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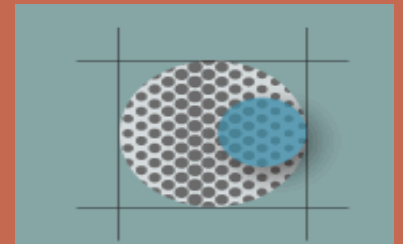
# EMERGING ETHNIC ECONOMIES AT TIMES OF CRISIS

socio-economic and spatial dimensions  
of migrants' entrepreneurship in Athens

28 January 2014

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# THE STUDY

## ■ Research Project

- Emerging ethnic economies at times of crisis: socio-economic and spatial dimensions of migrant entrepreneurship in Athens
- Funded by the Hellenic Observatory (HO Call 1/2011), March 2012 – April 2013
- Together with colleague Dr Yiannis Frangopoulos

## ■ Aims

- To explore the trends, dimensions & types of migrant ventures in Athens in times of crisis
- To investigate the emergence of ethnic economies on the urban space & the ways these are inscribed in the everyday landscapes of specific neighbourhoods

## ■ Research Questions

- What are the determinants of migrant/ethnic entrepreneurship in Greece?
- How do these relate to the incorporation of individual immigrant entrepreneurs, & what do they tell us about the settlement process of their communities at large?
- Is there enough evidence on the formation of ethnic economies, & how does this relate to business location & residential concentrations of immigrant communities?
- How do immigrant businesses cope with Greek policies & regulations, with social stances at the local level, with the deepening economic crisis in the country?

# MIGRANT ENTREPRENEURSHIP: THEORY

## ■ Supply side perspectives / 'Cultural' explanations' (groups)

### ■ Ethnocultural factors

- Max Weber: protestantism & capitalism
- middleman minorities (Bonacich 1973)

### ■ Resources

- Individual: e.g. human capital (neoclassical economics) (e.g. Bates & Dunham 1993)
- Collective: social networks & social capital (e.g. Portes 1995)

## ■ Demand side / 'Structural' explanations (context)

### ■ 'negative' conditions

- 'blocked' opportunities, disadvantaged position in labour market

### ■ 'positive' factors

- Ethnic markets & market niches

## ■ Integrated approaches

### ■ Ethnic enclaves

(Wilson & Portes 1980, Zhou 1992)

### ■ The 'interactive' model

(Waldinger et al 1990)

### ■ Ethnic economies

(Light & Gold 2000)

### ■ 'Mixed embeddedness'

(Kloosterman & Rath 2001;2003)

# TYPOLOGIES & ANALYTICAL FRAMEWORK

## ■ Typologies of migrant entrepreneurship

- sojourning middleman minorities
- disadvantaged/survival entrepreneurs
- 'value' entrepreneurs
- transnational entrepreneurs

## ■ Problems of definition & comparison

- Where is 'entrepreneurship' in ethnic entrepreneurship? (Aldrich & Waldinger 1990)
  - Risk & innovation
- What is 'ethnic' in ethnic entrepreneurship? (Pecoud 2005; 2012)
  - Diversity, social mobility, gender, group boundaries, institutional/political context

## ■ The importance of history & context

- USA
  - social mobility, assimilation & the 'American dream'
  - market-oriented environment
- Europe:
  - economic crisis following the 1970s 'oil shocks'
  - regulatory frameworks & the welfare state

# MIGRANT ENTREPRENEURSHIP, SPACE & PLACE

## ■ Ethnic enclaves

- Localities concentrating economic activity of specific migrant groups
- Residential congregations
- 'corridors of social mobility

## ■ Opportunity structures, business strategies & spatial scale of activities

- Areas of high concentrations: opportunities for first-entry markets with low specialisation
- Growing specialisation: niche markets & ethnic economic enclaves
- Beyond the enclave: middlemen markets to the wider public
- Integration in the mainstream economy: economic assimilation

## ■ Ethnic economies

- Centres of community life, points of reference
- Spaces of socialisation, group solidarity & identity maintenance

## ■ Mixed embeddedness

- Multiple geographical scales: national, regional-urban, local-neighbourhood

## ■ ethnic entrepreneurship & urban development

- Revitalisation of urban space (Lo et al., 2001, Sepulveda et al., 2006).
- Gentrification/ regeneration for tourism & consumption (Lin, 1997, Shaw et al., 2004, Rath, 2007)

# METHODOLOGY

## ■ Background research

- Literature review
- Secondary data

## ■ Fieldwork in Athens

- Exploratory phase
  - Ethnographic 'mapping'
  - Street selection and preliminary contacts
- Extensive phase

- Micro-census of street-level shops and businesses: 128 (M 63, N 65)
- In-depth interviews with migrant entrepreneurs (15+6)

## ■ Looking at neighbourhoods, rather than groups

- Ambelokipoi: NE of Athens Municipality; hub to the northern suburbs; mixed uses; moderate presence of migrants
- Kypseli: N of central Athens; densely populated; declining native population; mixed uses; high concentrations of migrants; diversity
- Metaxourgeio: SW of central Athens; working class neighbourhood; high migrant presence; gentrification trends; clustering of specific activities
- Beyond 'paradigmatic' cases

## ■ Comparing migrants & natives

neighbourhood	migrant	native	Total
Kypseli	23	20	43
Metaxourgeio	20	21	41
Ambelokipoi	20	24	44
Total	63	65	128

# MIGRANT ENTREPRENEURSHIP IN GREECE

## ■ The case of Greece

- High rates of self-employment
- Small family business
- Limited self-employment among migrants

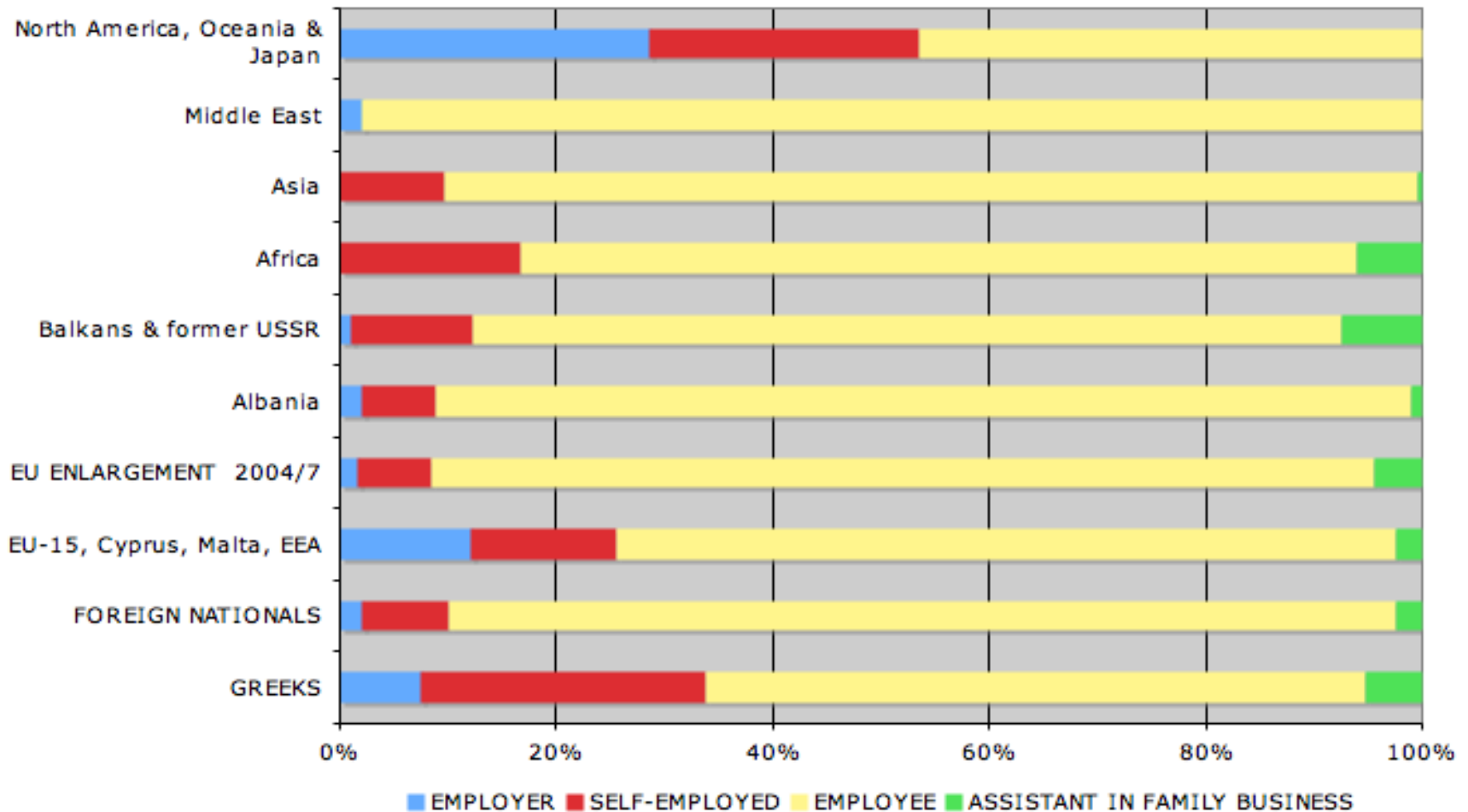
## ■ Research on migrant entrepreneurship

