

**Diversity, Super Diversity & Transnational
Entrepreneurship
related to
Learning and Competence Development
Seminar, November 22nd and 23rd at Roskilde University**

Dr. Shahamak Rezaei,
Roskilde University,
Department of Society & Globalisation, Denmark

- An attempt to provide answers to two basic questions that have been around in political and probably also societal circles in Scandinavia for quite some times:
 - 1. Can the Nordic model survive present levels of immigration?
 - 2. Or does it actually need more immigrants to be sustainable?

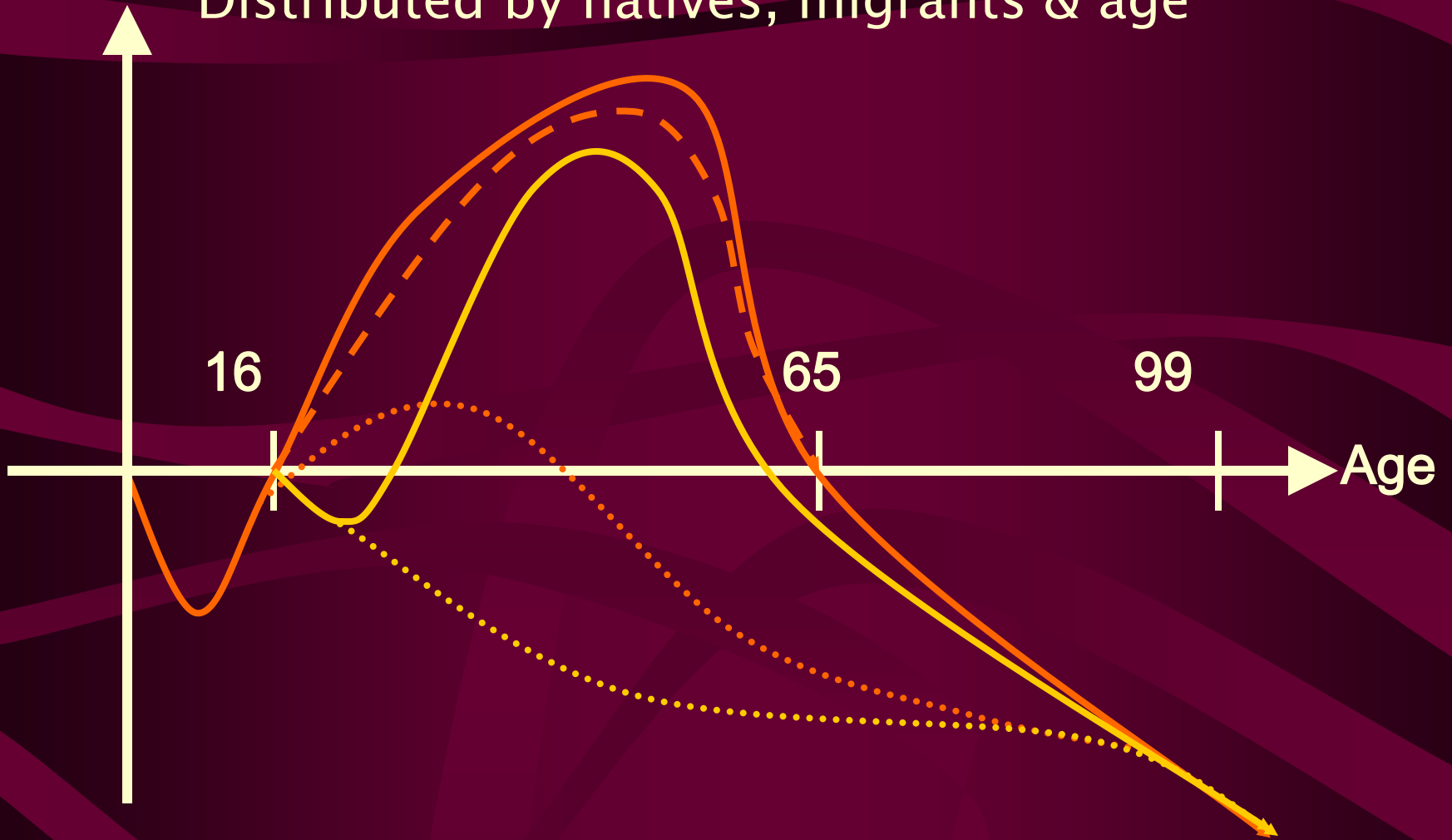
- 3 more specific questions: 1. How the Scandinavian universal welfare states (Sweden, Denmark and Norway) deal with increased immigration and cultural diversity attached to it.
- 2. How the countries deal with challenges of social cohesion and extended solidarity in a multicultural context?
- 3. What are the impacts of immigration on the countries' general welfare policy and the attitudes of the general public in the countries towards future development of the universal characteristics of the Nordic welfare states?

Point of Departure

- Economic framework:
 - Individual (immigrant or non-immigrant) act rationally upon the available options and economic incentives
 - Traditionally used ethnic/cultural explanations of the choices made by immigrants in general and immigrant enterprise owners in particular has rather limited explanatory strength and produce unconstructive perspectives

