

# THE IMPORTANCE OF SOCIAL CAPITAL WITHIN AN ETHNIC COMMUNITY: ALBANIAN ENTREPRENEURS IN SLOVENIA

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## ABSTRACT

### **The Importance of Social Capital within an Ethnic Community: Albanian Entrepreneurs in Slovenia**

As the economically most developed part of former Yugoslavia, Slovenia has traditionally been a host country for numerous immigrants of other nationalities. There has long been a presence of Albanian nationals and it appears that a new wave of immigration of Albanians to Slovenia has been happening since 1991. Slovenia has become an even more popular immigration destination since joining the EU in 2004. In this article, fourteen case studies of Albanian entrepreneurs are analyzed in order to give a picture of their somewhat unique way of running business activities. Semi-structured interviews were conducted to address several research questions in a qualitative manner. Albanian immigrants do not come to Slovenia to seek their fortune. Through a dense network of family and friends, the processes of newcomers starting a business or finding employment seem to be very well planned ahead. Although serving the mainstream economy, Albanian entrepreneurs in Slovenia rely heavily on informal support and also financing from their extended families and the entire Albanian community. They have traditionally worked in only a few types of business (pastry shops, fruits and vegetables, bakeries, construction). They form a particular part of the Slovenian economy, well-integrated but also self-sustainable in the face of new economic processes, with their traditional high level of reliance on their community, family and ethnic-based social capital.

**KEY WORDS:** ethnic minority entrepreneurship, immigrant businesses, social capital, community, Albanian entrepreneurs in Slovenia

## IZVLEČEK

### **Pomen socialnega kapitala v etnični skupini: Primer albanskih podjetnikov v Sloveniji**

Kot ekonomsko najbolj razvit del nekdanje Jugoslavije je Slovenija tradicionalno privabljala številne priseljence drugih narodnosti. Čeprav so Albanci v Sloveniji že dolgo prisotni, se je novi val priseljencev začel pojavljati po letu 1991, Slovenija pa je za priseljevanje postala še bolj priljubljena po priključitvi EU leta 2004. Za opis zelo svojstvenega načina vodenja njihovih podjetij v članku predstavljamo 14 študij primerov albanskih podjetnikov. Kot orodje kvalitativne metodologije smo uporabili polstrukturirani intervju z več raziskovalnimi vprašanji. Albanski priseljenci v Slovenijo ne prihajajo nepripravljeno. Zagon novega podjetja ali zaposlitev posameznika se s pomočjo goste mreže prijateljev in sorodnikov načrtuje

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že dolgo pred njihovim prihodom. Čeprav poslujejo na celotnem trgu, se albanski podjetniki zanašajo predvsem na neformalno podporo in financiranje s strani razširjene družine in celotne albanske skupnosti. Tradicionalno so prisotni v zgolj nekaj dejavnostih (slačičarne, stojnice s sadjem in z zelenjavo, pekarnice, gradbeništvo) in predstavljajo poseben del slovenskega gospodarstva, ki je sicer vključeno v gospodarske tokove, a je v luči novih gospodarskih procesov s tradicionalno naslombo na svojo skupnost, družino in na etnično pripadnost temelječi socialni kapital, samovzdržno.

**KLJUČNE BESEDE:** podjetništvo v etničnih skupinah, priseljenska podjetja, socialni kapital, skupnost, albanski podjetniki v Sloveniji

## INTRODUCTION

Eight former communist countries from central and eastern Europe joined the European Union in 2004. There were substantial differences in the levels of economic development and living standards between the "old" western members and the "new" central and eastern countries. Furthermore, the new members of the EU have become attractive destinations for economic migration to their geographic neighbours. Emerging from the disintegration of Yugoslavia in the early 1990s, which started with Slovenian independence processes (Čaleta 2010), Slovenia experienced rapid modernization processes and sustainable development before joining EU in 2004 and entering the eurozone in 2007. Moreover, Slovenia has always been a preferred employment-seeking destination for former Yugoslavian citizens from all of the republics, even before its secession which was the consequence of having the highest level of economic development (Borak 2002), and as such was perceived as a republic of opportunities. With regard to the populations from other republics, this also includes the Albanian population from the Former Yugoslav Republic of Macedonia (FYROM) and from Kosovo, the two regions which ranked at the very bottom in terms of development in the former federal state (Borak 2002) and which for ideological reasons were outside the reach of domestic and international capital flows (Obradović et al. 2012). Today, the Albanian community is socially well-established and integrated in Slovene society, and economically sustainable in the sense that the Albanian nationals usually take care of themselves and do not contribute to the unemployment rate and the related social cost (Žitnik Serafin 2008). Research on Albanian immigration in Slovenia has so far been limited to their integration and assimilation into Slovene society as a minority nation (Berishaj 2004) and has so far not received sufficient attention concerning their economic and entrepreneurial activity and business start-up strategies. These migrations have predominantly been economic migrations, which always raise important social and policy issues concerning the integration of the immigrant community into the labour market. Thus, the research on immigrant entrepreneurs of Albanian origin aims to address the following questions:

(1) What are the trajectories of immigrants becoming entrepreneurs? (2) What are the reasons behind the decision to start a business? (3) What are the main difficulties faced by immigrant entrepreneurs in the start-up phase? (4) Do immigrant entrepreneurs have any access to local institutions and sources of support? (5) What is the role of the community of co-nationals? (6) What are the immigrant entrepreneurs' strategies on the market?

