

Innovation among migrant entrepreneurs

Case of Brescia, Italy

Research Project by

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Unpacking the blackbox of innovation

- Theories point out to a close relationship between entrepreneurship and innovation (Schumpeter 1947, Rogers 2003, Baumol 2010, Ramella 2015)
- Entrepreneurship as the added value of a product by introducing a novelty
- Innovation is an inherent characteristic of entrepreneurs as they become the economic engine for the development and improvement of their societies.
- Entrepreneur \neq Manager ; but coincidental roles in SME
- Measures of innovation: product, process, organisation and marketing
- Patents and scientific articles are one of the expressions.

Innovation of migrant entrepreneurs

- Migration as human mobility across national borders
 - Outsiders incorporating into a social group (levels: urban, regional, national)
 - Outsiders might bring a novelty (i.e. ethnic/exotic)
- How easy does this novelty diffuses as an economic improvement to a local products or practice.
- Interactive model: individual characteristics and social context.
 - Plus: focus on “service” as outcome

Social Context of Brescia

- Local institutions: aim for technology-oriented improvements and to secure start-ups from young and highly skilled people.
- Social conditions: fierce competition with locals and large presence in the city centre
- Economic situation: mixed signs of expansion in services but contraction in trade and manufacturing

Research questions

- How do migrant entrepreneurs rate themselves in terms of innovation?
- Which are the personal characteristics of migrant entrepreneurs?
- Which are the conditions of the social context?
- Which are the sources of innovative business ideas?

Methodology Design

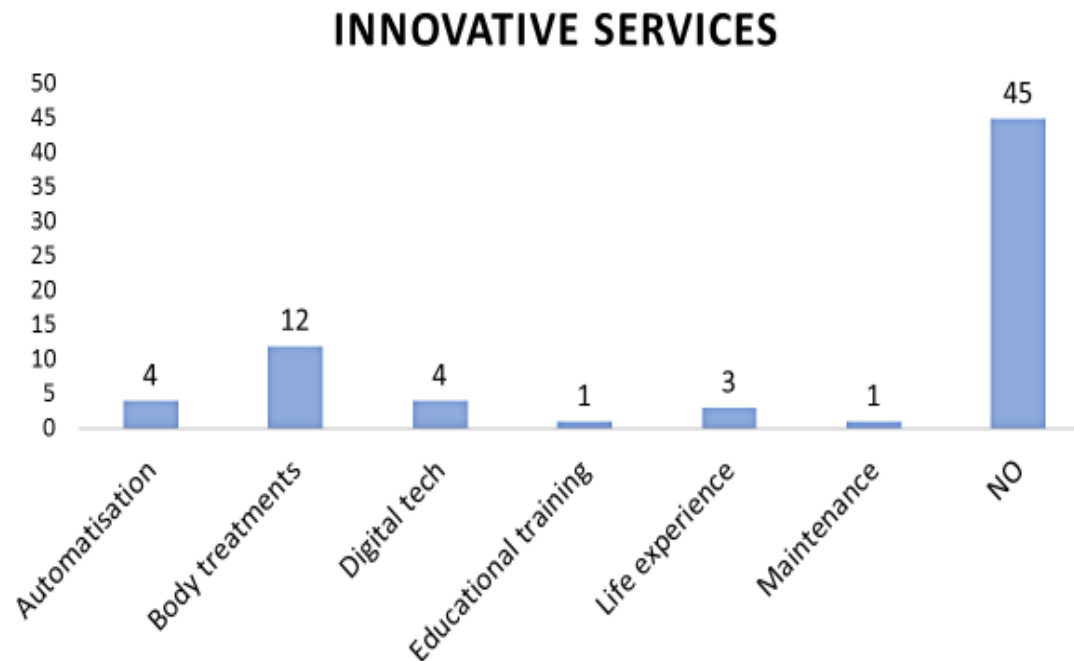
- Data collection defined the terms:
 - Migrants as first generation
 - Businesses as SME
 - Innovation as new services or new goods in the local market
- Financial support of the Fondazione Roberto Franceschi Onlus and the NASP PhD Program of UNIMI-UNIBS
- Design of Questions was based on Community Innovation Survey ([EUROSTAT](#)), reviewed by supervisors and ESLS faculty
- Collection of empirical data:
 - Database from Chamber of Commerce of Brescia
 - 76 random respondents for interviews
 - Open-ended questions and Likert-scale questions
 - Network questions about business connections.
- SME are from services like: consultancy, support to companies, cleaning, education, personal care.

