

The Entrepreneurial Journey of Immigrant Entrepreneurs in Portugal: Motivations, Challenges and Home Country Influence
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# **Dedication and Acknowledgements**

To my parents, my sister, and my uncle, thank you. Thank you for all the support, the conversations throughout this year, and the motivation you gave me to seek this through to the end.

To my supervisor, Renato Lopes da Costa, thank you for the availability, even when times were tough, for the straightforward advice, and for helping me finish this research on time.

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**Abstract** 

The political discourse around migration in European countries is becoming more prominent. Portugal

is no exception, and it makes it imperative to study and research areas related to migration. This

research focuses on immigrant entrepreneurship in Portugal, a country that has seen an increase in

the number of migrants in recent years. The objective of this research is to investigate the motives and

challenges faced by immigrant entrepreneurs in Portugal. The study uses a qualitative approach,

utilizing in-depth interviews with 18 immigrant entrepreneurs in Portugal to uncover the true

motivations and obstacles they face when starting a business. In doing so, the research contributes to

the broader discourse on migration and provides valuable insights into the field of management by

analyzing the entrepreneurial journey, which requires a strong understanding of management

practices. The findings reveal that immigrant entrepreneurs contribute with distinct products, skills,

and cultural elements to the Portuguese market, enriching local diversity. Their businesses often reflect

their cultural heritage, setting them apart from native entrepreneurs and catering to ethnic

communities. Despite significant challenges, immigrant entrepreneurs show remarkable resilience and

bravery in adapting to new environments and leveraging their backgrounds to create market

opportunities. Family and community support, along with prior professional experiences, play crucial

roles in their success. Policymakers and stakeholders in Portugal, need to develop measures that

promote and support immigrant entrepreneurship, to foster a more inclusive and dynamic

entrepreneurial environment. This, in turn, can help immigrants boost the economy, introduce

innovative products to the market, and cater to ethnic communities in Portugal.

**Keywords**: Immigrant entrepreneurship, Portugal, Migration, Management.

JEL Classification:

F22 - International Migration

J61 - Geographic Labour Mobility; Immigrant Workers

L26 - Entrepreneurship

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#### Resumo

O discurso político em torno das migrações tem-se tornado cada vez mais proeminente nos países europeus. Portugal não é exceção e torna-se imperativo estudar e investigar áreas dentro desta temática. Esta investigação foca-se no empreendedorismo imigrante em Portugal, país que tem observado um aumento significativo no número de imigrantes nas últimas décadas. O objetivo desta pesquisa é investigar os motivos e os desafios enfrentados pelos empresários imigrantes em Portugal. O estudo utiliza uma abordagem qualitativa, recorrendo a entrevistas a 18 imigrantes empreendedores em Portugal para descobrir as verdadeiras motivações e obstáculos que enfrentam quando iniciam um negócio. A pesquisa contribui para um discurso mais amplo sobre imigração e adiciona perceções valiosas ao campo da gestão, na medida em que se analisam as primeiras etapas do percurso de empreendedorismo, que exigem uma forte compreensão das práticas de gestão. As conclusões revelam que os imigrantes empreendedores contribuem com produtos, competências e elementos culturais distintos para o mercado português, enriquecendo a diversidade local. Os seus negócios muitas vezes refletem o seu património cultural, diferenciando-os dos empreendedores nativos. Apesar de enfrentarem desafios significativos, os empreendedores imigrantes demonstram uma resiliência e coragem notáveis na adaptação a novos ambientes. O apoio da família e da comunidade, juntamente com experiências profissionais anteriores, desempenham papéis cruciais no seu sucesso. Este estudo oferece informações importantes aos decisores políticos e às partes interessadas em Portugal, ajudando a desenvolver medidas que promovam e apoiem o empreendedorismo imigrante, promovendo um ambiente empresarial mais inclusivo e dinâmico. Isto, por sua vez, pode ajudar os imigrantes a impulsionar a economia, a introduzir produtos inovadores no mercado e a servir as comunidades étnicas em Portugal.

Palavras-chave: Empreendedorismo imigrante, Portugal, Migração, Gestão.

## Classificação JEL:

- F22 Migração Internacional
- J61 Mobilidade Geográfica da Mão-de-Obra; Trabalhadores Imigrantes
- L26 Empreendedorismo

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#### 1. Introduction

A migrant is a person who moves away from his or her country of residence to go live in another one, temporarily or permanently. Migrants move for a variety of reasons, in some cases to find a better life, and in other ones, to flee from a tragic one. In recent decades, Portugal has seen a growing influx in the number of immigrants (Oliveira, 2022; Paço & Ramos, 2018), and migration has taken one of the centre stages in political discourse, so it becomes essential to study and explore issues around it.

This research will focus on a particular group of migrants: the entrepreneurs, meaning immigrants who establish a business in their host country and become self-employed. Immigrant entrepreneurs have different motivations and face distinct challenges from native ones. They also bring new products, diverse skills, perspectives, and innovations to the host countries (Paço & Ramos, 2018). From a management perspective, it is important to study the motivations of immigrant entrepreneurs to improve the Portuguese entrepreneurial ecosystem and foster the creation of more successful immigrant businesses. Understanding the challenges of immigrant entrepreneurs is important, too. On the one hand, for new entrepreneurs to apply better strategic decisions, make better use of resources, and understand which management tools are needed to prosper as immigrant entrepreneur in Portugal. On the other hand, for policymakers and stakeholders to aid in the development and implementation of measures to promote, foster, and grow immigrant entrepreneurship.

The increasing social and economic importance of immigrant entrepreneurship has led to growing interest in its research, reflected by the surge in publications in recent years (Wiers & Chabaud, 2022). As a result, it is quickly becoming a prominent field within the domain of business and management studies (Dheer, 2018; Fernandes et al., 2022; Glinka, 2018). There has been considerable research on the motivations of immigrant entrepreneurs, but much of it is limited to specific contexts (cf. Alexandre et al., 2019; Andoh et al., 2019; Baycan-Levent & Kundak, 2009; Cho et al., 2019; Rametse et al., 2018; Shinnar & Young, 2008). Most studies on immigrant entrepreneurship in Portugal focus on the strategies employed in the business (cf. Oliveira, 2004, 2005, 2007, 2008), leaving a gap in management studies regarding the current understanding of the motivations and challenges faced by immigrant entrepreneurs when opening a business in Portugal. This research aims to fill that gap by offering a perspective that focuses on the influence of both home and host countries.

The research is guided by several key questions: What motivates immigrant entrepreneurs to start businesses in Portugal? What challenges and barriers do they encounter in this process? How do the experiences in their home country influence their decision to start and manage a business in Portugal? How do their skills and prior experiences (such as education, previous employment, or business

ventures) contribute to the success of starting and managing their businesses in Portugal? How do their family and friends support them in starting and managing their businesses in Portugal?

This research is structured to first provide a literature review contextualizing entrepreneurship, immigrant entrepreneurship, migration, and immigrant entrepreneurship in Portugal, as well as its motivations and challenges within existing academic discourse. This is followed by a methodology chapter outlining the research approach and a thematic analysis of the data collected from interviews with immigrant entrepreneurs. The discussion and findings chapters will synthesize these insights with the literature, offering a detailed examination of the research questions. Finally, the conclusion reflects on the implications of the findings, highlighting both the contributions of this research and suggesting avenues for future studies.

#### 2. Literature Review

### 2.1. Entrepreneurship

The field of entrepreneurship aims to comprehend how opportunities are recognized, developed, and capitalized upon, along with their implications (Venkataraman, 1997). Defining entrepreneurship is complex in contemporary discourse due to the diverse scholarly approaches it encompasses, stemming from various academic fields, including anthropology, social science, economics, and management.

An early contribution to the field of economics was made by Schumpeter (1942), who defined entrepreneurship as the pursuit of opportunities for innovation, with a focus on developing new products and pioneering technology to achieve this goal. In the management field, Drucker (1985) posited that an entrepreneur is an individual who recognizes societal needs and seeks to fulfil them through innovative ideas. He described entrepreneurship as the process of seizing market opportunities to better serve the customer rather than introducing a new product (Drucker, 1985). Whether native or immigrant, an entrepreneur is defined by Bygrave et al. (2015) as "someone who perceives an opportunity and creates an organization to pursue it" (Bygrave et al., 2015, p. 22). More recently, the Global Entrepreneurship Monitor (GEM) defines entrepreneurship as any endeavour to establish new businesses or ventures, including self-employment, by individuals or established teams (GEM, 2023). There is agreement among the authors regarding the fact that entrepreneurship involves the creation of a product, method/production process, business, or even market.

