

**THE DISCOVERY PROCESS OF ENTREPRENEURIAL
OPPORTUNITIES: the case of Latin-American immigrants in Barcelona**

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THE DISCOVERY PROCESS OF ENTREPRENEURIAL OPPORTUNITIES: the case of Latin-American immigrants in Barcelona

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ABSTRACT

This study contributes to the growing body of knowledge related to immigrant entrepreneurship, through a qualitative study on the discovery of entrepreneurial opportunities by immigrants in the catering sector. Consistent with the notion of entrepreneurship as a process, an exploration is performed based on the cognitive properties, features and information acquired by immigrants during the migration periods. Our sample consisted of six cases of Latin-American immigrants; three are entrepreneurs and three are non-entrepreneurs. The results show that the process of discovery is related to the life experiences and information acquired in the migration periods. Besides, the data show some codes related to acquired immigrant's features which we grouped in a new category called "*transit period*", which allowed us to make exhaustive examination of the cases. Finally, this study suggests possible lines of inquiry.

Keywords: discovery, entrepreneurial opportunity, immigrant

1. INTRODUCTION

From a global perspective, immigration is a contemporary phenomenon characteristic of developed economies. The impact we can highlighted from a socio-economic perspective is the increase in the rate of self-employed in the labour market. The entrepreneurial behaviour of various groups of immigrants has led to the emergence of another phenomenon known in the literature as immigrant entrepreneurship (Baycan-Levent & Nijkamp, 2009).

Immigrant entrepreneurship has played an important role in the economy in many developed countries, at micro-level, increasing employment opportunities for immigrants in

the host country, the meso-level, revitalizing trade in some cities and creating more dynamic, and at macro-level, the reactivation of failed areas of the economy which leads to economic growth at national and regional level. Such benefits and contributions of migration can be reflected clearly in some studies such as Canada (Froschauer, 2001); United States (Saxenian, 2002); New Zealand (Clydesdale, 2008); Holland (Kloosterman, 2003); United Kingdom (Barrett et al., 2001); among others.

The opportunities are considered in the literature of immigrant entrepreneurship within the micro-level approach, focusing on the characteristics of immigrants that can be used to recognize opportunities (Gelderen, 2007), others point the macro-level, focusing on the structure of opportunities and others combine the micro and macro levels (Clydesdale, 2008; Kloosterman et al., 1999; Waldinger et al., 2006).

As these approaches have provided important contributions to the immigrant entrepreneurship field, it should be noted the lack of entrepreneurship as a process in which the discovery of opportunity is the first step (McMullen et al., 2007; Shane & Venkataraman, 2000). In this sense, our study takes into account this lack and contributed exploring and describing the discovery process of entrepreneurial opportunities by Latin-American immigrants hosted in Barcelona.

Idiosyncratic acquisition and possession of information allows individuals to view particular opportunities that other individuals do not see. Besides information, this approach considers the cognitive properties and characteristics of the individual, which contribute in the valuation of opportunities.

Given that the cognitive properties, characteristics of individuals and the acquisition of information are important milestones in the discovery of opportunities, we have considered for the study time periods in which these properties have been acquired by immigrants. From the literature review on immigrant entrepreneurship, we have taken migration periods as categories of analysis. These categories have been included in the approach of discovery of entrepreneurial opportunities, which allowed us to explore and describe the process exhaustively.

This article is organized around two research questions: (1) how and what properties or characteristics of individual immigrants have acquired in the migration periods? And (2) how these properties and characteristics of individual immigrants influence the process of

discovery and evaluation of entrepreneurial opportunities? The setting is the restaurant sector in Barcelona. This sector is one of favourite for immigrant entrepreneurship, and for this study we consider explore the configuration of resources – cognitive properties, characteristics and information – that immigrants have acquired to discovery entrepreneurial opportunities.

The results reported here are divided in sections taking into account our objectives. First, we explore the factors that immigrant possesses considering the period where factors have been acquired. Second, we analyzed the results in main issues: such as education acquired by immigrants, experiences, and information. Third, we point the fact on how immigrants discovery the entrepreneurial opportunity. And, fourth we describe the profile of these immigrants in the restaurant sector. In this study, we compared immigrant entrepreneurs and non-entrepreneurs.

2. LITERATURE REVIEW

The literature review is based on two different theoretical sources; on the one hand, the literature on immigrant entrepreneurship, and other hand, focuses on the discovery of entrepreneurial opportunities approach. These two areas of knowledge have been treated as separate disciplines generally. In this study, we review these two sources to obtain a heuristic conceptual model for our study.

2.1. What is entrepreneurial opportunity?

The definition of entrepreneurial opportunity is large, transversal, complex and ambiguous. As suggested by McMullen et al. (2007) there is confusion and disagreement on the definition of the term.

Despite the inconsistencies and disagreements in the definition of entrepreneurial opportunity, the term is widely used in literature to refer to starting a business or company (Long & McMullan, 1984). For this study, we use the definition of entrepreneurial opportunity as the situation in which new goods, services, raw materials and organizing methods can be introduced through the formation of new means-ends. The individual could [\[1\]](#) combine these products, so the individual believes that this combination will benefit him (Shane & Venkataraman, 2000). At the same time that new services or products are

created can be sold at a price higher than its cost of production (Casson, 2003). However, it should be borne in mind that this combination makes the individual may be wrong, so not always will be profitable entrepreneurial opportunities.

2.2. Discovery of entrepreneurial opportunities

The discovery of entrepreneurial opportunities is based on the approach of the Austrian economy. Austrians Economists assume that markets are composed of people with different types of information (Hayek, 1945) and possession of idiosyncratic information facilitates the individual recognition of the opportunities. Therefore, some individuals may recognize these opportunities and others not, and can make the decision to exploit it or not (Shane & Venkataraman, 2000).

Kirzner (1973) suggests that only ones may recognize specific opportunities in a given time, given that people have different information because of their idiosyncrasies and their experience of personal life. This experience of life is a wealth of knowledge, which is called "knowledge corridor" by Venkataraman (1997), which creates mental framework that enables the individual to recognize new information, which triggers entrepreneurial perceptions and guesses (Kaish & Gilad, 1991).

Shane & Venkataraman (2000) identify two factors that influence individuals to discover entrepreneurial opportunities, *first*, the possession of information to identify opportunities and *second*, individuals recognize the opportunities because they have cognitive properties and characteristics to recognize these entrepreneurial opportunities.

Considering explained, we included in this approach the immigrant who has acquired certain cognitive properties and characteristics in their origin country and to migrate and settle in the host country acquire other characteristics, cognitive properties and information.