Overview of migrant entrepreneurs in Brescia

Economic Activity	Country of birth				Total of partners
	Italian	%	Foreign	%	
Industry and Construction	673	96,7%	23	3,3%	696
Fabrication of machinery and similar	185	96,4%	7	3,6%	192
Commerce, transport, accommodation and restaurants	365	96,8%	12	3,2%	377
Production of software and informatics	1.592	95,8%	70	4,2%	1.662
Preparation of data, hosting and web portals	356	95,7%	16	4,3%	372
Activities of consultancy	138	97,9%	3	2,1%	141
Activities in studios of engineering and technical studios	161	97,0%	5	3,0%	166
Scientific research and development	917	95,3%	45	4,7%	962
Activities of specialized design	53	100,0%	-	0,0%	53
Other professional, scientific and technical activities	231	97,1%	7	2,9%	238
Other services	582	95,9%	25	4,1%	607
Total	5.253	96,1%	213	3,9%	5.466

data based on a report of ISTAT referring to active start-ups of 2013

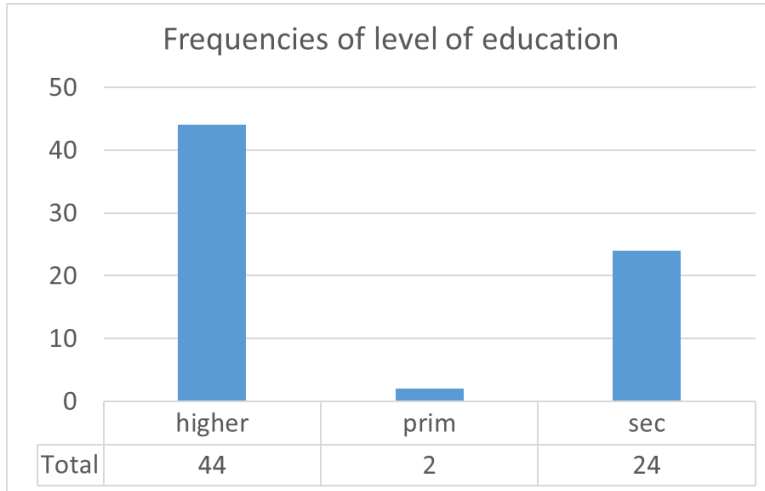
Innovation in services provided by migrant entrepreneurs?



Data from 70 interviews

Services are usually described as a combination of something known for the Italian customer and as something new based on their work experience

Personal characteristics of migrant entrepreneurs in Brescia



- Informal funding from friend and family
- Use of digital channels of technology
- Belonging to groups of sport and religion
- Mixed-networks with people of the same nationality and Italians

Channels of diffusion of business ideas



Business connections

- Average is 4 business connections per each migrant entrepreneurs (min of 1 and max of 11).
- The ego-networks are densely connected
- The larger the number of alters, then there is a tendency to reduce the density
- Innovative entrepreneurs show a density of 0.70; while non-innovative entrepreneurs show density of 0.59.

Conclusions

- Mix of factors coming from the individual characteristics of entrepreneurs and the conditions of the receiving society.
- SME competing in specific niches of the local market, but with a combination of human, social and financial capital that is used to introduce new services.
- High skills in terms of education and work experiences combines with few sources of funding and with similar social capital; plus the local context does not create conditions to benefit from migration-related diversity.