- State policies & measures promoting entrepreneurship
- Entrepreneurship as a survival strategy
- Entrepreneurship as a move towards autonomy & family integration strategies
- Profile of migrant entrepreneurs, human & financial capital
- Motives & aspirations of migrant entrepreneurs,
- Business activities & strategies & the role of social networks
- Typologies of migrant entrepreneurship

Mestheneos 2000; Lazaridis & Koumandraki 2003; Serderakis *et al.* 2003; Kolios 2004; Lianos & Psiridou 2006; Liapis 2006; Mavromatis 2006; Piperopoulos & Ikonou 2007; Labrianidis & Hatziprokopiou 2008; Hatziprokopiou 2008; Halkias *et al.*, 2009a;b; Labrianidis & Hatziprokopiou 2010; Piperopoulos 2010; van Helssum, 2010; Tsardanidis & Christodoulidou 2010; Petronoti 2010; 2012; Antonopoulos *et al* 2011; Polyzou 2011; Liargovas & Skandalis 2012; Skandalis 2012; Halkias 2013; Hatziprokopiou & Frangopoulos 2013.

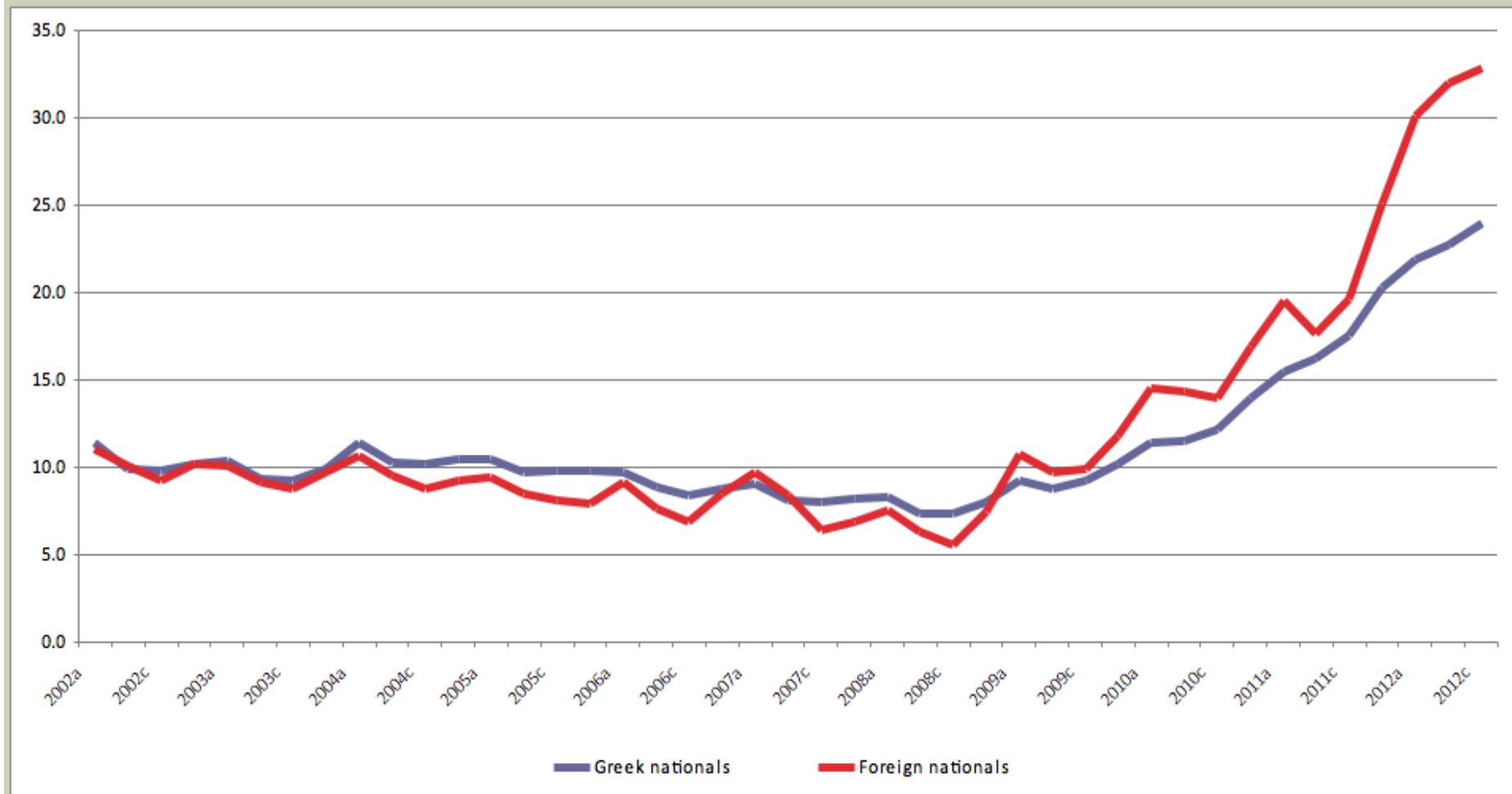
- Part & parcel with the dynamics of migrants's settlement & incorporation
- Impact of the crisis & its 'side-effects'

