Transnational immigrant entrepreneurs in the context of dual entrepreneurial ecosystem

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**Abstract**

This paper aims to contribute to the rapidly growing transnational immigrant entrepreneurship (TIE) literature by empirically exploring eco-factors and components from entrepreneurial ecosystem perspectives. Through content analysis of the TIE concepts and definitions of the entrepreneurial ecosystem, the study defines the concept of the immigrant entrepreneurial ecosystem and suggests it as an instrument for studying the relationship between immigrant firms and their business environment. Case studies and qualitative analysis examines and evaluates the dual (host- and home-country) entrepreneurial ecosystem (DEE) and its eco-factors and components. Case studies show cultural norms, in particular, home-country national values and family values, are key players in transnational entrepreneurs who engage in transnational entrepreneurship. The research results support that the DEE framework is valid as a key instrument for the study of the determination of transnational immigrant entrepreneurs’ motivation, strategy, and outcomes. This research theoretically contributes to TIE literature by finding new influential eco-factors and components, thus, enhancing the DEE framework. It also provides suggestions to policymakers and practitioners and further research directions.

**Introduction**

There is a general acknowledgment of the importance of migration and immigrant entrepreneurship to local, national and international economic development by policymakers, researchers and society (Duan et al., 2022), a position strongly supported by the United Nations International Migration Report (UN, 2020). Accordingly, some governments have enacted policies to attract foreign-born talents and entrepreneurs into their countries (Hart & Acs, 2011), not only to solve their labor shortage problems but also to sustain economic growth. In some countries, migration and immigrant entrepreneurship are seen as two of the critical drivers for sustainable prosperity (UN, 2020). The International Organisation of Migration (IOM) notes that with appropriate policies, migration can contribute to inclusive and sustainable economic growth in both home and host countries (IOM, 2020). Some governments have set up entrepreneurship promotion programs for new settlers as a strategy for socioeconomic advancement (Sonfield, 2014).

Immigrants who engage in cross-border economic activities with their home country are transnational immigrant entrepreneurs and conduct transnational immigrant entrepreneurship (TIE). As a new field of entrepreneurship, TIE is underdeveloped and investigation has been involved in various perspectives (Portes & Martinez, 2020), such as sociology, economics, immigration, business, management and others (Duan & Sandhu, 2021). Starting in the 1960s (Zhou, 2004), TIE study has expanded exponentially, addressing questions such as 1) what drives immigrants to establish their own businesses? 2) how is the business environment impacting IE? and 3) what are the differences in characteristics between entrepreneurs from various ethnic backgrounds (Kerr & Kerr, 2019)? The number of research papers published in academic journals and reports has increased exponentially in the last twenty years. By the author’s calculation, the number of articles returned from searching “Immigrant Entrepreneurship” in Google Scholar has increased 5.65 times from a two-year period of 2000-2001 to 2016-2017, and the number of publications has risen from 100
papers per year to about 600 articles per year from 2000 to 2017. In 2018 and 2019, the number of articles increased to 1,220 in Google Scholar database. For the last 20 months (from Jan 2021), the number of articles on Google Scholar has reached a record high of 1,240. This is confirmed that the interests of scholars and policymakers in TIE are continuously growing.

So far, TIE research has been centered on two spectrums: the individual (e.g., personal traits, human capital, etc.) and the business environment (e.g., local socioeconomic, political-institutional and cultural circumstances). From the research strategy perspective, as Collins and Low (2010) pointed out, “the literature on entrepreneurship often ignores the study of immigrant or ethnic entrepreneurship.” Kerr and Kerr (2019) noted that, although early work on TIE has addressed many important issues, insufficient attention has been paid to the big picture and in-depth studies are few. From a research methodology standpoint, it is clear that the individual level of analysis is commonplace. Thus, scholars (Duan et al., 2021d; 2021g) argue that future investigations should take meso- and macro-level factors into consideration, given the importance of institutional context to the promotion of IE.

In addition to the host society’s business environment and immigrant characteristics, fragmented research shows that the immigrants’ home country affects TIE in certain aspects. As immigrant economic activities are changing from dominantly stand-alone to networked, new perspectives are needed to study these relationships. These influences include funding for a startup (Kushnir, 2008), access to home country markets and other resources (Brzozowski, 2017), the change in the home-country economic position (Van Tubergen, 2005), education facilities, social capital, market and social norms (Duan et al., 2021b). However, there is a lack of holistic investigation into how transnational entrepreneurs draw resources from both host and home countries and take the advantages of the co-effects to establish and grow their ventures. Recently, researchers have asked for a lens through which to examine the relative influences of the home and host country on TIE (Duan et al., 2021a).

This paper tries to fill some gaps in TIE literature and research the phenomenon from an entrepreneurial ecosystem perspective. Scholars have recognized a lack of TIE studies in the ecosystem setting and recommended that the ecosystem approach should be the next trend (Duan et al., 2021e). It is well-known that there are several ways to discuss ecosystems in entrepreneurship-related terms, such as innovation ecosystem, digital ecosystem, business ecosystem, social ecosystem, economic and political ecosystem, industrial ecosystem, ecosystem model of technology evolution, and value ecology. However, this paper focuses on the effects of entrepreneurial ecosystem in the setting of immigrants.