### 2.2. Immigrant Entrepreneurship

Migration, often considered the third wave of globalization, has become increasingly complex and impactful on an unprecedented scale (Duan, 2023), with over 280 million people, or 3.6% of the global population, living outside their country of birth (UN DESA, 2020). This figure has doubled since 2000 and tripled since the 1970s (Castles et al., 2019; Douglas et al., 2019; Duan et al., 2022).

Although there is no universally agreed-upon definition for "migrant," according to the International Organization for Migration, a "migrant" is "a person who moves away from his or her place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons" (IOM, 2019, p. 132). This includes economic migrants, asylum seekers, refugees, and internally displaced persons who flee due to human rights violations, persecution, conflict, or natural disasters (IOM, 2021).

Historically, migration has played a fundamental role in shaping global societies and economies, and conversely, societal structures significantly influence migratory patterns, creating a reciprocal relationship between them (Saint-Maurice & Pires, 1989). Successive waves of immigration have not only enriched cultures and traditions but have also spurred economic development (Duan et al., 2021; Paço & Ramos, 2018). Immigrants participate as consumers, taxpayers, investors, job creators, and entrepreneurs, all essential components for economic prosperity (Paço & Ramos, 2018; Szczygiel et al., 2020).

Immigrant entrepreneurs can be defined as individuals who move to a new country and engage in creating and growing new business ventures for the purpose of necessity or opportunity (Chrysostome, 2010). Just like early neoclassical migration models described migrants as rational and selfish agents that act only according to their benefit (de Haas, 2010), previous theoretical frameworks on immigrant and ethnic entrepreneurship highlight only the forces that push or pull immigrants towards self-employment and the unique interactions between immigrants and the environments they put themselves in (Aldrich & Waldinger, 2003). Brzozowski (2017) argued that the theoretical model of immigrant entrepreneurship should also take into account the role of migrants' families and friends, meaning that most economic decisions, including the entrepreneurial ones, are the result of collective decisions and the interplay of the aspirations, dreams, and personal goals. According to him, immigrant entrepreneurship can be divided into three scenarios.

The first one aligns with the new economics of labour migration theory, which describes a migrant as someone who is sent abroad by their family solely to diversify the family's income sources by sending remittances to the host country. After establishing a business, immigrant entrepreneurs are expected to support the family's budget back in their home country through remittances (Taylor, 1999). This approach limits the immigrant entrepreneur's business development, as profits are either consistently remitted back home or reinvested there once the period abroad concludes. There is a clear distinction between this immigrant entrepreneur and the native one, as the business is seen as a temporary event that will be closed once the migrant and the family are satisfied with the amount of money sent home, leading migrants to pursue markets that offer a rapid accumulation of capital with rougher working conditions and higher risk (Brzozowski, 2017).

The second scenario describes a migrant caught between settling permanently in the host country and returning to their home country, leading to the adoption of a transnationalism strategy (Portes et al., 1999). This approach, as outlined by Portes et al. (1999), involves the migrant engaging in personal, social, and economic activities across both countries. The transnational entrepreneurship approach allows for simultaneous economic engagement in both the home and destination countries, offering a form of economic adaptation and a secure option that facilitates potential return by maintaining

economic ties to the home country (Portes et al., 1999). Portes and Yiu (2013) highlighted that many immigrant entrepreneurs rely heavily on transnational connections for their business achievements. Furthermore, Brzozowski et al. (2014) note that these entrepreneurs, through their unique access to resources in both locations, can outperform both non-transnational immigrant entrepreneurs and native entrepreneurs.

In the third scenario, the intention of the immigrant is to settle permanently in the host country, adopting a long-term perspective for their business. However, the immigrant entrepreneur is still different from the native ones since their activities will, most certainly, reflect different norms, values, and expectations and do not necessarily follow a single path of socio-economic integration but may experience different trajectories (Brzozowski, 2017). In this context, three types of businesses might emerge: highly segmented marginal firms operating in the niches of the market left by the locals; ethnic businesses that operate in the ethnic enclave and are mostly intended to serve the co-ethic population but also offer to locals specific ethnic products that were not available before; and highly integrated mainstream businesses, which compete on equal terms with native entrepreneurs (Brzozowski, 2017).

It is important to understand that immigrant entrepreneurs' businesses are linked to their migration strategy, which means that they can serve different purposes, and, in many cases, these purposes make them different from the businesses of native entrepreneurs.

## 2.3. Migratory Movements in Portugal and Immigrant Entrepreneurship

Understanding Portugal's transformation into a country where immigrant entrepreneurship is a reality and appeals to ambitious individuals and business owners necessitates examining migratory trends over the last forty years, the motives of migration, the influence of immigration policies, and the landscape of immigrant entrepreneurship within Portugal.

Portugal's immigration landscape underwent significant changes from the post-colonial era to the millennium's turn. Following the 1974 Revolution and decolonization, Portugal saw an influx of half a million nationals returning from former African colonies (Pires, 2003). Family reunification and new family establishment in the following years paved the way for an increase in the immigrant population coming from Portuguese-speaking African countries (PALOP) (Baganha et al., 2009).

By the mid-1980s, Portugal had 79.594 immigrants, notably 44% of whom were from Portuguese-speaking African countries (PALOP) (Baganha et al., 2009). This increase aligned with Portugal joining the European Economic Community (EEC) in 1986, bringing in significant funds for infrastructure development. The investments in new infrastructure focused on transportation, public buildings, and

urban renewal and fuelled demand for labour, particularly in construction and public works, drawing immigrants, particularly from Cape Verde (Baganha et al., 2009).

Although the construction sector expanded and tertiary industries such as banking and real estate attracted highly skilled migrants from Western Europe and Brazil, immigration in Portugal remained limited until the late 1990s. In 1999, the number of legal foreign residents stood at 190.896, comprising less than 2% of the total Portuguese population (Baganha et al., 2009).

Between 2000 and 2002, Portugal experienced an unexpected surge in Eastern European immigration. This influx was surprising due to the lack of proactive immigration policies and minimal historical or economic ties with Eastern Europe (Baganha et al., 2009). Official documents attributed the surge in Eastern European immigration to visa issuance by other EU nations, seamless travel within Schengen, and organized human trafficking posing as travel agencies (Baganha et al., 2009).

Despite economic setbacks in the mid-2000s leading to job losses and emigration among some Eastern European immigrants, a fraction chose permanent settlement, diversifying Portugal's immigrant demographics (Góis & Marques, 2018). This highlights how evolving economic, legal, and socio-political factors influence migration dynamics and settlement trends.

In recent years, Portugal has witnessed a sustained upward trend in immigration, with Brazilian nationality maintaining its position as the primary foreign community, representing 35.3% of the total immigrant population in 2023 (AIMA, 2023). The United Kingdom also remains significant but has dropped to the 4<sup>th</sup> position, only behind Angola and Cape Verde (AIMA, 2023). The continued increase in foreign citizens from EU countries underscores the impact of factors such as Portugal's perceived safety and the tax benefits of the non-habitual resident regime. According to AIMA (2023), India and Italy remain in the same positions, 5<sup>th</sup> and 6<sup>th</sup> respectively. Additionally, Ukraine is no longer to be seen in the top 10 (AIMA, 2023). In 2023, it reached a historic high with 1044,606 immigrants, marking a 33.6% increase from the previous year (AIMA, 2023).

According to Oliveira (2019), from 1981 to 2011, the number of foreign entrepreneurs in Portugal grew from 1,811 to 23,697, with their workforce proportion increasing from 5.1% to 12.1%. Foreign employers' contribution to Portugal's total employer pool also rose from 1.4% to 5.2%, reflecting an upward trend in foreign entrepreneurship amidst a growing foreign resident population (Oliveira, 2019). Between 2001 and 2011, entrepreneurship among foreigners increased by 15%, while it declined by 7% among nationals (Oliveira, 2019).

The rise in foreign entrepreneurs in Portugal suggests both socioeconomic advancement and challenges in accessing traditional employment (Oliveira, 2006, 2008). For some, entrepreneurship serves as upward social mobility, while for others, it is a response to barriers like discrimination and language difficulties (Paço & Ramos, 2018). Entrepreneurial activity among immigrants varies by

nationality and over time. Asians, particularly Chinese, have shown high entrepreneurial engagement, while Ukrainians and Portuguese-speaking Africans exhibit lower levels, often due to factors like economic crises and changes in legal status (Oliveira, 2019).