€

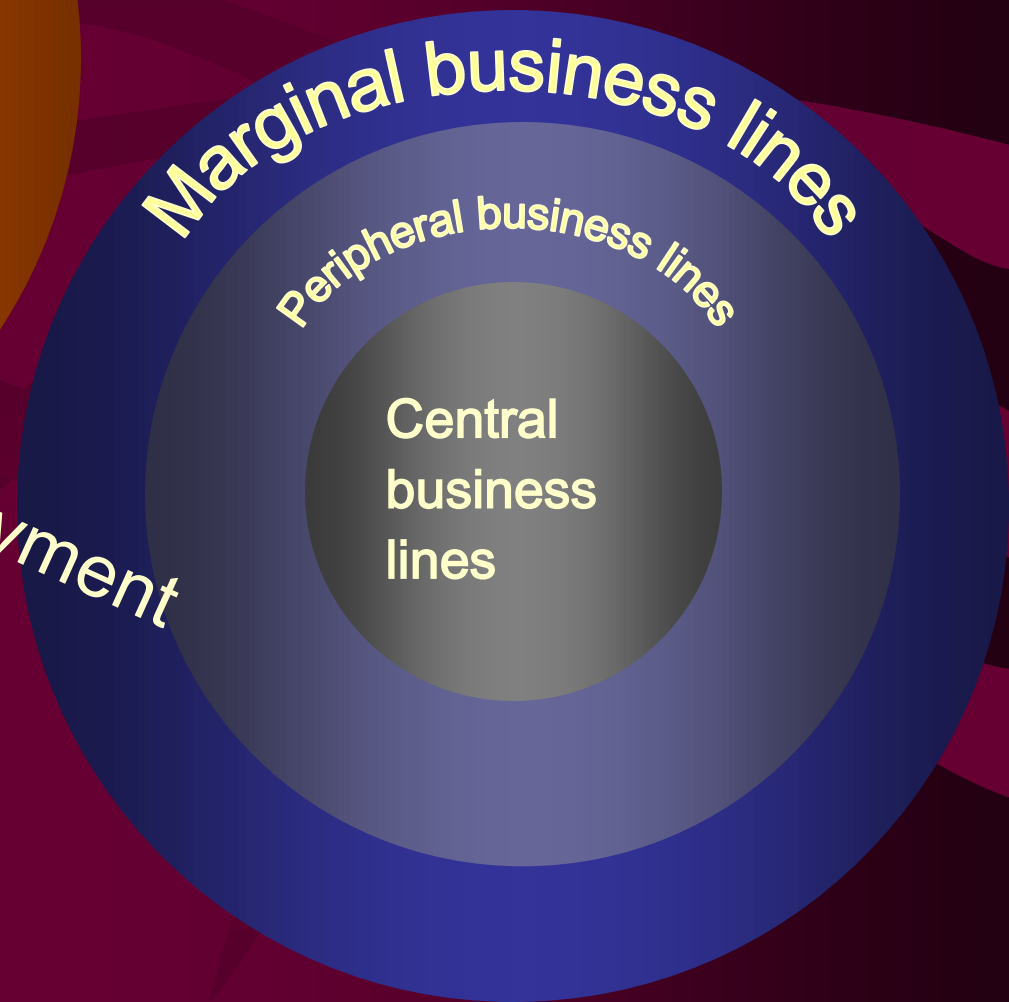
Net contribution to the public budget Distributed by natives, migrants & age



- · Natives, by normal fertility rate
- - - · Natives, by low fertility rate and aging population
- · Natives, by long term unemployment and other transfer incomes
- · Migrants, by perfect labour market integration
- · Migrants, by long term unemployment and other transfer incomes



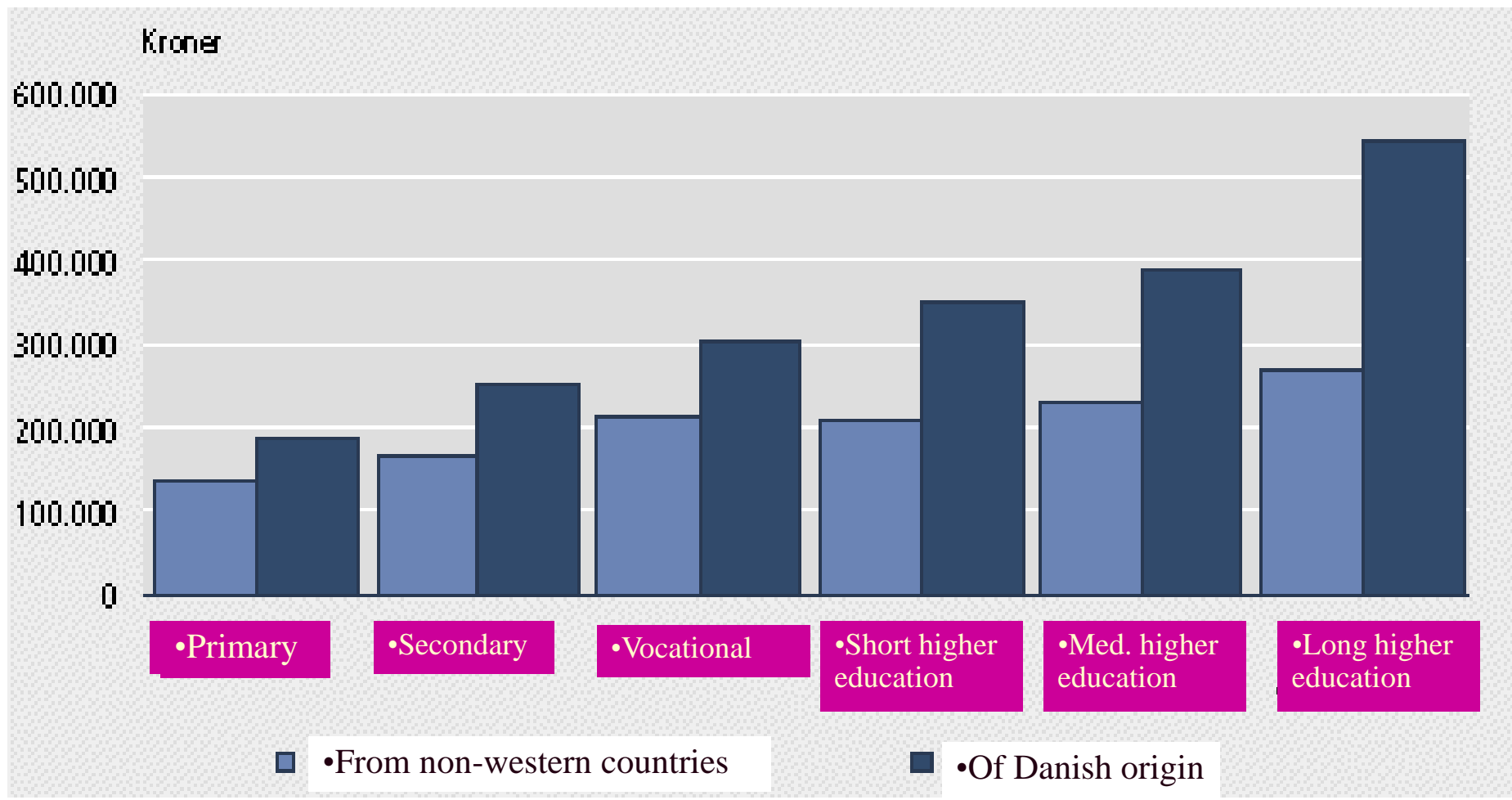
Self-employment



- International as well as Nordic litterateur and research have in decades made a core distinction between Immigration and Integration, not only as two distinct academic research areas, but actually also as areas with distinct political, social, and institutional implications.
- Immigration policy is primarily about managing foreigners' access to the country, including issues like access to family reunification, access as a asylum seekers, as job seekers, etc..
- Integration policy, on the other hand, deals with how states and societies ensure that individuals and collectives who permanently reside in the country will become participating citizens.
- The debate and discourse in Scandinavia reveals quite a critical lack of this important distinction between Immigration & Integration policies. That is probably one of the reasons, why we face difficulties to provide reliable perspectives on whether the universal welfare states of Scandinavia would be able to deal with challenges of immigration in the global era.

