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Trapped in Small Business? An Investigation of Three Generations of Migrants from Turkey to Western Europe

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3 **Trapped in Small Business? An Investigation of Three**
4 **Generations of Migrants from Turkey to Western Europe**
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8 **Abstract**
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10 This article examines the self-employment behaviour of three generations of migrants
11 from Turkey living in Europe to understand its implications for their economic
12 adaptation into the receiving societies. It specifically investigates the likely
13 generational differences in their propensity to engage in small businesses and the
14 extent to which they are transmitted across generations. The research is based on the
15 *2000 Families Survey*, which draws parallel samples of migrant and non-migrant
16 families from their origins in Turkey and traces them across Turkey and Europe over
17 multiple generations. The data is drawn from a subset of personal interviews with
18 1743 economically active settlers nested within 836 families. The results challenge
19 the assimilation theory but lend support to the disadvantage thesis by demonstrating
20 that the younger generations, including the better educated, are significantly engaged
21 in small, low status businesses of their parents regardless of their language
22 proficiency, citizenship status and country of residence.

23 **Keywords** ethnic entrepreneurship, intergenerational transmission of small business,
24 migrant entrepreneurship, self-employment, Turkish Diaspora in Europe
25

26 **Introduction**
27

28 People from Turkey migrated to Europe in large numbers during the guest-worker
29 years of 1961 to 1974 when many Western European countries, including Germany,
30 France, Belgium, Austria and the Netherlands, pursued active labour recruitment
31 policies to tackle the major labour shortages they were faced with. At the time, about
32 one million people, mostly men, moved from Turkey to work in the mining,
33 manufacturing or construction industry; forming the largest guest worker group in the
34 continent (Akgündüz 2008). With the economic crisis in the mid-1970s, the labour
35 recruitment arrangements came to an end; some of these people returned to the
36 homeland but many stayed on. Migration from Turkey to Europe has continued to
37 date through family formation/unification, education, employment and political
38 asylum.
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40 Today, about five million people from Turkey, spanning multiple generations,
41 are estimated to live in Europe (Author et al. 2016a), but in an economic climate less
42 welcoming than that of the guest-worker years. The opportunities for recruitment in
43 salaried positions are no longer available to later comers, or the descendants of the
44 guest workers, as readily as they once were. As a matter of fact, sporadic evidence
45 from some country-case studies shows that migrants from Turkey to Germany,
46 Austria, Belgium and the Netherlands are turning to self-employment in large or
47 growing numbers, often disproportionately to their group size (Abadan-Unat 2011;
48 Avcı 2006; Erichsen and Şen 1987; Toksöz 2006; Wets 2006). This development is of
49 critical importance in terms of understanding the economic adaptation of one of the
50 largest minority groups in Europe. While some scholars consider it to be a sign of
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3 economic success and adaptation (e.g. Chiswick 1986; Portes and Zhou 1996), others
4 hold a more reserved position, highlighting the role of discrimination and
5 disadvantage in pushing migrants into self-employment (e.g. Abadan-Unat 2011;
6 Light 1972).

7
8 This article seeks to understand the implications of self-employment for migrant
9 adaptation and disadvantage from a unique perspective that is intergenerational. It
10 focuses specifically on small business formation amongst migrants from Turkey to
11 Europe and their descendants spanning three generations to identify the generational
12 trends and determine the extent of family transmissions; thereby, aiming to shed
13 light upon the debates as to whether the children of migrants are becoming better
14 integrated to the European labour markets or marginalised in small businesses of
15 their parents.

16
17 The structure of the article is organised as follows. It starts by setting out the
18 theoretical background and the main features of the new resource-based framework
19 that lays the theoretical foundations of the study. It then reviews past findings,
20 followed by a presentation and discussion of the results. The article concludes with a
21 summary of the key findings, research limitations and suggestions for future
22 research.

23 24 25 26 27 28 29 **Theoretical Background**

30 This section provides a brief overview of the relevant theoretical ideas, leading to a
31 set of hypotheses about generational change in small business involvement of
32 migrants and the transfer of such businesses across family generations.

33
34 Since the early middlemen theories (see e.g. Bonacich 1973; Light 1972),
35 discrimination experienced at school and/or in the labour market has been considered
36 to be an important determinant of migrant entrepreneurship. According to the one
37 also known as disadvantage theory, discrimination, unemployment, language barriers
38 and/or inequalities in access to education and training can push migrants/ethnic
39 minorities into self-employment by lowering their returns from paid employment
40 (Light 1972; 1979). This proposition is, however, disputed by subsequent studies that
41 consider migrant/ethnic entrepreneurship as a significant path to economic success
42 (see a review by Portes and Zhou 1996). Some of these highlight a multiplicity of
43 reasons for migrant entrepreneurship; one being the higher earnings prospects it
44 offers. Further supportive evidence indicates a higher propensity for self-employment
45 among migrants who are more advantaged in terms of earnings (Fairlie and Meyer
46 1996). More recent studies, however, confirm the disadvantage theory by
47 demonstrating how discriminatory wages push migrants into self-employment (e.g.
48 Abada et al. 2012; Clark and Drinkwater 2000; Hammarstedt 2006). Further
49 supportive evidence comes from research by Blume and his colleagues (2009) who
50 compare migrants from non-Western backgrounds with natives in Denmark to find a
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significantly greater tendency for the former to use self-employment as a way out of non-employment. They show that the observed differences have little to do with education and work experience, but rather with the labour market barriers that arise from discrimination.