The paper is organized into seven sections: the second section presents the background, context, rationale and anticipated contributions and is followed by the conceptual framework proposed for the research in the third section. The research methodology, including designing, sampling and data collecting, is presented in the fourth section. Section five presents results and implications that cover analysis for case details, ecosystem effects, and vital findings for eco-factors. Solutions and recommendations, future research directions, and conclusion and discussion are individual conversations for sections five, six, and seven.

**Literature Review**

**Theoretical and Conceptual Framework**

This section will deliver a literature review, and more importantly, it will provide the concepts of immigrant entrepreneurs, IE, and immigrant entrepreneurial ecosystem since linking TIE and ecosystem is a new research subject. In fact, these notions remain loosely defined and measured in extant literature (Stam & van de Ven, 2021). Scholars have defined these concepts in various configurations with different characteristics, so it is important to define them before conducting specific empirical investigations as recommended by researchers (Dabić et al., 2020; Stam & van de Ven, 2021).

**Transnational Entrepreneurship Research**

It is recognized that contemporary immigrants have strong intentions to pursue entrepreneurship with high success rate (Kerr & Kerr, 2019). In order to explain this phenomenon, over the last two decades, researchers have developed new positions beyond the theories mentioned above. These positions include brain circulation (Saxenian, 2005) or knowledge spillover (OECD, 2010), cultural (ethnic) diversity (Sahin et al., 2009), cross-border activities (Duan et al., 2021b) or transnationalism (Drori et al., 2009) and “social network” or “transnational ties” (Brzozowski et al., 2017; Sundararajan & Sundararajan, 2015). Saxenian’s work of “New Argonauts” received much attention from scholars and institutions for its academic and empirical contributions. Her symptomatic brain circulation standpoint expanded the boundary of TIE research from the host country only to both host and home countries (Saxenian, 2010). Another empirical study by Portes, Guarnizo and Haller (2002) show that between 37.5% and 78.5% of immigrant business owners have a business relationship with their home countries.

Following the trend, some scholars have recommended in-depth studies into the mechanisms of how both home and host countries influence different entrepreneurial activities (Brzozowski, 2019). Other scholars suggest a study of the home-country influence on TIE from social, cultural and market perspectives (Collins & Low, 2010). You and Zhou (2019) state that immigrant enterprises are shaped not only by the local market in the host country but also by multiple layers of socioeconomic and politico-institutional circumstances in the home country (You & Zhou, 2019). They found that individual characteristics and home country interpersonal networks affect the processes of host country economic adaptation and business formation.
Even though these latest fragmented notions have expanded research on the TIE environment to include the home country effect, there are missing bits of knowledge from current research. For instance, Drori et al.’s transnational entrepreneurs miss the traditional transnational entrepreneurs who start ventures in the host country to serve the local immigrant society, even though they are engaging in cross-border economic activities (Duan et al., 2021). Other studies emphasize one specific environmental factor (finance, human, etc.) and lack holistic and systematic investigation into the relationship between TIE and the environment (Kushnirovich & Heilbrunn, 2008; Sundararajan & Sundararajan, 2015; Vinogradov & Elam, 2010).

TE and transnational entrepreneurs have been loosely defined since the field became an academic area of study among scholars and policymakers (Zhou, 2004). TIE and entrepreneurs have been examined from economics, management, and sociology standpoints in conjunction with entrepreneurship disciplines (Duan et al., 2021). To date, there are several intertwined terms to define TIE and entrepreneurs, such as immigrant, ethnic, foreign and minority entrepreneurship (Table 1). More often than not, scholars make use of these terms interchangeably or with a self-explained definition for the research target.