Immigrant entrepreneurship might play a crucial role in integration, economic revitalization, and innovation, creating employment opportunities for both immigrants and natives and addressing unemployment (Coutinho et al., 2008).

## 2.4. Factors that Motivate Immigrant Entrepreneurship

Shane et al. (2003) highlighted the importance of understanding both personal and situational factors that motivate immigrants towards entrepreneurship, as the genesis of entrepreneurship often lies in these motivations.

Duan et al. (2023) have extensively researched immigrant entrepreneurship and its underlying motivations and highlighted five critical individual push-pull factors influencing these motivations: sociodemographic, personal circumstances, personal values and personality traits, business ideas and opportunities, and self-efficacy.

### 2.4.1. Sociodemographic Factors

Sociodemographic factors such as age, education, length of stay, immigration status, gender, language proficiency, and family size greatly influence immigrants to become entrepreneurs (Duan et al., 2023). Li (2001) found that immigrants' motivation to become entrepreneurs peaks between ages 20 and 50, and Altinay and Altinay (2008) noted that younger individuals are more inclined to start their businesses.

On the one hand, higher education, up to a bachelor's degree, enhances motivation (Lin & Tao, 2012). On the other hand, advanced degrees potentially inhibit it due to better job prospects (Williams & Krasniqi, 2018), suggesting that education has some influence on the decision to become an entrepreneur. Immigrants educated in the host country show higher entrepreneurial tendencies than those educated abroad, suggesting local education better equips them for new market opportunities and that formal education obtained in the origin country may find difficulties to be recognized as equivalent (Baycan-Levent & Kundak, 2009).

Longer residency in the host country correlates with greater motivation to become self-employed, partially because immigrants who stay longer in the country are better integrated and can take advantage of possible higher knowledge in navigating the specificities of the host country (Lin & Tao,

2012). Immigration status has its complexities, with documented migrants following a more opportunistic entrepreneurial path, while undocumented ones often turn to entrepreneurship out of necessity (Chrysostome, 2010; Cobbinah & Chinyamurindi, 2018).

Male migrants, driven by family responsibilities, show a higher entrepreneurial inclination (Lee et al., 2017). Limited language skills often restrict immigrants to ethnic niches where language barriers are less problematic (Cobbinah & Chinyamurindi, 2018; Williams & Krasniqi, 2018). Larger families have the potential to drive a stronger entrepreneurial motivation due to financial necessity (Baycan-Levent & Kundak, 2009).

#### 2.4.2. Personal Circumstances

Personal circumstances include family influence, social networks, and societal conditions. Family support provides resources like capital and labour, which are essential for immigrant entrepreneur businesses to thrive. In many cases, the family also acts as cultural and motivational role models (Baycan-Levent & Kundak, 2009; Bosiakoh & Tetteh, 2019; Szkudlarek & Wu, 2018).

Cho et al. (2019) found that 80% of potential Latina entrepreneurs mention that their direct relatives can act as a source of inspiration, motivating them to become entrepreneurs, while Rodríguez-Gutiérrez et al. (2020) emphasized the strong motivational impact of family background and social networks. Community support also significantly influences entrepreneurial decisions, with Khosa & Kalitanyi (2015) reporting that 12.9% of entrepreneurs recognized their personal environments as the foundation to start their business. Social networks are vital for the launch and sustainability of immigrant businesses, providing essential support in the initial steps and ongoing operation (Baycan-Levent & Kundak, 2009).

Andoh et al. (2019) reported that 2.6% to 11.1% of entrepreneurs were motivated by discrimination and restricted mobility in the labour market, driving them to become entrepreneurs. Alexander & Alalam (2019) also noted that unemployment and limited job prospects can have the same effect, acting as push factors for immigrant entrepreneurship.

### 2.4.3. Personal Values

Personal values like economic aspirations, social involvement, and family relationships can influence the immigrant's decision to become an entrepreneur. Moreover, immigrants become self-employed to fulfil a desire for independence and self-direction, prompting them to start businesses in new environments (Bosiakoh & Tetteh, 2019). Tehseen & Anderson (2020) highlighted values such as economic security and social recognition as key motivators for immigrants to become entrepreneurs.

Immigrants are motivated to pursue financial empowerment in order to improve their economic standing and social status, as research has shown that entrepreneurship is seen as a path to financial prosperity (Parks-Leduc et al., 2015; Shinnar & Young, 2008). Beyond economic goals, the desire for social recognition and personal advancement also drives many immigrants into entrepreneurship as a means to enhance their societal position (Bosiakoh & Tetteh, 2019). Additionally, as previously seen, commitment to community welfare leads immigrant entrepreneurs to create businesses that cater to co-ethnic groups or the broader market, offering culturally relevant products and services (Rametse et al., 2018).

## 2.4.4. Self-Efficacy

Self-efficacy hinges on the immigrant's self-perception and whether they view entrepreneurship as a practical and appealing option based on the opportunities and challenges they perceive in the business world. A positive self-view enhances entrepreneurial enthusiasm, while a negative one can make immigrants run away from it (Shinnar & Nayır, 2019).

The belief and confidence in one's abilities are, in many cases, essential for initiating entrepreneurial activities and have a direct influence on the entrepreneurial motivations of immigrants (Chu et al., 2010; Lee et al., 2017; Rametse et al., 2018; Shinnar & Young, 2008). Research by Bosiakoh and Tetteh (2019) and Alexandre and Alalam (2019) shows that key components of self-efficacy, such as confidence in market demand and venture profitability, are critical in shaping entrepreneurial actions. These findings underscore the relationship between self-efficacy, resilience, and anticipated entrepreneurial outcomes, highlighting the importance of personal confidence and perceived capabilities in mastering entrepreneurship.

### 2.4.5. Business Ideas and Entrepreneurial Opportunities

Often marking the start of the entrepreneurial journey, business ideas and the recognition of entrepreneurial opportunities are crucial drivers of immigrant entrepreneurial motivation. The entrepreneurial process typically begins with an idea, with many entrepreneurs uniquely identifying opportunities that others might miss (van der Veen & Wakkee, 2004).

Rametse et al. (2018) found that business ideas motivate immigrants to start a business in 75% of cases, similar to desires for independence and financial success. Entrepreneurs often rely on market

knowledge, professional experiences, and social networks to spot opportunities, with personal contacts and social networks playing a significant role (Bosiakoh & Tetteh, 2019). Immigrant entrepreneurs, in particular, leverage their bicultural backgrounds to introduce novel products or processes into the home country, sometimes to serve people from the same country of origin to have access to products from their homeland (Cho et al., 2019; Lundberg & Rehnfors, 2018; Portes et al., 1999)

Transnational entrepreneurs utilize international networks to expand their business operations, engaging in exporting and importing activities across multiple markets (Portes et al., 1999). This expansion often spans sectors like production, consulting, and quality control, extending their reach in both domestic and foreign markets (Lundberg & Rehnfors, 2018).

### 2.5. Immigrant Entrepreneurship Challenges

Immigrant entrepreneurs face numerous challenges across their personal lives, like gender bias, competition, lack of advisory support, limited professional experience, skills, training, and access to resources like employees, real estate, and financing, although not all these challenges are exclusive to immigrant entrepreneurs.

Kazemipur and Halli (2001) identified language barrier and credential recognition as a recurring challenge, compounded by inadequate support from host countries. Adapting to a new system and a new language can be difficult and often leads to bureaucratic and customer service struggles (Bolzani & Boari, 2018; Rashid, 2020). Mastering the local language and culture proves to be beneficial in mitigating the difficulties (Williams & Krasniqi, 2018).

De Lange et al. (2021) observed that contacts and interactions with bureaucratic institutions, such as banks, municipalities, and tax offices, can impact the success or failure of immigrant businesses. Rashid and Cepeda-Garcia (2021) obtained the same results in their qualitative study of organizations backing immigrant entrepreneurship initiatives, where bureaucratic obstacles emerged as the most significant challenges that immigrant entrepreneurs have to deal with. In his research, Solano (2021) emphasized that discrimination leads to many missed opportunities.

Financing is a prominent concern for migrant entrepreneurs compared to natives since higher unemployment rates, limited bank loan access, financial uncertainty, and hurdles in securing funding from traditional banks lead to difficulties in securing the necessary funds to start their businesses (Wiers & Chabaud, 2022). Besides these challenges in finance, Barth and Zalkat (2020) presented in their study that difficulty in affording housing is a common financial challenge for immigrants. Moreover, the lack of financial expertise can lead to many wrong decisions and setbacks in building a

business (Barth & Zalkat, 2020). Rashid and Cepeda-García (2021) also identified obtaining access to finance, including limited opportunities for bank loans, as one of the primary challenges encountered by migrant entrepreneurs.

