

# Migration and Entrepreneurship: Proposal of Simulation-Focused Research Methodology

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**Abstract:** In the contemporary word, as throughout of history, people relocate from various reasons such as work travels, family reunions, or natural disaster escape. The relocation itself is usually connected with specific issues. There are various ways of supporting people who migrate provided by governments, or individuals taking multiple points of view on the situation. This is the “top-down” approach. However, if we consider theories about co-production and co-creation, we can argue that people themselves know what the best for them and substitution of this “top-down” approach by the “bottom-up” approach is more than meaningful. This “work-in-progress” paper suggests one of the potential fruitful solution. Entrepreneurship can be one of the ways of improvement of the situation from bottom up. We can call this phenomenon as entrepreneurship of migrants; and social entrepreneurship if certain other conditions are met. A proposal of a research project’s main aim is to search for unifying and transferable patterns in migrant entrepreneurship, especially those in the field of social entrepreneurship, to analyze them and to provide support for their development in any suitable area. There are three main stages suggested and open to discussion and expected to come under scrutiny.

**Keywords:** social entrepreneurship; research project proposal; bottom-up approach; systems modelling; computer simulation

**Classification:** J6; M5

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## 1. Introduction

There are many reasons why a person may relocate. The relocation itself is mostly associated with problems connected with leaving old social networks behind, for example a sense of loss, dislocation, alienation, and isolation, which will lead to processes of acculturation (Bhugra 2004) and acceptance to the society of hosting country might take very long time or might never really happen (Kirtsoglou and Tsimouris 2016). Getting around in a new country could be a complicated job, regardless the reason why person arrive. Security or social policy represent barriers which may contribute to complicated process of adaptation. That is why active citizenship and civil society has to take the lead. In case of strong communities this adaptation process is likely to happen successfully. A weaker and less cohesive community is, harder it becomes. And specific issue is issue of people who are new in the country, community and culture. One of natural ways of sustenance is entrepreneurship. It offers a way to care for yourself and others by doing what one considers to be potentially beneficial also for surroundings (there is a demand). As such, the entrepreneurship is a tool through which people can help themselves. Nevertheless, a careful needs assessment should be done before implementation of any measures to limit or support activities of foreigners. This “work-in-progress” paper could be considered a research proposal in this field. We are proposing research aimed at these situations where an enterprise was a solution of a societal issue by collecting best practices, creation of case studies and further comparative analyses. In addition, the use of computer-aided modelling is proposed to evaluate viability of results of the research. By creating and running models we can simulate changes in a foreigner-directed entrepreneurial ecosystem over the decades, and by that we can assess all the possible pros and cons of proposed changes. This paper proposes and weighs several options for approaches in the computer-aided modelling.

This paper is structured as follows. Next section presents background associated with migration, social economy, entrepreneurship and social entrepreneurship. The following section provides details about proposed research project. The main research problem is defined. Moreover, three main stages which need to be considered thoroughly and discussed are outlined. Methodology that can be applied is also suggested. The last section concludes the paper and proposes next steps which could be conducted to make some progress.

## 2. Background

We can identify a plethora of existing approaches applied to support people who migrate. Help provided by governments, NGOs, and individuals taking multiple points of view on the situation represents the “top-down” approach. Nevertheless, taking into consideration theories of co-production (Cahn 2000; Clement et al. 2017) and co-creation (Sanders and Stappers 2008), we can figure out that people themselves know what is the best for them. Hence, the alternative way of solution emerges, so-called “bottom-up” approach. Also, the Relational Models Theory (RMT) of anthropologist Alan Fiske (Fiske 1992) RMT expresses the notion that human relationships use just four relational models in various combinations no matter the culture-specific environment (Fiske and Haslam 2005). Finally, if we see an organizational unit of human beings as a system, we can apply other systemic theories. And as it would be a human-based system, we can call it a soft system (Válek and Bureš 2018b). One of the most common organizational units of humans which are created with a goal are enterprises and any type of their organization, such as clusters (Bureš et al. 2012). This leads to a hypothesis that entrepreneurship can be one of the ways of improvement of the situation from bottom up. We can call this phenomenon as entrepreneurship of migrants; and social entrepreneurship if certain other conditions are met. The critical question here is why that is, in some contexts migrants tend to wait for help while in different contexts, they tend to take the solution in own hands; for example by starting of an enterprise. Mainly if the enterprise dedicates itself to helping others in a similar situation, or it provides a solution of other societal issues. Here are few examples of the provision of employment for other disadvantaged groups. For example, one of the most prevalent minorities in the Czech Republic – the Vietnamese (Hüwelmeier 2015), which might employ local Roma people; enterprises run by refugees in order to help own people such as application for logistics support called Shifter; or direct social entrepreneurship such as Armenian social enterprise of handcrafted cosmetics Beauty Products founded by a Syrian refugee employing people in similar situation. This suggests that a co-creating entrepreneurial mind-set might already be present during the foundation of aforementioned enterprises (Shams and Kaufmann 2016) and we should search for its origins and ways to support of their development and growth.