Table 1: Related definition for transnational immigrant entrepreneurship

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<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Reference</th>
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<td>Immigrant Entrepreneur and Entrepreneurs</td>
<td>Need is the motivation for this kind of entrepreneurs. It operates in a network form because migrants operate within two countries; native and resident country.</td>
<td>(Butler &amp; Greene, 1997)</td>
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<td>“Individuals who, as recent arrivals in the country, start a business as a means of economic survival...”.</td>
<td>(Chaganti &amp; Greene, 2002)</td>
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<td>“a person who has immigrated to a new country and started a new business there”</td>
<td>(Aaltonen &amp; Akola, 2012)</td>
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<td>Transnational Entrepreneurship and Entrepreneurs</td>
<td>“. . . set of connections and regular patterns of interaction among people sharing commonn ational background or migratory experiences”</td>
<td>(Waldinger et al., 1980)</td>
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<td>Transnational entrepreneurs are social actors who enact networks, ideas, information, and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields, which in turn force them to engage in varied strategies of action to promote their entrepreneurial activities.</td>
<td>(Drori et al., 2009)</td>
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<td>Ethnic Entrepreneur and Entrepreneurs</td>
<td>“Entrepreneurs that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin and currently adopted countries and communities”</td>
<td>(Drori et al., 2009)</td>
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<td>International Entrepreneurship and Entrepreneurs</td>
<td>“[t]he discovery, enactment, evaluation and exploitation of opportunities – across nation boarder – to create future goods and services”</td>
<td>(Oviatt &amp; McDougall, 2005)</td>
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<td>“Business organisations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries”</td>
<td>(Oviatt &amp; McDougall, 1994)</td>
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<td>“[B]orn global firms as entrepreneurial startups that, from or near their founding, seek to derive a substantial proportion of their revenue from the sale of products in international markets.”</td>
<td>(Knight &amp; Cavusgil, 2004)</td>
</tr>
<tr>
<td>Ethnic (Minority) Entrepreneur and Entrepreneurs</td>
<td>“Entrepreneurs that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin and currently adopted countries and communities.”</td>
<td>(Drori et al., 2009:1006)</td>
</tr>
<tr>
<td>Diaspore (Returnee) Entrepreneur and Entrepreneurs</td>
<td>Returnee entrepreneurship refers to the process whereby migrants who, after living abroad for a period of time (e.g., for education or occupation), return back and start ventures in their home nation.</td>
<td>(Wright et al., 2008)</td>
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<td>Foreign Entrepreneur and Entrepreneurs</td>
<td>an individual, who launches a venture in a new “host” country, to which the foreign entrepreneur has migrated.</td>
<td>(Walch, 2015)</td>
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Source: Author’s Elaboration

Furthermore, the United Nations Migration Agency (IOM) defines migrants as people who are moving or have moved across an international border from their habitual place of residence, regardless of (1) their legal status, (2) whether the movement is voluntary or involuntary, (3) what the causes for the movement are, or (4) what the length of the stay is (IOM, 2020). Combining the IOM definition for migrants and the abovementioned TIE concepts, this research defined transnational entrepreneurs as individuals who moved to a new country regardless of the reasons and engaged in starting or growing up new business ventures formally and informally. In the same vein, TIE is defined as a process in which transnational entrepreneurs organize financial, social, knowledge, institutional and cultural capital to seek business opportunities, and establish new ventures within host or home countries, which in turn force them to deploy various strategic actions to promote their entrepreneurial activities for survival or business growth. In addition, immigrant entrepreneurship and TIE are used interchangeably.

Ecosystem as an Approach to Transnational Entrepreneurship Study

The latest improvement in the entrepreneurship discipline is to research the phenomenon in an ecosystem framework (Isenberg, 2011; Stam, 2015; WEF, 2013). Instead of investigating a single or a few factors, scholars are researching influential factors as a system of interconnected socioeconomic, and political-cultural elements. Scholars believe that the business environment enhances
entrepreneurship by providing opportunities and resources, hence creating high growth firms (Stam, 2015). The ecosystem has become the latest instrument for external environment research in general entrepreneurship studies, including entrepreneurial processes (Spigel & Harrison, 2017). It also has the potential to become an accepted framework to guide TIE study. In fact, the socioeconomic, cultural and political factors used in existing TIE research are primarily based on direct experiences of researchers and lack of theoretical and empirical evidence of cause-effects (Nicotra et al., 2018). Scholars note that the EE framework provides a comprehensive framework to systematically and holistically examine entrepreneurship from all sub-discipline perspective regardless of geographic regions, which will result in comparable research findings (GIZ, 2018).

The entrepreneurial ecosystem concept was first introduced in a publication by Duvall Mel (1999) who used the concept to explain the environmental differences between Internet startups in Silicon Valley and similar ventures in other locations. She concluded that the success of Internet firms in Silicon Valley is because they have appropriate resources from their entrepreneurial ecosystems, which are lacking in other locations. After Mel’s work, the entrepreneurial ecosystem attracted scholars’ great interest in finding out productive ecosystems for entrepreneurship. So far, several key definitions have been given to this environmental concept with the purpose of fostering entrepreneurship and business growth in a specific geographic location or group of population. In many cases, it has become a strategy from a governmental policymaking perspective to enhance economic growth, improve employment and build a sustainable society (Iseenberg, 2011; Stam, 2015).

An entrepreneurial ecosystem is defined as a complex system of socioeconomic, political and infrastructural components promoting the development of innovative businesses and enhancing their performance (Cohen, 2006). Several definitions of “entrepreneurial ecosystem” have been developed over last two decades (Table 2). Although each definition has considered different entrepreneurial factors that dynamically interact with one another, the general consensus is that a functional EE provides capital (financial, knowledge, institutional, social, and so on) to enable entrepreneurs to discover, assess, exploit and take advantage of market opportunities. Recent studies have expanded the elements of an ecosystem to cover additional dimensions such as culture, market, human, research institute, government and institution (Duan et al., 2022; Motoyama & Knowlton, 2017). Each dimension is weighted differently in a specific ecosystem. The World Economic Forum (WEF) argues that funding, workforce and market are the most critical factors to a functional entrepreneurial ecosystem (WEF, 2014).