The likely presence of discriminatory influences means that economic success (or the higher earnings) migrants obtain through self-employment may not necessarily result in increased adaptation since such influences render it likely that they become marginalised in small-scale, low status businesses. Likewise, Abadan-Unat (2011) argues that migrant enterprises may not lead to a ‘melting pot’-type adaptation since they only require one to obey the formal rules and regulations of the destination country. She rather sees these enterprises as a ‘niche economy’, allowing migrants to achieve economic success without having to go through an intense process of acculturation. She claims that such niches are also open to newly arrived migrants as well as the poorly educated descendants of migrants, provided they have access to an ethnic group and the necessary human and material resources.

The proponents of new assimilation theory expect migrant niches to lose their significance for subsequent generations, assuming that they will have better opportunities outside the niche (Alba and Nee 2003). However, the supporters of the disadvantage thesis argue that discriminatory influences blocking labour market opportunities elsewhere may even lead the better educated children of migrants to engage in small family business (Granovetter 1995). Thus, migrant entrepreneurship bears particular relevance to questions about intergenerational transmission. According to Bechhofer and Elliot (1981), the *petit bourgeoisie* tend not to recruit from their descendants primarily because the marginal character of their small businesses drive the heirs from inheriting their parents’ modest enterprises. However, this presumption about the general economy may not be applicable to the specific case of migrant entrepreneurs given the presence of discriminatory influences. As pointed out by Granovetter (1995), such influences may compel this group of migrants to recruit from their descendants or pass on their businesses onto them. Even the better-educated children may become involved in small, marginal businesses, as a result.

Consequently, the above review leads towards the following hypotheses about the small business involvement of migrants and their descendants. If one were to follow the assumptions of the new assimilation theory, then the subsequent generations of settlers would be expected to display significantly lower levels of involvement e.g. due to having better options outside the niche economy and/or the dwindling of discrimination. Thus, the intergenerational transmission of small family businesses onto the younger generations would also be expected to be weak. However, if discrimination against settlers persists across generations, then, one would expect the opposite to be true: The subsequent generations, including the

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3 better educated, would be equally or more likely than the previous ones to engage in
4 small businesses and/or to inherit them from their parents.
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6 7 **Towards a Resource-Based Perspective on Self-Employment**

8 This section introduces the theoretical framework designed for this study and used in
9 testing out the hypotheses outlined above.
10

11 The proposed model approaches migrant self-employment/entrepreneurship
12 from a new resource-based perspective, versions of which have been widely used
13 within the poverty and livelihoods literatures (see e.g. Author 2013; Swift 1989;
14 Moser 1998; Bebbington et al. 2007) but have only recently been applied to
15 understanding migrant adaptation and subjective wellbeing (Alba and Nee 2003; Ryan
16 et al. 2008). For instance, the *new institutionalist theory of assimilation* proposed by
17 Alba and Nee (2003) emphasises the interplay between the resources and purposive
18 actions of migrants and their descendants and the contexts, including institutional
19 structures, cultural beliefs and social networks. It also resonates with other
20 theoretical approaches to understanding the role of contexts in shaping the economic,
21 and more specifically, the entrepreneurial behaviour of migrants. One of these is
22 referred to as the *modes of incorporation*, developed by Portes (1995) primarily to
23 understand the economic adaptation of migrants and their descendants into the host
24 society, based on three 'contexts of reception': a) government policies aimed at
25 immigrants, b) civil society and public attitudes towards particular immigrant groups
26 (i.e. discrimination and prejudice) and c) ethnic community. Another is the *mixed*
27 *embeddedness approach*, promoting the idea that economic action and outcomes are
28 embedded in social, economic, politico-institutional and spatial contexts (see e.g.
29 Kloosterman 2000; Kloosterman et al. 2016; Rath 2000; Rekers and van Kempen
30 2000; Rusinovic 2006).
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32 The proposed model takes the theoretical field further by drawing attention to
33 the micro as well as macro-level factors which potentially influence the availability,
34 capacity and management of resources and hence the employment 'choices' of
35 migrants, and in particular, their decision to become self-employed.
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37 The self-employed broadly refer to individuals who generate an income through
38 'exercising their profession or business on their own account and at their own risk'
39 (Parker 2004: 6), but they by no means represent a homogeneous group; for
40 example, some of them work alone while others employ other people. The number of
41 employees is often used as a basis to determine the size of businesses, but as pointed
42 out by Parker (2004), the firm size definitions tend to be arbitrary and industry
43 specific. This makes the identification of those self-employed in small businesses a
44 less straightforward task. In distinguishing between small and large businesses, this
45 study will follow Ganzeboom and Treiman (1996), who developed internationally
46 comparable measures of occupational status, and use having 10 or fewer employees
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as a cut off point for small business. The size of business is of particular significance to assimilation and disadvantage theories in that it tells us something about the occupational status of migrants and their descendants; thereby enabling us to understand how dis/advantaged they are in terms of attaining prestigious job positions and hence how well they are adapted to the labour markets of the receiving countries.