### 3. Methodology

## 3.1 Research Design

This research employed a qualitative approach to explore the entrepreneurial motivations and challenges of immigrants in Portugal. In-depth individual interviews were the method selected for this study as this type of interview provided rich, detailed data and insights into the personal experiences, thoughts, and emotions of the participants, allowing for a deeper understanding of a complex topic such as this one. The qualitative approach allows for a comprehensive exploration of the dimensions associated with the entrepreneurial journey of immigrants in Portugal.

### 3.2 Research Questions and Objectives

The primary research questions and objectives of the study were developed based on the key issues identified in the literature review. The research questions (RQ) defined are:

Research Question 1: What motivates immigrant entrepreneurs to start a business in Portugal?

**Research Question 2**: What challenges and barriers do immigrant entrepreneurs encounter when starting businesses in Portugal?

**Research Question 3**: How do the experiences of immigrant entrepreneurs in their home countries influence their decisions to start and manage businesses in Portugal?

**Research Question 4**: How do the skills and prior experiences (such as education, previous employment, or business ventures) of immigrant entrepreneurs contribute to starting and managing their businesses in Portugal?

**Research Question 5**: How do family and friends support immigrant entrepreneurs in starting and managing their businesses in Portugal?

The research objectives (RO) are defined as:

Research Objective 1: Understand the main motivations behind starting a business in Portugal.

**Research Objective 2**: Identify the primary challenges encountered by immigrant entrepreneurs in creating a business in Portugal.

**Research Objective 3**: Examine the extent to which cultural background from the immigrants' home countries impacts their entrepreneurial behaviours, strategies, and success in Portugal.

**Research Objective 4**: Examine the role of human capital, including education and previous job or business experiences, in contributing to the successful establishment and operation of immigrant-owned businesses in Portugal.

**Research Objective 5**: Investigate the role of personal, familial, and professional networks in supporting the establishment of businesses by immigrant entrepreneurs in Portugal.

### 3.3. Sample and Data Collection

To ensure a diverse sample and collect the set of dimensions that explain the entrepreneurial process of immigrants in Portugal, participants in the interviews were chosen to include individuals of different genders, owners of businesses across various sectors, and those originally coming from countries with diverse cultural backgrounds, who started their businesses between 2018 and 2024. The selection criteria focused on individuals who were of immigrant origin upon their entry into Portugal. Each interview was conducted on an individual basis and varied in duration from 20 to 60 minutes, depending on the amount of information provided by the interviewee. Participants were informed of the study's purpose, and their confidentiality will be strictly maintained, so the names used throughout this research are not the real ones. All interviews were audio-recorded with the consent of the participants. Additionally, sociodemographic information such as age, gender, and education level of the participants was collected.

The study will gather data from 18 immigrant entrepreneurs located in the Lisbon area, ten women and eight men, two of which were with couples. The age range of the interviewees spanned from 27 to 42 years. The interviewees represented six sectors, encompassing thirteen distinct businesses. Participants came from ten different countries across three continents. The majority were from Brazil (7), followed by Ukraine (3). As Brazilians make up the largest group of immigrants in Portugal, this research included a higher number of Brazilian interviewees. Ukrainians, due to the significance of their migration driven by the war, were purposefully selected to follow Brazil in terms of the number of interviewees. Other participants included individuals from Bangladesh, Germany, the Czech Republic, Mozambique, Nepal, South Africa, Bulgaria, and Russia, each represented by one interviewee. The pool of interviewees represents four continents: Europe, Africa, Asia, and America, ensuring diversity in the sample.

Contact with the interviewees was made primarily by going into their business and interviewing them in their place of work. Some interviews were arranged through referrals. The interviews for this study were conducted within the Lisbon metropolitan area. The businesses involved are

predominantly located in Lisbon, with one of the interviewees having two businesses, one of them in Alentejo.

### 3.4. Data Analysis Procedures

The data captured during the interviews were transcribed by a professional service, TurboScribe.com. After transcription, the data underwent a detailed review process. Utilizing the qualitative data analysis methods outlined by Creswell (2009) and the software program designed for computer-assisted qualitative and mixed methods data, MAXQDA, the transcripts were methodically coded and interpreted. Each transcript was examined both individually and as part of the collective dataset to gain an in-depth understanding of the participants' viewpoints. The data was organized and coded line-by-line, corresponding to the interview questions. In this research, coding was done previously by getting themes from the research questions, but during the analysis of the interviews, some complementary coding was made, and many other themes were discovered through this method. Due to the page limit, it was not possible to analyse the data of every theme that was discovered through coding, so it was decided to analyse the most relevant ones for this research.

#### 4. Data Analysis

The purpose of this chapter is to present and analyse the themes identified through the thematic analysis process of the interviews conducted with immigrant entrepreneurs. The aim of this study is to gain a deeper understanding of the factors that drive immigrants to pursue entrepreneurship, the obstacles they face, and how their cultural backgrounds impact their business ventures.

Extracts from the interviews with the entrepreneurs have been included to support the analysis. These extracts are presented in their original form to preserve the authenticity of the participants' narratives despite any grammatical errors. Each subtheme is discussed in detail, highlighting how the entrepreneurs experienced and navigated these factors within the context of their business operations. The three subthemes are "host and home country influence", "motivations" and "challenges".

This chapter aims to provide a comprehensive analysis of the cultural influences, motivations, and challenges that shape the entrepreneurial journeys of immigrants, offering valuable insights into their unique experiences and contributions to the business landscape. The following analysis will be done only to the entrepreneurs that were interviewed for this research, so no generalisations will be made, meaning that when referring to "entrepreneurs," "immigrants," or "immigrant entrepreneurs" in this chapter, it will be the ones that were interviewed for this research.

A table with a summary and relevant information about all the interviewees can be found in Annex D to support the data analysis.

### 4.1. Host and Home Country Influence

The theme "Host and Home Country Influence" explores the cultural, economic, and regulatory environments of an entrepreneur's country of origin (home country) and the country in which they operate (host country). This theme has the objective of sharing the reality of immigrant entrepreneurs in Portugal and analysing how their unique cultural background and their adaptation to the host country can or cannot differentiate them from native entrepreneurs.

### 4.1.1. Social Capital

Social capital includes the networks of relationships entrepreneurs maintain with friends, family, professionals, and other contacts, which can provide crucial support, resources, and business

opportunities. The discussion is categorized into the influence of different types of social capital and illustrated with direct quotes from the entrepreneurs.

Family members play an extremely important role in providing emotional, logistical, and sometimes financial support to entrepreneurs. Family members can be pioneers who migrate to a new country, pave the way for others, and open new opportunities. Throughout the interviews, the importance of family was clear, not only for integration into the host society but also in establishing the businesses. In some cases, marital bonds are described as one of the most important success factors of the business.

"The brother, he helped us a lot to do the construction here because to save money we did a lot by ourselves, so he was helping us do the construction here." (Martha and Anthony, Coffee shop)

"I had my family members here. So firstly, I had very good advice from my brother, who used to live here since 2009" (Rafik, Italian restaurant)

"I also have my sister, but she's in college and doesn't have much time. She has also been very supportive, especially on social media. She's the social media girl." (Ivone, Hair saloon)

"And secondly, my wife, she's from here, she's from Portugal. She helps me a lot, always with advice, always with things that I should follow and I should do in Portugal. She's an accountant. So, she helps me with advice on how to do the accounts, how to do the business of the company and everything. She helps me a lot." (Rafik, Italian restaurant)

"My wife is from here; she is Portuguese. (...) Very important to highlight is the person by our side, right? If the person doesn't play along with you, it's very complicated." (Rodrigo, Brazilian restaurant)

"I have what I have because of João. (...) When one of us is overwhelmed, the other supports.

João is an angel in my life. Without him, it would be impossible." (Mafalda, Bijuterie store)

"My husband. He's Portuguese. We opened the business together because taxes are lower when there are partners. He has always been my partner and helped with the renovations." (Jacinta, Nails saloon)

"My mother is tireless. My mother-in-law helps a lot. For example, today, my mother-in-law will pick up our kids from school so we can be here all day. My mother has been fundamental. People need support to be entrepreneurs. Without support, it's impossible. (...) 'Mom, I'm struggling, come help me.' As entrepreneurs, we find time in the chaos. Her support has been fundamental throughout my life. Otherwise, it wouldn't have worked." (Mafalda, Bijuterie store)

"We are a family business, me, my father, my mother, and my husband. So, yes, I think my parents and family were crucial" (Joana, Açai shop).