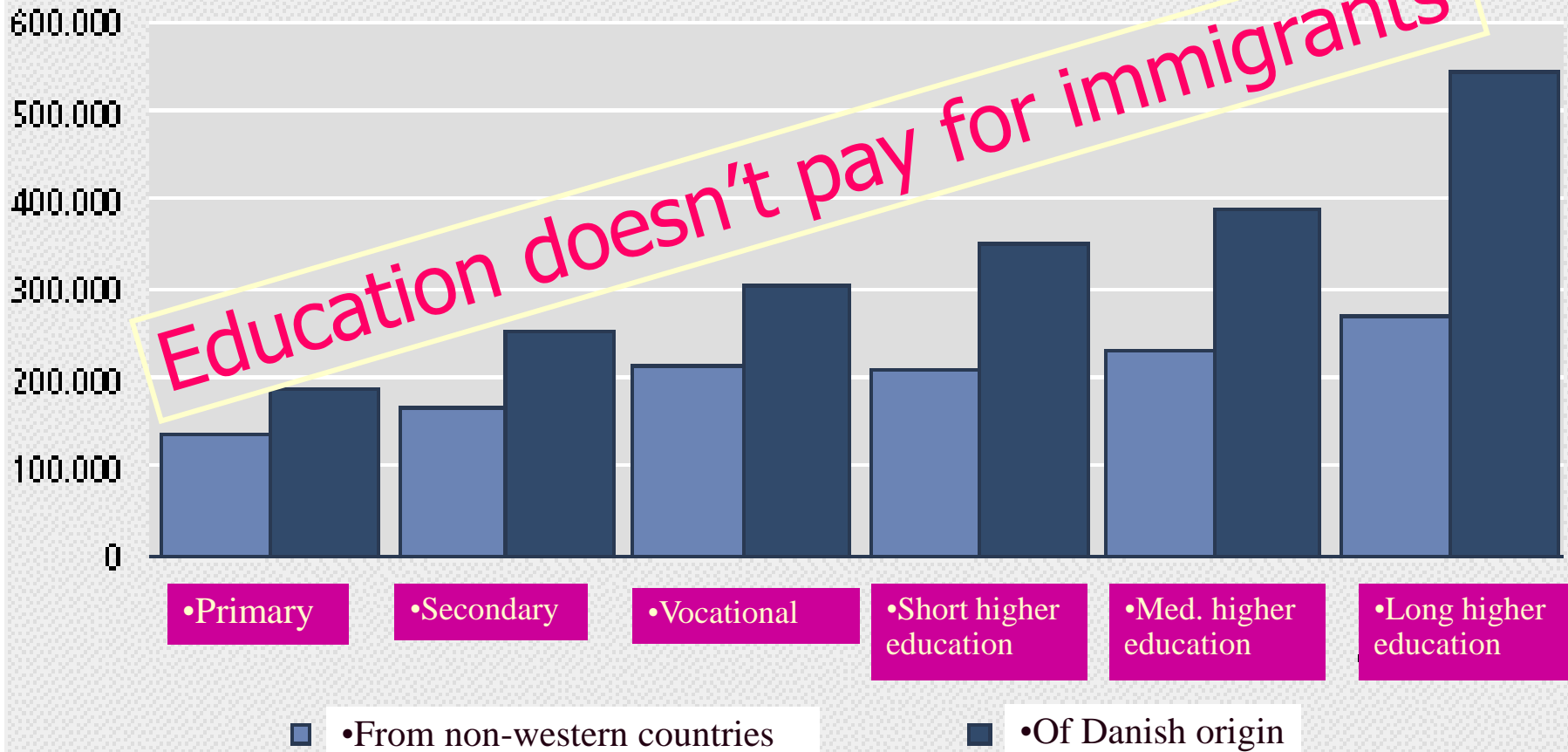
- Recent income data from Statistics Denmark
 - Income gaps between immigrants and natives
 - Gaps increase with the level of education

Annual income by level of education, males



Annual income by level of education, males

Kroner



Labour force attachment

1st generation immigrants and Danes aged 16-64

	Western countries		Non-western countries	
1st generation Immigrants	Men	Women	Men	Women
Labour force participation rate	69%	61%	61%	46%
Employment rate	64%	57%	52%	43%
Unemployment	6%	7%	15%	17%
Danes	Men	Women		
Labour force participation rate	83%	78%		
Employment rate	79%	74%		
Unemployment	5%	5%		

Why the large income gap?

Underutilisation of formal education

If well-educated immigrants can't obtain jobs that match their formal levels of education, they may:

1. accept jobs they are formally overqualified for, or
2. become self-employed

-> lower earnings

1. Wage earners:

2. Self-employed:

Incidence of overeducation

Occupation-to-skill match, 1995-2003, percent

Males aged 30-57, with at least 2 months full-time wage-employment in a given year

%	Overeducated	Adequately educated	Undereducated
Native Danes	12.2	69.4	18.4
Immigrants, total	37.3	46.3	16.4
- Immigrants with Danish education	35.9	53.1	11.0
- Immigrants with foreign education*	38.5	46.0	15.5

Incidence of overeducation by ethnic group

%	Overeducated	Adequately educated	Undereducated
Native Danes	12.2	69.4	18.4
Immigrants, total	37.3	46.3	16.4
Turkey	20.1	32.5	47.4
Pakistan	27.2	48.0	24.8
Vietnam	30.2	49.8	20.0
Iran	44.3	47.7	8.0
Irak	37.1	46.7	16.2
Ex-Jugoslavia	41.0	41.2	17.8
Somalia	26.6	49.0	24.3
Stateless	29.6	47.2	23.2
Other Non-Western	36.2	48.5	15.3
Western	41.2	48.8	10.0

Incidence of overeducation by ethnic group

%	Overeducated	Adequately educated	Undereducated
Native Danes	12.2	69.4	18.4
Immigrants, total	37.3	46.3	16.4
Turkey	20.1	32.5	47.4
Pakistan	27.2	48.0	24.8
Vietnam	30.2	49.8	20.0
Iran	44.3	47.7	8.0
Irak	37.1	46.7	16.2
Ex-Jugoslavia	41.0	41.2	17.8
Somalia	26.6	49.0	24.3
Stateless	29.6	47.2	23.2
Other Non-Western	36.2	48.5	15.3
Western	41.2	48.8	10.0

Measuring Over-education – Introducing “Norm Divergence”

- By saying "Norm Divergence" – “Norm Deviance” we indicate that there are patterns which are considered as “Norms”/“standards” of a majority and that there may be cases and processes of divergence and convergence.