The basic components of the resource-based model considered to have an effect on migrant's self-/employment decisions are summarised in Figure 1. To begin with, six types of resources are identified here as potentially accessible to the individual: time, labour and bodily resources, economic, cultural and social capital and finally institutional entitlements. Of these, the following warrant further description. Like Bourdieu (1986), *cultural capital* is conceived as skills, knowledge and qualifications individuals acquire formally through schooling and informally through their personal life experience. *Economic capital* is also used in a similar way to Bourdieu to embrace resources immediately and directly convertible into monetary terms (e.g. financial and non-financial assets). *Social capital* is, however, defined rather differently to mean relatively durable relations established inside and outside markets (for a similar definition, see Pizzorno (2001) who excludes market-based contacts). *Institutional entitlements* indicate entitlements granted by governmental and non-governmental institutions to regulate access to various monetary and non-monetary benefits (e.g. cash, assets, goods and services).

The model identifies a range of micro and macro level-factors that shape the availability, management and benefit delivery capacity of the resources potentially accessible to the individual. One set of factors concerns one's *personal features* (e.g. age, migration history, religious affiliation, ethnicity and citizenship status). For example, one's migration history, or the time s/he spent in the destination country, is likely to determine the extent of his/her economic, social and cultural capital accumulations that can be mobilized for business purposes. Further, one's entitlements to employment can clearly be affected by their citizenship status. A second set of factors relate to *household characteristics* (e.g. size and composition). For example, the number of household members available for work in a family business is potentially greater in larger households with elder children. A third set of factors refers to *family endowments one inherits from other generations*, which can take the form of behaviour, beliefs, values and resources (e.g. business skills, links and assets). A final set of factors involves *contextual influences* to which one is exposed at the local, national and global levels (e.g. labour market conditions, government economic and social policies, public attitudes to migrants and the wider conditions of global economic crisis). For example, some governments have in place specific policy initiatives designed to encourage migrants to become entrepreneurs, which is likely to have an effect on their propensity for self-employment.

Finally, the model conceives of *international migration* as a major life event that reshapes the resource portfolio of the migrants and hence their employment options by altering the local and national contexts within which they operate, some of their personal and household characteristics (e.g. national and ethnic identity and household composition) as well as the nature and extent of family transfers across generations.

The model can be claimed to hold a greater potential for understanding self-employment due to the three major advances it makes on similar approaches used previously. First of all, the model provides a broader representation of the key factors shaping self-employment than the earlier works where the focus is restricted to the contextual effects on resources (see e.g. Alba and Nee 2003). The model not only accounts for such effects, it extends the coverage of key factors to include those operating at the individual and household levels and across family generations. Secondly, it offers a theoretically more sophisticated resource portfolio with greater conceptual clarity and empirical applicability. In particular, by drawing together the key resources used previously in a rather fragmented way, the model provides mutually exclusive and jointly exhaustive resource categories. Thirdly, and related to the first two, the model better captures the dynamic interplay between international migration, resources and self-employment behaviour, and their relationships with other micro and macro-level influences. For example, as pointed out by Nauck (2001), international migration acts as a breakpoint in the life course of an individual or family which can lead to the devaluation or loss of (grand)parental resources such as social, economic capital and cultural capital; thereby hampering their transmission across generations. This can have an adverse effect on business start up and/or success by restricting the availability and benefit delivery capacity of the relevant skills, links and assets in possession of younger generations. As can be seen from this example, the model does enable representation of complex causal paths.

Mapping out the Empirical Literature

This section reviews the empirical literature on migrant entrepreneurship, the bulk of which has a destination country focus. The exceptions are the studies of business formation among the transnational, return and out-migrants in the country of origin (Dustmann and Kirchkamp 2002; Landolt 2001; Massey and Parrado 1998; Portes et al. 2002; Roberts et al. 1999). Of the studies with a destination focus, some investigate one or more migrant groups living in the same urban locality while others draw spatial comparisons between one or more migrant groups from different localities (e.g. Edin et al. 2003; Goldscheider 1986; Light et al. 1994; Light and Rosenstein 1995; Min and Bozorgmehr 2000; Rusinovic 2006; Sanders and Nee 1987; Wilson and Portes 1980). There are also single-country case studies from Europe and North America, which either investigate a specific migrant group (e.g. Perez, 1986) or

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compare across different migrant groups and/or between the migrants and the 'natives' (e.g. Abada et al. 2012; Andersson and Hammarstedt 2010; Blume et al. 2009; Borjas 1986; Clark and Drinkwater 2000; Constant and Zimmerman 2006; Fairlie and Meyer 1996; Hammarstedt 2001, 2006; Hou et al. 2011; Hout and Rosen 2000; Le 2000; Light 1979; Kanas et al. 2009; Razin and Langois 1996; Ward 1985a; Yuengert 1995). Cross-country comparisons and studies covering multiple countries, however, remain a rarity (Van Tubergen 2005a; Ward 1985b).