## employment status (LFS 2012 3<sup>rd</sup>)

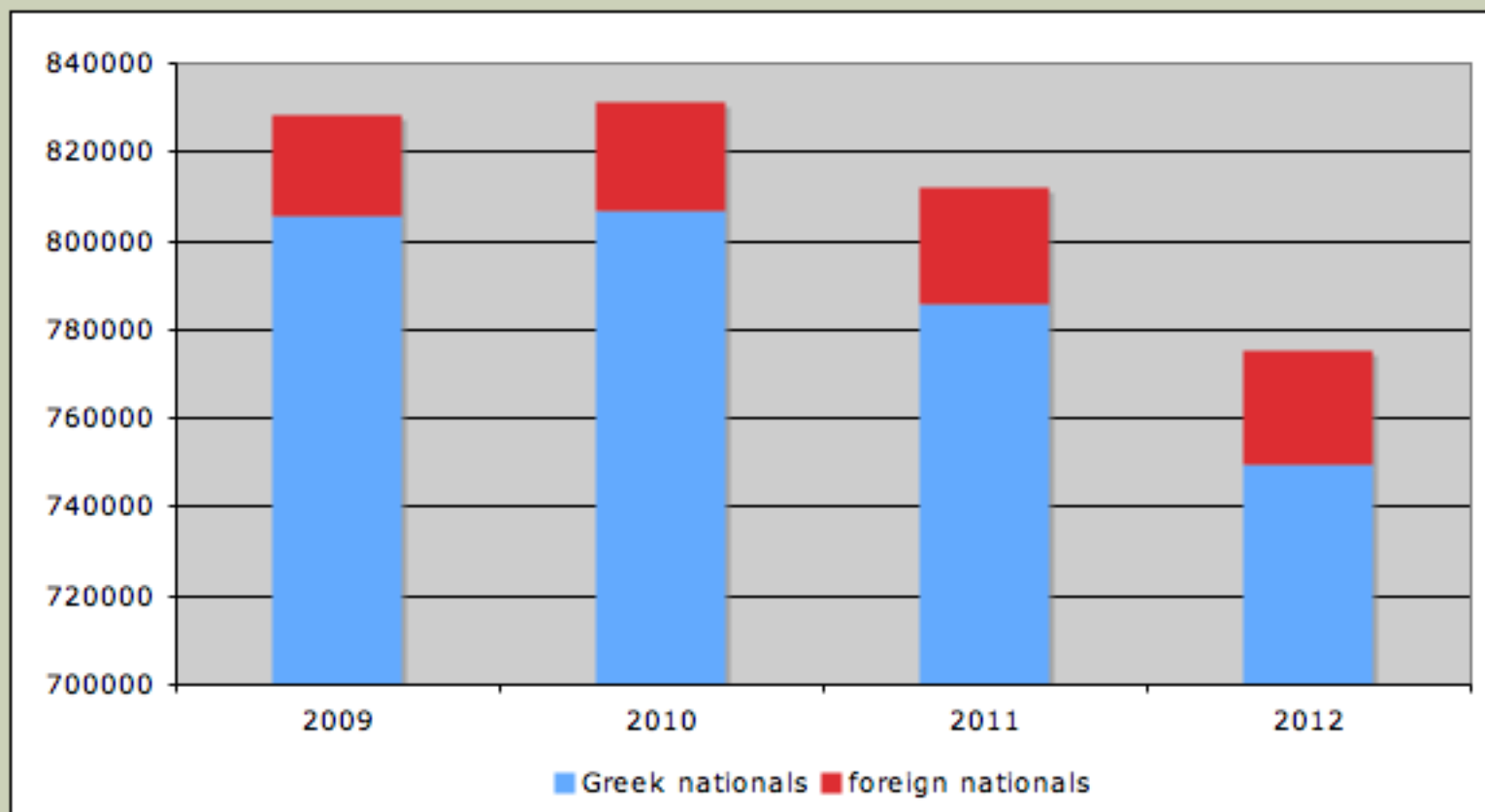




## unemployment (LFS 2002 - 2012 )



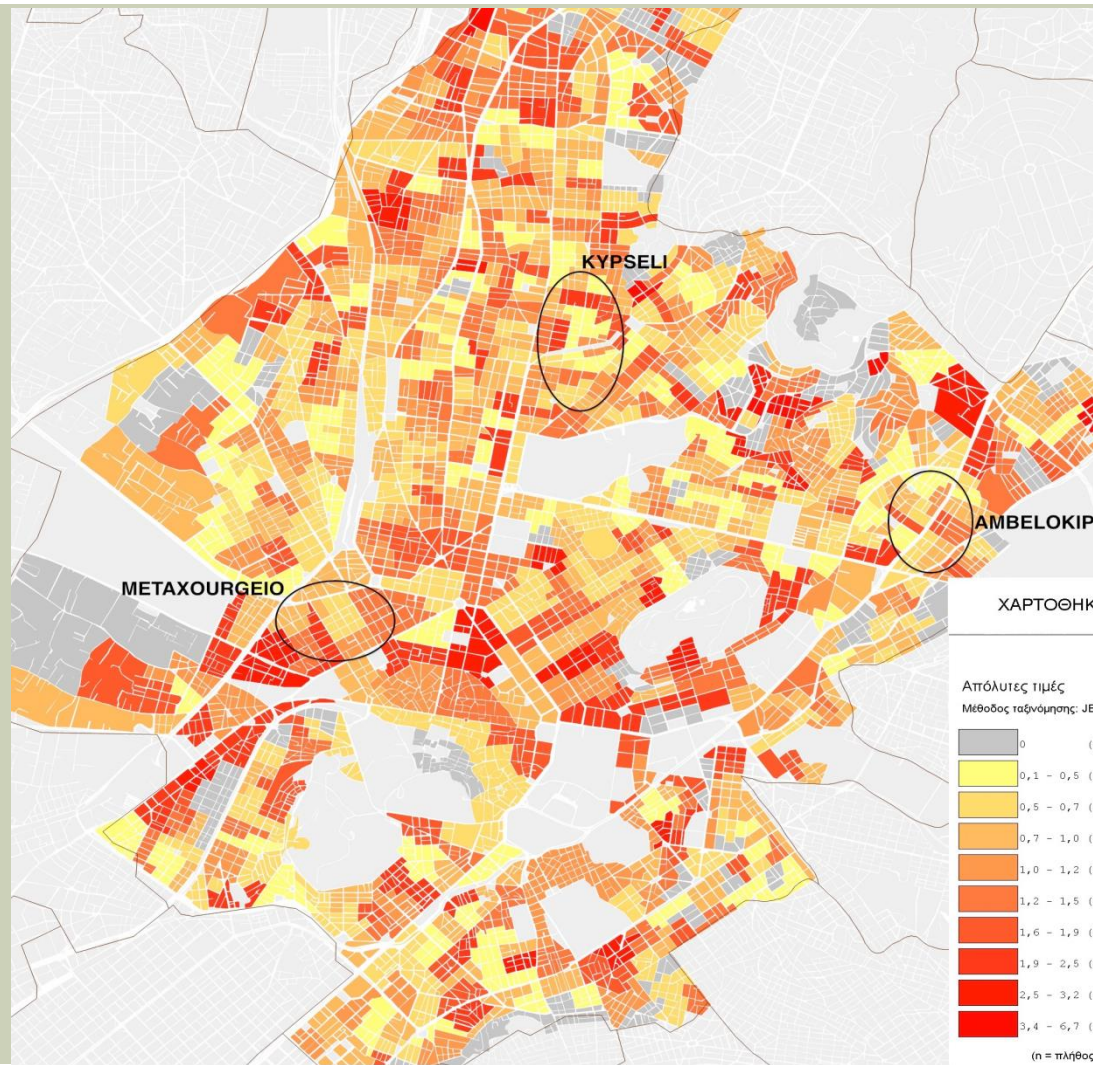
## insured as self-employed (OAE 2009 - 2012)



## Foreign nationals at the Athens Chamber of Commerce & Industry (ACCI 2008-2012)

	Annual growth rates				2012	
	2008-09	2009-10	2010-11	2011-12	N	%
<b>Total</b>	<b>4,6</b>	<b>4,6</b>	<b>4,2</b>	<b>2,5</b>	<b>171,203</b>	<b>100</b>
<b>foreign nationals</b>	5.6	5.1	3.9	2.3	13,246	7.7
<b>N. America, Oceania &amp; Japan</b>	3.4	1.8	0.8	1	884	6.7
<b>EU-15 &amp; EEA</b>	5.8	3.1	4.9	1.3	5,333	40.3
<b>CYPRUS</b>	4.2	3.4	2.3	1.8	1,968	14.9
<b>EU enlargement 2004/2007</b>	11.1	11.3	15.8	5.2	586	4.4
<b>Other Foreign Nationals</b>	5.9	8.6	2.7	3.8	4,475	33.8
<i><b>Albania</b></i>	7.7	10.1	8.2	3.9	948	7.2
<i><b>Turkey</b></i>	4.8	3.2	4.4	3.3	413	3.1
<i><b>China</b></i>	5.1	1.9	3	2.5	286	2.2
<i><b>Syria</b></i>	13	-9.9	2.3	1.7	179	1.4
<i><b>Egypt</b></i>	3.7	2.8	3.4	2	153	1.2
<i><b>Russia</b></i>	9.8	10.9	13.4	4.7	133	1
<i><b>Pakistan</b></i>	8.6	10.9	10.7	4.8	130	1
<i><b>Other</b></i>	7.1	5.2	6.4	3.4	4,030	16.9

