10.6%	631,452	13.9%
TOTAL	424	100.0%	4,538,545	100.0%

Source: for the 2015 Eurostat data on immigrants: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20190321-1>. Eurostat data was collected only on those EU-28 Member countries for which we have information, to compare the same population.

Table A2. Linguistic Distance

Country	Questionnaire answered in:			Total	Linguistic Distance (weighted)
	The host country unique official language	One of the host country official languages	None of the host country official languages		
Austria	17	0	0	17	0%
Belgium	0	46	0	46	55%
Bulgaria	3	0	0	3	0%
Croatia	36	0	0	36	0%
Czech Republic	5	0	0	5	0%
Denmark	6	0	0	6	0%
Estonia	1	3	0	4	33%
Finland	1	0	1	2	50%
France	25	0	0	25	0%
Germany	13	0	0	13	0%
Greece	19	0	0	19	0%
Hungary	2	0	0	2	0%
Ireland	19	0	0	19	0%
Italy	9	0	0	9	0%
Latvia	3	0	14	17	82%
Lithuania	4	0	0	4	0%
Luxembourg	0	60	1	61	82%
Malta	0	7	0	7	6%
Netherlands	17	0	0	17	0%
Poland	1	0	0	1	0%
Portugal	9	0	0	9	0%
Slovakia	1	0	0	1	0%
Slovenia	12	0	0	12	0%
Spain	33	0	0	33	0%
Sweden	11	0	0	11	0%
UK	45	0	0	45	0%
Serbia	31	0	0	31	0%
Turkey	1	0	0	1	0%
Norway	5	0	0	5	0%
Switzerland	0	23	0	23	53%
Albania	1	0	0	1	0%
TOTAL (%)	330 (68%)	139 (29%)	16 (3%)	485	---

Source: Special Eurobarometer 386.

Table A3: Descriptive Statistics Ease for Doing Business

Descriptive	Min	Max	Average	Deviation
Ease For Doing Business 2015	2	90	33,06	18,14

Table A4: Economic bloc, Ease for Doing Business Index and Uncertainty Avoidance Country Values

Country	Economic Bloc	Ease of Doing Business Index, 2015¹	Uncertainty Avoidance index²	
			Score	Value in relation to other world cultures
Austria	EU-28	18	70	High
Belgium	EU-28	38	94	Very high
Bulgaria	EU-28	37	85	Very high
Croatia	EU-28	39	80	Very high
Czech Republic	EU-28	26	74	High
Denmark	EU-28	2	23	Low
Estonia	EU-28	11	60	High
Finland	EU-28	12	59	High
France	EU-28	28	86	High
Germany	EU-28	14	65	High
Greece	EU-28	58	100	Very high
Hungary	EU-28	40	82	Very high
Ireland	EU-28	15	35	Low
Italy	EU-28	44	75	High
Latvia	EU-28	17	63	High
Lithuania	EU-28	21	65	High
Luxembourg	EU-28	57	70	High
Malta	EU-28	83	96	Very high
Netherlands	EU-28	27	53	Almost high
Poland	EU-28	24	93	Very high
Portugal	EU-28	24	99	Very high
Slovakia	EU-28	30	51	Intermediate
Slovenia	EU-28	30	88	Very high
Spain	EU-28	33	86	Very high
Sweden	EU-28	9	29	Very low
UK	EU-28	6	35	Low
Serbia	Non-EU-28	54	92	Very high
Turkey	Non-EU-28	63	85	Very high
Norway	Non-EU-28	8	50	Intermediate (not preference)
Switzerland	Non-EU-28	29	58	High
Albania	Non-EU-28	90	70	High

Notes: ¹Ease of Doing Business ranks economies from 1 to 190 (averaging the country's percentile rankings on 10 topics covered in the World Bank's Doing Business), with first place meaning the best regulatory environment to conduct business operations. ²Hofstede, Hofstede and Minkov (2010)