Table 2: Commonly used definitions for entrepreneurial ecosystem

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<tr>
<th>Author(S)</th>
<th>Definition</th>
<th>Characteristics</th>
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<td>(Cohen, 2006:6)</td>
<td>“…an interconnected group of actors in a local geographic community committed to sustainable development through the support and facilitation of new sustainable ventures.”</td>
<td>Networks play a critical role in supporting and facilitating entrepreneurship in a region; rely on informal networks for advice, mentoring and moral support; key actors include research universities, regional government agencies, professional and support services, and capital sources.</td>
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<td>(Mason &amp; Brown, 2013:5)</td>
<td>“a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sell-out mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment.”</td>
<td>Emerging in locations that have place-specific assets. Typically, there is at least one, and usually several large established enterprises with significant management functions (e.g., head office or divisional/subsidiary office) as well as undertaking R&amp;D and production activities. Most of the spillover effects of established large firms on their environment are positive it is also the case – perversely – that in the event that they encounter difficulties, this can also have a positive impact on the entrepreneurial ecosystem by releasing talented workers who either start their own businesses or are recruited by smaller companies. The growth of an ecosystem is driven by the process of entrepreneurial recycling.</td>
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<td>(Brown &amp; Mason, 2017)</td>
<td>No unified definition, typically, definitions convey the importance of localised and interdependent relationships between different entrepreneurial actors as key ingredients driving the performance of ecosystems.</td>
<td>Entrepreneurial actors serve as the heart of the ecosystem; entrepreneurial resource providers facilitate the transition of resources into growing firms; presence of platforms for collaboration; geographical proximity of collaboration; knowledge exchange, which serves as a basis for learning processes; entrepreneurs and infrastructure serve as a core actor of the ecosystem.</td>
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| (Spigel, 2017:50) | “Entrepreneurial ecosystems are combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative startups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures.” | Spatial constraint of an ecosystem; an ecosystem incorporates relational governance without clear power hierarchy or formalized enforcement methods; participants usually share technologies and exchange knowledge about challenges of developing a venture in particular. |
| (Autio et al., 2014:1104) | Paper relies upon the notion of multiplicity of entrepreneurial ecosystems in the process of entrepreneurial innovation and argue that “Entrepreneurial ecosystems regulate the direction and quality of entrepreneurial innovation by shaping the direction and potential rewards of alternative courses of technological development and even the types of organizational forms that will be accepted as legitimate.” | Evolving nature of the phenomenon; Focus on creation of new ventures; spatial constraint of an ecosystem. |
| (Acs et al., 2017) | The entrepreneurial ecosystem approach, just like strategy and regional development literature, emphasizes the interdependence between actors and factors, but sees entrepreneurship (new value creation by agents) as the output of the entrepreneurial ecosystem. It shares its focus on aggregate value creation within a particular region, with the regional development literature.” | Both entrepreneurs and firms may serve as the output of an ecosystem; less attention is being paid to value capture; the central role is executed by publicly oriented (successful) entrepreneurs with long-term commitment to the region; value is created on an individual basis. |
| (Audretsch & Belitski, 2016) | “…Institutional and organizational as well as other systemic factors that interact and influence identification and commercialization of entrepreneurial opportunities” | Geographic boundaries of an ecosystem; interdependency of actors; importance of system-level context; dualism of ecosystem (its contextual domain and individual decision-making driven by perceived assessment of the context). |

Source: Burda et al. (2020)

Considering and combining the definitions of transnational entrepreneurs in previous section and ecosystem concepts mentioned in table 2, the immigrant entrepreneurial ecosystem is a combination of business environments for various immigrant groups in this paper. These environments, at least, contain the host- and home-country entrepreneurial ecosystems and a co-ethnic community within the host country. This definition expresses three characteristics of an ecosystem for immigrants: 1) TIE is driven not only by intellectual entrepreneurs, but entrepreneurial ecosystem dimensions such as accessible market, finance, government, social norms and other factors; 2) the immigrant entrepreneurial ecosystem is like a forest that covers the host and home country ecosystems; 3) in fact, the co-ethnic community sub-system that links two location-specific ecosystems.

The Conceptual Framework to Examine Transnational Entrepreneurship with Ecosystem Setting

Stemming from the above review and defined concepts of transnational immigrant entrepreneurs and the immigrant entrepreneurial ecosystem, TIE can be conceptualized as a process starting from entrepreneurial motivation driven by necessities or recognized opportunities. The motivation interacts with accessible resources and opportunities in the host- and home-country ecosystems to result in entrepreneurial activities, and eventually survivalist and growth business outcomes. Figure 1 illustrates the proposed conceptual framework. The framework is consistent with conventional and current entrepreneurship, ecosystem and TIE theories. A number of new additions are built into the framework such as: 1) the effect of dual (host- and home-country entrepreneurial ecosystem (DEE), 2) DEE effects on both opportunity and necessity entrepreneurship, and 3) survival and growth performance to match the differences in outcomes for the two types of immigrant entrepreneurs. The framework also considered the effect of immigrant entrepreneurs, although this study focuses on DEE factor’s (eco-factor) impact on IE.
Figure 1 comprises six constructs: entrepreneurs’ characteristics, host country entrepreneurial ecosystem, home country entrepreneurial ecosystem, necessity- and opportunity-driven motivations, innovation- and survival-driven strategic activities and firm performances with survival and growth positions. Each component is explained below.