# THE CITY & THE NEIGHBOURHOODS

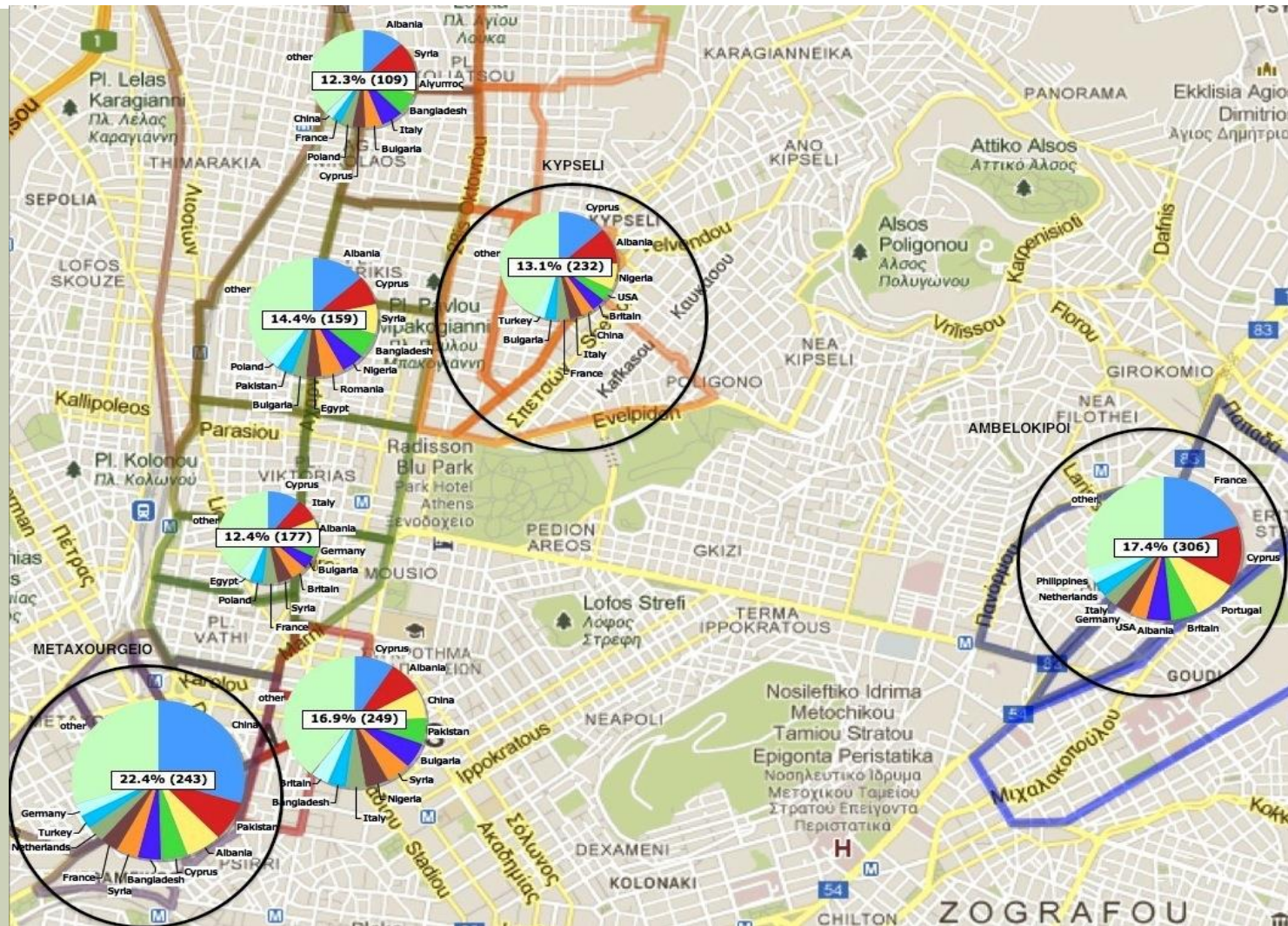


# THE CITY & THE NEIGHBOURHOODS

	<b>ATHENS</b>	<b>Kypseli</b>	<b>Ambelokipoi</b>	<b>Metaxourgeio</b>
<b>GREEK NATIONALS</b>				
employer	<b>13,3</b>	12,6	12,3	11,8
self-employed	<b>14,0</b>	15,6	13,1	14,8
paid employee	<b>71,9</b>	70,8	73,8	72,3
assistants in family business	<b>0,8</b>	1,0	0,8	1,1
<b>FOREIGN NATIONALS</b>				
employer	<b>2,9</b>	1,9	2,2	2,9
self-employed	<b>9,0</b>	10,2	6,5	10,3
paid employee	<b>87,6</b>	87,6	90,8	86,4
assistants in family business	<b>0,4</b>	0,3	0,5	0,4



# THE CITY & THE NEIGHBOURHOODS



# PROFILE: ENTREPRENEURS

	Migrants	Natives
<b>Gender</b>		
Men	74.6	72.3
Women	25.4	27.7
<b>age group</b>		
21-30	8.8	5.4
31-40	38.6	32.1
41-50	36.8	28.6
51-60	15.8	17.9
>60	0.0	16.1
Total valid (N)	57	56
missing data (%)	9.5	13.8
<b>family status</b>		
Single	14.3	26.2
married to a Greek	6.3	66.2
married to a coethnic	58.7	1.5
married to someone of a different nationality	6.3	1.5
divorced/widowed	14.3	6.2
have children (by gender)	73.0	64.6
<b>TOTAL (N)</b>	<b>63</b>	<b>65</b>