Viktor received essential support from his father when establishing his business in Portugal. His father's guidance was pivotal in his entrepreneurial journey, and he reflects on their shared experiences with nostalgia. Viktor recounted their story, highlighting the significant role his father played in his success.

"I'm upset that I didn't ask questions to my father, and now he is not here with us, and I have so many, have so many questions to ask now, but I cannot, because he is not here, but he was experienced as well, so, but it has to do something with relationships in between the father and son" (Viktor, Beer shop)

Friends and professionals contribute significantly, offering practical help, advice, and introductions to useful contacts.

"A friend, as I said, is the executive chef here who works independently. He has been a friend for 20 years" (Estevão, Brazilian restaurant).

"And we also asked a lot of our friends their opinion. For example, I had a list of questions for them regarding the coffee shop, what they expect to be there, how much money they expect to spend, and what they would like to have." (Martha and Anthony, Coffee shop)

Participation in structured programs and professional networks in the home country provides entrepreneurs with knowledge, skills, and new critical business contacts.

"This program was organized by the U.S. and was sponsored by the U.S., but all the teachers were from Portugal. And we got a lot of contacts from a woman here, the entrepreneurs who work here from all around Portugal like Porto, Algarve, everywhere because it was online" (Martha and Anthony, Coffee shop).

"So, I just threw myself into networking groups in Lisbon. Sorry for lack of a better word, but I networked the s\*\*\*\* out of Lisbon. I just landed a bunch of clients." (Melyssa, Online marketing and social media company)

Social capital also encompasses financial assistance, which can be crucial for getting businesses off the ground. Private loans from friends and family are, in many instances, needed to start their business.

"We took some loans. Private loans from friends and family. In Germany but also in Portugal" (Jakub, Yoga retreat centre)

"It's like a friendly investment because he really trusts us. He really supports us because he knows how we do business. He knows all our passion." (Marisa, Wine bar)

### 4.1.2. Human Capital

Human capital has a major influence on immigrant entrepreneurial ventures, highlighting the critical roles of education, professional experience, and previous business endeavours in shaping entrepreneurial success. Immigrant entrepreneurs draw on their diverse backgrounds to build, manage, and grow their businesses effectively. Education equips entrepreneurs with essential knowledge and skills relevant to various facets of business management. Among the 18 interviewees, 11 possess a bachelor's degree. In all but three cases, their degrees are directly related to their business sectors. This correlation aligns with Lin and Tao's (2012) findings, which assert that educational attainment from high school to bachelor's level significantly boosts entrepreneurial intentions and motivation.

Diverse professional experiences across various sectors and countries enhance entrepreneurs' capabilities, allowing them to implement best practices and find innovative solutions in their businesses. Many of the narratives examined reveal that previous work experiences are often directly related to their current business sectors and even inspire entrepreneurs to establish their ventures in

these areas. In many instances, immigrant entrepreneurs gain experience working in the same industry in Portugal, where they eventually open their own businesses.

"I moved to Dubai, to Emirates, and I was working there as well in the hotel, and there was a five-star hotel, so it gave me a really nice idea how the service should be" (Martha and Anthony, Coffee shop)

"The last couple of years, I have been working in a consulting company in finance. I have been working in Ukraine as a tax consultant, and then during the war, they transferred me here to the Lisbon office, and I was working here in EY as well in the tax department, and I was working here like one year (...) Saturday and Sunday, I was working in the coffee shop to get the idea how the business is going from inside (...), so I went to working in the coffee shop as the barista, as the waiter, I was doing almost everything there, and it gave me a really nice experience, and the idea how we should recognize everything in our coffee shop right now" (Martha and Anthony, Coffee shop)

"I worked in almost five well-known restaurants in Lisbon. And I started from the bottom. I started as the person who cleaned dishes, and I ended up as the chef of the kitchen head of the kitchen. Maximum people I worked in my team was a team of 13 people. So from there, I gained a lot of experience, how the things work, how it's supposed to be, how it's better, and how to experiment new things and all in food." (Rafik, Italian restaurant)

"I paused my studies and migrated to Portugal when I was 22 years old, alone, without anyone. I went to work in a restaurant. My first job was as a kitchen porter. After the kitchen, I moved to the administrative part, where I stayed for four years." (Estevão, Brazilian restaurant)

"At the time, I worked at Diamantino Viegas, which was also in the cosmetics area. It was during this phase that I started getting a bit into the hair field because, during my lunch break, I was always in the salon watching the girls work and helping out." (Ivone, Hair saloon)

"At the same time, I worked at Zara because, as an immigrant, my mother couldn't afford to give me an allowance like many people here in Portugal. I had to work to have the life I wanted." (Mafalda, Bijuterie store)

"My first work here, uh, is only because I have a friend who helped me to find the job, who contacts me with another person, the owner of a wine bar. And I worked in this bar around one year." (Marisa, Wine bar)

Immigrant entrepreneurs demonstrate the ability to adapt and transfer skills across different sectors effectively. The narratives often include elements of continuous learning and skill enhancement, which contribute directly to their business. They also utilize skills and adapt their business models based on past experiences, applying lessons learned to new contexts. Insights gained from their previous business ventures help them navigate their current entrepreneurial landscape more effectively.

"I left the restaurant where I was working and decided to open a laundry because I had the idea to start providing clothes for restaurants" (Rodrigo, Argentinian restaurant)

"I paused my studies and migrated to Portugal when I was 22 years old, alone without anyone. I went to work in a restaurant. My first job was as a kitchen porter. After the kitchen, I moved to the administrative part, where I stayed for four years" (Estevão, Brazilian restaurant).

"I worked as a head coach for a while in the studios or basically the head of all the trainers, and then I started my own business as a consultant in that field like health and fitness" (Jakub, Yoga retreat centre).

"The jobs? Yes, yes, the jobs 100%. Yeah, the working in hospitality in Amsterdam in Australia definitely helped me in this business" (Theodora, Coffee Shop).

"I was having some small business-like food truck" (Rafik, Italian restaurant).

"Then I left to open a business outside the restaurant sector in the laundry area, which was also connected to other restaurants" (Rodrigo, Argentinian restaurant).

This analysis highlights the pivotal role of human capital in shaping the success of immigrant entrepreneurs, who leverage their educational background, diverse professional experiences, and skills from previous business ventures to enhance their current enterprises. Education not only equips

them with essential business management skills but often directly correlates with their entrepreneurial sectors, enhancing their motivation and intentions. Professional experience across various sectors and countries enriches their capabilities, allowing them to apply innovative solutions and best practices. Moreover, their ability to adapt and transfer skills across different contexts is crucial for navigating the entrepreneurial landscape effectively. Together, these elements of human capital contribute significantly to the robust business acumen and success of immigrant entrepreneurs in their host countries.

### 4.1.3. Home Country and Cultural Influence

This analysis delves into the influence of cultural background on entrepreneurial ventures. Examining the narratives highlights how cultural values, practices, and traits from their home countries shape their business operations, customer service, and product offerings in the host country. This is the essence of what makes an immigrant entrepreneur so special and different from the native ones. The influence of the home country can be seen in many businesses through the products they sell, the decorations, the marketing, and the ambient itself.

"Everything, right? Everything, I'm not going to lie. The person who comes here sees a Brazilian petiscaria." (Estevão, Brazilian restaurant)

"You see the poster, pictures. I want to make it like when people enter inside, they feel like they are in Nepal." (Sommer, Nepalese restaurant)

"Our concept here is Argentine; it's the grill, it's not the rodizio. Our concept here, our meats are all Black Angus, which is from Argentina; they come from there. (...) In my region in Brazil, the south of Brazil, we have a lot of influence from Uruguay and Argentina, even the *chimarrão*, you know?" (Rodrigo, Argentinian restaurant)

Immigrant entrepreneurs bring ideas from their home countries into their host countries. The businesses they open are almost always influenced by their home country, and successful ideas from there are often exported to the host country.