Immigrant entrepreneurs’ motivation is where TIE starts and is best described as necessity- or opportunity-driven (Duan et al., 2021a; Duan & Sandhu, 2021a). The motivations determine goals, strategies, and the way to develop opportunities and reconfigure resources, and eventually influence firm performances. Characteristics of transnational entrepreneurs determine the motivation of an immigrant who starts the TIE journey as either a necessity– or an opportunity – entrepreneur. These characteristics also decide the entrepreneurial activities undertaken and performance outcomes. As discussed in this research, individual characteristics include age, gender, education, migration reason, length of stay in the host country, experiences in the home country and others.

Several theories have been drawn upon to develop the framework. First, it applies Duan et al.’s (2021b) DEE framework, in which transnational entrepreneurs operate. DEE is distinct from the single host-country ecosystem, which benefits native-born entrepreneurs more than immigrants. The immigrants’ disadvantages in benefiting from the local ecosystem are due to various obstacles preventing them from accessing ecosystem resources. These barriers are caused by cultural, political, social and other differences between the host and home countries and other factors such as discrimination. Duan et al. (2021a) argue that transnational entrepreneurs can benefit from DEE by gaining access to more opportunities from both host and home countries to exploit and more resources to develop their ventures. They also propose that some of the distinctive advantages existing in DEEs are only available to transnational entrepreneurs embedded in both ecosystems who proactively reach out to their home and host countries to develop opportunities and seek resources.

The causal relations among ecosystem inputs, outputs and outcomes are significant foundations for the framework. Stam (2015, p1759) recognizes that an entrepreneurial ecosystem is “a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship.” His framework, which is supported by some scholars, illustrates that entrepreneurial activities are the outputs of an entrepreneurial ecosystem.

DEE provides TIE resources and opportunities. It is an agglomeration of resources that nurture entrepreneurial activities and lead to new venture creation and enhance their performances. All DEE elements contribute directly or indirectly but unequally to entrepreneurial activities and firm performances. As discussed by Duan et al. (2021a) the common eco-factors of DEE are market, finance, human, institution, business support, social, legal and culture. These eco-factor and associated elements are much more than a host-country ecosystem for born-native entrepreneurs (Figure 1).
Compared to eco-factors in a single host-country context (Figure 1), transnational immigrant entrepreneurs face hindering eco-factors, including discrimination, non-credited education qualifications, certifications and licenses (Duan et al., 2021c). Cultural norms in a host country are unfamiliar and may not be acceptable, particularly to some religious people. Local society may not accept immigrants’ cultures such as cousins, living and working styles, not mention beliefs. Some non-documented immigrants face extra threats, including deportation.

The advantages of transnational immigrant entrepreneurs are their home-country entrepreneurial ecosystem. Every eco-factor from the home country affects TIE as important as host-country factors in the context of cross-border economic activities (Duan et al., 2021d). Empirical studies show that some important home-country eco-factors consist of social networks, family background and culture, marketplaces, technology and production levels.

The Entrepreneurial activities construct represents the TIE process to develop new goods, services, methods of production, and markets (Gartner, 1985; Schumpeter, 1943) for innovation for opportunity entrepreneurs. It also includes business survival activities such as income generation and servicing the co-ethnic community (Bates, 1994). Entrepreneurs search for resources in the home and host country ecosystems to combine them in new and creative ways to meet unmet market demands. The success of innovative strategies depends on the available resources and support from the two ecosystems. These activities may lead to firm profits and growth or firm survival.

Immigrant entrepreneurship outcomes are the final outcomes of the combined result of entrepreneurs’ motivations, activities and effects of DEE. High productivity, industry leadership, employment expansion, high-profit rate, lower cost of production, community development and personal net worth growth could be the growth indicators for opportunity-driven immigrant firms. From an economic viewpoint, these outcomes also include the creation of jobs, economic and productivity growth, business competitiveness, and reduced poverty (OECD, 2010). Business stability, sustainable cash flow and profit in a stable market are performance indicators for necessity entrepreneurs (Duan et al., 2021f). Community development, entrepreneurial and managerial experiences, social ties with co-ethnics and integration into host society are also economic outcomes for both types of immigrant entrepreneurs.

Research and Methodology

This research adopted a qualitative approach of case study as TIE research in a host- and home-country context is new and lacks significant investigation. The case studies were conducted with two transnational entrepreneurs in Auckland New Zealand (NZ), one import-oriented and one exported-oriented, both of which were chosen purposively to suit the study for DEE. The use of such an approach has previously been used by scholars and has been verified to be appropriate for developing new knowledge (Hohenthal, 2006). Yin (2002) indicated with regards to the definition of a case study as “an empirical inquiry that investigates a contemporary phenomenon in-depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (p.18).” Hence, each case represents numerous samples in import and export clusters that can be studied as empirical evidence to build up a theoretical framework. Data collection was done via two face-to-face interviews separately in May and July 2021. Each interview lasted about 90 to 120 minutes and was audio recorded with their permission. The audio was transcribed, and the content was analyzed after the interview. The content was further analyzed for the second time in May 2022.