Only a small portion of the above literature approaches migrant entrepreneurship from a generational perspective. Most of the existing research is on North American contexts, either focusing upon particular migrant groups like the Jewish or African Americans (e.g. Goldscheider 1986; Fairlie 1999) or comparing between migrants and 'natives' (Abada et al. 2012; Hou et al. 2011, Hout and Rosen 2000). Hence, very little remains known about the extent of intergenerational transmission for migrants in Europe. There are only two studies exploring the entrepreneurial behaviour of migrants to Sweden and Germany respectively (Andersson and Hammarstedt 2010; Constant and Zimmerman 2006). Moreover, very few studies extend beyond the second generation (see the works of Abada et al. 2012; Andersson and Hammarstedt 2010; Hou et al. 2011), and only Andersson and Hammarstedt's (2010) study uses biological data to determine the extent of direct transmission over three generations. The study demonstrates a greater propensity for subsequent generations with self-employed fathers to become self-employed with some variation in the strength of transmission between migrant groups. By contrast, the research on Jewish and European migrants to the US shows that self-employment is not inherited generationally. This is attributed to the high levels of educational attainment and the lessening of corporate discrimination, which diminish the allure of small businesses for the descendants by lowering the barriers to desirable positions in large enterprises (Goldscheider 1986 see also a review by Waldinger et al. 1990).

As for studies of migrants from Turkey to Europe, these remain few in number despite the fact that they represent one of the largest minority groups in the continent with a disproportionately high propensity for self-employment as opposed to the 'natives' in countries such as Austria, Belgium, Germany and the Netherlands (Abadan-Unat 2011; Avcı 2006; Erichsen and Şen 1987; Toksöz 2006; Wets 2006). The studies are mostly country specific and rarely have a generational focus. There is only one cross-national survey of migrant self-employment in 17 Western societies, which includes migrants from Turkey (Van Tubergen 2005a). Three further studies also include this minority group; two of these are based upon large-scale surveys of migrant populations in Germany and the Netherlands (Constant and Zimmerman, 2006; Kanas et al. 2009) while the other uses register data of male migrants to Denmark to compare their labour market transitions (e.g. from non-employment to self-employment) with those of natives (Blume et al. 2009). A few other studies focus

exclusively on migrants from Turkey to explore the reasons for business formation and/or success in German or Dutch contexts (Blaschke and Ersöz 1986; Erichsen and Şen 1987; Rekers 1993; Rusinovic 2006). Two of these have a generational focus but neither investigates the extent of direct family transmissions. The work of Blaschke and Ersöz (1986) provides explanations for the increased rate of self-employment among the second generation of migrants from Turkey to Germany. Rusinovic's (2006) research compares the self-employment behaviour of the first and second generation of migrants from Turkey to the Netherlands. One of her findings suggests that the former are mostly driven to self-employment by 'push factors' (e.g. unemployment and blocked labour market opportunities) whereas the latter are more motivated by 'pull factors' (e.g. the desire to search for new opportunities and to become occupationally independent).

Consequently, there is currently no research exploring the entrepreneurial behaviour of migrants from Turkey to Europe across multiple generations. Given their size and long history in Europe, a focus on this group of migrants presents a perfect opportunity to test out the basic assumptions of the assimilation and disadvantage theories, which are outlined above.

Research Design and Method

The research focuses upon a particular group of migrants called *settlers* who have been living in Europe for at least a year, including the native-born. It investigates the their self-employment behaviour over three *family* generations in order to find answers to the following research questions:

1. To what extent do generational differences exist in their propensity to engage in small businesses?
2. To what extent are small family businesses passed onto the younger generations?
3. What do the observed differences and tendencies imply for the economic adaptation of the younger generation of settlers?

The data were drawn from the *2000 Families Survey* that adopted an innovative technique of screening five migrant-sending regions in Turkey (i.e. Acıpayam, Akçaabat, Emirdağ, Kulu and Şarkışla) to identify migrant and non-migrant families and to obtain their contact details (Author et al. 2016b). The key features of the selected regions and the rationale for their selection are detailed in Author et al. (2015). However, briefly speaking, these regions were selected mainly due to the survey's primary focus being on labour migration from Turkey during the guestworker years of 1961 to 1974 and the named regions had witnessed some of the highest rates of outmigration over this period. None of these regions are located within the

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predominantly Kurdish parts of Turkey. These areas were excluded because of the fact that Kurdish migration to Europe has mostly taken place in the post-1970 period. Having said this, some of the villages in Kulu region had a high concentration of Kurds. Regarding the religious characteristics of the regions, they were predominantly populated with *Sünnis*, representing the biggest Islamic sect in Turkey. Only Şarkışla did have a sizeable *Alevi* population.

Turning to the selection criteria for migrant families, these involved having a male ancestor who: a) might be alive or no longer alive, b) is or would have been between the ages of 65 and 90, c) grew up in the region, d) moved to Europe between 1960 and 1974 and e) stayed there for at least five years. The same criteria were applied to non-migrant families with one difference: their male ancestor must have stayed in Turkey instead of moving to Europe. A sampling quota of 80% migrant and 20% non-migrant was also imposed on each region, as the latter was only to act as a comparator group.

In screening the families, a clustered probability sample was drawn for each region. The Turkish Statistical Institute's (TÜİK) address register was used to obtain 100 primary sampling units with a random starting point. The size of each unit was proportional to the estimated population size of the randomly chosen locality. From the primary sampling point onwards, the sample was selected through random walk. This involved going to the random starting point and knocking on every door if the locality inhabited less than 1000 households and on every other door if the number of inhabitants was 1000 or above. Four migrant families were sampled for every non-migrant. The random walk ended when 60 households were screened or when eight families were recruited.

The screenings were carried out in two stages: a pilot study was performed in Şarkışla in the summer of 2010. The remaining four regions were screened in the summer of 2011, during which approximately 21,000 addresses were visited to achieve the target sample of 400 families per region. The strike rate (i.e. the proportion of eligible families) was around one in every 12 households, yielding 1992 participating families in total.