"In Mozambique, hair culture is very significant... Working with hair even as a hobby was always part of our lives" (Ivone, Hair saloon)

"But I undoubtedly bring the Brazilian snacks. I brought calabrese sausage with onions, fried cassava, and cow's rib croquette, which is a typical dish, but we brought it as a snack. (...) I have a sugarcane machine where we extract the juice. So, everything, everything here is a Brazilian petiscaria, literally." (Estevão, Brazilian restaurant)

"Yes, in Brazil, it's very common for Brazilian women to get their nails done every week. I think we brought a bit of that vanity to Portuguese women." (Jacinta, Nails saloon)

"No, it exists, this type, yes (...) In my city, which is really close to Russia, and Russia wants to conquer it, people are opening; I know just one person that recently opened six of these shops in our city, and it's just one million people in our city" (Viktor, Beer shop)

"Yes, we bring it from Brazil, but we have intermediaries. It comes from the north of Brazil.

(...) We really bring it from Pará, a top-quality açaí with a high fruit content." (Joana, Açai shop)

"What I try to bring is the idea that Brazilians wear different earrings and necklaces every day. The Portuguese buy one piece and wear it for years. Sometimes, clients say, "I bought a necklace five years ago; it's great, but the clasp broke. Can you fix it?" And I think, "Just buy another necklace." I try to bring new looks and ideas to encourage consumption." (Mafalda, Bijuterie store)

Cultural traits such as hard work, precision, and customer engagement are integrated into business operations to enhance effectiveness and build a loyal customer base. Immigrant entrepreneurs believe that their personalities are highly influenced by their home country's upbringing, which positively impacts the opening and running of their businesses.

"I think the punctuality and being organized is something that I had to do in my past in my work life... And I feel that the German culture really trains you to be very precise with certain things and being punctual. (...) I think that is definitely something I bring into my businesses " (Jakub, Yoga retreat centre)

"South Africans are very friendly and open... my approachability and kindness play a role in my approach with working with people" (Melyssa, Online marketing and social media company)

"Well, I would say that I bring maybe more, not the cultural part of it, but more the technique, the instruments (...) It's just our behaviour to run the business. In Ukraine, we skip our lunch just to earn more money, and here it's the opposite (...) but there in Ukraine, we are running like crazy just to earn as much as we can, and then maybe you can go home, sit, eat well, so it's a different mentality." (Viktor, Beer shop)

"I always say that I love living in Portugal and being Brazilian because it gives me energy. I think Brazil and my culture give me that boost that's essential today for online presence and communication." (Mafalda, Bijuterie store)

"My patients become my friends... this is a Brazilian trait" (Karla, Physical therapy clinic)

"I'm clean Bulgarian, my parents Bulgarian, but because I grew up in Ukraine, I have this little bit mixed culture. (...) So I think we work much more. We're not a chilling country; we work hard. And you apply this to your businesses, you're always... Yeah, but I mean, I love to do this. I think it's in the blood of this culture." (Yulia, Fedora designer)

Immigrant entrepreneurs also use their home country's influence and traits to differentiate themselves from the competition.

"In Ukraine, the level of service is really high... we try to get the experience and customer service same as we have in Ukraine and also the different coffee (...) We try to give people an experience... there is another way to drink coffee (...) This type of *café* is a little bit different than you go to the traditional snack bar, right, because we provide different products, we provide different coffee, it's absolutely different, that people used to drink here " (Martha and Anthony, Coffee shop)

"I deliver here a concept that few would deliver... it's more of a Rio de Janeiro pub or Minas Gerais *petiscaria*" (Estevão, Brazilian restaurant)

"It's like a totally new concept for Portugal... you can taste it here in the shop or take it wherever you want" (Viktor, Beer shop)

"Here it's more... a clean operation, there's not much waste... it's different from the rodizio where a lot of food is wasted" (Rodrigo, Argentinian restaurant)

The cultural background of entrepreneurs significantly influences their business practices, customer engagement, and product offerings. By integrating high service standards, authentic products, and unique cultural traits from their home countries, entrepreneurs create distinctive business models that resonate with both local and expatriate communities. These cultural influences not only differentiate their businesses but also enrich the entrepreneurial landscape, fostering innovation and cross-cultural exchange.

#### 4.2. Motivations

The primary aim of this study is to uncover the factors that compel immigrants to pursue entrepreneurship, particularly why they choose to do so in Portugal. This inquiry was posed in all interviews, with each participant discussing their motivations for embracing entrepreneurship. It emerged that for many, their entrepreneurial drive was influenced by a combination of several motivations.

### 4.2.1. Pursuit of Freedom and Autonomy

The interviewed entrepreneurs express a strong desire for independence as a primary motivation for starting their businesses. The need for autonomy, which includes making their own decisions, controlling their destinies, and not working for others, is a key motivation for pursuing entrepreneurship. Sometimes, starting a business comes from a need to "do something for myself" (Rafik, Italian restaurant), reflecting a common sentiment of breaking free from the constraints of traditional employment. The need for autonomy is also sought when immigrants feel that their growth is being limited by their workplace. This, coupled with the desire to follow their intuition, illustrates the appeal of entrepreneurial ventures to escape the rigidity of conventional job structures and the exhaustion that sometimes exists from working for others.

"I started this business because it has been a few years since I have been living here in Portugal, and before that, I lived in other countries (..) I started to understand, okay, I need to do something for myself, to start something for myself, enough of working for people. So, I decided to start my business." (Rafik, Italian restaurant)

"When I was 30 years old, I realized that if I wanted to change something, I needed to do it at this time (...) I decided that I had to change something in my life because it was not going in the right direction, I worked already a lot in terms of hours and also a lot in terms of energy, and after that, the decision came up that I want to do something for myself." (Jakub, Yoga retreat centre)

"But yeah, I think that's why I just wanted to open a place where I can just follow my own intuition and not someone else's tasks and just be kind of free-ish" (Theodora, Coffee Shop)

Entrepreneurs often recognize that a "conventional office job" is not suitable for them, capturing the sentiment that a traditional 9-to-5 job is not something they intend to pursue in life. This dissatisfaction frequently drives them toward entrepreneurship, where they can set their own schedules and create work environments that align with their personal styles. Often, the constraints of an office setting do not correlate with their preferred way of working, underscoring the entrepreneurial pursuit of greater autonomy and flexibility.

"I knew I did not want a conventional office job... a conventional job with an 8-hour workday, a limited salary where you can't really get anywhere, especially in Portugal, earning a normal salary. So, I always knew I wanted to be an entrepreneur." (Mafalda, Bijuterie store)

"So, I think being in the office, it is not my style. I like to be free and creative." (Yulia, Fedora designer)

"And I knew that that was not for me. I wanted something more, and I also did not want to be limited by a four-year degree. (...) I will be my own boss. Whatever it takes, I am going to do this. (...) I am not going to work for a Portuguese company. I want to work for myself." (Melyssa, Online marketing and social media company)

The pursuit of freedom and autonomy emerges as a powerful and common theme in the interviews. The drive towards entrepreneurial freedom is both inspiring and essential, as it not only fosters individual fulfilment but also encourages innovation and diversity in the professional landscape. For many, the leap into entrepreneurship is not just a career choice but a profound expression of personal identity and autonomy.

### 4.2.2. Family Influence and Legacy

Family background plays a significant role in shaping entrepreneurial motivations. Growing up in environments where family businesses were the norm often instilled the idea of entrepreneurship from a young age. In some cases, the journey into entrepreneurship is influenced by their relatives, not only encouraging them to start their own businesses but also to continue a craft that has been a part of their family. It is fascinating to read these testimonies and recognize that passions often emerge from a young age and are frequently influenced by our immediate surroundings, shaping future careers.

"My father is Portuguese from Viseu, and he had a restaurant in Rio de Janeiro, and my mother also had a restaurant (...). So, since I was little, I was raised among bars, pubs, and restaurants. I grew up watching my parents supporting the household and paying for education through this work, so I was always in the middle of it. (...) I always joked that I would have a pub since my father and mother had one." (Estevão, Brazilian restaurant)

"My family has always been entrepreneurial. My grandmother had a store, my mother had a store, my father worked with my mother too, and everyone had stores and made children's clothes to sell. So, I always knew I wanted to be an entrepreneur." (Mafalda, Bijuterie store)

"That led my dad to start a business in his 40s. And so, in my teenage years, he was growing a business. (...) and that is all that was modelled to me. And so, it did not make sense for me to get a job." (Melyssa, Online marketing and social media company)

"I think my desire came from my aunt, my mother's sister, who was like a second mother to me. She always had a way with hair. I remember helping her when she did her friends' hair. I always told her I would be a hairdresser when I grew up. I can still picture myself in her house,

sitting there while she worked on hair. (...) With her, I remember thinking I wanted to do hair when I grew up." (Ivone, Hair saloon)

"I always knew how to do nails because my mother, since Brazil, from a young age, did nails and went to clients' houses, and I learned from her. I found this field easier here in Portugal because Brazilian nails have a very good reputation here, like depilation and such." (Jacinta, Nails saloon)

Joana's aspiration for entrepreneurship is deeply rooted in her desire for familial closeness and collaboration. She wanted to pursue a family dream:

"It was a dream to have my family close to me again and involved in a job together. I saw this throughout my childhood. To return to this dream and our roots, which is where our family started, and the closeness it brings to be with our family every day. I think it's about fulfilling this dream with my parents again." (Joana, Açai shop)

### 4.2.3. Passion and Love for the Craft

The commitment to their industries is a critical driver for the entrepreneurs, as seen in many narratives. Love, passion, and deep knowledge of the craft and of the home country are often the main motivations to start a business and the driving force behind successful ventures.