Reasons to choose Chinese immigrants in NZ as ideal examples for TIE entrepreneurial DEE analysis include: 1) China has experienced rapid growth in the marketplace (Economist, 2019), particularly in e-trading; 2) The presence of a number of e-platforms (WeChat, Alibaba, Tencent, Baidu and so on.) in social media and e-commerce (Evans & Gaver, 2016); 3) Greatest number of micro-business entrepreneurs engaging in domestic business transactions totaling USD36bn in 2016 (Economist, 2017); and 4) A growing number of Chinese living abroad have started trade with their homeland, who are referred to as transnational entrepreneurs. In this case study, the export-oriented entrepreneur focused on trading with home-country clients through digital platforms. The rise of digital platforms for the trader in China can be attributed to ICT development and the newest digital service business models (Duan, 2022a; 2022b). On the other hand, the import-oriented entrepreneur adopted the traditional way of trade through distributions of ICT products made in China.

Cases: Chinese Transnational Entrepreneurs in New Zealand

Import-oriented business owner engaging in transnational entrepreneurship

Case-1 is an importer. He migrated to New Zealand in the early 2000s as a student. He joined PB Technology, a well-known ICT retail in NZ, after graduation. After three years as a salesperson, he set up his own company, VAC group, and started importing ICT products from China and wholesaling them to retailers around the whole country. He became a key player in Auckland in ICT product distribution from plasma TV to network cable to hard disk to keyboard and mouse. He successfully linked “Made in China” products to New Zealand businesses and end users. His business revenue reached over NZD6m between 2016 and 2019. Due to supply chain issues, mainly the cost of shipping, even though he achieved similar business turnover, the profit dropped dramatically in 2020.

His business ambition and behavior have a strong adherence to traditional family values/culture. He stated that he was willing to adhere to his traditional family values, although he is able to adapt and integrate into mainstream society. As a businessman and his idol, his father has always encouraged him to start a new venture, and his family saw business success as a significant achievement
in his personal life. His family also wanted him to be a role model to their family and relatives. He believed he was an opportunity-driven entrepreneur since he was employed full-time when he started the business.

Export-oriented business owner engaging in transnational entrepreneurship

The second entrepreneur (case-2) is an export-oriented entrepreneur running his business on Alibaba (Tmall and Taobao) platforms and WeChat social media. He offers NZ goods such as wine and dairy products to buyers mainly residing in Canton province of China. Despite the fact that he has storage for inventory in Auckland and Shenzhen, China, he is an e-entrepreneur by any definition, as the source of his economic value is solely from e-commerce trading. One of the main reasons which encouraged his decision to start an e-shop in Chinese platforms was not a lack of an appropriate job opportunity in NZ in his expertise, but he wanted to be financially free before 40 years old. Through e-platforms, he was able to achieve his goal with less cost in comparison to establishing a conversational trading company.

Family closeness was an important factor that contributed to his success. His relatives entirely managed his storage room and distribution center in Shenzhen. His wife and friends operated the Auckland storage. His father-in-law provided an extra room to store his products for exchange and return services. In his opinion, he will be satisfied his family members and friend can also become wealthy with his assistance. He has almost achieved his first-stage goal, partially financially free, but the COVID 19 pandemic slowed down his speedy progress. He strongly believed he should be classified as a necessity-drive entrepreneur since he quit his employment due to the unfair treatment of his prior employer when he started his company. He emphasized that he made up his mind to be independent despite the fact that his father could support his living cost. The turnover of his business reached almost RMD100m in 2019. After the pandemic started, the firm incomes only achieved 50% of pre-COVID position.

Service-oriented business owner engaging in transnational entrepreneurship

The third entrepreneur (case-3) can be regarded as a serial entrepreneur. He is the founder as well as the CEO of an Alibaba and WeChat technology-enabled e-payment technology distributor. Case-3 highlights that e-platforms, in addition to offering e-shop facilities for micro-enterprises, provide their customers with financial and payment services and technologies. The payment technology allows Chinese tourists and students to settle their bills through WeChat pay or Alipay. Case-3 migrated to New Zealand in the early 2000s as a student. He was able to own six 2degree stores within NZ after 15 years. In 2016, he decided to sell his 2degree business and commercialize e-payment (Ali-pay and WeChatPay) technologies, two payment methods developed by e-platform firms to be used on smartphones. He saw the potential opportunity for easy payment for Chinese migrants, students and tourists and the need for local businesses to adapt and accept this particular payment method as it was extremely popular in China. He successfully linked up NZ businesses to potential Chinese clients.