The survey traced the families of the migrant and non-migrant male ancestors across Europe and Turkey over three generations regardless of their sex. The data was collected through face-to-face interviews with those present in the field, and phone interviews with those who were absent. A separate tracing procedure was put in place in 2012 to establish contact and perform interviews with hard-to-reach family members. This helped boost the sample of the migrants currently living in Europe as hard-to-reach people were mostly from this group. Of multiple data collection instruments used in the survey, the current study drew on *personal interviews* performed face-to-face and over the phone in the summer of 2010 and 2011 with male ancestors and their randomly selected descendants aged 18 or above. The

sample frame for each family included the living male ancestor, his two children, two adult children of these two children (i.e. male ancestors' grandchildren) and if any, their adult children (i.e. male ancestors' great grandchildren). For randomisation, the adults with initials closest to A and Z were selected. The response rate was 61%, amounting to a total of 5980 personal interviews with individuals spanning three family generations nested within 1992 families. The response rate was considerably high and no particular pattern of non-response was observed.

This study used only a sub-sample of personal interviews performed with *settlers* who are currently or have previously been economically active, excluding those involved in large-scale businesses employing 10 or more people. As a result of this, 37 settlers had to be omitted. The final sample included 1743 settlers nested within 836 families. Of these, 12% (210) were self-employed in small businesses.

Regarding data analysis, two probit functions of self-employment were estimated to answer separate research questions. Model 1 was developed to explore the generational differences in self-employment behaviour of settlers; hence to answer questions 1 and 3. Model 2 was designed to determine the extent of *direct* transmission from parents to their *own* children, which required establishing dyads between them. Dyads describe a relationship between a pair of individuals. In this study, the dyads linked the family members of the second and third generations to their fathers/mothers to allow an identification of parental self-employment status. Since the personal data contains no information about parental employment status of the male ancestor, a dyad could not be established between him and his parents. This is why only the second and third generations could be included in Model 2. Both Model 1 and 2 were cluster-corrected to account for within-family association.

The dependent, independent and control variables used in the probit estimations are presented in Table 1. In selecting these variables, the resource-based framework presented in Figure 1 was utilised. The binary dependent variable of self-employment was derived from the following question: "In this job [i.e. your current/last main job], are/were you self-employed, a public sector or a private sector employee or doing unpaid work in a family firm or farm?". The sample thus covered those who are currently or have previously been economically active. To estimate the effects of *personal characteristics* on self-employment, one's generational status in the family tree, family migration background, sex, marital status and country nationality variables were employed. The variable of family generations had to be included to answer the first research question. The age variable was introduced as controls to ascertain whether there was a distinct generational effect or whether any generational differences observed were in fact to do with age. The family migration background variable, which indicates whether or not one has a migrant male ancestor, was employed as a proxy for one's migration history. Unfortunately, a more direct measure, e.g. 'duration of stay in Europe', could not be included in the model

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as it proved to be highly correlated with the age variable used to disentangle the possible generational effects [Pearson correlation, $r = 0.71$ $p < 0.05$]. Sex variable was added to the model to see whether self-employment is a gendered activity. Marital status is also included because past research has shown that married couples are more likely to pull resources necessary for setting up and running a business (Massey and Parado 1998). The country nationality variable was selected due to being a key determinant of one's institutional entitlements. Furthermore, in recognition of the fact that migrants from Turkey form an ethnically diverse group with possibly divergent migration and employment histories, the variable of ethnicity was created and used to explore the implications of ethnic diversity for their resource portfolios (e.g. business experience, skills and networks) and choices of post-migration employment. According to this, 81% of the economically active migrants were Turkish, 12% Kurdish and 7% belong to other ethnic groups. This variable allowed representation of migrants' ethnic origins but the religious aspects of their identities could not be captured due to the high percentage of respondents refusing to disclose their Islamic denomination (i.e. *Sünni* or *Alevi*) at 40%. A separate analysis was performed including the ethnicity variable but yielded no significant results [Turkish = base; Kurdish=0.15, $p = 0.31$, $se = 0.15$; other ethnic groups= -0.03, $p=0.90$, $se=0.19$]. This might be to do with a) the sample of the economically active Kurdish migrants from Turkey to Europe being disproportionately small and b) the sample size declining to 1388 due to the introduction of the variable with more missing cases. For these reasons, the variable of ethnicity was omitted from the final analyses.

To ascertain the effects of *household characteristics*, the household size variable was incorporated into the model, based upon the evidence that larger households are more likely to engage in business formation due to being in a better position to mobilise family labour resources (Massey and Parado 1998). Besides, the variable of households with minor children was tried out as proxy for household composition and stage in the life cycle but its effect was insignificant; hence it was omitted to preserve the statistical power of the model. To measure the effects of *intergenerational transfer of family endowments*, the parental employment status variable was introduced. The variable was chosen to capture the business-related values, behaviours and resources (e.g. cultural, social and economic capital) that can potentially be passed onto the children. Finally, regarding the *context*, this research does not intend to investigate the cross-country differences in self-employment but nevertheless, used the current country of residence variable to control for the contextual effects operating at the national level.