2.3. Acquired factors by immigrants entrepreneurs and migration periods

In the academic literature are several studies that attempt to explain what are the factors that influence immigrant entrepreneurship, but in turn, there are studies that point differences in factors have been acquired in the origin country [\[2\]](#) - pre-migration period - of which were acquired in the host country - post-migration period (Bates & Dunham, 1993; Fernandez & Kim, 1998; Kanas et al., 2009).

One of the determinants of immigrant entrepreneurship is education; generally education is treated as human capital that an individual possesses. Human capital is measured by the years of study and the experience that the individual has, by which the individual increases the productivity of their activities (Becker, 1993).

There are many studies on human capital, some of them, highlighting its importance for immigrant entrepreneurship. Generally, studies regarding the human capital have shown dichotomous results, for some studies the acquisition of the human capital in origin country has been important, and for other studies are more important the human capital acquired in host country (Kanas et al., 2009; Le, 2000; Li, 2001).

Social capital is another important factor in inter-group variation between individual immigrants who have created their business (Bates & Dunham, 1993; Borjas, 1986; Kim & Won, 1985). Sanders & Nee (1996) show social capital from the family is important for immigrant entrepreneurship. In this sense, the family is the primary social organization that usually supports the establishment and operations of small immigrant businesses in the United States of America. The family is also important for obtaining the financial capital for immigrant entrepreneurship. This study shows that immigrants arrive in the host country with the financial capital and which can be obtained from the family. Thus, there is large empirical evidence, which shows that social capital is an important factor in business creation by immigrants. Fluency in the transmission of information about business opportunities, laws and permits, suppliers, work opportunities are transmitted between them when they have social capital (Sanders & Nee, 1987; Völker & Flap, 2004; Waldinger et al., 2006).

Kanas et al. (2009) notes that the experience gained in the host country tends to better meet labour market needs, so when individuals acquire human capital and experience in the host country tend to be employees. However, other researchers say the opposite (Constant & Zimmermann, 2006; Kloosterman et al., 1999; Le, 2000).

In studies of immigrant entrepreneurship are also the pull and push factors, which despite being a macroeconomic approach to explain the phenomenon of migration (Alonso, Lozano, & Lorca, 1997), studies have used at the micro and macro level to study the pull and push factors to immigrant entrepreneurship (Shinnar & Young, 2008).

At the micro level, individual characteristics could also act as pull and push factors. On the one hand, the models of the roles can act as pull factors toward self-employment (Dadzie & Cho, 1989; Shim & Eastlick, 1998). Having a family member or relative who has your business is a role model; this fact increases the likelihood to self-employment (Feldman, Koberg, & Dean, 1991). On the other hand, there are push factors to self-employment because, the lack of opportunity or by specific characteristics of individuals which somehow do not fit the general labour market requirements.

2.4. Heuristic model for the empirical study

Proceeds from the two themes of the literature review; we have created a model that allows us to study the process of discovering entrepreneurial opportunities by immigrant entrepreneurs.

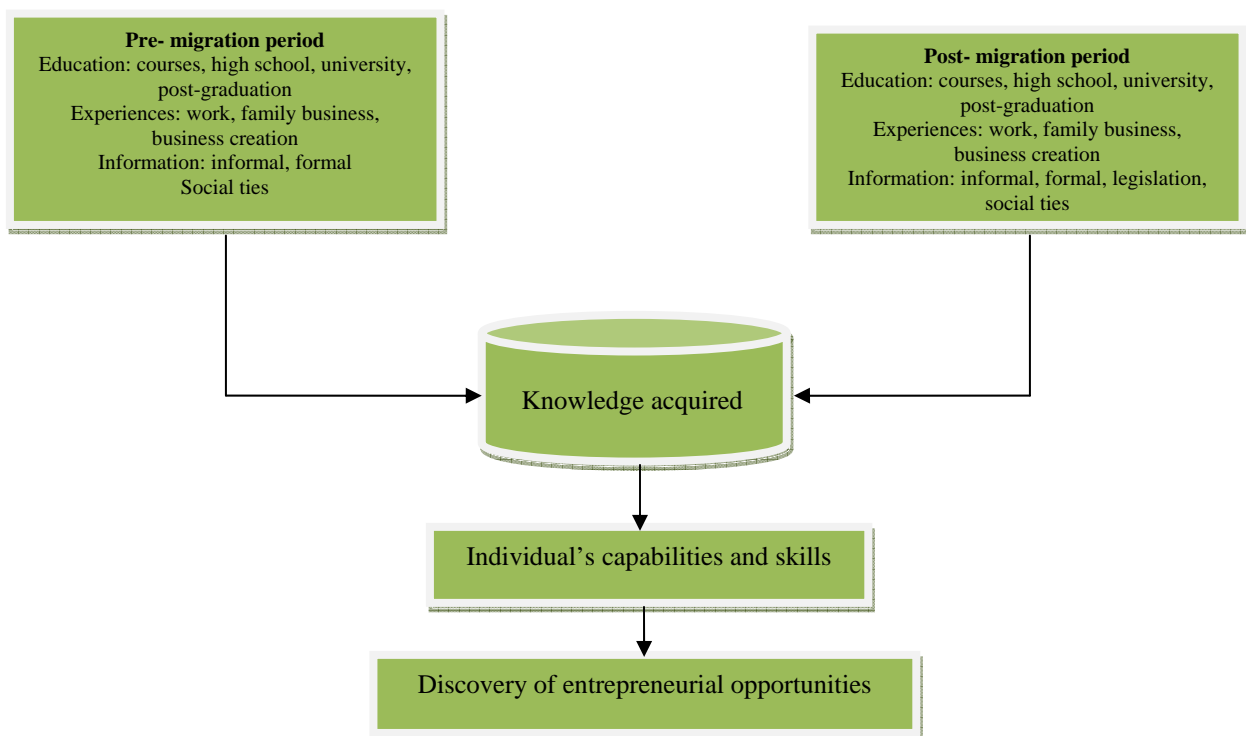


Figure 1. Discovery of entrepreneurial opportunities by immigrants
Source: Shane and Venkataraman (2000), Bates & Dunham (1993), Fernández & Kim (1998), Kanas et al. (2009)

This model is formed by the discovery of entrepreneurial opportunities approach, in which has been increased theoretical categories for the exploration of cases: migration periods - pre and post - and the factors that immigrants acquired in these periods, cognitive properties, features and information. (See Figure 1)

3. METHODOLOGY

In the present research, we used a multiple case study. We consider appropriate to do a case study to examine a contemporary phenomenon (Yin, 2009) as the business creation by immigrants, which is relatively young in society and in the Spanish economy (Fernández & Ortega, 2008). We used the multiple case designs, which allowed us to make the contrast of heuristic model with empirical reality, that is, a series of cases that have been treated as experiments (Eisenhardt & Graebner, 2007). Each case has been compared with the theory so that it can confirm, modify or contradict.