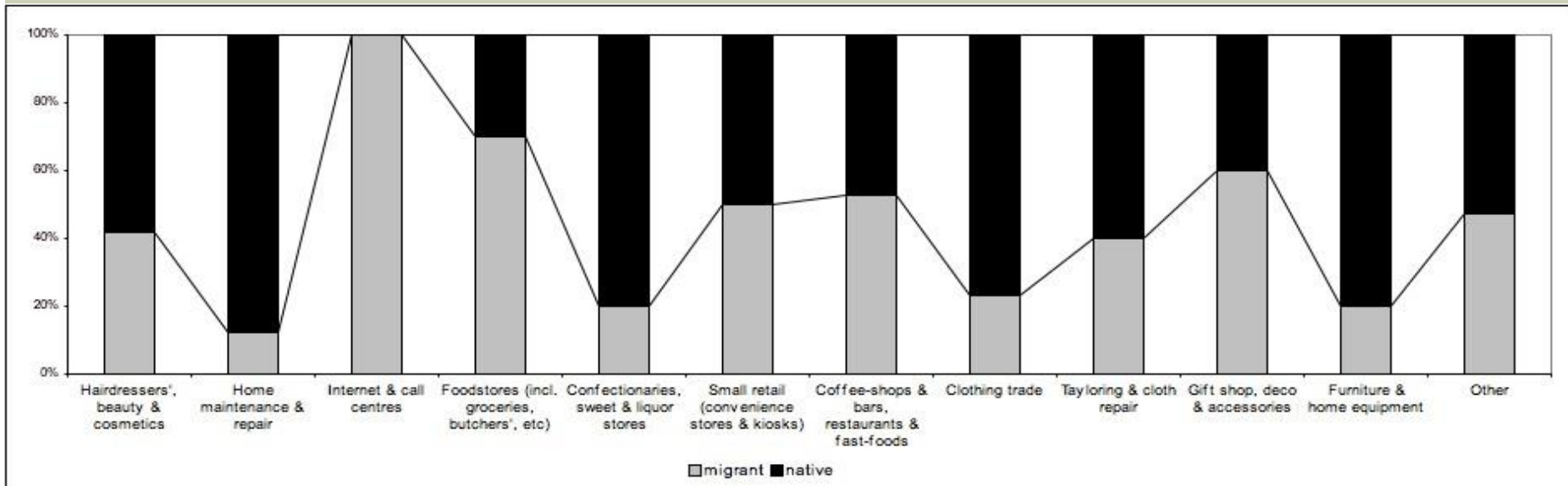
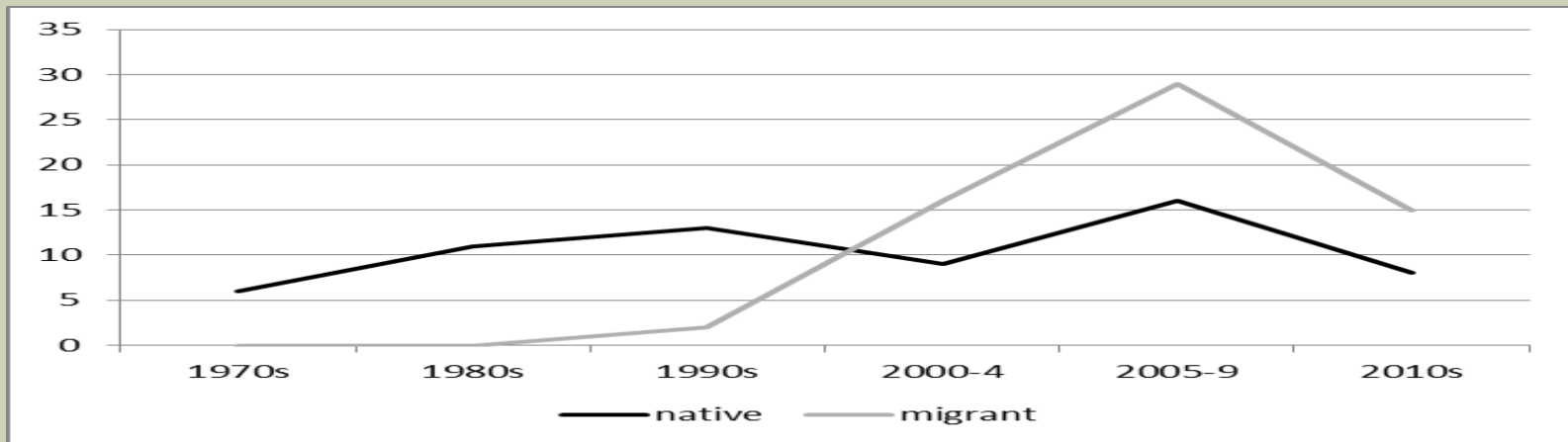
	Migrants	Natives
<b>Education</b>		
Primary	5	11.3
3years secondary	8.3	9.7
6-years secondary	38.3	38.7
technical/professional secondary	5	11.3
technical/professional post-secondary	11.7	12.9
University/Polytechnic	31.7	16.1
<i>education specialism relevant to business activity</i>	<i>7.9</i>	<i>24.6</i>
<b>previous occupation</b>		
paid employee, same or similar activity	21.7	21.0
paid employee, different activity	38.3	21.0
own business, same or similar activity	20.0	27.4
own business, different activity	11.7	12.9
pupil or student	6.7	12.9
Unemployed	1.7	4.8
<b>Total valid (N)</b>	<b>60</b>	<b>62</b>
<b>missing data</b>	<b>4.8</b>	<b>4.6</b>

# PROFILE: MIGRANTS

<b>COUNTRY OF ORIGIN</b>	<b>Kypseli</b>	<b>Metaxourgeio</b>	<b>Ambelokipoi</b>	<b>total</b>
EGYPT	2	4	3	9
ALBANIA	4	2	2	8
PAKISTAN	6	1	1	8
SS AFRICA	6	1	1	8
IRAQ	0	6	0	6
CHINA	0	5	0	5
PHILIPPINES	0	0	5	5
EU ENLARGEMENT	3	0	1	4
FORMER USSR	1	0	1	2
OTHER	1	1	6	8
TOTAL	23	20	20	63



# PROFILE: VENTURES



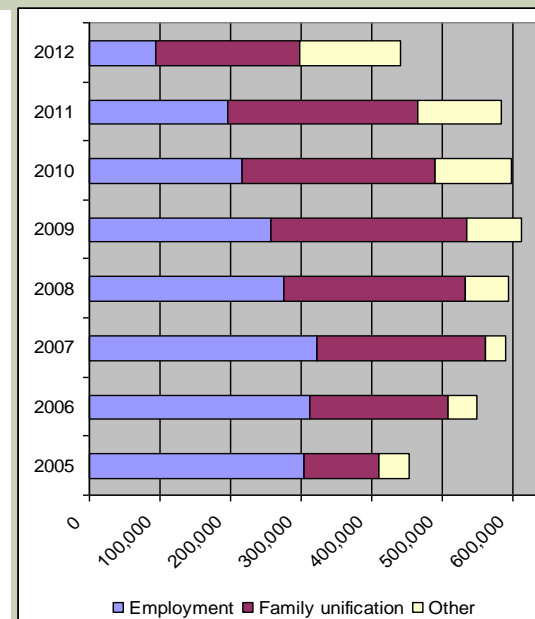
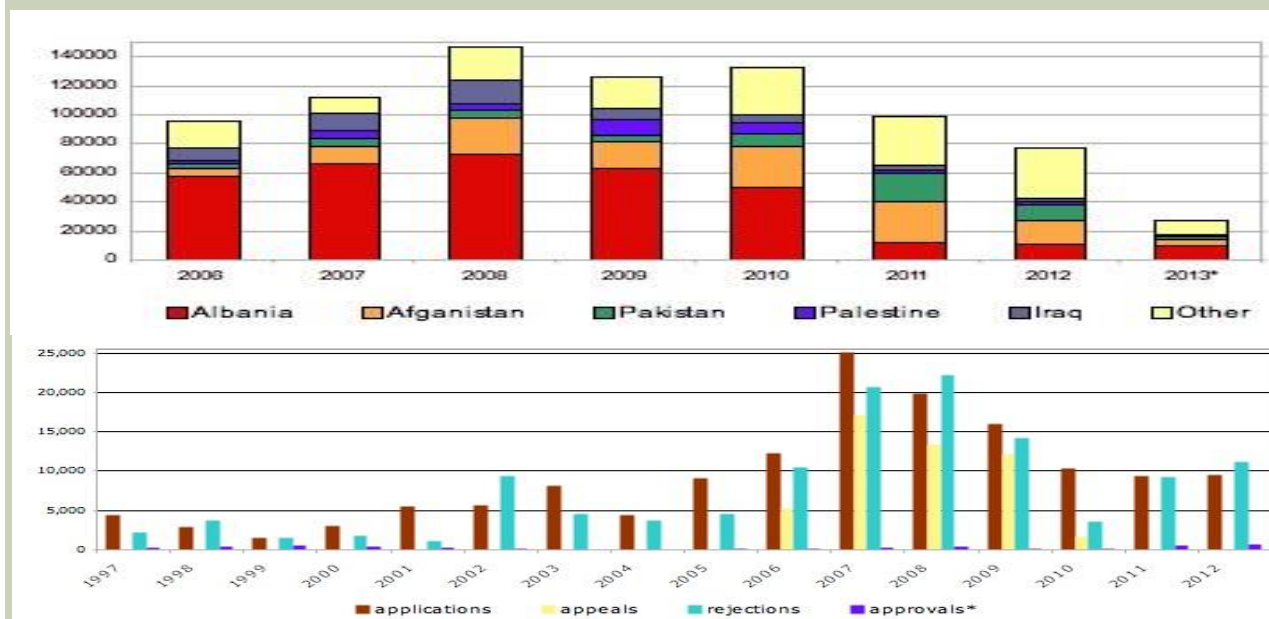
# 1. MIGRATORY TRENDS & GREEK IMMIGRATION POLICY