The first part of the paper discusses the main concepts drawn from the research literature about ethnic minorities and immigrant entrepreneurship which are, for the purpose of this study, understood as synonymous. The second part presents the methodology used as well as the case studies. Using the results of case-based fieldwork, the third section examines the perceived specificities of Albanian entrepreneurs and their activities in Slovenia. The paper ends with conclusions, a discussion of its contribution to the knowledge and understanding of the topic, implications and some suggestions for future research.

## LITERATURE REVIEW

### **Definitions and main concepts: the ethnic minority entrepreneur**

Although there has been an increasing number of studies concerning immigrant entrepreneurs, there has been no generally accepted or shared definition of who is an Ethnic Minority Entrepreneur (EME). When considering EMEs, the notion of a changing environment assumes even greater importance since immigrants move to another country where the business, legal and economic environments may be significantly different from those in their home countries. An immigrant is someone who comes to a country for the purpose of permanent or non-temporary residence (Light, Bonacich 1988).

The literature reveals a lack of clarity in defining EMEs. Are they first-generation immigrants? Can the concept be extended to the second generation, or further? Does it include entrepreneurs selling “ethnic” products? The EME is usually defined by skin colour, minority status, religion or cultural background (Lassalle 2008). In the USA, institutions insist on the notion of a disadvantaged group in their definition of EMEs (Sonfield 2005). Brundin et al. (2001) define EMEs as individuals starting a business by themselves, or whose mothers/fathers are born in a country other than the host one. In this respect, the present analysis focuses on business solely owned by Albanians. The term ethnic in this case includes the Albanian community of co-nationals and shared national and/or cultural attributes such as religion, language and communal infrastructures, and social networks established by recent or settled immigrants.

Push and pull factors are often referred to in order to explain the decision to start a business (Freel 1998). The analysis of the push factors is crucial because it stresses the role of policymaking in the integration of immigrants into society (Hjerm 2004), the need to fight against discrimination in the labour market (Metcalfe et al. 1996) and in enabling access to finance and support (Deakins et al. 2005). As for necessity entrepreneurship, the push factors emphasize the sets of motivations for an immigrant to start their own business because of the lack of opportunity in the host country's labour market. Obstacles to entering the labour market include language barriers (Mora, Dávila 2005), lack of knowledge about the institutions in the labour market, and lack of trust in these institutions. Within the context of the Global Entrepreneurship Monitor, Reynolds et al. (2001) illustrate the distinction between push and pull motivation by introducing the concept of opportunity and necessity entrepreneurship, where necessity entrepreneurship exists when there are “no better choices for work” and entrepreneurship is often the best, but not necessarily the preferred, option.

These factors may push the immigrant into self-employment. On the other hand, the community networks, the ability of immigrants to spot business opportunities, and the desire to be independent and to “be their own boss” are factors that pull the immigrant into self-employment. Pull factors thus include the identification of new opportunities (as in opportunity entrepreneurship) and self-selected goals of independence (Barret et al. 1996). To some extent, the immigrant is also subject to an acculturation lag. This is a delayed process of acculturation that enables the EME from a lower-wage country to exploit some opportunities more effectively than local entrepreneurs (Light 1972).

EMEs have poorer access to formal sources of support and advice than the domestic entrepreneur population (Deakins et al. 2005). EMEs have greater difficulty in raising finances and in gaining access to business support or advice than the mainstream population of entrepreneurs (Deakins, Freel 2003; Curran, Blackburn 1993). This lower access to formal institutions, such as banks, business support initiatives, courses on starting a business etc., has several causes. First, EMEs lack awareness of business support initiatives and face language barriers (Ram, Jones 2007). Second, in the UK, where most of the research on ethnic entrepreneurship has been done to date, there are deliberate strategies to avoid these institutions (Deakins et al. 2005), i.e. a lack of trust between EMEs and providers of support, which was earlier pointed out by Ram (1998) and later confirmed with Turkish entrepreneurs, again in the UK by Altinay, Levent (2008). This reluctance may also be explained by considering the EMEs' self-selected goals of independence (Barret et al. 1996).