To select the sample we followed several steps. Latin-American immigrants have been identified of the first generation. We used directories of immigrant associations and through telephone calls has been verified the uptime of the business in the restaurant sector. Latin-American were selected because it is the most representative quota for immigrants in Spain, as well as the restaurants sector is one of the most developed activities by immigrants [3]. Immigrant non-entrepreneurs [4] have been located in the consulates of the respective countries. And an important condition was the fact they are working or worked in the restaurant sector, in order to visualize and compare the discovery process of entrepreneurial opportunities, between immigrant entrepreneurs and non-entrepreneurs.

Table 1 Immigrants' parameters

Immigrant entrepreneurs	
Type of entrepreneurs (1st generation)	Latin American Immigrant
Business Location	Barcelona (city)
Maximum Operating Company	10 years
Sector	Restaurant
Size	SMEs
Immigrant non-entrepreneurs	
Place of origin (1st generation)	Latin American
Place of residence	Barcelona (city)

We considered this sample, in order to identify their similarities and differences in the process of discovery of entrepreneurial opportunities, considering they can be recognized and not necessarily exploited (Shane, 2003). Table 1 shows the criteria for selecting immigrants. Taking into account the parameters, we show in some characteristics of the informants for this study in Table 2.

Table 2 Study Participants

Informants	Barcelona residence time	Age	Gender	Citizenship
Immigrant entrepreneurs				
Informant 1	8 years	31	m	Peru
Informant 2	10 years	37	m	Mexico
Informant 3	7 years	45	m	Argentina
Immigrant non-entrepreneurs				
Informant 4	2 months	45	w	Mexico
Informant 5	2 years	24	m	Argentina
Informant 6	4 years	43	w	Peru

3.1. Procedure for collecting information

The field work was conducted in the months of October, November and December 2009. The richest source of information comes from the semi-structured interviews. We have used as a tool for data collection, the interview protocol. In designing the interview protocol has been quite careful about the language, trying to avoid technical terms specific to the subject area. The aim was that the individuals feel safer and understand the meaning of the question. To validate this protocol has conducted several reviews by researchers and the protocol has been given to some Latin-American people to read and do some comments on the understanding and meaning of the questions (Patton, 1990).

The protocol used with immigrant entrepreneurs has been adapted for interviews with immigrant non-entrepreneurs, notably caring the questions about the factors that are related to business creation. Two pilot interviews were conducted, which resulted in the modification of the initial theoretical approach, as well as the design of the interview protocol. The information obtained of these pilot interviews were used for our research, we

re-interviewed individuals to obtain the missing information according to the modified theoretical model.

Interviews with immigrant entrepreneurs were conducted in the same company and lasted between 90min. and 1h., a maximum each. Interviews with immigrant non-entrepreneurs lasted 40min. and 1h., and were made with the agreement of a meeting stating the place, date and time. We have tried to follow the prescribed times for interviews in qualitative research that considers a reasonable time (Hermanowicz, 2002). The interviews were recorded and then dictated with the help of Dragon Naturally Speaking, a program that has allowed us to optimize the time of a traditional transcript.

3.2. Data analysis

The qualitative data analysis was performed with the help of Atlas.ti, which has allowed us the manipulation of codes in a flexible way, permanent contact with the data, linking codes efficiently, quickly and facilitates effective exploration of what is being studied.

The analytical procedure of the text are summarized in the following sequential steps (a) the full transcript of the interviews, (2) adaptation of the transcript to the proper format Atlas.ti, (3) citation creation and (4) create codes. The aim of these steps is the creation of the final code book which contains the code related to factors acquired by immigrants in the migration periods.

4. RESULTS

4.1.1. Acquired factors by Latin-American immigrants

The acquired factors by Latin-American immigrants have been organized by groups creating networks, which joined codes that have been obtained in the process of analysis and data reduction with the support of Atlas.ti.

During the analysis the codes were grouped taking account the theoretical categories used in the study. Factors acquired by immigrants in the pre-migration period are gathered to form a family code called CF: fao-(*) [\[5\]](#), and acquired factors in the post-migration period are gathered in the family code CF:FAD-(*).

In undertaking the review of the codes to be grouped, we have been found acquired factors by individuals who do not fit into either of the two periods, the pre-migration and post-migration. It is seen that these factors have been acquired in a different period, so we created a new category, which is not considered in the literature of immigrant entrepreneurship.