The methodology proposed further is, among others, a combination of RMT, co-production theory, systems dynamics, and systems analysis in the lead with Soft Systems Methodology (SSM) (Checkland 2000) allowing identification of common features in entrepreneurship and social entrepreneurship of migrants and its transferability and applicability in similar contexts.

There are several key concepts that are used in this study and represent the main focus of the proposed project. They are defined and explained below in the remaining part of this section.

By migration in this proposal is meant any trans-national relocation of people no matter the reason. It does not include internal migration within a country. In this sense, a migrant is a person who relocated from the home country to another country. This might also include refugees. At this point, we should also consider directions of the migration as immigration and emigration.

The social economy is often called a “third sector” which is populated by economic bodies which conduct economic activities and are independent on a government, but they differ from profit-based organizations by the fact that their mission is to achieve a social or environmental aim in specific space. These bodies can produce services or goods; they employ people, but also utilize voluntary work (Dohnalová 2006). Therefore, social economy involves both business whose aim is social or environmental and not-for-profit organizations. Non-profits also contribute to the economic situation either indirectly, by influencing various features of an economy such as unemployment, public health, crime rate, etc., or directly as they might be allowed to do business activities, although without profit

as the main aim. The legal framework for non-profit organizations differs from country to country, as non-profits are very diverse, heterogeneous and cover countless of fields of operation of human beings according to what is necessary for the specific local context (Will et al. 2018).

Entrepreneurship is usually understood as a for-profit activity, but in this research, we understand it widely as a sense of an initiative, which leads to organized engagement of people. In this sense, it can involve business activities, but also non-profit organizations. In essence, we talk about both traditional for-profit business and the whole third sector or social economy. Social Entrepreneurship is a specific part of the social economy and can be understood as an entrepreneurial activity, which aims to solve a societal problem. The traditional understanding is that it would be the connection of a business and not-for-profit social activity where profits of the business are used to fund (or co-fund) activity, which raises a common good. Ideally, it would create an autopoietic (Holmgren 2011; Válek and Jašíková 2013) circle of self-funded enterprise, which aim is societal problem-solving. For illustration, here are outlined some of the main features of a social enterprise (Trčka et al. 2014):

- A Social enterprise solves problems/issues of the local community
- A social enterprise is economically sustainable, it creates profit, but invests it back to the enterprise in the form of equipment, education of employees and fulfillment of socially beneficial objectives
- A social enterprise is not discriminating, and it employs disadvantaged people, and by that, it contributes to inclusion
- A social enterprise is aimed to maximal involvement of employees into the decision-making process
- A social enterprise is an open community which innovates and helps in the development of a region where it operates
- A Social enterprise uses local resources and cooperates with local organizations

We can see that even though one of the points is to create a profit, the profit should go back to develop the organization. By that, a social enterprise can be considered a part of the third sector. Social entrepreneurship might be (or not) rooted in a country's legal system. If it is not, the abovementioned roles of social enterprises are adopted by various legal bodies, which then become part of the social economy. According to specific conditions and context, social entrepreneurship can have multiple definitions. Therefore, in this research, we would accept the broader definition, as stated in the first line of this paragraph. Deeper international analysis, including legal status, would be part of the Phase I and II of the proposed research.

Bottom Up societal problem solving also known as grassroots (Seyfang and Longhurst 2012) solutions means people themselves can recognize a societal problem and are able to gather around it to solve it. It is very similar to the so-called Communities of Practice (CoP) known from Knowledge Management theory (Lehaney 2004; Lesser and Storck 2001). The process of societal problem solving could be facilitated by the use of an appropriate tool. The tools and approaches often come from the area of complementary economies or system science (Kennedy et al. 2012; Lietaer et al. 2012; Bureš 2017).