## Entrepreneur, community and the role of social capital

Immigrants are rooted in a new environment, and their economic activity is often deeply embedded in a structure of social relations within the migrant community (Granovetter 1985; Coleman 1988; Portes, Sensenbrenner 1993). Social network analysis can be used to trace an ethnic enclave that is bounded by co-ethnicity and location. But it also allows for the development of structures of opportunity as an alternative path to social mobility and inclusion within the wider mixed embedded context (Zhou 2004). The social structures and networks affecting the economic goals and goal-seeking behaviour of its members build social capital. The notions of bonding and bridging social capital reveal that social capital can play different roles in the decision to start a business (Farmbry 2001).

An EME has a multiple set of relationships within their own immigrant community, and in the host socio-economic and cultural context. Therefore, the concept of "mixed embeddedness" provides some understanding of the relationships between these actors and their environment, primarily within the opportunity structure or system (Kloosterman, Rath 2001). The opportunity structure refers to the specific market conditions and potential for the ownership of assets. A potential EME tends to have a different and lower pool of resources such as social, human, financial and cultural capital than the native entrepreneur. The EME's economic activity is embedded in a variety of social networks (Granovetter 1985; Portes, Sensenbrenner 1993; Waldinger 1996) such as community, family, and business clubs (Deakins et al. 2007). Their relationship with the opportunity structure encountered in their new environment is also crucial since the EME is looking for opportunities to start a business (Kloosterman, Rath 2001).

Most studies betray a distinct Anglo-American bias: (1) in their emphasis on social capital and ethnic networks; (2) in their disregard for the institutional dimension; and (3) in their implicit economic liberalism. On the other hand, there is an absence of neutral conceptual frameworks to assist comparative research (Engelen 2001). A Weberian opportunity-based ethnic entrepreneurship view is posited as a main source for solving the structural unemployment problems of ethnic groups in cities. This finds that performance conditions vary across ethnic groups, and informal networks are crucial for business success (Masurel et al. 2002). Lazardis, Koumandraki (2003) demonstrate that ethnic businesses comprise a mosaic of formal and informal activities depending on legal status, economic resources and access to informal support networks.

EMEs find specific ways to link their activities to the mainstream economy (Greve, Salaf 2005) and very often perceive opportunities for their field and their specific businesses as positive, but perceive remedies and provided services as neutral to negative in addressing their major growth barrier of capital (Thompson, Harris 2001). Social networks are not fixed; they are the social context of businesses and can be activated according to different needs. To fit their business needs, entrepreneurs bring several people they know into their business decisions. New entrepreneurs often have families that were in business. As they plan and actually set up a company, entrepreneurs call on their family and others in their networks for different kinds of support. Ethnic businesses are predominantly seen as family businesses (Bhalla et al. 2006) and very often more entrepreneurial in the sense of having more activities than native inhabitants' businesses (Constant, Zimmermann 2006).

Social capital is a process that allows the individual "to draw on resources from social networks", such as the community or business associations (Deakins et al. 2007). On the other hand, one can define social capital as the social structures and networks that affect the economic goals and goal-seeking behaviour of its members (Granovetter 1985; Portes, Sensenbrenner 1993). This definition emphasizes the impact (positive or negative) of social structures on economic action, and differs from Coleman's definition where social capital facilitates individual rational goal-seeking actions (Coleman 1988).

Social capital raised by the individual in a bounded community can be considered as bonding capital. Bonding capital can explain the decision of an immigrant to start a business (Davidsson, Honig 2001). In Slovenia, the Albanian entrepreneurs rely solely on family and co-nationals for financial support, using bonding social capital to start up. The embeddedness of the individual in social networks

emphasizes the importance of concrete personal relationships and structures in generating trust, and discouraging malfeasance. The experience of a relationship with someone (even a weak tie) generates trust (Granovetter 1985). Thus, one can differentiate various types of ties by considering the relation between the EMEs and their community (Birch, Whittam 2009). More intimate relationships make behaviour more predictable and reduce transaction costs. Weaker ties, with extra-community and extra-family social networks can provide bridging social capital (Granovetter 1985; Svendsen, Svendsen 2004; Deakins et al. 2007). Some analysis points to the existence of a link between business performance and social capital in the case of EMEs. Social capital in specific forms such as membership in ethnic organizations and reliance on co-ethnic workforce seems to be most useful in identifying a link with business performance. Such a link can be positive in the case of membership in ethnic organizations or negative when social capital is depicted by the entrepreneur's reliance on the co-ethnic workforce (Perreault et al. 2003).