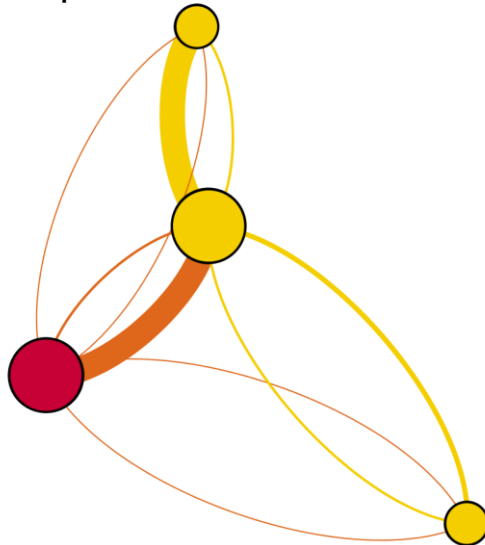
Thank you for your attention
and your comments

Ideal types for innovation related to migration

Ideal Case 1: Spanish Archeologist

Low innovation

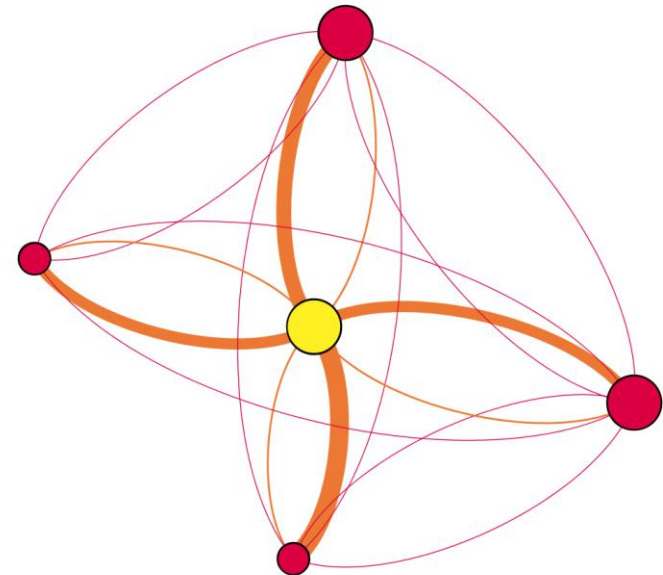
- Service: Risk evaluation in construction / Excavations for Metro in Brescia / Roman excavations in Lombardy
- Funding from projects commissioned by public institutions
- Language acquired during studies
- Training in Italy
- Member of cooperative



Ideal Case 2: French Web designer

High Innovation

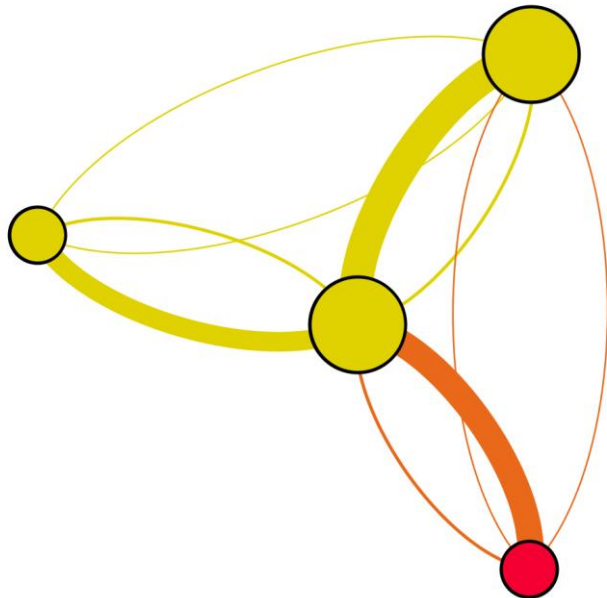
- Service: Design of websites and design of flags. Worldwide shipping
- Funding from private contracts
- Language acquired by study and work
- Work experience in Italy
- Italian contacts



Ideal types for innovation related to migration

Ideal Case 3: Russian Hair Stylist High Innovation

- Service: Life experience / style and fashion + Goods from Russia
- Funding from partner and own savings
- Language acquired from stay in IT
- Transfer of skills from Russia
- Connected with Russian coethnics and family plus high online activity



Ideal Case 4: Egyptian Travel Agent Low Innovation

- Service: tourist packages, flights and hotels
- Funding from own savings / clients
- Language acquired in Italy
- No experience in this work
- Member of religious group