Co-production is a phenomenon which happens when people solve an apparent problem by their own initiative and resources (Clement et al. 2017). It is closely related to so-called communities of practice (CoP). CoP is an informal structure in an enterprise (Lesser and Storck 2001). An example from business could be a group copy machine servicemen where each operates individually, but they know who is good in what and they create a network (community) which shares the knowledge, so they know to call whom if they have specific problem, yet the network formed itself around problems which are dynamically changing (Lehaney et al. 2004). The example of co-production can be a neighborhood watch. When people in some area see a rise in the crime rate, the neighbors gather and start to watch each other. Another example could be self-organized kindergarten in an area where there is none. For this research, co-production means when a person in another country finds him/her self in a situation where assistance is needed and the person does not wait for it and solves the situation by own initiative (Cahn 2000; Cahn and Rowe 1998; Clement et al. 2017).

### 3. Methodology

Presented project proposal is based on information gathered from several resources. First, informal interviews with migrants from various countries were carried out. The main aim was to identify the most significant obstacles on the way to adaptation and integration into social and economic structures. Second, analysis of existing studies and reports helped to formulate the main research question. Third, realization of project conducted by KURO, non-profit organization located in Hradec Králové, Czech Republic, provided experience with similar initiatives. Last, personal experience from various countries such as Caucasion nation was included.

### 4. Results

The plan of the research is a search for an answer on a question why in some contexts and areas migrants are able to help themselves by engaging in entrepreneurial activities, especially social enterprises, and in others, they are not. Furthermore, are there transferable elements which would allow us to learn from them in order to be applied in other situations? In order to do that it would be necessary to locate and describe enterprises and social enterprises run by migrants in selected countries, identify their specific features and motives behind their foundation and existence, analyze them by appropriate methodology, identify common points and differences and draw conclusions. In addition, we shall use them as a ground for computer simulations to extract more from the gathered data to be able to do much more informed predictions and recommendations for the application of transferable features of social enterprises into other areas. The last possible step is to use all knowledge gained through the research to create a quality label for those social enterprises who would follow the co-production paradigm; so, solving the societal problem by own initiative.

It also worth to be mentioned that at this stage whole proposed research would focus on immigrants rather than on emigrants. The reason is simple as immigrants are more localized and accessible group, and it is a logical step to start from micro level and then to move to the macro level. With this research finalized, its methodology can be used to study emigrant entrepreneurship as well. Therefore, a word migrant from this point should be understood as an immigrant, and as stated above, might also include refugees.

**The aim of the research is:** to search for unifying and transferable patterns in migrant entrepreneurship, especially those in the field of social entrepreneurship, to analyze them and to provide support for their development in any suitable area.

Objectives of the research:

- To create a literature review as a basis for rigorous research within the topic
- To identify locations with migrant entrepreneurial activity
- To conduct on-site research in selected areas
- To perform a comparative study of this area in search of common features
- To use appropriate methodology to validate the first part of the study
- To conduct interviews to learn about motives and background of starting of a social enterprise instead of having an ordinary business
- To conduct a systems analysis of both ordinary enterprises and social enterprises to find features that transcend both and that would be transferable
- To use results of systems analyses to run more comprehensive computer-based simulations to deepen the understanding of systemic relations

The objective above can be transformed separately to individual research stages. However, as we are at the preparation stage, this granularity would increase complexity, which could decrease understandability and thus potential to discussion. That is why activities are clustered into the main three stages outlined below. Activities which are minor (e.g. identification of locations) or can be considered as an integral part of the research process (e.g. literature review) are excluded. Phases presented below are thus activity-oriented and focused mostly on in-field research and system modelling.

#### *4.1. Phase I. Entrepreneurship of migrants – the search for reasons*

In the first phase, we will search for enterprises run in various countries and contexts, compare them, and try to identify common ground. This phase will be focused on any enterprise run by a migrant. At the very beginning, it would be necessary to create a sound methodology for the on-site research, data, and information collection (questionnaires, interviews) and harmonize it with all partners. The homogeneous approach is the key to the comparability of data and their use in the later stages of this research.