## **METHODOLOGY AND CASE STUDIES**

### **Methodology**

This paper presents the results of qualitative case study research of Albanian entrepreneurs in Slovenia. It explores the issue of Albanian immigrants as ethnic minority entrepreneurs, using their businesses based in Slovenia as illustrative case studies. Although there might be a different understanding or even perceived anachronism in the dilemma of whether the successors of those who immigrate (i.e. second or later generation) may still be regarded as immigrants, for this particular study the methodological definition of an immigrant follows Rušinovič (2008) investigating "first and second generation ethnic start-ups". Thus, the meanings of ethnic and immigrant entrepreneurs are understood as synonymous in this study. The analysis is based on fourteen cases which were based on semi-structured interviews. Entrepreneurs were recruited through a combination of personal contacts and snowball technique (one interviewee proposes another or others), which is very common in research that requires in-person interviews with the intention to have an open conversation about different aspects related to the research problem (Ashforth et al. 2007). The majority of interviews took place in the premises of the entrepreneurs. In two cases, the interview meeting was set in a public bar. All the interviews were, upon an explicit oral agreement, voice recorded and later transcribed for content analysis. For the sake of the interviewees the recordings were deleted approximately six months after the interviews. There were only six questions prepared in advance, thus leaving the interviewees a high degree of freedom to express what they felt was important. Time-wise, the interviews took between 90 and 120 minutes.

First of all, the entrepreneurs (EMEs) are Albanians who have started their own businesses or taken over the family business which their parents had started. Nevertheless, it can be concluded from the interviews that family business is a predominant form among the Albanian entrepreneurial community, with an interesting aspect that family businesses do not stick to the traditional family line of business but seem flexible regarding diversification into another business field where more and better opportunities may be identified. Second, interviewees were selected from different sectors of economic activity and from different networks. The interviews were conducted in Albanian and Slovene. Some of the interviewees have lived in Slovenia for 20 or more years and speak perfect Slovene, so that in conversation one would not even detect a foreign accent. On the other hand, conducting the interview in the person's mother tongue does not constrain the interviewees, who then can engage in fluent discourse, and enable the researcher to gather first-hand qualitative data about the interviewee. Since the researcher does not speak Albanian, the assistance from a student of Albanian nationality was more than welcome in conducting interviews in Albanian.

Case study research is defined by Yin (2013) as an empirical inquiry investigating a contemporary phenomenon in depth within its real-life context and relying on multiple sources of evidence, with data needing to converge through triangulation. This covers the logic of design, data collection techniques and specific approaches to data analysis. The focus is on the research process. Case study research is aimed at learning from the case and generalizing it to others. The case studies were used to explore the importance of immigrant entrepreneurship in Slovenia.

## Case studies

Fourteen interviews were conducted with Albanian entrepreneurs in four Slovenian cities. Several informal conversations with representatives of local support institutions indicated that there was no sense in exploring the extent to which Albanian migrants rely upon formal support for small businesses because this demand is practically non-existent: Albanians obviously seek assistance somewhere, but not from professionals. Table 1 presents some data on the case studies in question. Where it is noted that businesses are second or higher generation family businesses one should bear in mind that the families may not have remained in the same business but adapted and diversified their activities according to various market changes. On the other hand, some of the businesses were started in the country of origin and moved to Slovenia at a particular time. However, it is believed that despite membership in higher generations these cases still fit into the sample.

The majority of Albanian entrepreneurs are members of family businesses and they continue the business tradition of their families. They are all men, which is not surprising taking their dominating patriarchal tradition into account (Berishaj 2004). Their educational background is very diverse, and so is the year of their arrival. The first Albanians came to Slovenia at the turn of the 19<sup>th</sup> century, coming mostly from present-day Albania. Before 1991, Kosovo, FYROM and Slovenia were all parts of former Yugoslavia, so we do not have reliable data about emigration, but more about moving from one part of the country to another. The second wave occurred after 1991, when Albanians in the new countries of FYROM and Serbia began facing numerous instances of discrimination. The last wave was after 2000

Table 1: Overview of Study Participants

Informant No.	Activity	Age, education, year of arrival	Notes
1	Bus transportation	42, high school, 1999	Started on his own
2	Fruit retail	58, primary school, 1959	Family business, 3 <sup>rd</sup> generation
3	Bakery	54, university degree – law, 2004	Family business, 4 <sup>th</sup> generation
4	Construction	38, high school, 1992	Started on his own
5	Fruit & Vegetables Retail	45, high school, 1983	Family business, 1 <sup>st</sup> generation
6	Pastry shop	46, high school, 1981	Family business, 3 <sup>rd</sup> generation
7	Fruit & Vegetables Retail	46, primary school, 1992	Family business, 3 <sup>rd</sup> generation
8	Fast Food	50, university degree – economics, 2006	Family business, 3 <sup>rd</sup> generation
9	Pastry shop	52, high school, 1977	Family business, 3 <sup>rd</sup> generation
10	Construction	58, high school, 1966	Family business, 2 <sup>nd</sup> generation
11	Downtown coffee shop	48, high school, 1979	Family business, 2 <sup>nd</sup> generation
12	Construction	47, high school, 1990	Entrepreneur in Kosovo
13	Fast-food restaurant	36, high school, 2000	Family business, 2 <sup>nd</sup> generation
14	Truck transportation	48, high school, 1994	Started on his own

Source: The author's research

which again coincides with several nationality-based political problems in both home countries, FYROM and Serbia. On the other hand, Albanians have had substantial political support and empathy in the process of the disassembly of former Yugoslavia from 1989 on (Berishaj 2004). However, none of the interviewed entrepreneurs explicitly admitted that his emigration was in any way politically motivated. In the population of Slovenia, Albanians account for 0.31%, which amounts to around 60,000 people.