Findings and Discussions

Effects of Host- and Home-country Entrepreneurial Ecosystem

Scholars have been interested in the drivers of TIE since the discipline started (Bonacich, 1973). Various studies show that TIE is influenced by personal attributes (incl. values), host country entrepreneurial environment, co-ethnic community characteristics and immigrants’ home country factors (Brzozowski et al., 2017; You & Liu, 2019). Host country key influential eco-factors identified in the literature include financial support, labor market, consumers, suppliers, professional services, social reception, regulation and political context. From the co-ethnic community perspective, community size, entrepreneurial culture, willingness to share knowledge, and acceptance of low-paying jobs contribute to TIE (Brzozowski et al., 2017; Duan et al., 2021c). Home country factors include finance, education, economic development, corruption status and government policies (Van Tubergen, 2005; You & Zhou, 2019). These TIE influential factors were further confirmed by these three cases. Three cases are typical examples to verify these previous findings and potentially add more evidence.

The cases showed strong influences from the home-country culture norm domain. They employed mainly co-ethnic labor. This preference can find its root in TIE literature from theories of the solidarity of community development and the collectiveness of national values. The finding is consistent with the findings from scholars (Rath et al., 2018; Zhou & Hsu, 2011) who conducted research in New York City and Amsterdam.

More recently, scholars have recognized the merit of systems-based entrepreneurial environment investigation and support research incorporating a comprehensive analysis of the entrepreneurial environment, particularly using the ecosystem framework (Isenberg, 2011; Stam, 2015). The framework shows that new ventures emerge and grow not only because of talented and visionary individuals but also the business environment in which entrepreneurs carry out their activities to achieve success. This study also confirmed the enclave effects in IE.

The study further evaluated that transnational entrepreneur operate in two business environments or DEE (Duan et al., 2022; Nkongolo-Bakenda & Chrysostome, 2020). Empirical research shows that a high percentage of TIE engage in cross-border business activities (Bagwell, 2018). Wang et al. (2015) and Duan et al. (2021d) found that transnational entrepreneurs intend to be involved in cross-border economic activities because of the established linkage with the home country. Therefore, Wang et al. argue that immigrants involved in cross-border business activities are more likely to establish a business out of perceived opportunity than
necessity (Wang & Liu, 2015). Besides, immigrants acquire information through different techniques such as language, social media platforms, guanxi in Chinese communities and Internet trading sites (Duan et al., 2021b, 2021e). For some time, transnational entrepreneurs have been able to locate business opportunities by searching in places where their counterparts do not (Stuart & Sorensen, 2005). These opportunities exist not only in the marketplace for ethnic products and services but also in the non-ethnic or open market as well. Again, the research assessed the resource-based view and opportunity structure theories (Aldrich & Waldinger, 1990). Based on the cases and the findings from (Yang, Ho, & Chang, 2012), the study partially authenticated that different access to resources and opportunities lead to different entrepreneurial activities and business performance outcomes between transnational entrepreneurs and their native-born peers.

All entrepreneurs provided a clear path for the immigrant enterprise’s evolving process, which started from the ethnic enclave, then transnational. The host-country ecosystem contains a co-ethnic community sub-system that provides entrepreneurs’ capital (human, finance, market and knowledge). That is where their opportunity originated and human capital gained from as Chrysostome (2010) explained that market niche, social network, labor and emotional support are four critical ethnocultural factors from the ethnic community that supports immigrant entrepreneurs. Even though research findings in this area are mixed, for example, Waldinger (1993) and Ndofor and Priem (2011) report that there is limited evidence that the success of transnational entrepreneurs depends on pursuing a strategy of co-ethnic market niche, the success of two cases in this study relied on co-ethnic communities essentially. Some scholars believe that the co-ethnic community nurtures immigrant startups and these new ventures will eventually “break out” and be able to shift to more competitive businesses, targeting mainstream clientele. This break-out notion is also supported by the cases.

**National/regional and Family Values as DEE factors**

These case studies revealed some DEE factors that significantly impact IE. These factors have not been discussed in the TIE field, and they can be classified into three groups: national or regional values and family values.

National culture (values) can be five-dimension framework, which includes power distance, individualism and collectivism, masculinity-femininity, uncertainty avoidance (UAI), and Confucian dynamism (Hofstede, 1991, p.28). Although the investigations on the relationship between natural culture and entrepreneurship are common practices in non-immigrant related studies, the research on the association between a cross-culture setting and TIE examination is rare. This finding enhances the review results from Hayton, George, & Zahra (2002), in which they missed the effects of Confucian dynamism. This research revealed that long-term orientation is a key factor driving TIE since both cases expressed their future goals. Therefore, the dimension of Confucian dynamism needs to be added to Hayton et al.’s (2002) framework. Furthermore, all cases are unwilling to recruit native-born employees as they expressed that they disagree with individualism.