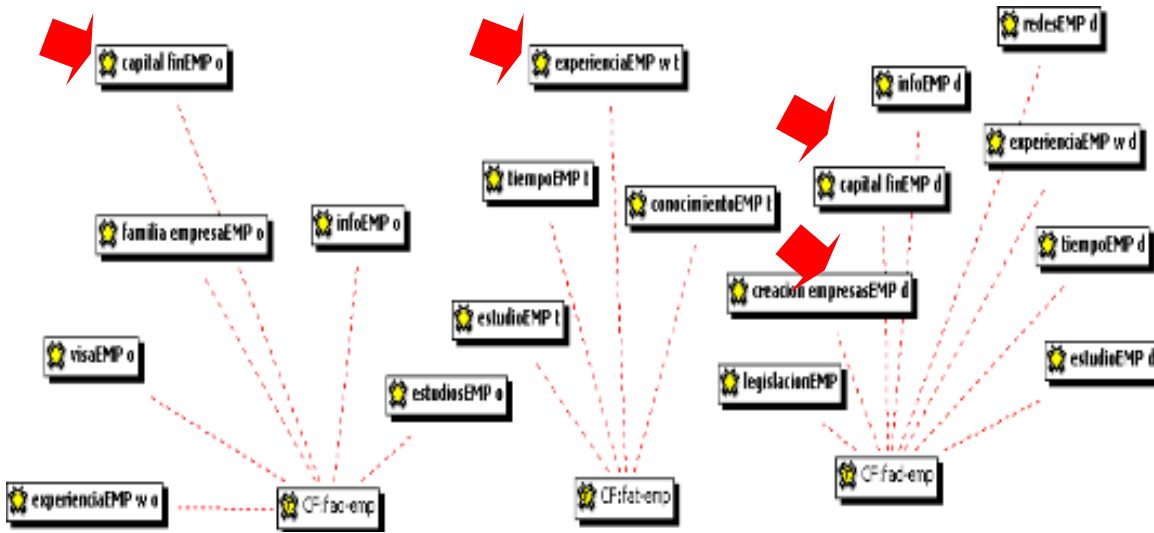


Figure 2. Factors acquired by immigrant entrepreneurs

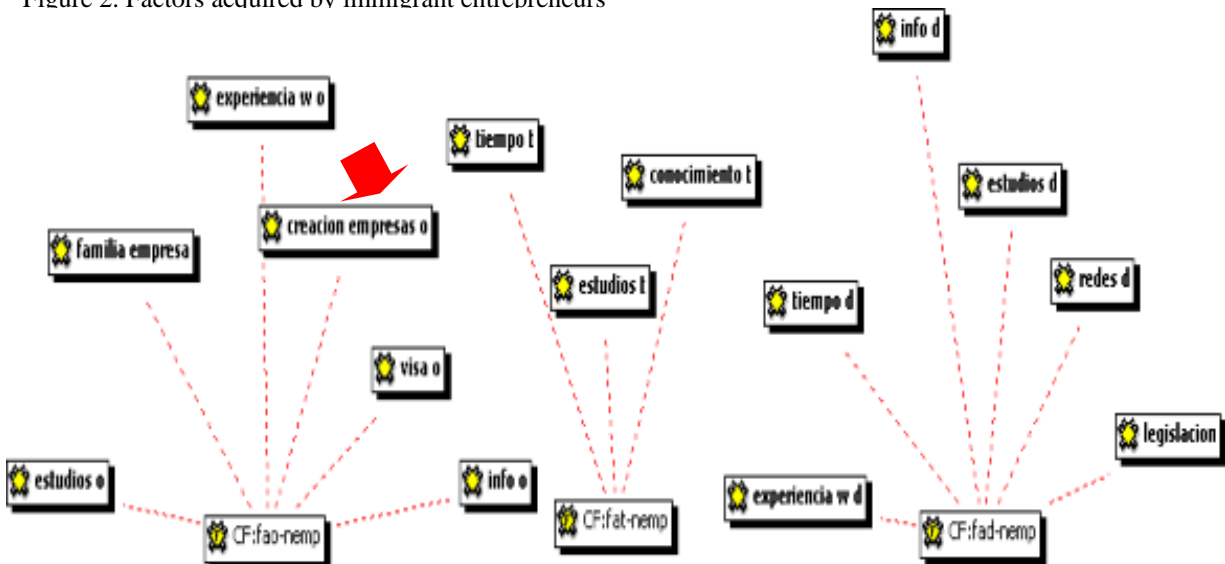


Figure 3. Factors acquired by immigrant non-entrepreneurs

This new category was called "transit period" [6], which also groups the acquired factors by the immigrants. These acquired factors have been grouped under the family code CF: fat-(*). See Figure 2 and 3.

Following the grouping of the factors acquired by Latin-American immigrants, we have focused our attention on display, explore and describe these factors, taking into account the period of time in which they were acquired. This description considered especially the inter-group differences: immigrant entrepreneurs and non-entrepreneurs, as highlighted by the red arrows in Figures 2 and 3.

4.1.2. Education acquired by immigrants in migration periods

The educational level of the immigrant entrepreneurs and non-entrepreneurs has differences. We note in Figure 4, that generally the immigrant entrepreneurs are characterized by acquired university studies in the area of business administration in the pre-migration period. These studies have been complemented by post-graduate studies in areas related to business such as marketing and finance, which were acquired during transit and post-migration periods.

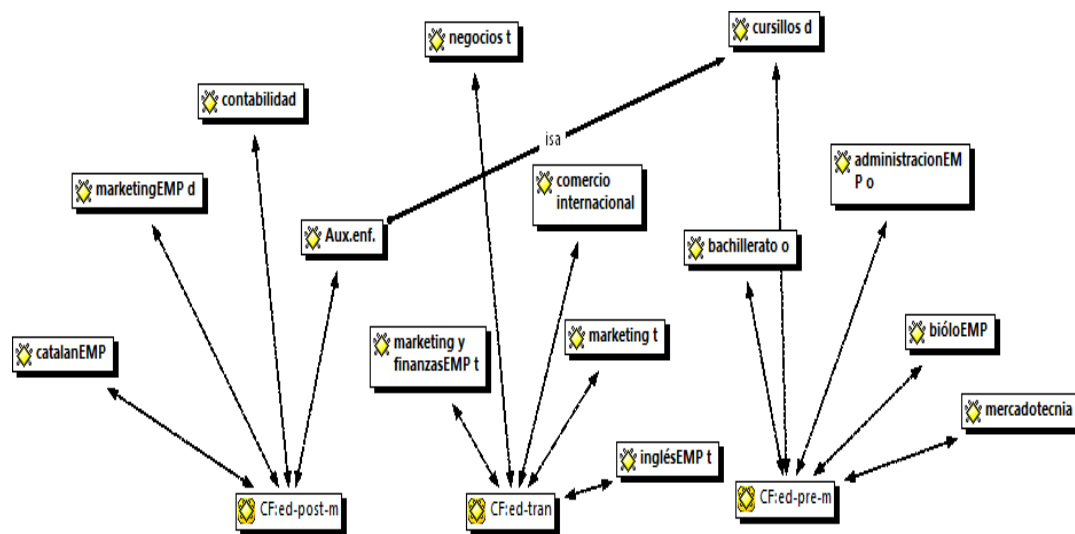


Figure 4. Factors acquired by Latin-American immigrant entrepreneurs

In addition, the group of entrepreneurs is characterized by learning languages like English acquired during the transit period and Catalan acquired in the post-migration period.

In our sample, the university education gained in the country of origin is relevant not only for its formal aspect in the transmission of knowledge, but, also has the informal knowledge which has some impact on the formation of ideas and concepts related to

primary aspects that also influence the discovery of entrepreneurial opportunities and the way of perceive things. As we see below:

"In Mexico, Spain has always been well regarded as the cradle of tourism...and when I was studying always have the idea of coming to know what it meant to tourism as part of being the birthplace that we conceive in America as a tourism icon and then come to learn a little of the place ... "P2: EmpresaB.rtf - 2:113 (668:668) [7]

In this passage the immigrant acquires prior knowledge, albeit elementary, with the institutional environment of the host country especially some characteristics about tourism in Spain. Other aspect that we can be interpreted is how immigrants value some aspects of the host country, when they are still living in their origin country.

This knowledge is transmitted in the centre of studies, somehow predisposes the mind to know and to learn what was being asserted by their professors. The education of the group of immigrant entrepreneurs is characterized by a high level and which is related to the business sector. On the other hand, the educational level of non-entrepreneurs is lower than the other group and generally they don't have interest in learning languages.