"And that's the thing that influence me more to open a business where I can do food and make people see the food that I like to make in my way. That's the things that influence me more to do the business. (Rafik, Italian restaurant)

"But I love it; today, I do it out of love, I feel good serving people. I feel good because I know the quality of my product, I know people will enjoy it. I like to serve well, and I always did it with love." (Rodrigo, Argentinian restaurant)

"I started enjoying more to work with people than with a computer, and then I just start enjoying making coffee because I love coffee." (Theodora, Coffee Shop)

"So I start to travel, and when I come to Portugal, I was in love with the culture, natural people, the food, and weather. Amazing." (Yulia, Fedora designer)

"My passion for hair has always driven me, and now I am focused on growing my salon while balancing my personal life as a mother. (...) My husband says I should focus on something else if I want to earn more, but my passion for hair keeps me going. Transforming a client's look and making them feel good is very gratifying. (...) So, opening the salon felt right. It was something I envisioned for a long time." (Ivone, Hair saloon)

"I have a lot of knowledge about wine. (...) I also can have it called my passion. I can share my passion with a lot of people. I like to talk about wine. (...) You know, this is a really touching thing. It is really a cultural thing. Wine is, for me is not just an alcoholic beverage." (Marisa Par. 6)

"And I really love Portugal, and I don't want to leave Portugal; that's why I want to do something in Portugal. So I started the business." (Sommer, Nepalese restaurant)

Entrepreneurs might also be passionate about their culture and decide to open a business to give their host country a "taste" of their home country and to serve the needs of their ethnic community, as is the case of Sommer: "The main reason is to introduce our Nepalese food, Nepalese culture to Portugal. So, passion." (Sommer, Nepalese restaurant). These narratives share a story of how passion drives someone to dedicate their careers and, in many cases, their lives to a craft and pursue entrepreneurship through it. This theme of passion underscores the importance of personal fulfilment and enjoyment as powerful motivators for entrepreneurs.

### 4.2.4. Financial Empowerment

Financial motivations are clear among entrepreneurs, although they frequently intertwine with other personal or altruistic goals. A challenging upbringing, for instance, might fuel a strong desire to attain financial success in the future to overcome past hardships. Simultaneously, dissatisfaction with inadequate salaries in traditional employment can also serve as a compelling motivator. This blend of financial necessity and the aspiration for better economic well-being often drives individuals to pursue entrepreneurship, where the potential for greater financial reward is seen as aligning more closely with their personal achievements and contributions.

"I think every poor kid's dream is to be rich, let's put it like that, in a blunt way, every poor person's dream is to be rich." (Rodrigo, Argentinian restaurant)

"We came here, and I saw my mother struggling and working very hard, so I wanted to help her and build something for myself." (Jacinta, Nails saloon)

"And then you know the income of Portugal when I did the job. Work is more, salary is less and then I don't think that... I have already done six years, and if I go like that, I cannot do anything. So, I just think that I can do it now, and then I should start." (Sommer, Nepalese restaurant)

#### 4.2.5. Dream and Vision for the Future

Fulfilling a long-held dream is a recurring motivation for entrepreneurs who view the idea of owning a business as a lifelong ambition or something inevitable due to their personality. This aspiration often originates from a deep-seated desire to accomplish something significant, reflecting a broader vision of personal success.

"Well, the dream of having a business has always been there since I was young; I always wanted to own something." (Rodrigo, Argentinian restaurant)

"I've always been an entrepreneur since I was a kid. In school, I sold stickers. So since I was very young, I was always hustling." (Cristiano, Sports photography)

"I always knew I wanted to be an entrepreneur, but I didn't know what I wanted to sell." (Mafalda, Bijuterie store)

### 4.2.6. Self-Belief

Self-belief is highlighted in many studies within the literature review as a significant motivator for starting a business. Ivone recognized that she possessed this quality, which was one of the key factors that drove her to open her own business, and Rodrigo knows that not everyone is destined to become an entrepreneur.

"I always had a knack for it, even doing my friends' hair when I was young." (Ivone, Hair saloon)

"Not everyone is born to be an entrepreneur" (Rodrigo, Argentinian restaurant)

The thematic analysis of entrepreneurial motivations reveals a tapestry of personal, familial, and financial aspirations that drive individuals to undertake entrepreneurial ventures. From the pursuit of freedom and autonomy to the desire to continue family legacies and from the passion for their craft to the pursuit of financial empowerment, these narratives highlight the diverse and deeply personal reasons behind entrepreneurial endeavours.

### 4.3. Challenges

As explored in the literature review, entrepreneurship inherently involves facing numerous challenges that test the resilience and adaptability of business owners. This analysis explores the diverse obstacles entrepreneurs encounter, as revealed through their personal narratives, emphasizing the complexities of establishing and running a business under varying circumstances.

### 4.3.1. Business Management

Time management issues range from balancing personal responsibilities with business demands to adapting to different cultural perceptions of time. Entrepreneurs often struggle to maintain a healthy balance between their professional obligations and personal lives, frequently at the cost of family time. While sometimes sacrifices are necessary to balance business and family commitments, it is often challenging to manage both effectively.

"For me to be here today, there are days I barely see my son, you know? So there's a price to pay, but I see it as a struggle; I have to be here for him." (Rodrigo, Argentinian restaurant)

"Valesca is with me in the salon, and we are both mothers, which makes it difficult. But we manage this part, balancing our kids and work." (Ivone, Hair saloon)

Challenges in managing time due to owning two businesses can complicate scheduling and time allocation, potentially interfering with the effective operation of the business. Ivone mentioned the need to develop management skills to ensure success in their ventures.

"For me now to go back and forth between Alentejo and here makes it a bit more intense. But also, something we will figure out in the future is the best possible week schedule or whatever structure we have." (Jakub, Yoga retreat centre)

"I'm organized in one way but disorganized in another. I leave a lot of things for later, which often disrupts the business. I think, "I'll do it tomorrow." I have three kids and many things to do, as happened the day before yesterday when I forgot something. I left home noted it down, but it got lost, and I forgot. So, there are many challenges, many mistakes and challenges I need to change as an entrepreneur." (Ivone, Hair saloon)

Construction issues are a frequent theme, whether it involves renovating a space to suit specific business needs or dealing with unreliable contractors and delays. Entrepreneurs shared experiences of needing extensive modifications to their premises, such as upgrading kitchen facilities or fixing electrical issues, often exceeding their initial budgets and timelines.

"The automatic door was broken, and then after a couple of weeks, when we entered the place, the *grades de enrolar* got broken as well, and then the electricity was messed up in a lot of places, so we needed to rewire some of the configuration, electrical configuration, and it's still not working perfectly, we still get electricity shutting down sometimes." (Martha and Anthony, Coffee shop)

"But there were many barriers. When we started, as I told you, the place was a cafeteria. So, I had to totally change it to a pizzeria. (...) I had to change the decorations almost two times. And it took many days. For almost four months, we couldn't start the service. It's all because of the oven, because of the outside terrace we had, it was like very ugly, nobody likes, we didn't like also." (Rafik, Italian restaurant)

"One thing I can highlight, which I see as a chronic problem here, is the issue of construction.

(...) I think if I had to highlight something that bothered me the most, it was the construction issue here, the service provision. I think there's a lot of demand and little quality; few

companies deliver quality service, and I think if I had to highlight something, it would be more about that." (Rodrigo, Argentinian restaurant)

Navigating the complexities of logistics poses significant challenges for immigrant entrepreneurs, as highlighted by several accounts of difficulties in managing supply chains and dealing with suppliers. Entrepreneurs encounter obstacles in sourcing affordable and appropriate packaging and ingredients and in establishing reliable relationships with suppliers, especially in the initial stages of their business. In all the interviews, it was detailed that the products that the entrepreneurs offer come from Portugal or countries very close by, except for Julia, who maintains a transnational connection by importing Açai from Brazil. Concerns are often expressed over the prolonged delivery times for goods and materials in Portugal, which can be substantially longer than in other countries. These logistical challenges impact not only the efficiency of business operations but also the overall cost management and scalability of their enterprises.