Speaking the same language is good, but speaking the same dialog is better. Both case-1 and case-2 agreed that national values (culture) and regional culture (values) play a significant role in their success. Case-1 expressed his Cantonese skill helped him enlarge Canton province's marketplace. He expressed that Cantonese traditionally trust the same dialog speakers more and prefer to engage in business with Cantonese speakers. Case-2 indicated the exact identified language value. Even though he came to NZ from Taiwan, all his suppliers were in Fujian province since Taiwan and Fujian share the same dialog (KeJia Hua). Therefore, the research suggests adding regional values, including their hierarchical sub-values, to Duan et al.’s (2021) DEE domains, factors and components. This finding enriches Hayton et al.’s (2002) argument regarding national culture and entrepreneurship by adding regional culture as a considering factor of national culture.

In addition to national and regional values, this study also revealed that traditional family values play an important role in TIE. With the dramatic cultural change in the newly settled country associated with immigration, the study sought to identify the emergence of alterations over time in entrepreneurial behaviors and observance of family values. The study’s main finding is that these transnational entrepreneurs understand the needs and are willing to adapt their traditional family values and integrate into mainstream society, as Hamilton, Dana, & Benfell (2008) indicated. The finding also indicated that wealth creation for future generations might be well-accepted in Chinese culture, but it somewhat conflicts with NZ values.

Case-3 expressed that he obtained the sole distributor privileges because of his social capital. His family holds strong relationships with AliPay and WeChatPay e-platforms. His human capital, from education to business experience to social networks with NZ ICT business, enabled him to expand the business at a trajectory speed.
Table 3: Domains, factors and elements of an entrepreneurial ecosystem in the host- and home-country context

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**Source:** Partially adapted from Flores & Kovács (2018); Duan et al. (2022).
Conclusions

This paper applied a conceptual DEE framework/model (Duan et al., 2021c) for TIE research and evaluated the framework by empirical studies in the context of immigrants exploiting entrepreneurial opportunities and enhancing TIE outcomes. The research perspective has focused on the significance of DEE from the TIE perspective, and the analysis is based on the notion of the immigrant entrepreneurial ecosystem. The results suggested that the DEE framework and its eco-factors and elements need to be considered while researching the TIE phenomenon from a DEE perspective.

Theoretically, first, this research enriched the configuration of DEE in eco-factor and component levels. The key finding of the research is that it revealed the importance of the national values of the home country. The paper suggests the home-country national values can be an eco-factor of the culture norm dimension. Second, this study evaluated the application of the DEE framework and confirmed its availability and feasibility in TIE investigation, specifically in the examination of entrepreneurial environments. Since the main weakness of the DEE framework is that it is still in an experimental stage, the validation by the TIE phenomenon has not yet surpassed explorative case studies. Therefore, the research contributes to TIE literature by qualitatively examining the framework.

Practically, the results have strong implications for policymaking in three ways. First, policymakers need to encourage immigrants to establish DEE eco-factor ties with their home countries, thus fostering cross-country IE. Second, transnational entrepreneurs need to utilize viable resources and opportunities from DEE to build high-growth businesses. Third, the paper implies policymakers could develop a series of programs for various ethnic immigrant groups. And these ethnic-focused programs will be more effective than general schemes for all immigrants when considering national values as a TIE influential eco-factor. Fourth, complementary eco-factors are important; for example, in this paper, China as a “world factory” supports more entrepreneurial opportunities for Chinese Kiwis. On the other hand, NZ produces excellent quality natural goods and food, and China is its largest market. Finally, cultural integration is still a deadly required program for the host-country government. Western societies need to understand the eastern culture of collectiveness and long-term wealth creation, and it is also a prerequisite for immigrants to appreciate individualism and short-term orientation.

Therefore, this paper argues that, because of DEE effects, compared to native-born entrepreneurs, transnational entrepreneurs have extra tangible and intangible resources which facilitate opportunity recognition, strategic business execution and firm growth by assembling these resources. They are able to take resource-rich benefits from DEE eco-factors because of “bounded solidarity and enforceable trust” (Portes & Sensenbrenner, 1993). To an extent, it is these leverageable resources from DEE eco-factors that drive immigrants to have a higher rate of entrepreneurship and better firm performance (Kerr & Kerr, 2019). This can be a way to explain why immigrants are more eager to choose entrepreneurship as a career, and also partially clarify why firms with owners of immigrants and natives perform better than a single ethnicity.

Lastly, the small sample size is a significant limitation of this research, even though scholars have recommended the research method and the methodology has been popularly used in various studies (Ngoasong, 2018). Further empirical research with large sample size is needed, given that the focus of this study is the conceptualization of utilizing entrepreneurial resources for the TIE process. Furthermore, available resources vary from country to country, and there is a need to verify leverageable resources for different ethnic groups. Even in the same co-ethnic group, different generations, personal networks, individuals’ home-country ties (strong or weak), gender, age and other factors all affect the entrepreneurs’ ability to obtain and assemble existing resources.

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All authors have read and agreed to the published version of the manuscript.

Author Contributions: Conceptualization, Carson Duan; methodology, Carson Duan; formal analysis, Carson Duan; investigation, Carson Duan; resources, Carson Duan; writing—original draft preparation, Carson Duan; writing—review and editing Carson Duan.

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Conflicts of Interest: The authors declare no conflict of interest.

Resources


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