Turning to the elements of the individual's resource portfolio, two variables were used to estimate the effects of *cultural capital*; i.e. highest educational qualification achieved, and country language proficiency. The latter was derived by combining two self-reported variables; one measures the ability to speak and the

other to write in the language of the receiving country on a scale of 1 to 4 ranging from 'very well' to 'not at all'. The variable was added to the model particularly to see whether those settlers better adapted culturally are able to break away from small, marginal businesses. Unfortunately, no variables could be included to measure the effects of *economic and social capital* stocks of migrants. This was to circumvent the problem of endogeneity emanating from the cross-sectional nature of the survey, which made it impossible to determine whether or not their asset accumulations or social networks preceded their involvement in small businesses.

<INSERT TABLE 1 HERE>

The Results

This section summarises the results obtained from the descriptive and probit analyses of *self-employment in small businesses*. An interpretation of these results will be presented in the next section.

Table 2 presents the conditional distributions of self-employment for three *family* generations of settlers. These indicate a significantly greater propensity for second generation to become self-employed than the first and third generations. [Pearson χ^2 (2) = 25.26, $p < 0.001$]. However, the probit estimations presented in Table 3 did not fully support this picture. Model 1 indicates that the second-generation settlers were significantly more involved in small businesses than the first generation but the levels of involvement did not differ substantially between the second and the third.

Model 1 also suggests the lack of a significant association between self-employment and the variables of family migrant background, citizenship and language proficiency that are considered to be of particular relevance to understanding migrant adaptation, assimilation and acculturation. It confirmed that neither having a migrant ancestor, nor being a country national or having written and/or oral proficiency in country language made a difference to the settlers' engagement in small businesses.

Another striking result obtained from Model 1 is that except for the primary dropouts, settlers from all educational backgrounds were significantly more likely than the primary school graduates to engage in small businesses. This also applied to the settlers with university or higher degrees, even though they exhibited lower levels of self-employment than those with secondary education. As for personal and household characteristics, Model 1 shows that marital status made no difference to self-employment while gender and household size did. Here, men and members of larger households are found to have a greater propensity for self-employment.

Furthermore, Model 2, also presented in Table 3, reveals a very strong propensity for the children of the self-employed fathers/parents to become involved in small businesses. The results indicate the extent of intergenerational family

transmissions to be highly significant. The exact nature of these transmissions remains unknown, but it could at least be suggested that migrant parents continue to transfer their business skills, values, links and/or assets onto their children either through inheritance or recruitment and thereby shaping their cultural, economic and social capital stocks. So how can we make sense of the key findings summarised above? This question is to be explored next.

<INSERT TABLE 2 HERE>

<INSERT TABLE 3 HERE>

Interpreting the Results

Contrary to the expectations of assimilation theory, economic niches do not seem to be losing their significance for younger generations of migrants from Turkey currently settled in Europe. It appears that second generation of settlers have been turning to small businesses to a greater extent than the first generation men. The members of the third generation also appear no less involved than the second generation. Moreover, a significant portion of the better-educated settlers, the great majority of whom belong to the second and the third generations, have been turning to small businesses. A considerable portion of these was family enterprises, possibly passed on through inheritance. However, it also remains probable that some of these enterprises were not legally owned by the children but nevertheless perceived as such.

It is not surprising that the levels of engagement in small businesses turned out to be low for the first generation men. These men migrated to Europe during the guest-worker years of early 1960s and mid-1970s when salaried manual jobs were in abundance. It seems that rather than pursuing the risky path of self-employment, they made the decision to remain as employees and retire from it. However, this option does not appear open to the younger generations to the same extent. Indeed, with the economic crisis of the mid-1970s, the guest-worker agreements that Turkey signed with many Western European countries have been abolished. This is likely to have resulted in the subsequent generations of migrants becoming increasingly more exposed to influences blocking their opportunities especially for salaried employment. Such influences may well have led them to 'opt' for self-employment. Moreover, at 85 % (i.e. 210 out of 247), the great majority of the self-employed settlers appear to be involved in businesses with 10 or fewer employees. These businesses are considered to be small in scale and low in status (see e.g. Ganzeboom and Treiman 1996). So can the findings be interpreted as meaning that especially the younger generations of migrants from Turkey are becoming trapped in the marginal businesses of their parents?

Let us first explore some of the reasons as to why some might claim that they are not. It might be argued that someone may employ a few people but can still hold

a prestigious position. However, this does not seem to apply to the great majority of the better-educated settlers self-employed in small businesses. The top three occupations for those with a university or higher degree turned out to be a) general managers of 'other' small enterprises, b) restaurant and hotel owners and c) retail and wholesale traders. There was only one pharmacist and one accountant amongst them.

It might also be suggested that younger generations of settlers are turning to self-employment for the money. Indeed, small business ownership appears to be financially lucrative for some settlers [median monthly earnings adjusted for purchasing power parity= \$2469; mean = \$4107; std=\$5452]. Unfortunately, it is not possible to establish the counterfactual here; in other words, to answer the question of whether the settlers would have earned equally high amounts of (or more) money should they have opted for salaried positions. However, one could at least ask why the better educated would want to trade off occupational prestige had they have the opportunity to combine it with a decent salary.