4.1.3. The experience acquired by immigrants in migration periods

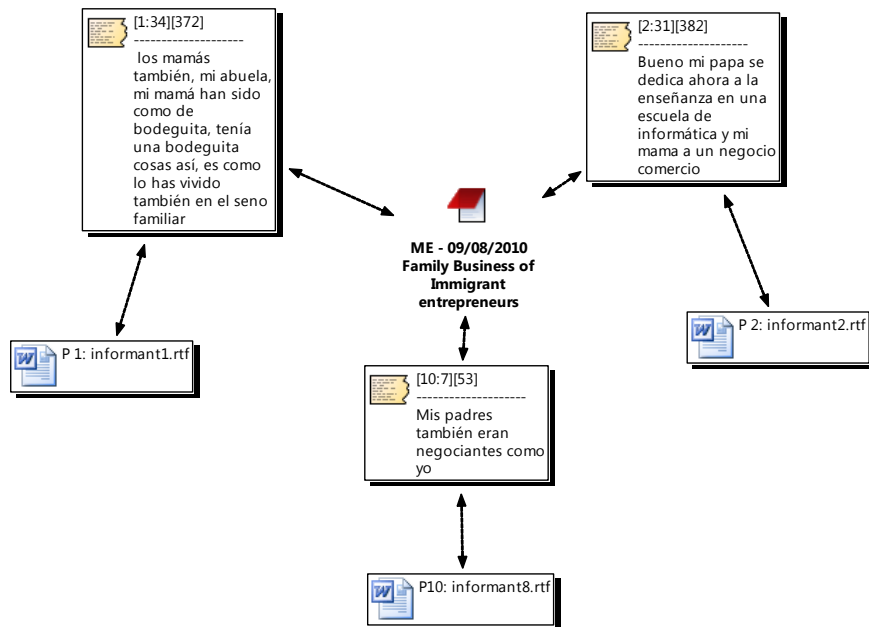
We found many kinds of expertise, such as work experience, the experience of entrepreneurship, the experience of having the family business and skills gained into the family.

The skills acquired into the family in the pre-migration period between groups are similar in one important aspect for the discovery of entrepreneurial opportunities. In general, both groups are characterized by having gained experience from childhood. In the following passage the individual performing transactions of buying and selling with their peers. These small activities, selling chocolates, sandwiches or to be landlord, developed skills in the individual that other infants do not. While conducting these activities, the individuals acquired an implicit knowledge of cultural and environment in which they operate.

"Yes!!! When I was a child I take some chocolates and sold them in school ... and I liked so much do this!!!... I had a pool table in the house that belonged to my dad and I rented it to my friends ... at the University I also sell sandwiches... always I had wanted to get me ... "P1: Informant1.rtf - 1:33 (360:360)

Likewise, we see that from childhood feelings and actions are identified by immigrants which are relates to actions that they like to perform.

"Well, I do not know, since childhood I liked to sell things...at home I had a biscuit business and I always liked to be selling and selling ..." P4: Informant1.rtf - 4:29 (203:203)



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Figure 5. Family Business of immigrant of entrepreneurs

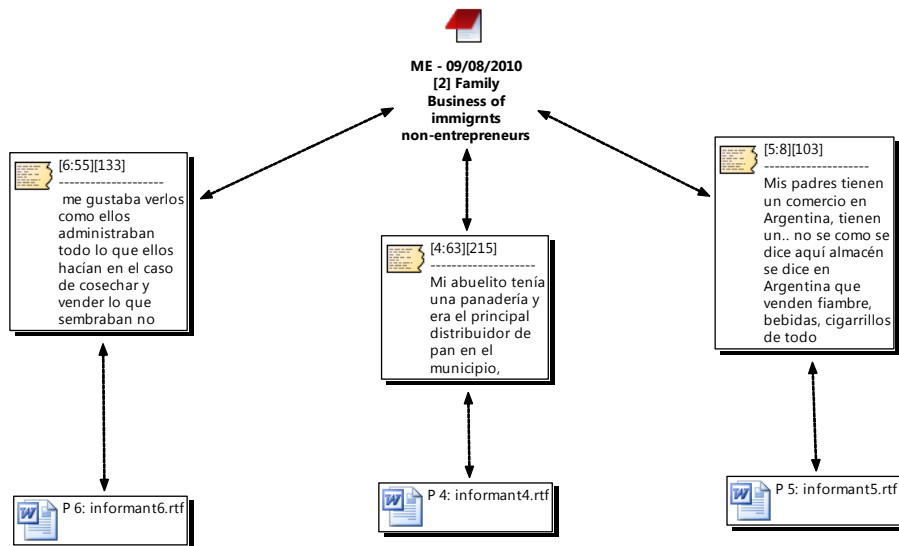


Figure 6. Family business of immigrant non-entrepreneurs

In these excerpts from interviews, we identify the beginning of activities related to business and the way they perceive these activities. These activities occur within the family, where the parents or relatives have a small business. In Figure 5 and 6, it appears that family

businesses are related to service sector activities, and these are a small bakery, warehouse, pharmacy, catering, shoes assembly, school of computer science, among others.

Work experience is characterized by being related to the first experience acquired with the family and with activities developed in the business family. It is perceived that both groups continue with the activity learned in the family business, this is in the origin country.

Work experience in the transit period is important for immigrants given that extend their knowledge and skills. This accumulation knowledge will allow them to do comparisons of different cultural and institutional environments, leading to conjectures and beliefs according to their experience. Our data show that there are immigrants in both groups who have acquired many kinds of life experiences in the period of transit, whether as students, workers or simply as residents. The job in transit period is characterized by being in the services sector, such as chef, cook, waiter, barman, with which the individual expands his wealth of knowledge and skills in the restaurant sector.

Work experience in post-migration period, in this case Barcelona, has been similar between the groups. It is similar in the sense that they share the limitations of the individuals about the status of being immigrants and being outside the system of their new environment. Both groups are characterized by early work experiences in the service sector, specifically in the restaurant; their experiences are as waiters, cooks or bartenders, as well as in other sectors such as construction and customer service.

Our data evidence experiences in the businesses creation by both groups. We note that immigrant non-entrepreneurs have experience in entrepreneurial business creation in their origin countries as mentioned before, these companies were in the service sector and they are small businesses. As shown in Figure 6, the creation of small enterprises is dynamic, given that there are individuals like the Informant 6 who has had several experiences in create businesses, such as the small factory of shoes and drugstore. On the other hand, the Informant 4 also shows experience in business creation, such as catering service. Therefore, these immigrants have recognized the opportunity and have been exploited through the creation of these small businesses in their country.

If we analyze and interpret the speech of the informants 4 and 6, we find that their businesses are related to the activity performed when they were infants. We refer to the

buy-sell activities through which they have developed skills and perceptions about what is small-scale transactions.