With "Norm Deviance" we refer to a sociological (i.e. dynamic as opposed to static/essential) phenomenon which refers to:

"Whether individual's and collective's socio-economic strategies in comparable social environment positively or negatively deviates from the norm or standard, usually expressed through:

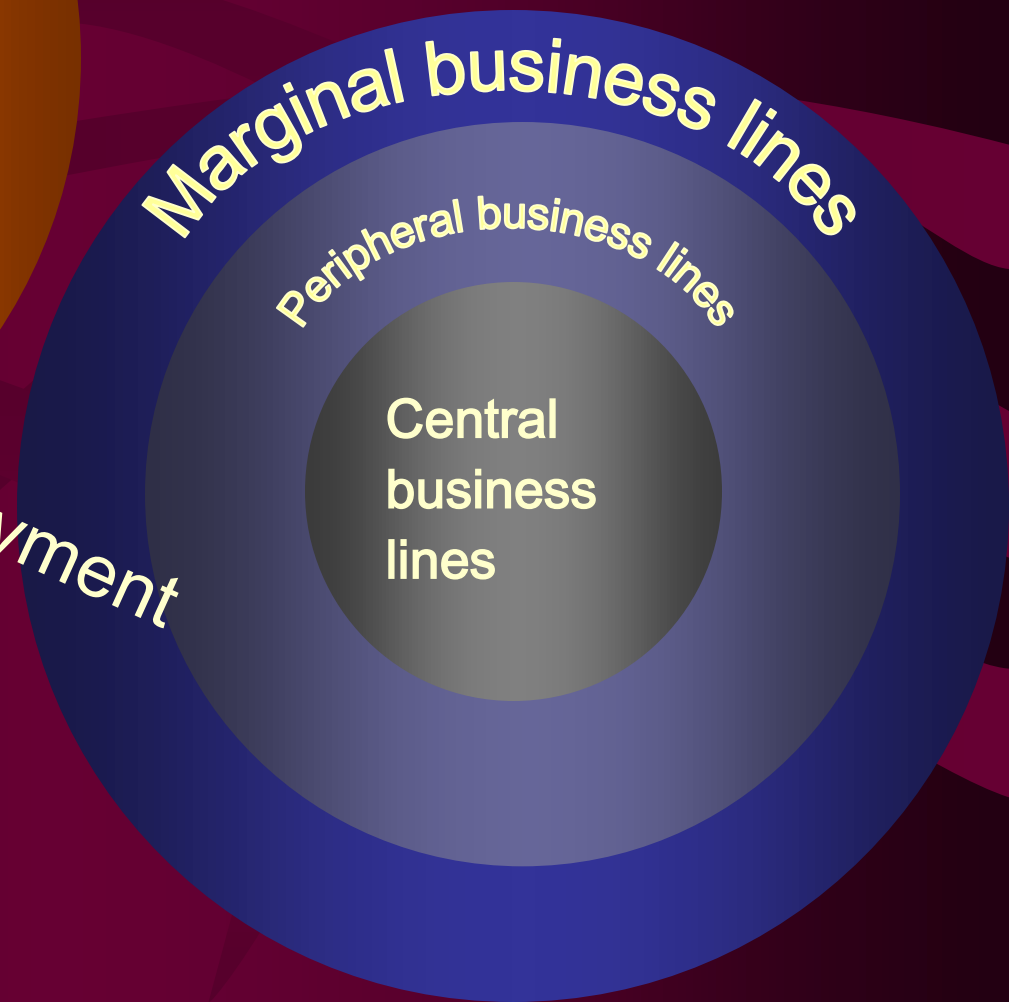
If you choose option A and follows the strategy B (and you should), you can, in the specific context expect the result C (and it would).

2 Monkeys Were Paid Unequally; See What Happens Next

<http://www.upworthy.com/2-monkeys-were-paid-unequally-see-what-happens-next>



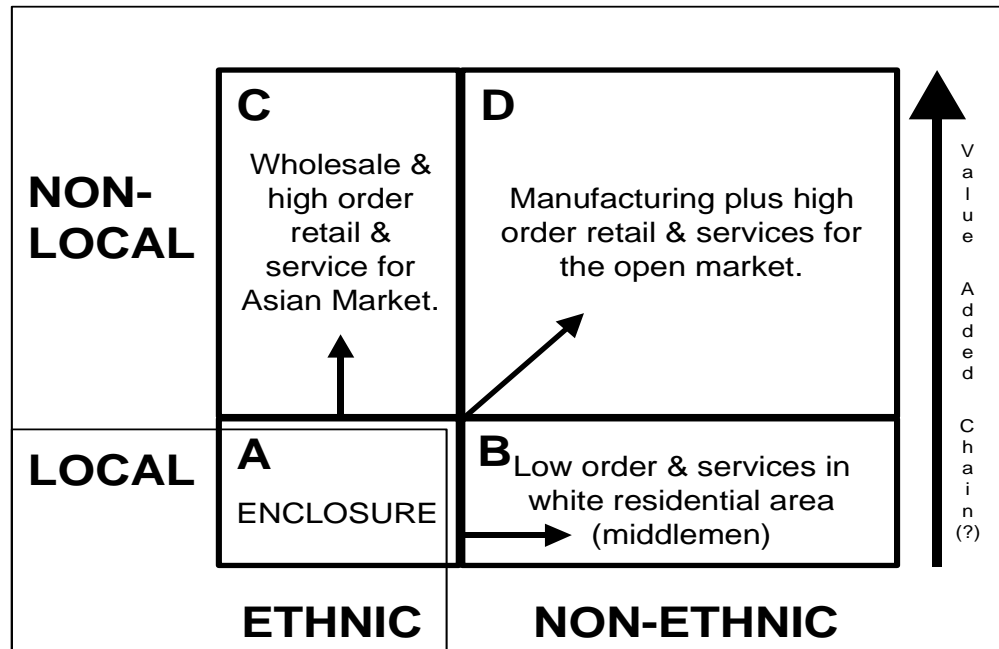
Self-employment



Ethnic Business

Typologi of market spaces for immigrant businesses

Ram & Jones



• Main-stream
Labour market

The diagram features a dark red background with wavy, horizontal lines. At the top left is a large cyan triangle. To its right is a smaller, dark blue triangle. Below these two triangles is a dark blue rectangular box. Five blue arrows point upwards from the box to the base of the triangles.