## **RESULTS**

This paper aims to identify the reasons behind business start-ups and the main entrepreneurial behaviours of the Albanian immigrant community. First, the EMEs' reluctance to contact formal sources of support or advice in their host country is highlighted. An interesting point to stress is the deliberate strategy of Albanian entrepreneurs in Slovenia to avoid contact with these institutions because of mistrust and/or their self-selected goals of independence (Barret et al. 1996). Second, a common point between both fieldwork results is the importance of pull factors in the decision to set up a business. Third, the community is often used as the main resource base for finance, labour and other means of support. Finally, another set of interests and concerns and the personal trajectories behind the emigration and start-up motives are explored. The data have been systematically analyzed in order to confirm the relevance of the findings from the previous literature review. For example, it has been proposed that EMEs of Albanian nationality would not show any eagerness to demand publicly available support in the business start-up process. In order to verify this, the researcher systematically explored whether there were any cases which would reveal an opposite finding.

### **Avoiding formal sources of support**

In the case of Albanian entrepreneurs in Slovenia, they rely entirely upon their nationality-based and family-based networks. Although there are about 2000 businesses owned by Albanians in Slovenia (source: author's estimate from publicly available data on companies' founders), our research has found no evidence of entrepreneurs willing to approach support institutions for assistance. To be precise, none of the interviewees confirmed ever having received any public support, whether advice and information or financial. Moreover, none of them ever taken a loan from any Slovenian bank. The great level of reliance on the (extended) family is derived from their national character (Berishaj 2004). As noted in the literature, the case studies confirm the lack of access, knowledge and engagement of EMEs with formal sources of support and advice. In order to confirm and explain this finding, a statement by one of the participants is given below.

This is in our culture. We tend not to speak about problems and issues with anybody apart from those we respect for their seniority and experience. And such people have to be among us. Wise senior relatives are the only source of advice (B., 46, pastry shop, informant no. 6).

Albanian entrepreneurs in Slovenia barely rely on anybody else but family and relatives. They nurture very strong family ties and trust is ranked very high amongst appreciated values. They often have wealthy relatives who made fortunes (usually as entrepreneurs) in Western Europe and the United States. As emphasized, no borrowing from financial institutions was revealed in the research. The only liability which is not towards family or friends is some trade credits – usually payment delays approved by suppliers, which is a common business practice in some industries.

One million euros is not a problem at all to be raised. However, I will never borrow this money from the people who are dearest to me if I am not sure that I will be able to pay them back (B., 50, fast-food, informant no. 8).

## The importance of pull factors

The results highlight the importance of pull factors in the decision to start a business. In other words, unemployment is not the main reason for Albanian immigrants to start their own business, as they are rarely found unemployed or actively seeking jobs elsewhere. Furthermore, regarding the Albanian entrepreneurs who entered the country after the fall of Yugoslavia, they tend to immigrate to Slovenia only in the case when a large proportion of business preparations have already been done for them in Slovenia by relatives. The decision to leave home and move to Slovenia usually happens when some existing Albanian businesses need staff, or when a new start-up is planned.

My cousin who has been around for years arranged everything for my bakery shop. I just came, signed all the necessary papers and started to work. Of course, the reason to do so was that I had no job back home for a really long time (X., 54, new bakery shop-owner, informant no. 3).

In all of the interviews, two patterns can be detected. First, the traditional businesses based on longer residence in Slovenia (from Yugoslavian times) seem to be sustainable and have been just transferred and passed on to the second generation. In two cases, it looks like a diversification strategy was used to expand the family business because there were more successors and consequently more family members dependent on the single family business.

My father was clever. He knew that his pastry shop was not enough to feed his three sons' families, so he acquired another pastry shop from his cousin who had no children and a coffee shop from somebody else. Now my two brothers and myself, we enjoy the independence of everybody having his own business but we work together and see each other all the time (E., 52, pastry shop owner, informant no. 9).

Second, the post-Yugoslavian wave of entrepreneurs came to Slovenia on purpose. Also, they appear to run owner/manager type of businesses; there was a high level of reluctance from all the interviewees to explain the financial construction of the businesses, thus leaving space for possible interpretation by the researcher that in several cases it may be the relatives who "arrange everything" also maintain active roles in these businesses and probably also contribute an equity stake, and are therefore 'business angels', although they do not call themselves so.