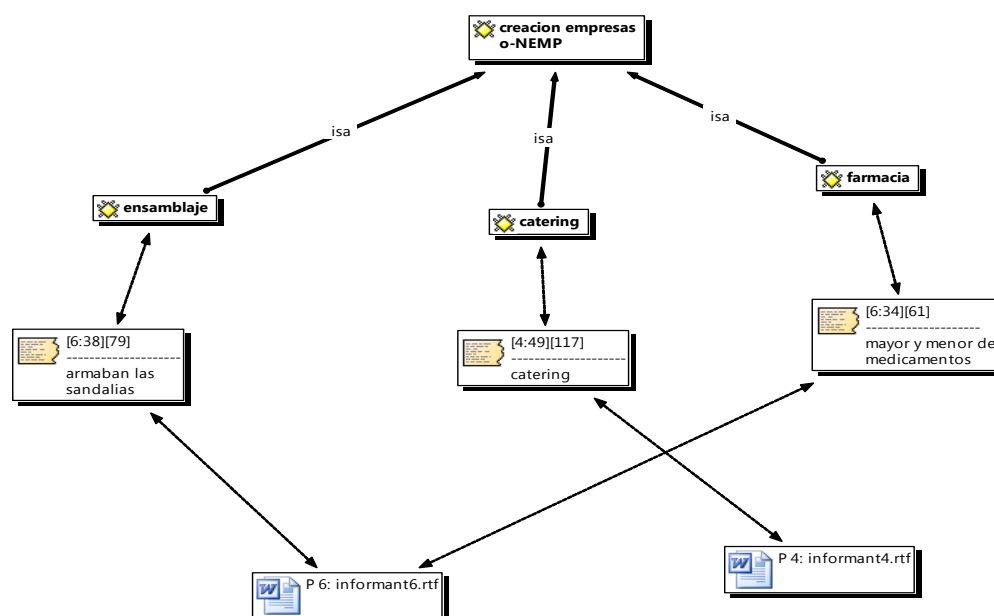


Figure 7. Small businesses created by immigrant non-entrepreneurs in the pre-migration period

The group of immigrant entrepreneurs hasn't set up businesses in the pre-migration period. However, in the post-migration period, these individuals have a great experience in entrepreneurship. As shown in Figure 6, the informant 1 left his country eight years ago in order to conduct his studies. The first business was a digital printing company which was established in 2004, and then in 2006, 2007 and 2008 he has created the restaurants, respectively.

Similarly, the Informant 2 left his country 10 years ago in order to do a postgraduate course. When finished the master and corroborate the information he had acquired in their country of origin on tourism in Spain, he started with the company's project. This individual has been created many businesses in Barcelona. The current company has just two years. All business was in restaurant sector.

The Informant 3 is some different from previous ones. There is a prior search for information on the destination city about entrepreneurial opportunities in the restaurant sector. This individual immigrates specifically to create a business. In this process, we

identify individual didn't has a prior period of residence in the destination country. The company was founded in 2002 based on the perceptions and information gathered from their social networks.

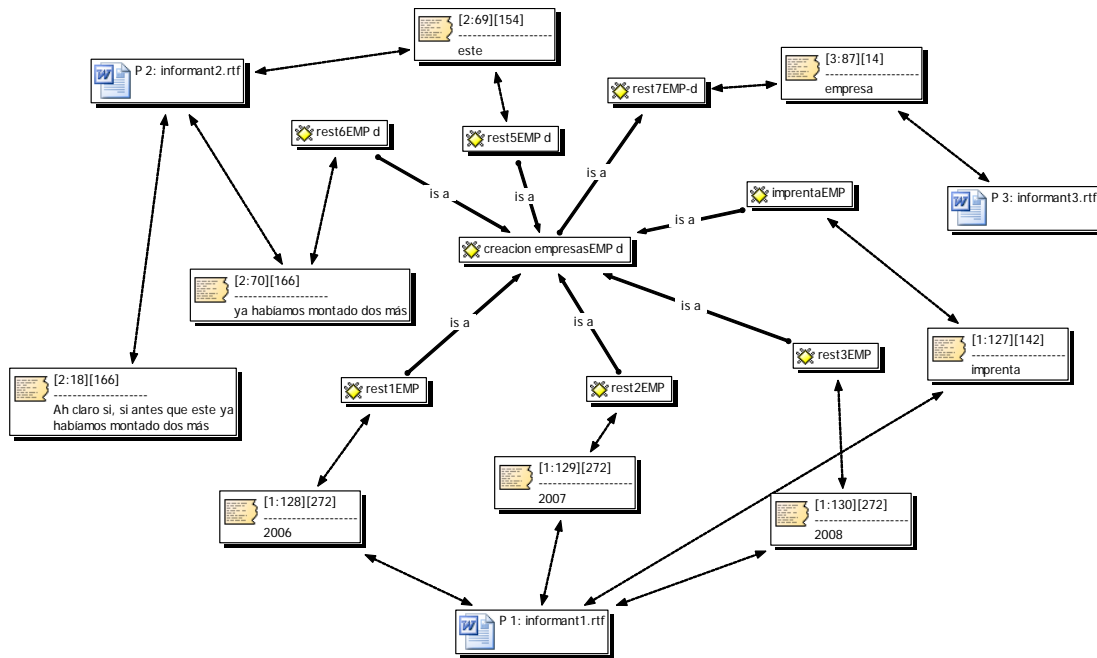


Figure 7. Small businesses created by immigrant entrepreneurs in the post-migration period

4.1.4. The information acquired by immigrants in migration periods

Immigrants acquired a set of information that is generated through idiosyncratic life experiences. The information has similarities and differences between the groups. Our data show that there is information acquired in the pre-migration period about the destination city, in this case Barcelona. The group of entrepreneurs is characterized by information about Spain, which has been gained in their study centre in the country of origin. One can see individual acquired information through activities they performed in their life and are not necessarily related to information search because it occurs in unexpected way. In this case the individual has some information while live in his country which increases knowledge about unknown environment. So, the individual still having the status of a student already had basic knowledge of how the tourism in Spain is.

Our data show that the person looking for something when he is interested. Here, the speech is consistent with the thinking of Mises (1963) from the ends-means approach and

human action, where the search result given by an action is the aim or objective and means are all used to achieve some goal or objective expected.

In the following passages, we see how the immigrant makes a mini survey on the status of the restaurants in Barcelona. This informal study would be the mean; in order to seek information to influence the decision to create the restaurant in Barcelona, hence, the acquisition of information for the creation of the restaurant would be the end.

"... we have made as a mini studio of the restaurants of some friends, to see how it worked but nothing very deep, very shallow and we were satisfied with little information to encourage us ... "
P3: Informant3.rtf - 3:21 (180:180)

In the same way, the information is acquired by experience, it's mean, that the individual lives, observes and interprets his own way what he sees in real life and constructs conjectures and beliefs in this regard. In the paragraph above, there is a combination in the way of obtain information, they have seen how is the restaurant sector in Barcelona, but also have used their social networks who were already settling in Barcelona and had their businesses in the same sector. From this quote, we can interpret that the individual makes use of the informal information and very scares to make their decisions.