**The methodology** would consist of Literature review to provide theoretical roots for the following research. Theories of entrepreneurship and migration would be in the highest focus, but as the whole research is transdisciplinary and many fields and researchers, as suggested below, will be involved. The following step is the selection of proper areas for the research, so the identification of spaces where migrants are starting an enterprise. That would allow conducting of a study (including inquiries to confirm found data and information) in each of the selected areas. Comparative study of different contexts (geographical, cultural, social, political, etc.) would be next. Interviews and/or questionnaires should be used to validate the results of the comparative study. The last step is a systems analysis done with the help of Soft System Methodology (Checkland 2000) which would identify individual elements in enterprises as in a stochastic soft system and by that allow to synthesize features which are universal and transferable.

#### *4.2. Phase II. Social entrepreneurship of migrants*

At this phase, we would separate enterprises which would fall into our definition of social enterprise. And again, conduct systems analysis to find differences between ordinary enterprises and social ones. This would also involve the broader context of motivations and background surrounding them. This phase develops the previous one with more focus on co-production as it is expected that most of the societal problem solving would be aimed at the migrant target groups.

**The methodology** would mostly use on-site research involving interviews followed by the creation of case studies. Case studies have specific value as a best practice demonstration and can be published to promote the research project, but also would be analyzed in a systemic way to find out common elements and transferability of the result. Furthermore, case studies would have unified frame to allow statistical analyses and computer modeling in the next phase. The systems analysis would show enterprises as a system connected to their environments and identify how various elements are related, connected, and influenced by each other. For example, the connection of people to each other, to governments, the business sector, the non-profit sector, and other entities. How many funds are used, how much manpower, how much of intangible resources are involved. This analysis is a step, and a necessary base, for the following phase of simulations because without knowledge of the structure of a system it would be hard to make reliable simulations and to read their results.

#### *4.3. Phase III. Computer simulations*

At this phase, when all data would be collected and case studies compiled, we would be able to use them for computer-based modeling. The modeling would allow us to use gained data and simulate and predict what would happen if context and resources would change. At this phase, we would be able to gain a deep multi-dimensional understanding of researched phenomena and we would be able to formulate recommendations and re-evaluate further objectives of the research. The simulations will be used also as a second level of validation of results found in phases I. and II. At this stage, we can also conduct various statistical analyses.

**The Methodology** would be focused on causal-loop diagrams and stock and flow simulations of system dynamics. These could be used to simulate both hard and soft systems (Válek and Bureš 2018a).

The causal-loop diagram (CLD) expresses the causal relationship between two variables with positive or negative polarities. The main idea of CLDs is to apply polarities to all identified relations and consequently figure out what type of feedbacks emerge in the system. Positive polarity means that as the first variable increases (decreases), the second variable changes, in the same way, i.e., increases (decreases). Negative polarity expresses the opposite behavior. Once the cycles are closed, the polarity

of feedbacks (loops) can be identified and reveals the behavior of the system. In fact, there are two types of feedbacks, namely balancing and reinforcing feedback (Sterman 2010; Válek and Bureš, 2018a).

From CLDs can be easily created Stock and Flow diagrams (Bureš 2017). CLDs, we can use to simulate systems and predict various systems characteristics and Stock and Flow diagrams are used to simulate "what if" scenarios and system dynamics of a system. As an example, you can simulate a closed society using its resources over a period of time at a specific place, de-forestation, school dropouts, the performance of an enterprise, sub-systems of an enterprise, relations of an enterprise to the outside environment, etc. Software Vensim (Vensim) and Stella Professional (Isee Systems) can be used for purpose.

## 5. Conclusion

To summarize the lines above, it is believed that proposed research could have real scientific merit as it is a previously undiscovered area with the potential to create a methodological background for the whole field of entrepreneurship within migration with societal problem-solving overreach. Aside from that fact, it also has a great practical impact and could positively influence the lives of many as the product of the research can be used by organizations assisting migrants in facilitating better adaptation by creating of an appropriate environment for enterprise development. In addition, it is a research project which does not require massive funding and workforce, partly because of the proposed use of computer simulations, at least at this first stage aimed mostly on immigration which is a testbed for broader research endeavours in the field. Finally, gathered data, information, and materials can involve multiple researchers from multiple areas to make analyses more precise, as necessary are considered Sociologists, Social Anthropologists, Social Workers, and Economists.

It ought to be noted that this is a general proposal, and it will be more specified based on specific needs of funding. The proposed research is inherently international and is based on previous needs assessment among author's international contacts, and although there are many interested subjects it is planned to keep the partnership lean and manageable, but diverse to ensure high-quality results of comparative studies.

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