From this particular research, there is no evidence of necessity entrepreneurship. Thus, Albanian immigrants are not pushed into self-employment because of barriers to entry in the labour market. It can be said that they generally do not seek jobs from other employers apart from the ones in their ethnic community. Furthermore, there are some indications from the interviews that several start-ups, which may from the outside look like independent businesses, may informally be part of bigger, probably family-based holding companies to which new entrepreneurs merely "lend" their names, but the business is probably owned by somebody else. However, these are just speculations, because the majority of respondents refused to talk clearly about the financial and equity structures of setting up their businesses. A statement from one of the participants is used to generalize this finding:

We keep financial things within the family. You can only talk about money with people you trust more than 100 percent! (D, 58, fruit and vegetables, informant no. 3).

## **Sectors, community and enclave**

Albanian entrepreneurs are serving the mainstream population but they are focused on certain sectors of the economy, such as: traditional small pastry shops, fruit and vegetables stands and, lately small bakery and fast-food outlets (mostly kebab and burek stands) and small-scale construction. Although no statistical or empirical data is available to support this, the interviewees found it quite easy to identify with this recognized pattern.

We are not emotionally attached to what we do. Now, when fruit and vegetables are not doing so good because people prefer to buy them in supermarkets, we look for new opportunities. It is the same with our ice cream. So, we have to do something to survive. Fast food may be a good choice and kebab is on its way everywhere. I know some guys who went into this and I spoke to them. They are willing to help with all the information. I will probably make this decision, too (Z., 45, fruits and vegetables, informant no. 5).

As noted earlier, Albanian entrepreneurs rely solely on the family as a source of support and advice in the start-up and later phases. This reliance on strong ties for business purposes also includes the workforce. Indeed, Albanian entrepreneurs almost exclusively employ their co-nationals. Very often, the employers organize the recruitment of the new labour force in their home village or town where the hope for a better future is limited. These men are ready to work for less money, and working several extra hours has never been a problem. It looks like the "imported" labour force harbours gratitude towards their employer for bringing them in and giving them the opportunity to earn a better life.

I bring all the workers from my village and from the area where my family is from. Those people are much more eager to work. They do not complain about 12 or 14-hour shifts during the season when the weather is suitable for our business. They live modestly, they do not drink and party, they send most of the money back home to their families. Of course, family members have the advantage over other people. Anyway, I only employ Albanians. I used to employ some people from Bosnia but we did not get along together very well (F., 47, construction, informant no. 12).

Albanian entrepreneurs in Slovenia rely on their community for sources of finance and for labour force. According to our fieldwork results, reliance on a co-ethnic workforce is a very strong indicator of business performance amongst Albanian SMEs. The question of trust and strong links often arose when interviewees tried to explain the decision to rely on the community as a labour market. EMBs are usually family businesses, incorporating wives and children who provide cheap, flexible and reliable labour. In the case of Albanian entrepreneurs in Slovenia, they do not emigrate to be unemployed. Setting up everything to start a business is a condition prior to emigration. Only one participant in the study, who is not Albanian, admitted to temporary employing part-time labour. Everybody else finds people of their own nationality to work in the community, or brings them from their home country or even from the diaspora from other, mostly Western European countries.

I do not know of any Albanian who would come to Slovenia by train with a plastic bag in his hand and hang around the places where you can be hired for a low-skilled job for a day or two. Everybody knows why he came and everybody has a place to stay. Our people organize everything (X., 54, new bakery shop-owner, informant no. 3).

Residing in enclaves is not the case for Albanian EMEs in Slovenia. They tend to assimilate culturally, probably with the vision that their children would stay in Slovenia. Although their mother tongue is non-Slavic, they tend to learn Slovene quickly. Albanians seem to feel no tension or pressures from the domestic (local) population and it appears as if they have managed to find their own way of co-habitation.

My father brought the family to Slovenia when I was very little. I remember we travelled back home quite often but I regard Slovenia as my home country. I went to Slovenian school and actually never felt I was a foreigner. My children go to school and have many Slovenian friends. I really love when my son brings in his friends for a hamburger. You know boys-teenagers, they are always hungry (J., 36, fast-food, informant no. 13).

The community plays an important role for Albanian entrepreneurs in Slovenia. Community and family provide bonding social capital, a workforce and financial support. Wives and children often work in the family business. Children mostly start to work early and are expected to work for the family business later on, with sons expected to carry on the business. As noted in the literature, bonding social capital can constrain further business diversification since the older generations have different views on how to run a business than their sons have.

I don't find it hard to let my children run the business on their own, but I am an old shark and I have been through a lot of challenges that almost destroyed me, so when I see my children go in the same way of destruction I stop them and show them the right way (B., 48, owner of upscale downtown coffee shops, informant no. 11).

I personally do not mind whether my children will continue with the business or not. I will be happy if I provide enough capital for them for a good start to their own lives, including business. But I do not pay much attention to the traditional family values when the business is discussed. This is probably because I grew up in Slovenia. I know several Albanian entrepreneurs who started on their own who believe that going on and continuing with the family business is the only legitimate career for their children. And I imagine those people would like to remain in their informal hands-on role even when they are formally out of the business. Yes, some Albanians are very traditional (A., 58, construction. informant no. 10).