## Immigration to Greece

- 'mass' migration: early 1990s → Albania & Balkans; ethnic migrations (ex USSR)
- Late 1990s-2000s: Asia & Africa; since 2006: transit & asylum

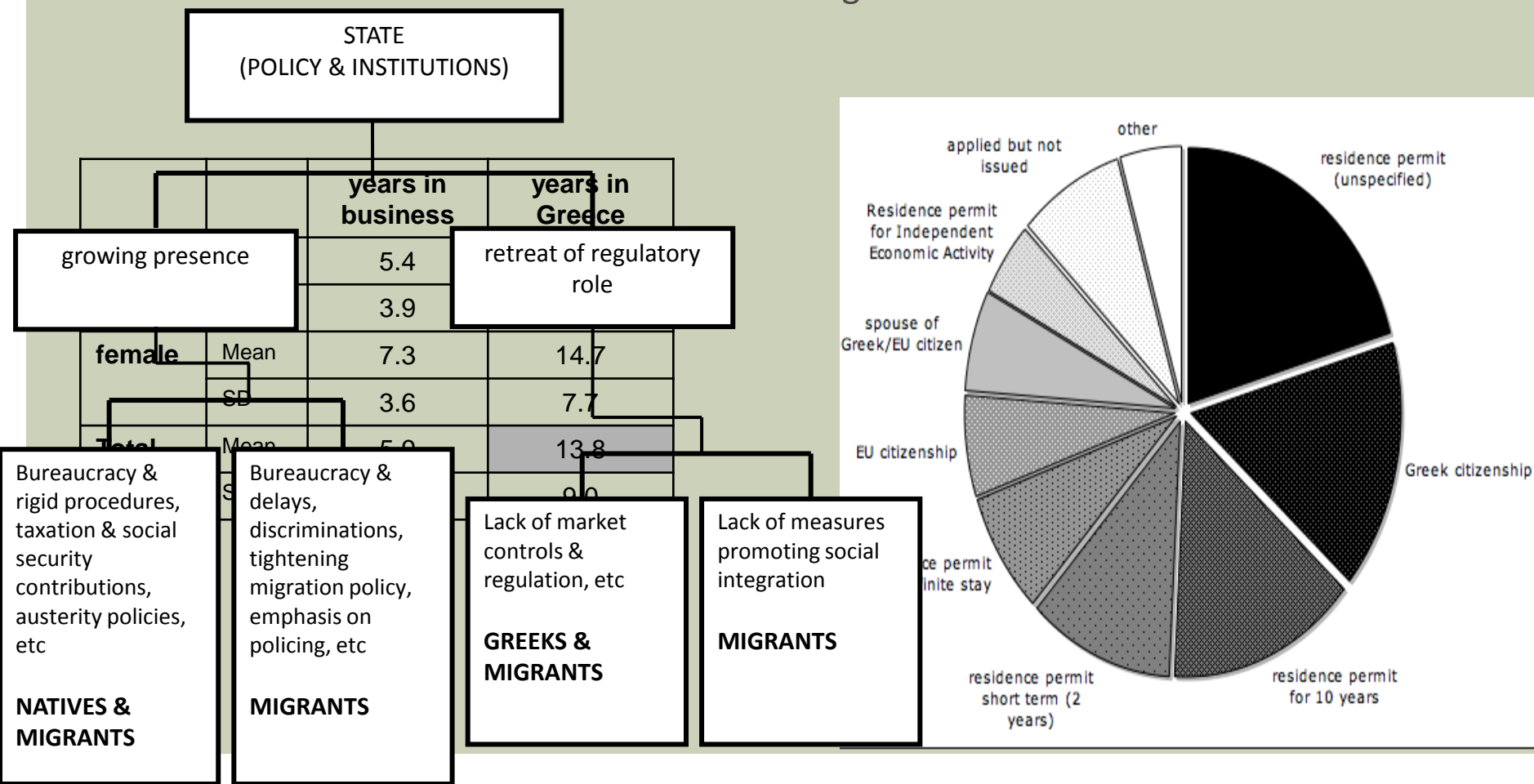
## Shortcomings of Greek immigration policy

- Fragmented legal framework; bureaucratic procedures & delays
- limited access to long term status & citizenship; stay linked to (paid) employment
- failed asylum system & incapacity to manage transit flows
- Overwhelming focus on border control at the expense of a coherent integration strategy



# 1. MIGRATORY TRENDS & GREEK IMMIGRATION POLICY

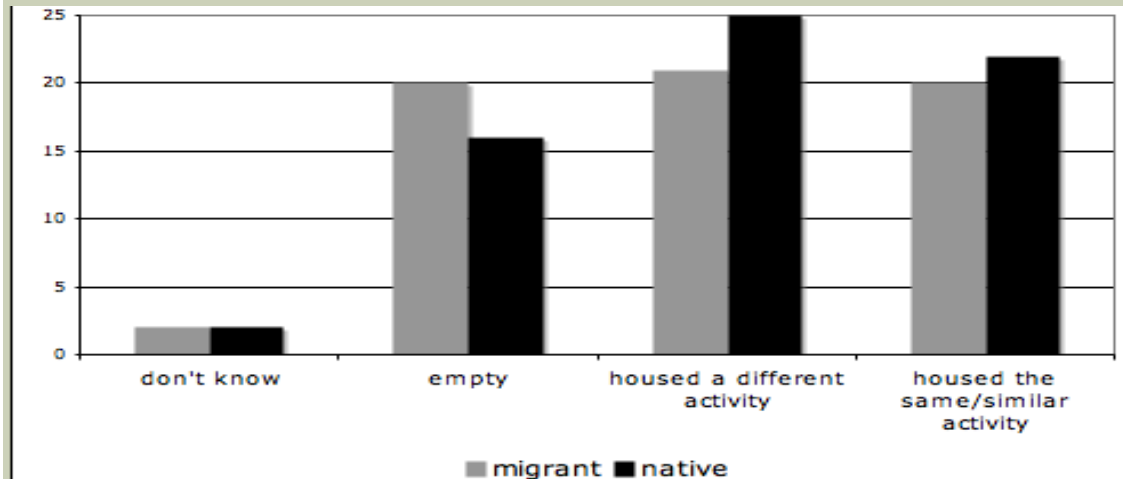
- Long-term settlement & stable legal status essential
- Institutional barriers & 'dual burden' on migrants



## 2. SHIFTING URBAN GEOGRAPHIES IN ATHENS

- Athens' transforming urban geography
- Housing 'gap' filled by migrants
- From social 'mix' to spatial inequality
- Retreat of the state & private investment
- Devaluation, downgrading, criminality
- Public discourse on 'ghettos'

Neighbourhood	area of residence same as area of business location		thinking of relocating business elsewhere	
	migrants	natives	Migrants	Natives
<i>Kypseli</i>	18 (78.3%)	12 (60%)	2	5
<i>Metaxourgeio</i>	12 (60%)	10 (47.6%)	1	2
<i>Ambelokipoi</i>	13 (65%)	12 (50%)	3	6
<b>TOTAL</b>	68.30%	54.00%	6 (9.5%)	13 (20.6%)