• Migrants owned Businesses
(Enclave Labour Market)

Migrant Labour Force
(documented / undocumented)
(Formal / informal)

Financing of immigrant-owned enterprises in Denmark

- Research results from
Financing of immigrant-owned enterprises in Denmark – opportunities and barriers
- a report prepared on behalf of the Danish Ministry of Refugee, Immigration and Integration Affairs

Financing of immigrant enterprises

- Only 40% used Danish bank loans to finance enterprise
- Notice also differences across national origin

	Former Jugoslavia	Pakistan	Turkey	Iran	China, HK Taiwan, Vietnam	Total
n	25	24	43	28	15	135
Own savings	22 88,0%	20 83,3%	37 86,0%	23 82,1%	12 80,0%	114 84,4%
Danish bank loans	11 44,0%	12 50,0%	19 44,2%	10 35,7%	1 6,7%	53 39,3%
Loans from family	11 44,0%	9 37,5%	21 48,8%	14 50,0%	9 60,0%	64 47,4%
Loans from friends	9 36,0%	0 0,0%	10 23,3%	6 21,4%	2 13,3%	27 20,0%

(Survey 2003, existing enterprises, multiple responses possible)

Payment under the table

- 78% of immigrant enterprise-owners were met with demands of payments under the table when acquiring the enterprise
- Notice also differences across national origin

	Former Jugoslavia	Pakistan	Turkey	Iran	China, HK, Taiwan, Vietnam	Total
Not responded	1 5,0%	0 0,0%	1 3,0%	0 0,0%	0 0,0%	2 1,9%
Yes	15 75,0%	13 81,3%	24 72,7%	17 81,0%	12 85,7%	81 77,9%
No	4 20,0%	3 18,8%	8 24,2%	4 19,0%	2 14,3%	21 20,2%
Total	20 100,0%	16 100,0%	33 100,0%	21 100,0%	14 100,0%	104 100,0%

Working undeclared

- 85% of those who made payments under the table now work undeclared
- Compare to those who did *not* make payments under the table: 43% work undeclared

- Table shows statistically significant relation between working undeclared and having met demands of payments under the table when acquiring the enterprise

	Have worked undeclared	Have not worked undeclared	Total
Not responded	0	2	2
	-	100,0%	100,0%
Payment under the table	69	12	81
	85,2%	14,8%	100,0%
No payment under the table	9	12	21
	42,9%	57,1%	100,0%
Total	78	26	104
	75,0%	25,0%	100,0%
	χ^2		22,05
	Significance (two-sided)		<0,0001

(Survey 2003, existing enterprises)

Employees' choice of finance

Survey among employees who express a wish to become an enterprise-owner:

- Only 25% intend to apply for Danish bank loans
- 91% will rely on loans from family members

	Former Yugoslavia	Pakistan	Turkey	Iran	China, Vietnam, Taiwan, HK	Afghanistan	Iraq	Thailand	Former Soviet Union	Total
N	9	8	15	7	6	6	3	2	1	57
Own savings	9	8	14	7	6	6	3	2	1	56
	100%	100%	93%	100%	100%	100%	100%	100%	100%	98%
Danish bank loans	4	2	2	3	0	1	1	1	0	14
	44%	25%	13%	42%	0%	17%	33%	50%	0%	25%
Foreign bank loans	2	1	0	4	5	2	2	1	1	18
	22%	13%	0%	57%	83%	33%	67%	50%	100%	32%
Loans from family	8	8	14	5	6	6	3	1	1	52
	89%	100%	93%	71%	100%	100%	100%	50%	100%	91%
Loans from friends	4	0	2	1	1	1	0	1	0	10
	44%	0%	13%	14%	17%	17%	0%	50%	0%	18%

(Survey 2003, existing enterprises)

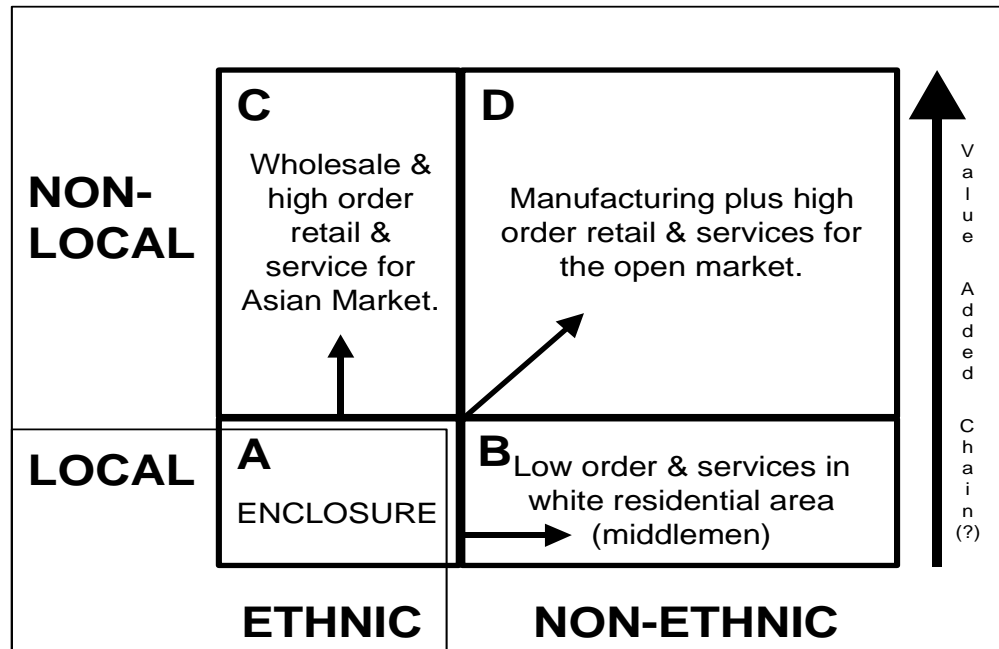
Main Research Results

- When financing the start-up of an enterprise, an immigrant enterprise owner is more likely to rely on his/her own savings or loans from his/her family than obtaining loans from Danish banks
- 4 out of 5 immigrant enterprise owners have met demands of additional payment under the table when acquiring the enterprise
- Those who have made payments under the table show a higher propensity to working undeclared
- Only 25% of the employees, who express a wish to become an enterprise owner, is expecting to use Danish bank loans as a source of finance

Ethnic Business

Typologi of market spaces for immigrant businesses

Ram & Jones



BEYOND THE CONVENTIONAL ARGONAUTS EXPLANATIONS:
EXPLORING THE RELEVANCY OF TRANSNATIONAL ENTREPRENEURSHIP IN CULTURAL
INDUSTRIES IN DENMARK AND CHINA

- Inspired by Saxenian's seminal research this project expands the research frontier both theoretically, empirically and methodologically by rethinking the central research questions in the dominant Argonaut-literature, transpose and examine the dominant finding in the context of the cultural industries (i.e. new types of industries) and to new institutional setting (i.e. China and Denmark) and through a new method (i.e. contrast cases and life story interviews).
- The research project is initiated and developed in collaboration with Danish (Roskilde & Aalborg University) and Chinese partners (Prof. Jiangyong Lu, Guanghua, School of Management, Peking University, and Prof. Ying Lowrey, School of Social Science, Tsinghua University).