Immigrant identified and valued idiosyncratic aspects in the city of Barcelona as the cosmopolitanism, architecture, nature and actions of people as well as its geography. These characteristics are perceived as positive for entrepreneurship in the restaurant sector.

"... it was a city with beaches, a lot of art in architecture, I do not know ... at that time we saw people also enjoyed a lot of everything ... people who came from outside could see that people lived happily... I do not know, people were happy... the city was very cosmopolitan and too big and near the sea and has the mountains and was beautiful in many ways .. all this factors I saw as positive to invest here... .P3: Informant3.rtf - 3:19 (159:159)

Another feature is the comparing process of the information the individual has acquired, both in their origin country and the host country. The immigrant compares two different institutional environments and finds, differences and valued that he perceives. This can be seen in the post-migration period in cases in which the individual compares two or three different social and economic environments.

"...at first was good because we saw a welfare and security and Barcelona had a structure in the country that we do not have in Argentina, then we saw the possibility of developing a business and it would have a good effect ... "P3: Informant3.rtf - 3:10 (98:98)

The group of non-entrepreneurs is characterized by informal information gathering, also about general issues concerning the city of Barcelona. This information is acquired through their network of friends and family who live in Barcelona. It is perceived that there is no intention of starting a business at this moment; rather they see a variety of reasons why these individuals choose to leave their origin countries.

The information acquired in the post-migration period by immigrants is characterized by gradually acquired, the residence time of immigrants is necessary for the information acquisition and for the comparing information process regarding social environments known by them.

4.1.5. The discovery of entrepreneurial opportunities by immigrants

The discovery of entrepreneurial opportunities in the entrepreneurs group is heterogeneous. For example, the informant 1 recognizes the opportunity accidentally, through their social networks, the individual receive information about the failure of other individuals who had the intention to create a restaurant. Here the individual evaluates the opportunity according to their beliefs and perceptions and decides to assume the failed plans of others, return the investment they have made and exploit this opportunity (Table 3).

Informants 2 and 3, made a previous search for information on the sector and the environment. They wanted to know how the restaurant sector in Barcelona was, and how was Barcelona for tourism and investment opportunities. According to valuation, they decide to exploit the opportunity in the restaurant sector. The informant 3, acquired information through one of his partners who lived in Barcelona, and based on this information decides to exploit the opportunity.

Table 3 Process of discovering opportunities for immigrants

Descriptions of the discovery process of opportunity	
Informant 1	<i>"It's a chance ..." P1: Informant1.rtf - 1:25 (266:266) "... got a place that was who had wanted to ride a Peruvian restaurant too, but money was not enough to open it ... then I took it, I paid what they had invested and I took the restaurant ..." P1: Informant1.rtf - 1:26 (272:272)</i>
Informant 2	<i>"studying a master ... I see what is Barcelona, which is Barcelona in Spain in the tourist area, then I see the potential of the city in terms of tourism growth, and that for me and my friends give us motivation to understand that is a good city to invest ..." P2: Informant2.rtf - 2:57 (46:46)</i>

Informant 3	<i>"... We loved the city... we felt comfortable in the short time... I particularly did not stay long as I say, the other partner was several months and he gave us information that is what happened here or as people lived here ... " P3: Informant3.rtf - 3:84 (86:86)</i>
Informant 4	<i>"... I as a consumer I looked it, in Mexico and the U.S., they are drinks ... especially in the U.S. are drinks that you find anywhere, so I here I looked and could not find" P4: Informant4.rtf - 4:23 (185:185)</i>
Informant 5	<i>"... I have worked as a baker, my brother is a baker also have a small bakery in her house and we plan to put a larger bakery in a central location ... putting a bakery in Argentina, I think it will work ..." P5: Informant5.rtf - 5:20 (181:181)</i>
Informant 6	<i>"... Here, I do not know how are the things ... I tried to see, investigate, talk to people who already have a business, so I know a little of this country, everything is different here ..." P6: Informant6.rtf - 6:15 (144:144)</i>

In the case of non-entrepreneurs the discovery process of opportunities is similarly heterogeneous. The informant 4 recognizes the entrepreneurial opportunity that they perceived would be viable if it exploded. This informant recognizes the opportunity to compare different social and economic environments, for example Mexico, USA and Barcelona. With this action individual detects the lack of a certain product on the Barcelonese market. This lack is detected by placing herself in the role of customer looking for a product. He is dissatisfied at not finding it on the market. He concludes that there was a niche market not being attended and it could be a good opportunity to exploit it.

Informant 5, has identified a market where he can allocate resources for profit. In this case, the opportunity recognition is related to his experience, capabilities and skills developed in the family. Thus, individual identifies that the raw material is cheap and the products are expensive, therefore, he think that exploit this opportunity will create benefits in the future. Informant 6 is seeking information on issues related to entrepreneurship among individuals who are entrepreneurs. This individual is in process of perception and evaluation of potential opportunities for business creation; therefore, he is a potential entrepreneur.

In short, we see that both immigrant entrepreneurs and non-entrepreneurs have different beliefs and perceptions. Is evident that the decision to establish their businesses is based on quite informal information and that comes from their social networks.

5. DISCUSSION AND CONCLUSIONS

In general, the results show that the process of discovery of entrepreneurial opportunities is complex. The results of our research are consistent with the economy Austrian approach,

which argues that individuals recognize the opportunities for differences in the experience, knowledge and information that the individual possesses (Eckhardt & Shane, 2003; Kirzner, 1997; Shane, 2000).

For example, the obtaining way of information by immigrants is varied; our data confirm that the information is idiosyncratic. Information related to entrepreneurs is unique in time and space, according to Hayek (1945). In the same way, formation of business assumptions is based on their beliefs and perceptions (Kaish & Gilad, 1991).

Informants 1, 2 and 3 sought information relating to the sector and the environment. So individuals perceive and evaluate opportunities, being consistent with the notion that the opportunities are discovered through the search of information (Stiglitz, 1985).

Informants 4, 5 and 6, given the residence time, they could be acted as agents for reducing the bias caused by introspection-retrospection process (Eisenhardt & Graebner, 2007). In any case, our results evidence that these individuals are in process of absorption knowledge related to their new environment (Cohen & Levinthal, 1990; Harvey et al., 2010; Lane et al., 2006).

Both groups sought information in their social networks (Shane, 2003) or information channels (Fiet & Patel, 2008). This information channel is a resource of low cost business ideas of entrepreneurial ideas. According to these authors the information channels are network of friends, confidantes and business partners' entrepreneur. In essence, the information obtained from these information channels is consistent with information asymmetry approach (Stigler, 1961). In conclusion, an important feature is that immigrants manage informal information which is based on trust on their social networks. In this sense, we can observe that these immigrants do not seek formal information about entrepreneurship in Barcelona.