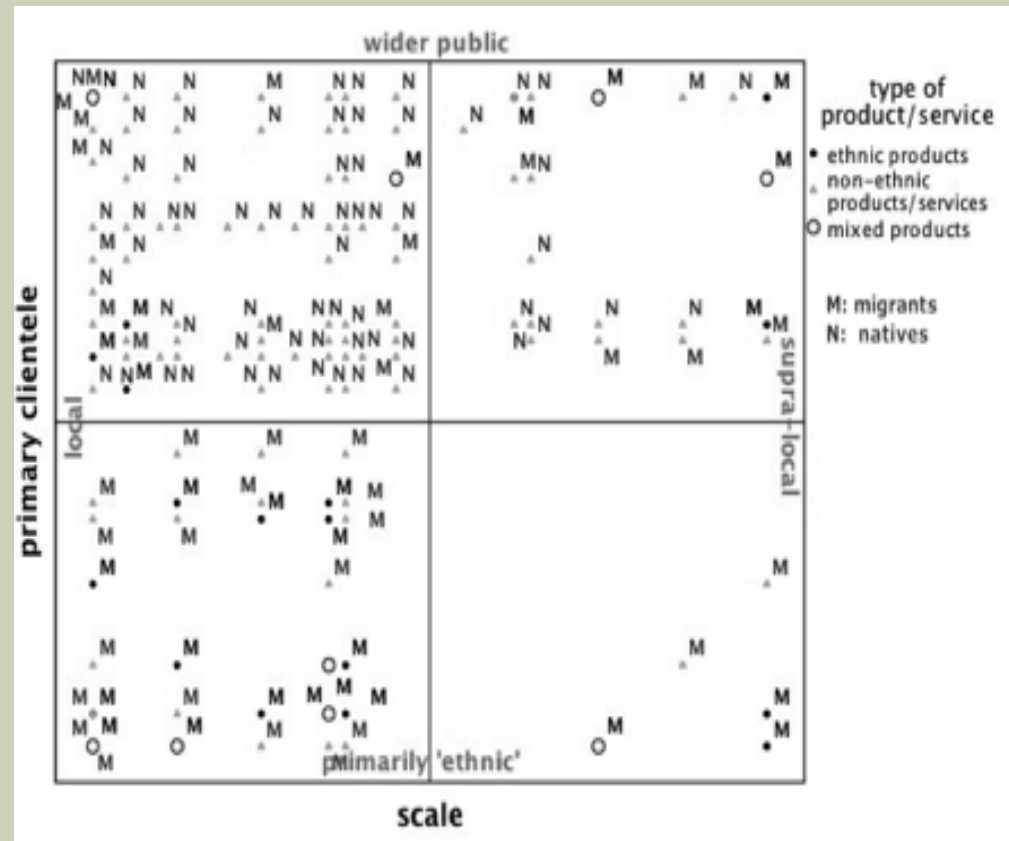


## 2. SHIFTING URBAN GEOGRAPHIES IN ATHENS

- Migrant-owned businesses locally do not differ much from native-owned ones
- Cater for local demand & settled 'communities'
- Embedded in multiple ways in the neighbourhood space

*By chance... The venue was recommended by... a family friend .... We rented the place... There are many Philipinos living here... In the beginning we had both (Greek and Philippino) customers, but then we had just Philippino customers and we thought we should keep these customers since the area is full of them, so we started offering Philippino dishes... (Cherie, from the Philippines, 49, Asian restaurant)*

*Our shop is really special, because it has all products for high cuisine, coming directly from Egypt and Lebanon, which are preferred by middle class Egyptians and Egyptians who live in the area and along the way to Kifisia, and they avoid Omonoia [in central Athens] where there problems or shops are not that clean. (Hamid, from Egypt, 43, Greek-Arabic food market)*



### 3. SMALL BUSINESSES & INFORMAL ACTIVITIES

- Greek productive structure & the crisis of SMEs
  - 'investing' in labour-intensive activities,
  - demand for cheap/flexible work
  - informal economic arrangements
  - SMEs & households: main employers of migrant labour
- Multiple pressures on small businesses in central Athens
  - Local vs supralocal
  - Small businesses vs large stores
  - Downtown vs suburbs
  - Crisis, austerity & breakdown of 'social contract' with the state

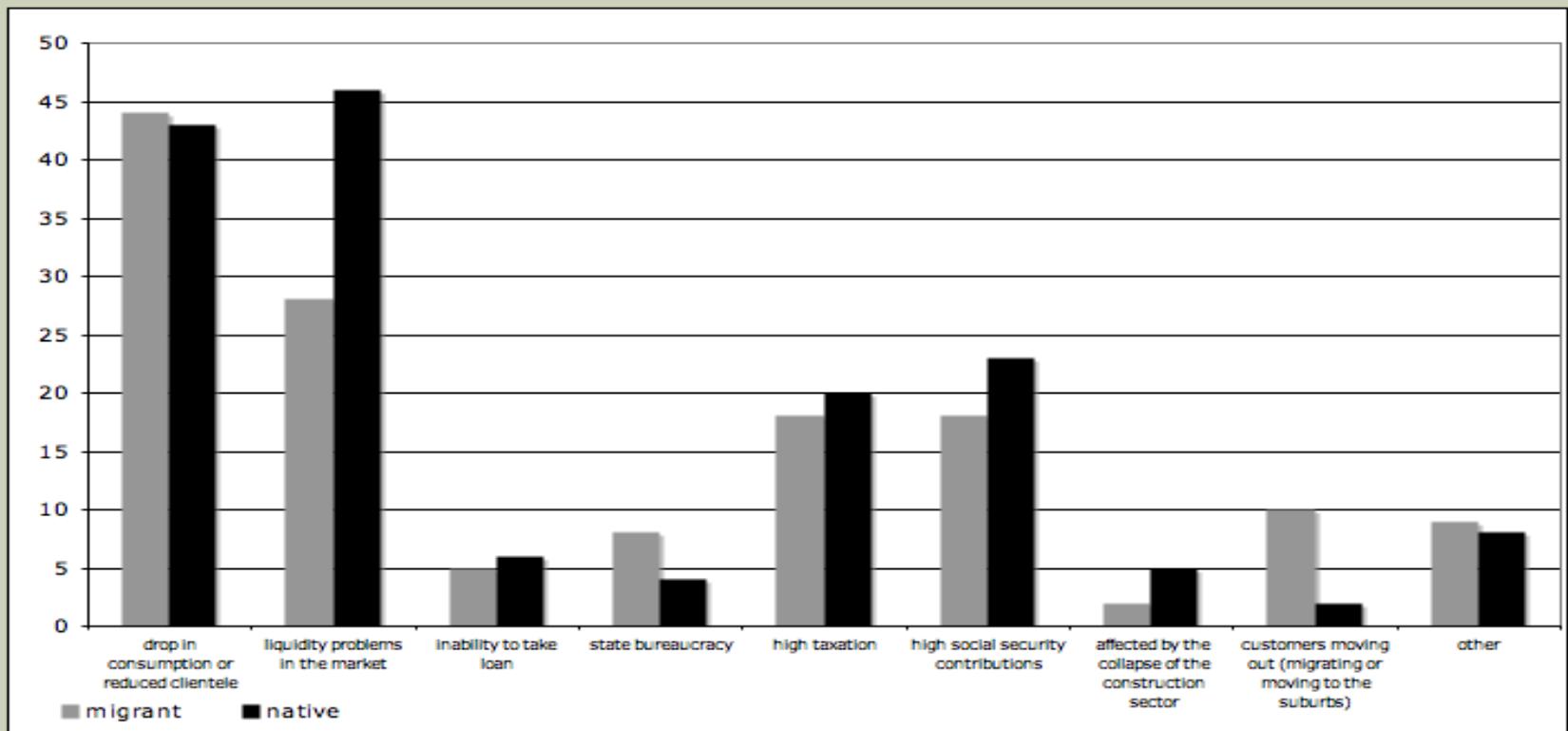
### 3. SMALL BUSINESSES & INFORMAL ACTIVITIES

- Family-based networks: a common feature for both natives & migrants
- Importance of co-ethnic labour for migrants
- Informal work & unregistered activities
- Informal arrangements: choice, survival option, or imposed by the circumstances?