Transnational Entrepreneurship (TE)

- **The process of TE involves the entrepreneurial activities that are carried out in a cross-national context and initiated by actors who are embedded in at least two different social and economic arenas.**
- **By traveling both physically, and virtually, transnational entrepreneurs engage simultaneously in two or more socially embedded environments, allowing them to maintain critical global relations that enhance their ability to creatively, and logistically maximize their resource base.**

Figure 1

CDEs and Other Entrepreneurship Branches

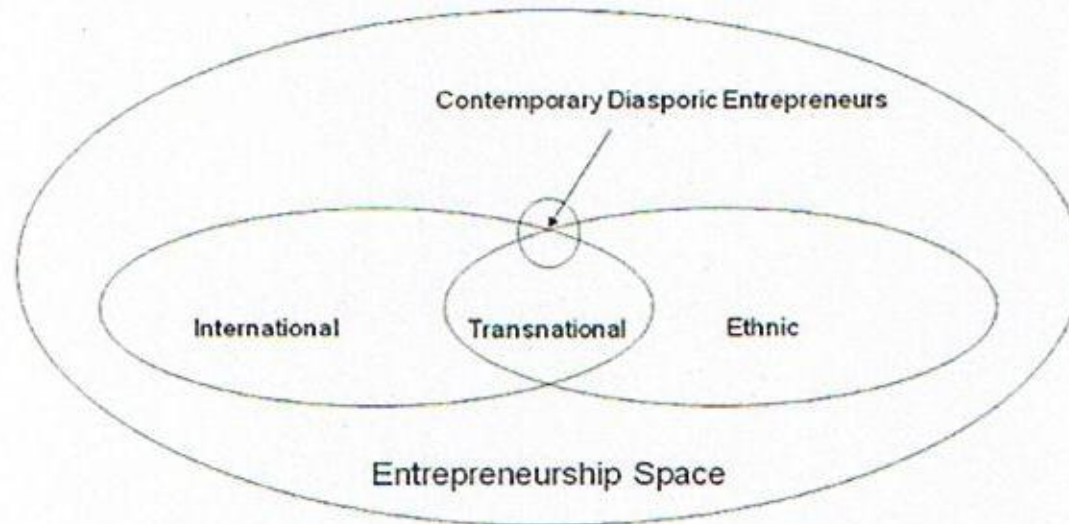
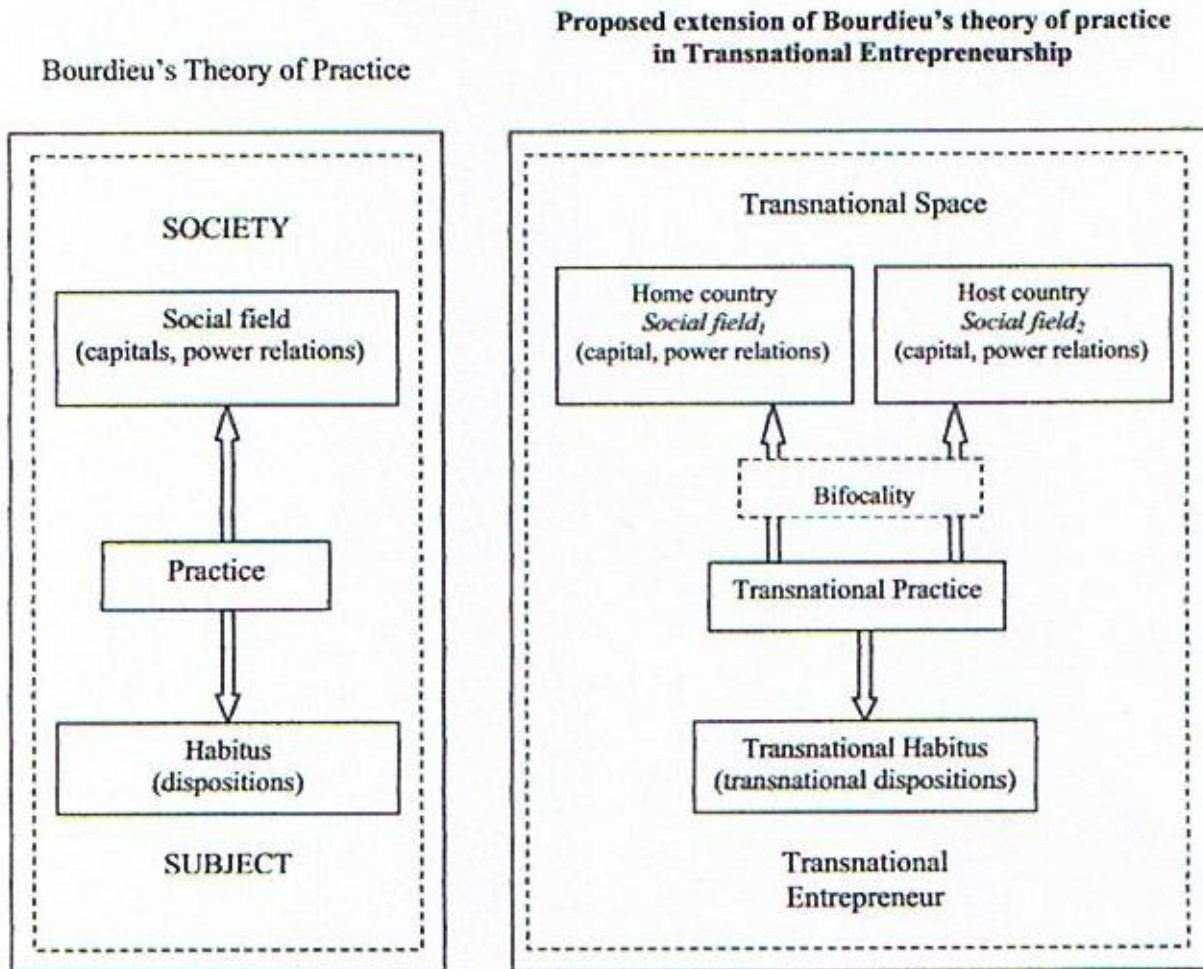
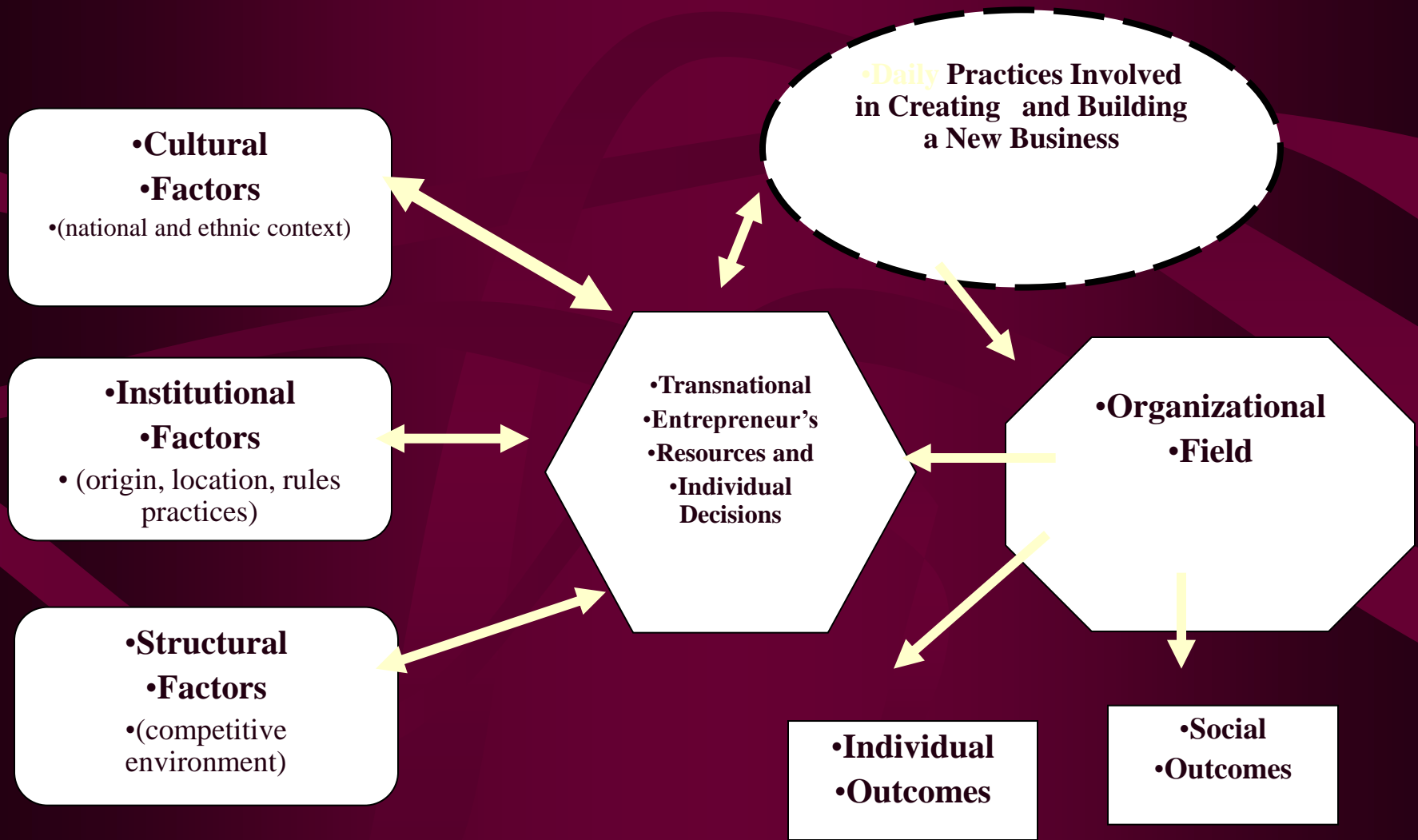