With respect to the immigrant experiences, we found that both groups have acquired experiences and skills in the business family with which they entered in a new environment. Given that knowledge is cumulative (Lane et al., 2006) the experiences and skills acquired in the period of transit is important. Despite not having evidence in the literature on the study of these factors acquired in this period, in this study has been useful to consider this category as it has facilitated the examination and an exhaustive description of the process.

In the literature on immigrant entrepreneurship, we found that the factors acquired in the post-migration period by immigrants are more relevant than ones acquired in pre-migration period. These factors increase the knowledge about the new markets and their new environment (Constant & Zimmermann, 2006; Le, 2000). Effectively, this position is verified in our study, but can not be interpreted in a fragmented way given that the formation of "knowledge corridor" (Venkataraman, 1997) is a cumulative process (Lane et al., 2006), which consists of pre-migration, transit and post-migration periods.

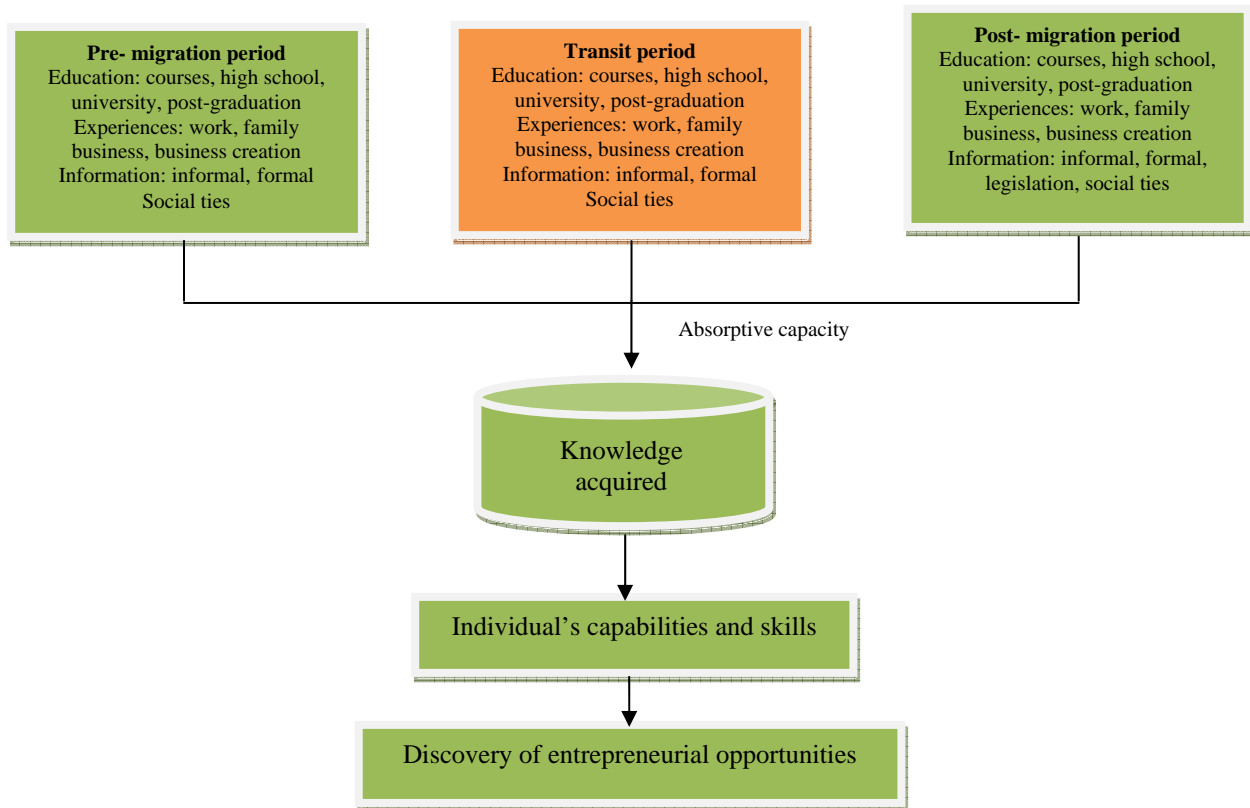


Figure 7. Discovery of entrepreneurial opportunities process by immigrants

As show in Figure 7, the prior knowledge acquired by immigrants is formed by the experiences in the three migration periods. The knowledge and skills endowed the individual to create conjectures and recognize entrepreneurial opportunities. Our data shows that this prior knowledge of these individuals is related to their experiences acquired in theses migration periods.

6. IMPLICATIONS FOR FUTURE RESEARCH

This study provides evidence related to factors or characteristics acquired by immigrants in a transit period. This transit period might be better explored and analyzed to see the importance for knowledge acquisition and the developed of skills by immigrants.

It could be done in other sectors and with other immigrant groups, so we can see how other immigrant groups recognize entrepreneurial opportunities, for example, Chinese people. Likewise, It could be interesting research not only inter-group but intra-group, given the cultural characteristics among countries. This study could also be used in the formulation of policies to promote the business creation and self-employment among potential immigrant entrepreneurs in Barcelona.

7. LIMITATIONS

The results of this study should be interpreted with caution because some limitations were not covered in the research design. *First*, the sample is composed of immigrants of different nationalities, so it would have been interesting to compare not only inter-group, but intra-group identifying cultural factors. *Second*, there has been no saturation process related to the new category "transit period". *Third*, we have relied heavily on the discourse of informants, so there might be some bias in the process of introspection-retrospection, and finally, as the businesses were small we interviewed only the owner-manager.

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[1] It is important to understand the means-end approach (Von Mises, 1949). This approach is based on human action, where the result sought by an action is called the end or objective and means is everything that makes for the purpose.

[2] The study of Sanromà S., Ramos R., and H. Simon (2008) is clearly on the portability of acquired factors in the country of origin (pre-migration period), particularly human capital. This study is not related to business creation by immigrants, we mention it as a reference related to acquire factors in the country of origin which are carried by immigrants in the process of emigration and immigration.

[3] Report of the Social Security – 2010

[4] Has been grouped immigrants based on factual property, Entrepreneurs are those who have discovered the opportunity and have exploited it; and non-entrepreneurs are those who have not established a firm

[5] (*) family codes for immigrant non-entrepreneurs are fao-nemp, fad-nemp and fat-nemp and family codes for immigrant entrepreneurs are fao-emp, fad-emp and fat-emp.

[6] The transit period is a period of time the immigrant has lived somewhere in the world, but that is neither the country of origin or the destination country

[7] Is a citation used in Atlas.ti, where P2 indicates the primary document number 2, the document name in this case EmpresaA.rtf, 2:113 indicating the number of primary document followed by a colon and the number indicating the order which it was assigned to the document, it finally has the line number where is located the text segment (668:668).