Although the majority of business activities done by Albanian entrepreneurs cater to the mainstream market, two cases revealed that their major revenue streams come from the Albanian community and that they have almost no Slovenian customers, although they would not mind serving them, too. This finding is partly in concordance with the somewhat traditional findings on EMEs in the research literature according to which they mainly serve their own enclave/ethnic market (Greve, Salaf 2005). The statements of the two informants are given below to back up this finding.

I operate mostly from Slovenia to Kosovo and to Germany. I know that the passengers are mostly our people even if I do not ask anybody for his or her nationality. I somehow know. I hear the language they speak among themselves. They probably choose me because they hear from other Albanians that my service is reliable and my prices are reasonable (J., 42, bus transport, informant no. 1).

I operate a business registered in Slovenia. I transport concrete and other building materials to construction sites. My customers are mostly Albanian construction businesses in Slovenia. Why? I do not know. I haven't done any special marketing targeting them, but the good word of mouth obviously travels within the community (F., 48, truck transport, informant no. 14).

## Reasons for emigration and personal trajectories

Albanian entrepreneurs in Slovenia have come specifically to start businesses. Their arrival and welcome were prepared by members of the family already settled in Slovenia. There was not a single case in the field work of someone coming to Slovenia just to try his fortune. The business activity was planned well in advance leaving no space for ambiguity and lowering risk to minimum. A statement from one of the entrepreneurs depicts this situation, which appears to be consistent through all the cases:

Before I emigrated from Kosovo, times for my family were getting harder and harder. I was the only one with a proper job but was earning less than 200 euros a month, so we struggled from month to month. But I had cousins who already had businesses in Slovenia. They were telling me that I would not become rich but would be able to provide decently for my family. And they offered their help, both financial and advisory, so I made a decision one day (H., 36, fast-food restaurant, informant no. 13).

Concerning individual trajectories, there are generally two types of Albanian entrepreneurs. First, those with more traditional values would leave their wives and children back home and maybe bring them to Slovenia after a few years, in most cases when they feel the children are old enough to get partially involved in the business. Again, this confirms the family business nature of all businesses included in the research. This type of entrepreneur would plan to return home and enjoy their retirement in the place where they grew up. They often build themselves large houses while still active. In some cases their wives never even come to Slovenia and couples may live separately for 30 or more years. Cases of bigamy are apparently not that rare. However, the majority of Albanians are Muslims, and having more than one wife is allowed by the Koran if one earns enough to support them. As for the second group, they are entrepreneurs, mostly beyond the first generation, who live with their entire family in Slovenia and do not have any wish to return, although they might have lived in their home country as teenagers. The following statement of the second generation family business entrepreneur is given to confirm these findings:

I have really nice memories of the years I spent in our village. We had a nice house, did a little farming but not too much and my father would come from Slovenia every month, obviously bringing enough money to my mother that we were able to afford ourselves a decent life. I finished high school with the highest marks and played football in our local club, which almost broke through into the first Yugoslav league that year. I had a serious girl friend and we were dreaming about getting married. I was enrolled in the university to study law. However, one day at the end of summer, my father came from Slovenia and after one week we spent together he said: "Pack your stuff, you are coming with me." And so I went. I remember I was crying but in the Albanian tradition you do not argue with your father or discuss what is good for you and what is not. You just obey... It was the same with my two brothers, but my mother never made it to actually live with her husband. However, I have been now in Slovenia for almost 30 years. I go back "home" every year for a week but I normally shorten this stay. Slovenia is my children's home now and I cannot imagine going back (B., 48, owner of upscale downtown coffee shops, informant no. 11).

For the huge majority of issues discussed it can be said that the prevailing behaviour pattern was represented almost uniformly. This deviates from the findings on ethnic entrepreneurship in the mostly Anglo-American literature (Engelen 2001) which, it needs to be emphasized, have been collected and analyzed in different economic and social environments. Thus it can be concluded that ethnic entrepreneurship is a phenomenon which calls for redefinition and new explanations.

## **CONCLUSIONS**

The research of ethnic minority entrepreneurs and entrepreneurship has received scant attention in the academic literature. While the majority of academic research on this topic has been done in traditional immigrant destinations like the UK and US, this study focuses on an ethnic minority establishing businesses within an immigrant context in a transitional economy which only recently became a member of the EU. The findings were drawn from interviews with members of the Albanian minority community who have established businesses in Slovenia.

The presence of Albanian nationals, who are in many cases also entrepreneurs or working for those entrepreneurs in Slovenia, has lasted for several decades and as such they have traditionally operated

certain small businesses and mainly employed people of their own nationality. However, the case studies revealed some new information about these entrepreneurs. Our findings highlight a series of specific issues concerning the entrepreneurial behaviours of this population which usually differentiate from those which may be significant for other ethnic based entrepreneurship settings in other countries and environments. As such, these findings have also contributed to debates in the professional and scientific literature.