FIGURE 1

Bourdieu's Theory of Practice and Proposed Framework



Factors Influencing Transnational Entrepreneurship and Its Outcomes



Sino-Danish Brain Circulation - Chinese Genetics

PhD and Postdoc in Denmark

- Yonglun Luo (Alun)
- Postdoc, MSc, Ph.D
- STAR Postdoc at Novo Nordisk A/S, Denmark
- Postdoc hosted by the Department of Biomedicine, Aarhus University, Denmark;
- Postdoc hosted by the Gene Center, Ludwig Maximilians University (LMU) Munich, Germany

DAGMAR



Danish Genetically Modified Animal Resource



Genetically modified animals are an essential tool to explore molecular mechanisms in the body and for innovating therapeutic and diagnostic strategies to combat disease. The national core facility DAGMAR produces cutting-edge transgenic animal models in zebrafish, mice and pigs to collaborating research environments across the country.

The unification of the described resources in a single infrastructure will enable collaborating academic and industrial researchers to study far more aspects of gene function than has previously been possible using a single species. Because no animal model is ideal for studying all aspects of gene function, we envision that the flexibility to choose the most suitable animal system for each biological question will greatly speed up bench-to-bedside research: from initial screening of gene function through understanding of the involved molecular mechanisms to innovation and testing of novel therapeutic strategies in preclinical studies.

The production facility is mainly located at the University of Aarhus with essential contributions from the University of Copenhagen. It is the only national source of transgenic zebrafish and minipigs, and the only facility providing transgenic mice nationwide.

DAGMAR was made possible by a 30 mio DKK grant from the Danish National Research Infrastructures Programme.

COMMENTS ON CONTENT: JACOB FOG BENTZON

REVISED 2010.05.26

- Came to AU in 2008
- Attracted by:
- new Tech
- new platform
- Collaboration exchange

Road to Denmark for a PhD Education





- Prof. YANG Huanming. Director of BGI, China.
- Former supervisor for Yonglun Luo master and co-supervisor for PhD study
- C A S



- Prof. Lars Bolund at AU and scientific advisor at BGI, China.
- Former supervisor Yonglun Luo PhD study and co-supervisor for current postdoc project

Remarks for Lars Bolund in Sino-Danish brain circulation

- Establish long-term, (27 years), collaboration between Denmark and China in many areas: genomics, genetics, bioinformatics, cancer, diabetes, evolution, etc.
- Have trained and supervised over 15 Chinese PhD students, most of them are now working in China and act as a key bridge for the ongoing Sino-Danish collaboration, including **Prof. Yang**.
- Raising enormous funds for Sino-Danish research.
- BGI-EU headquarter established in Copenhagen.
- Danish PhDs and Postdocs now trained in BGI, China.
- Received the Chinese Friendship Award in 2009.

Where Should Yonglun Luo (Alun) go?