Some explain this through the desire for autonomy and independence (e.g. Rusinovic 2006) and others through a cultural predisposition to entrepreneurship (cf. Clark 2015), or familial pressure. However, the findings from a separate analysis of self-employment performed using the 2000 Families Survey do not confirm such explanations (Author et al. 2015). Here, the self-employment behaviours of the settlers in Europe were compared with those who stayed in Turkey to find that the second and third generations of stayers, especially those with a university or higher degree, are less likely to become self-employed than their settler counterparts. The motivational, cultural and familial explanations fall short in explaining the differences observed. It could be that some European countries have in place specific policy initiatives to encourage migrant or ethnic minority groups, including those with tertiary or higher degrees, to become entrepreneurs. An investigation of policy-related influences remains beyond the scope of this study, which sought to eliminate the context-related effects operating at the national level by controlling for current country of residence. However, it could at least be said that even if there are such initiatives aimed at greater integration, this does not preclude the possibility that the migrants or ethnic minority groups might be discriminated against in access to salaried positions.

One might question the usefulness of settler vs. stayer comparisons in understanding the influence of discrimination. However, it does help shed light upon the nature and extent of dissimilation from origins and hence allow (dis)benefits of migration to be understood from an alternative or complementary perspective to the predominant one that compares between migrants and natives. In fact, some of the studies from the dominant viewpoint also emphasise the significance of discriminatory forces (see e.g. Blume et al. 2009, Clark 2015, Van der Tubergen 2005a). Moreover,

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regardless of whether the settlers are compared with stayers or not, the evidence demonstrates a significant propensity for the better-educated migrants to engage in small businesses in support of the disadvantage thesis (Granovetter 1995).

Thus, it remains probable that the younger generations of settlers in Europe, including the better educated, have been faced with greater restrictions than their stayer counterparts when exploring their job chances outside self-employment. Unemployment appears as one of the restrictive influences that may have led especially the second generation towards self-employment from the mid-1970s onwards. However, considering that chronic unemployment has been a bigger problem for Turkey than for Europe, discrimination stands out as a possible, and perhaps a stronger, influence limiting their chances of getting a salaried job.

Given the above considerations, it could well be suggested that the younger generations of migrants from Turkey to Europe are becoming trapped in the small, low status businesses of their parents due to adverse influences such as discrimination and/or unemployment blocking their access to other parts of the labour market. Rather worryingly, having a university or higher degree, being a country national, being fluent in the country language or having migrant ancestors connecting them to the destination country help very little in terms of preventing them from becoming marginalised in economic niches of this kind.

Conclusion

Through a focus on three generations of migrants from Turkey settled in Europe, this article has sought to establish whether there is a significant change in their propensity for self-employment and to understand its implications for their adaptation into the European labour markets. It was shown that younger generations, including the better educated, turn to low-status, small businesses (mostly inherited from parents) regardless of their language proficiency, citizenship status and country of residence in Europe. The results thus pose a significant challenge to the assimilation theory, which expects such economic niches to lose their significance for the subsequent generations or descendants of migrants. They rather provide support for the disadvantage thesis, proposing that if discrimination persists then even the well-educated descendants of migrants will turn to small business and/or inherit the marginal businesses of their parents. Hence, the findings from this study cast significant doubt upon the successful economic adaptation of the younger family generations of migrants from Turkey into the receiving societies.

In line with the expectations of the disadvantage thesis, the results confirm that self-employment is being transmitted across migrant family generations, to a significant extent. It is difficult to tell exactly what is being transmitted and in what ways these transmissions are shaping the resource portfolios of the migrants' descendants. However, they are likely to be contributing to enhancing their economic,

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3 social and cultural capital stocks through inheritance of business related skills, values,
4 links and assets or through recruitment in family businesses. Yet, the low status,
5 marginal character of these businesses needs to be kept in mind. International
6 migration does not appear to hamper but rather heighten intergenerational family
7 transmissions in the face of possible discrimination and resulting unemployment in the
8 salaried parts of the European labour markets. It seems that parents are continuing
9 to transfer their marginal, small businesses onto their children as a means to protect
10 them against such risks.
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13 Consequently, self-employment seems to be becoming a typical employment
14 path for migrants from Turkey to Europe, facilitated largely through intergenerational
15 family transmissions. The first generation of Turkish migrants did not have to take
16 this path due to their special guest-worker position. However, a generational shift
17 towards self-employment seems to have been occurring since the mid-1970s which
18 marks the end of the guest-worker agreements between Turkey and Western
19 European countries and of the opportunity to enjoy easy access to manual, salaried
20 jobs. Indeed, the labour markets of the receiving economies, and the particular
21 circumstances of self-employment have changed since then. Self-employment has
22 come to provide people with more and more varied opportunities to work
23 independently and flexibly, but it often involves isolating work that requires putting in
24 long hours in return for low to modest earnings. It was shown in different contexts
25 that the business outcomes and the working conditions for self-employed ethnic
26 minorities tend to be poorer than those for the 'natives' (see e.g. Clark 2015). How
27 far the younger generations of migrants from Turkey to Europe have been affected by
28 the changes in the circumstances of self-employment remains an open question.
29 However, given the extent of intergenerational family transmissions and the types of
30 businesses they tend to engage in, it would not be wrong to suggest that a
31 substantial portion of them continue 'business as usual' as small restaurant or shop
32 owners with limited prospect for escaping marginalisation.
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35 Like all research, this study is not without its limitations, and these mostly stem
36 from the scope of the 2000 Families Survey on which it was based (see Author et al.
37 2016a for a more detailed discussion of the survey's strengths and weaknesses). The
38 survey covers Turkish men who moved to Europe over the guest-worker period
39 between 1961 and 1974 and their counterparts who decided to stay in Turkey and
40 traces their descendants up to the fourth generation. This means that it only has
41 partial coverage of the post-1974 migrants and hence cannot speak to the entire
42 Turkish Diaspora in Europe. The survey was not designed with the intention to
43 represent all Turkish migrants who moved to Europe during the guest worker years,
44 either. Having said this, the origins of migration were carefully selected to reflect the
45 typical features of Turkish migrants from this period. Yet, the sampling from origins
46 might have biased the results given that those families who completely broke links
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with the region could not be sampled. It is quite likely that these families belong to the group of migrants better adapted to the destination country contexts. However, this remains to be established.