	<b>Migrants</b>	<b>Natives</b>
<b>employees formally working</b>	46.0 (N=30)	27.7 (N=18)
<i>of whom relatives</i>	24.1	44.4
<i>employing 1 person</i>	63.3	66.7
<i>employing 2 persons</i>	23.3	22.2
<i>employing more than 2 persons</i>	10.0	11.1
<i>employing migrants/ of other nationalities *</i>	31.0	11.1
<b>employees informally assisting</b>	60.3 (N=36)	55.4 (N=32)
<i>of whom relatives</i>	69.4	90.6
<i>employing 1 person</i>	75.0	75.0
<i>employing 2 persons</i>	16.7	15.6
<i>employing more than 2 persons</i>	8.3	9.4
<i>used to formally employ people in the past</i>	4.8	7.7

# CRISIS: problems & difficulties

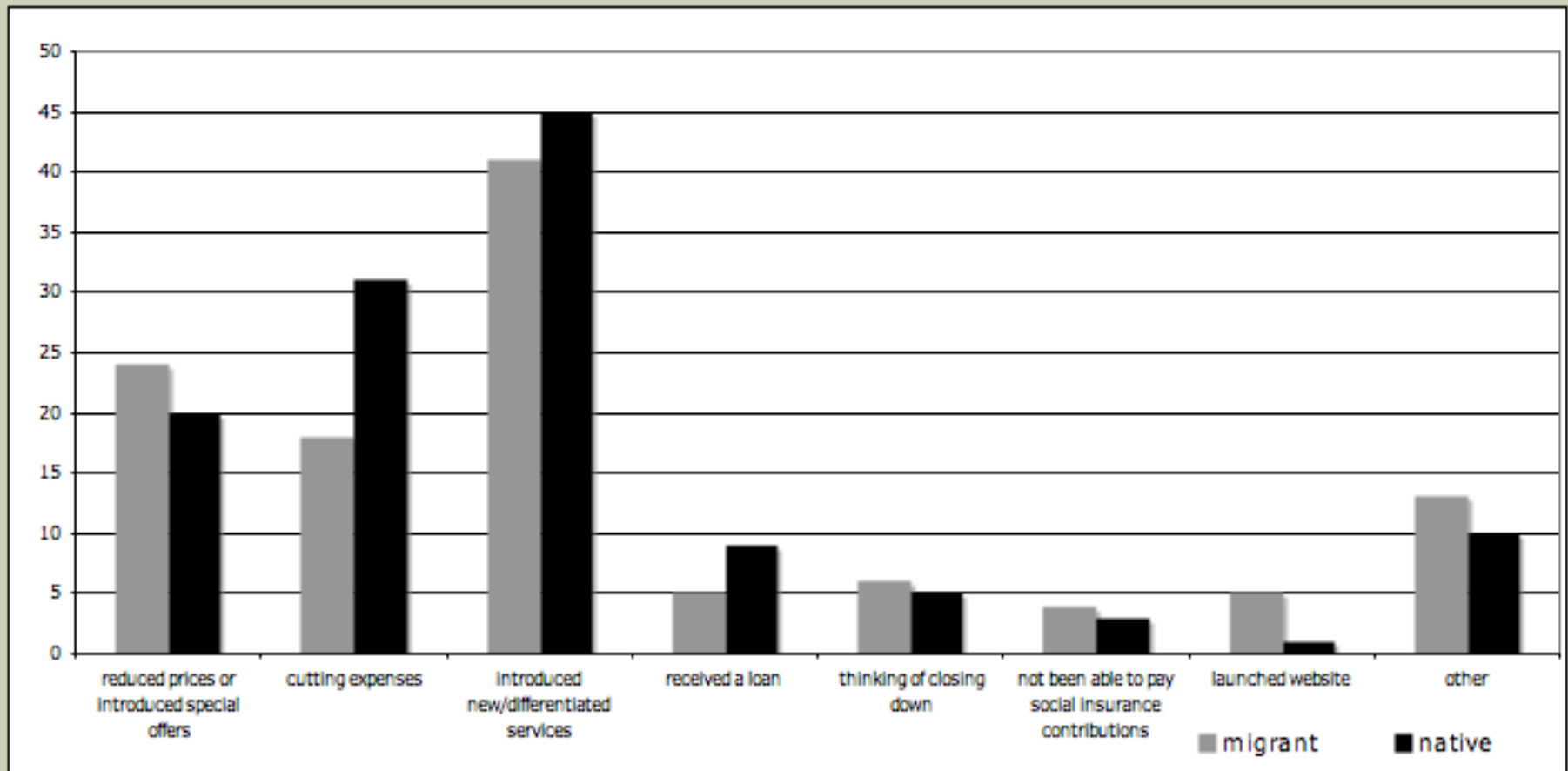
- Greek businesses 'suffering more' from the crisis?
- Immigrant businesses 'accustomed' to difficulties?
- Small neighbourhood businesses in saturated local markets





# CRISIS: strategies & responses

## ■ Coping or closing down?



# CRISIS: fragments of experience

*I don't have any work, the market is down, but this is God's will. They [the state] push me to do evil... they push you to sin, to steal... in order to feed your family. I won't to leave this country.* (Usama, Sudan, Internet & call-centre, Ambelokipoi)

*The situation is very bad and hopefully I now started "Money Gram" [money transfer service] so as to be able to pay part of my expenses for the shop. I also have my children over here and can look after them, my son may go at the flat upstairs to study and can look after my younger daughter here in the store.... But I don't have sewing work as I used to, unfortunately...* (Corazon, Philippines, women's accessories & cloth repair, Ambelokipoi)

*Since 2009, [Chinese] people have started leaving... I think about hald must have gone by now... I worry for Greece and also for the Chinese here. Because I would like the Chinese community to grow bigger and bigger, not smaller and smaller. ... Because I run a newspaper, so both in terms of readership and advertisement (our main source of income),* (Lydia, China, community newspaper, Metaxourgeio)

*In our neighbourhood shops are closing down one after the other. And Golden Dawn is another problem. I was forced to close my shop yesterday because there was some trouble with Golden Dawn round the corner* (Tariq, Pakistan, mobile phones & accessories, Kypseli)

*Greek residents in the building use to call the Police and through tomatoes on customers... the same people who are customers of M's restaurant now...* (Rashid, Iraqi Kurdistan, Arabic restaurant, Metaxourgeio)

# CRISIS: moving ahead

*I am a new business. And my business is more linked to the crisis. Since people get poorer, they are going to repair (their clothes) more... But even before, when I opened, they would come for shortening, tightening, because often ready made clothes cannot be worn as they are bought... Most of my customers are Greek... Albanians come too... Most are from the neighbourhood. I have some compatriots who know me and come occasionally but most are from the neighbourhood. People come because I keep low prices.* (Artan, Albania, tailor, Metaxourgeio)

*..I buy from abroad on my own, I buy in different prices... from my cousin who owns a store in Germany, also from family friends there... I don't buy from local wholesalers...* (Halil, Sri Lanka, Asian food store, Ambelokipoi)

# CONCLUSION: OPEN QUESTIONS

- Continuity & change: 3 'crises' predating the crisis
  - Greece's immigration crisis
  - Athens' urban crisis
  - A crisis of SMEs
- Migrant entrepreneurial activity in Athens
  - Not a response to the crisis but a continuation of combined trends
  - trends of immigrants' settlement & incorporation
  - Migrants' entrepreneurial endeavours embedded in neighbourhood space
  - dialectics between trends of migrant settlement & processes of urban development
- similar issues affecting shops and businesses owned by migrant and natives alike (in the context of the crisis)
- relevance of everyday practices, relationships and needs in which small businesses are locally centre-stage
- Crisis unfolding