First, the immigrant entrepreneurs actually do not seek and demand a higher level of assistance, because they rely more on their ethnic community for support. Nevertheless, the EMEs are resourceful and prospering in Slovenia and there is no evidence of necessity-type entrepreneurship or self-employment because of having no other option to earn a living. Albanian entrepreneurs in Slovenia tend to use bonding social capital, and thus raise finances from close networks such as family or relatives. The family bonds are very important and the matter of trust for wise support and advice on business matters is dependent on family values and respect for elders. In this sense it may seem obvious to conclude that in all the researched case studies the entrepreneurs recognized themselves as family businesses.

Although policies to support ethnic minorities in their business efforts are often discussed in academic research, there is nothing much to say regarding this in Slovenia. It is still an issue for policymakers to address this lack of knowledge of institutions of support in order to alleviate survival strategies. However, the Slovenian government and its institutions, which have a mission to support SMEs, have so far not recognized ethnic entrepreneurship as an important issue or a societal problem. This is most certainly also because it can be anecdotally concluded that the most numerous ethnic businesses are Albanian ones, which, as one can conclude from this paper, are pretty much self-sustaining, or in other words, the Albanian nationals do not represent an unemployment problem and related social cost to the Slovenian economy and society.

Second, apart from the traditional findings in ethnic minority entrepreneurship according to which individuals start their own businesses in order to resolve their unemployment issues, the Albanians are usually motivated by pull factors, and a realistic opportunity is very frequently the reason to immigrate to Slovenia. Also in this case, a firm reliance on family and community support is of huge importance. Necessity entrepreneurship is not found in the Albanian community in Slovenia.

Third, in contrast to the majority of ethnic businesses found in the research literature, which normally start serving a niche market in their communities and later diversify in order to access mainstream customers, Albanians in Slovenia are not positioned in any sort of enclaves, and thus serving the mainstream market is their only option. Generally, Albanians may have neither the tendency nor the opportunity to rely solely on their own community as a market. Albanian entrepreneurs were assisted in migrating to Slovenia by their family and businesses that were ready to start up. This emphasizes again the reliance of the Albanian entrepreneurs on strong family ties and social capital which is mostly of (extended) family origin. Despite this, there were two cases which do the majority of their business with other members of the Albanian community and their business activity is somehow more embedded in that community.

Finally, regarding personal trajectories, Albanians maintain strong ties with their home country. Very often, they leave their families behind and send provisions to them. This enables them to devote themselves fully to launching the new venture. When the business is successful, their families usually follow them to Slovenia. Very often, they also recruit their workforce from their hometowns and in several cases, those employees are not chosen for their skills, knowledge and references, but their involvement is based on membership in the extended family.

The answers to the six research questions can be summarized as follows. (1) Regarding the trajectories of immigrants becoming entrepreneurs, it can be concluded that there are two types: those who inherited and continued family businesses established by older generations and those who actually come to Slovenia with the perceived opportunity to start a business. (2) Thus, the reasons behind the decisions to start businesses are almost entirely opportunity driven; there were no necessity driven

start-ups revealed. (3) The main difficulties faced by immigrant entrepreneurs at the start-up phase do not appear to be different in any way from normal start-up barriers connected to market and financial resources, where finances are apparently quite readily available through ethnic community-based networks and extended families. (4) Thus, immigrant entrepreneurs have access to local institutions and sources of support, but seldom take advantage of them. (5) Therefore, the role of the community of co-nationals seems to be crucial, not as the primary market but more as a source of informal financial support and advice. (6) In contrast with immigrant entrepreneurs' strategies elsewhere, where they in many cases predominantly serve their ethnic community market, the Albanian entrepreneurs in Slovenia predominantly supply the mainstream economy.

This study is, as far as the author is aware, the first attempt to understand immigrant entrepreneurs in a transitional economy which is emerging as a country which offers numerous opportunities. As such, unlike traditional approaches into research of immigrant entrepreneurship which go into investigation of self-employment and necessity entrepreneurship, the case of Albanian entrepreneurs in Slovenia is about people who actually emigrate to Slovenia with the intention not to seek for a job (the traditional reason for economic emigration) but to start a business. As far as the author knows, this is so far a unique example of opportunity-driven immigration entrepreneurship. As such, it deserves attention of the professional and academic audience and represents a possible new, untraditional approach to ethnic entrepreneurship.

The limitations of this particular study include insufficient reference to other research and, on the contrary, often relying on anecdotal data which "everybody knows is correct" but never scientifically proved or confirmed. The sole reason for this is that there is simply no hard data available on the research topic. Thus, a need for more in-depth research which also addresses quantitative issues is needed and remains an important challenge for future research.

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