•CN

•DK

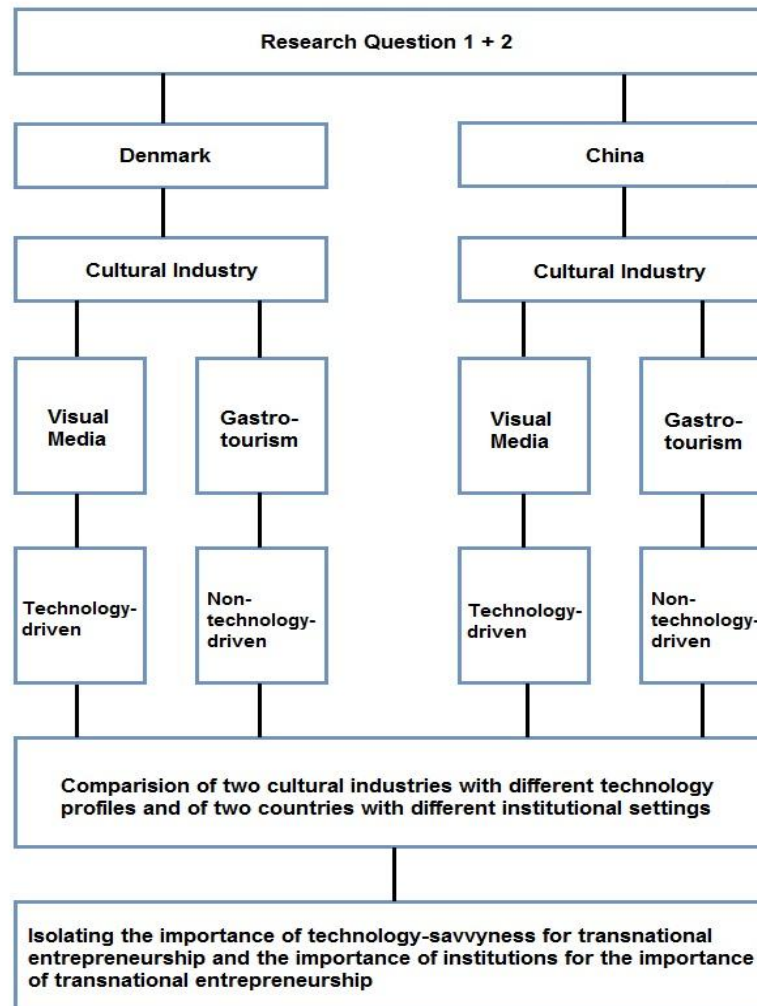
•.....

**BEYOND THE CONVENTIONAL ARGONAUTS EXPLANATIONS:
EXPLORING THE RELEVANCY OF TRANSNATIONAL ENTREPRENEURSHIP IN CULTURAL INDUSTRIES
IN DENMARK AND CHINA**

- **RQ1: What determines if Diaspora members become transnational entrepreneurs within the domain of cultural industries? How do the determinants differ from those identified in the conventional ICT-based transnational entrepreneurial research?**
- **RQ2: What determines the locational choices for the entrepreneurial activities of the transnational entrepreneurs (in cultural industries)? How do the locational determinants differ from those identified in the US-centered research?**

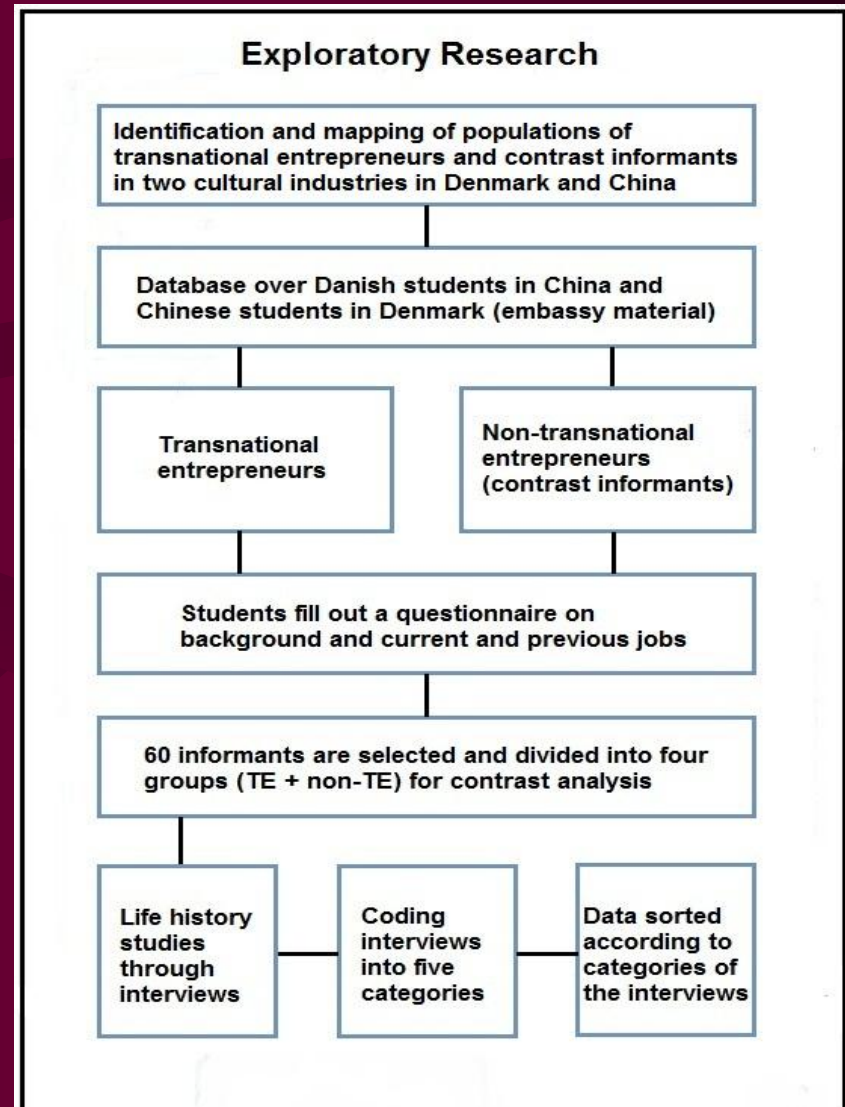
BEYOND THE CONVENTIONAL ARGONAUTS EXPLANATIONS: EXPLORING THE RELEVANCY OF TRANSNATIONAL ENTREPRENEURSHIP IN CULTURAL INDUSTRIES IN DENMARK AND CHINA

Contrast Study of Transnational Entrepreneurship in Cultural Industries



BEYOND THE CONVENTIONAL ARGONAUTS EXPLANATIONS:
EXPLORING THE RELEVANCY OF TRANSNATIONAL ENTREPRENEURSHIP IN CULTURAL INDUSTRIES
IN DENMARK AND CHINA

• **Methodological approach**



Conclusion 1

*Transnational entrepreneurs
enhance the international trade of
all countries.*

bi-cultural, spoke and hub organization,
international networks, enforceable trust, prompt
perception of opportunity conditions

Conclusion 2

- The study focused on the role of bifocality – the degree to which a TE focuses on two different institutional settings – in enhancing TE activities.
- We found that entrepreneurs with greater levels of balance in bifocality engage in greater levels of transnational entrepreneurial activities.
- Deriving equal balance could be crucial along all dimensions. Expanding the logic of Bourdieu's framework on performance to dual habitus, entrepreneurs must first be able to operate in dual habitus and develop social networks, and then derive power in a transnational field to engage in enhanced TE activities.
- Policy-makers could focus on similar sequences of logic in order to encourage transnational entrepreneurship among present and future immigrants.

End

Thanks for your attention.



SHRE@RUC.DK