Furthermore, although the dyadic analyses do suggest that the migrants are becoming trapped in small businesses, it was not possible to fully establish how trapped they are due to data limitations. It might be that self-employment is an upward move from one’s previous position, or is being used as a stepping-stone, or an interim solution. These can only be determined through tracking individual employment trajectories or histories using panel or retrospective data. The 2000 Families Survey is a cross-sectional study, containing information about the first and current/last job, but unfortunately, it provides no way of identifying whether the first job was based in Turkey or Europe. Therefore, the use of the survey data for tracking individual employment histories would not help disentangle the effect of migration or discrimination.

In terms of the relationships specified within the resource-based framework, many of these were captured by the survey data; allowing a particular focus on the role of personal and household characteristics, intergenerational transfer of family endowments and cultural capital accumulations in shaping one’s decisions to become self employed. However, largely due to data limitations, some aspects of the framework could not be studied empirically or in sufficient detail; hence these are left to future research. To begin with the context-related factors, the study sought to control for those operating at the national level but researchers may want to have a closer look at the cross-country differences which may be of particular importance in terms of understanding the effects of government policy. Researchers may also want to explore the possible effects of local, spatial factors as highlighted by the mixed embeddedness perspective. Additionally, to advance our understanding of the role of personal characteristics, one would need to explore one’s migration history more directly through a focus on time spent in the destination country. Last but not least, the study directly or indirectly investigated some elements of the resource portfolio e.g. by incorporating educational achievement, language proficiency and citizenship status type variables into the probit models, but the relative significance of two main resource types is yet to be understood: i.e. social and economic capital. Indeed, how far the size and composition of the assets accumulated and/or the social contacts established affect migrants’ decisions about business formation remains an important question for future investigation.

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Table 1 Dependent, independent and control variables

Dependent variable	
<i>self-employment</i>	1 if in the current or last job self-employed in small business; 0 if in the current or last job NOT self-employed
Independent variables	
<i>family generations</i>	1 male ancestor; 2 second gen; 3 third gen
<i>family migration background</i>	1 if male ancestor is a migrant; 0 if not
<i>nationality</i>	1 if country national; 0 if not
<i>language proficiency (oral & written)</i>	On a scale of 0 to 6 [mean=4, std=1.5]
<i>highest educational qualification</i>	1 primary dropout; 2 primary; 3 lower secondary; 4 higher secondary; 5 tertiary or higher
<i>sex</i>	1 if man; 0 if woman
<i>marital status</i>	1 if married; 0 if unmarried
<i>household size</i>	[1- 10] [mean=3.1, std=1.7]
<i>parental employment status</i>	1 if self-employed; 0 if not
Control variables	
<i>age</i>	[18 - 90] [mean=39; std=16.7]
<i>country of residence</i>	Germany; Netherlands; France; Austria; Belgium; Denmark; Sweden; Other EU

Table 2 Generational distribution of self-employment in small businesses

	Generation 1	Generation 2	Generation 3	Total
Self-employed	8% (17)	66% (138)	26% (55)	100% (210)
Employed in another job	20% (300)	49% (749)	31% (481)	100% (1530)

Table 3 Probit models of self-employment in small business

	MODEL 1 □	MODEL 2 [DYADIC] □
Intercept	-3.07 *** (0.46)	-3.52 *** (0.61)
<i>Generations (a)</i>		
Gen 1	-0.56* (0.24)	not applicable
Gen 3	-0.10 (0.14)	-0.47** (0.18)
<i>Family migration background (b)</i>	0.14 (0.22)	0.48 (0.31)
<i>Country national</i>	-0.02 (0.12)	-0.11 (0.18)
<i>Country language proficiency</i>	0.06 (0.05)	0.00 (0.06)
<i>Sex (c)</i>	0.42*** (0.11)	0.50*** (0.14)
<i>Marital status (d)</i>	0.14 (0.14)	-0.00 (0.18)
<i>Household size</i>	0.06* (0.03)	0.06 (0.04)
<i>Highest education achieved (e)</i>		
primary dropout	-0.22 (0.36)	not applicable
lower secondary	0.43** (0.17)	0.78** (0.28)
higher secondary	0.44** (0.20)	0.86** (0.27)
tertiary or higher	0.48* (0.03)	0.89** (0.29)
<i>Parental self-employment</i>		0.62*** (0.01)
Observations	1403	746
Pseudo R2	0.09	0.14

Standard errors in parentheses. * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$
Notes (□) Both models control for age and current country of residence.
(a) baseline: Gen 2 (second generation; **(b)** baseline: families with non-migrant ancestors;
(c) baseline: women; **(d)** baseline: unmarried; **(e)** baseline: primary education;

Figure 1. A resource-based perspective on self-employment