"It takes a lot of time to deliver something here. For example, if you order something in Ukraine, it will come to you tomorrow, and here, it takes like a couple of days, weeks, months to get something. (...) In Portugal, it is the same, it takes like a couple of days, weeks to get them, so this is something that we struggle really to get the things." (Martha and Anthony, Coffee shop)

"The refurbishments, all that stuff, it took more time than we expected, I think (...) I've already experienced in opening projects here in Portugal, so I knew what to expect from people, from the suppliers sometimes it's like, amanhã de manhã." (Viktor, Beer shop)

"You are waiting because logistics is really difficult. (...) So, you just need time to wait. And a lot of mistakes when the transport company loses your package, or they never, this was also surprising for me, because here in Portugal, the transport companies never call before." (Marisa, Wine bar)

"I think what we got wrong at the beginning was buying packaging at completely wrong prices, which cost us a significant portion of our profit. We made a lot of mistakes at the start, buying from the wrong suppliers and buying more expensive products. This affected the company's growth margin a lot. So, I think the biggest barrier at the beginning was finding a good packaging supplier and a good supplier for ingredients." (Joana, Açai shop)

"In the beginning, I have faced many problems, even from the vendor. (...) When I ordered things like drinks or the food items, they don't cooperate very good. But as I started to grow, the behaviour of the people changed." (Sommer, Nepalese restaurant)

Interviewed entrepreneurs also faced financial limitations that impacted their ability to operate and grow their businesses effectively. Martha and Anthony stressed the difficulties in negotiations due to limited financial resources.

"We really negotiated a lot with the guy who was here before because we have a tight budget." (Martha and Anthony, Coffee shop)

High taxes can be a significant burden for businesses, affecting profitability and sustainability. Estevão voiced concerns over the high tax rates in Portugal, and Jacinta expressed fears about the sustainability of her business due to high taxes.

"The tax rate is also a significant challenge for an entrepreneur because here in Portugal it's very high" (Estevão, Brazilian restaurant)

"Another downside here is the taxes. Taxes are very high, so I thought, 'My God, I won't be able to manage; I will have to close the business because I can't keep up.'" (Jacinta, Nails saloon)

### 4.3.2. Institutional Relationships

Dealing with bureaucracy was the most common frustration mentioned in the interviews. Entrepreneurs struggled with obtaining necessary permit licenses and navigating governmental inefficiencies. They often found themselves mired in red tape, facing slow responses and inconsistent information from government offices, which significantly delayed their business operations. The extensive bureaucracy and time constraints can have a negative financial impact on their businesses.

"I could say that here in Portugal the bureaucracy is extensive (...) It has its good and bad sides, but yes, here some things take a long time (...) we asked to prune a tree, then the council says

it's the municipality, the municipality says it's the council, and by the end of the year, we won't have it done." (Rodrigo, Argentinian restaurant)

"Like I said, the speed of certain places working, like the camera or the junta, has been interesting. (...) We wanted to get the license for this terrace to sit outside, as we do now. We called the *camera*, and then they said they would come. There was an appointment made for two weeks, 2 p.m. on a Tuesday. I was there. I was very excited because it's a huge thing for us to have space outside. And they didn't show up. No one showed up. (...) Those things are frustrating. Because you obviously can't do anything about it. We called. We mailed. (...) And we have a very similar issue with a bank." (Jakub, Yoga retreat centre)

"The hardest was to put for the coffee shop all the permits and licenses together because everyone was saying something different. (...) No one knows anything, you know, and I would drive like crazy for different offices that were just wrong places from what they told me. So the hardest was actually putting the permits and everything together." (Theodora, Coffee Shop)

"The bureaucracy. I think most expats or immigrants can tell you this. I really thought South Africa was tough to get things done. I really struggled more to get things done here, like paperwork wise and documents, things like that. So that was a barrier." (Melyssa, Online marketing and social media company)

"You have huge red tapes. I mean, bureaucracy drives me mad. And all bad things and all struggles were around bureaucracy. Everything is really slow. Sometimes I think that like, you know, spending time in a queue, it's like national sports in Portugal." (Marisa, Wine bar)

"In the first month, second, and third months were very complicated. Here in Portugal, it is very complicated when you are an immigrant, especially with documentation." (Jacinta, Nails saloon

"It makes the progress of the business very slow. And a lot of times, I think, it's a challenge to calculate that financially. You know, when you can't do certain things when you open the terrace a month or two later, it costs you hundreds of thousands of euros in revenue and also frustrates the people that come here every day and that want to have food. And then they

cannot serve it because we don't have the license or something. And I think that's something that is the biggest challenge here in Portugal." (Jakub, Yoga retreatcentrer)

Language differences can severely hinder effective communication, complicating both everyday interactions and specific business transactions. Martha and Anthony expressed the challenges posed by not speaking Portuguese fluently, and Theodora highlighted difficulties in government interactions due to language barriers.

"Not all of the people can speak English, and I don't also speak Portuguese really well, so sometimes it was really hard to communicate" (Martha and Anthony, Coffee shop)

"Probably the most difficult was whatever was in government, you know, because my Portuguese is getting there, but it's not there actually" (Theodora, Coffee Shop).

### 4.3.3. Cultural adaptation and social relationships

Adapting to a new cultural environment is a significant challenge for entrepreneurs who move to a foreign country. This adaptation involves understanding and integrating into the local culture, language, and legal framework, which can be daunting and complex. The initial fears and challenges of starting a business in an unfamiliar cultural setting are common themes. Additionally, not being accepted in the local community may present challenges in building customer loyalty.

"Well, just imagine that we came to the foreign country, we don't know the language fully, we don't fully understand the culture, we're trying to learn, but still, it's like miles away, and then we are going to build a business here. It was quite scary for us." (Martha and Anthony, Coffee shop)

"One of the biggest things is the connection to the Portuguese. In some ways, I wish I had more Portuguese clients because I live here, and I want to contribute to Portugal. And I am contributing, but to other immigrants. It's easier, and I wish that I could break through that barrier of the culture." (Melyssa, Online marketing and social media company)

"I am very honest. The acceptance of the Portuguese public, I won't generalize, but a large part of the customers that I thought would be loyal here because they live and work nearby, don't come." (Estevão, Brazilian restaurant)

Prejudice, discrimination, and anti-immigrant sentiment pose significant obstacles, particularly for entrepreneurs from diverse backgrounds. These challenges can manifest in both subtle social interactions and more overt discriminatory actions. For instance, entrepreneurs such as Mafalda, Jacinta, and Marisa recounted instances of cultural misunderstanding and prejudice in a market, which they perceived as broader societal attitudes.

"A lady came and asked, 'Aren't there any *farturas* here?' João replied, 'No, it's a Brazilian market; there are no *farturas*.' She said, 'If I knew it was a Brazilian market, I wouldn't have come in.'" (Mafalda, Bijuterie store)

"People hear your Brazilian accent and immediately judge. Also, as a Brazilian, I faced a lot of prejudice. There is a stereotype that Brazilian women are often associated with prostitution and such, and I wanted to change that." (Jacinta, Nails saloon)

"Maybe you have seen that our sign at local Nomads has a cross in it... And a day before opening we came; I saw that like a kind of vandalism." (Marisa, Wine bar)

The variety of challenges faced by entrepreneurs in this analysis underscores the complexity of running a business. Issues range from financial constraints and high operational costs due to taxes to the fundamental challenges of communication barriers and bureaucratic inefficiencies. These obstacles necessitate a robust set of strategies to mitigate their impact, including enhancing language skills, improving financial management, and developing strong negotiation tactics. Addressing these challenges is crucial for the sustainability and growth of any entrepreneurial venture. These challenges are not merely hurdles to overcome but are integral to the entrepreneurial experience, shaping the growth and development of both the businesses and their owners. Understanding these challenges is crucial for developing effective strategies to support entrepreneurs in their endeavours, emphasizing the need for resilience, adaptability, and support systems to navigate the complex journey of entrepreneurship.

### 5. Discussion and Findings

In this chapter, the research questions will be addressed through insights from both the existing literature and the thematic analysis made from the interviews with immigrant entrepreneurs in Portugal. The chapter aims to answer each specific research question and address the overarching question of the study.

A key aspect of this discussion is its dual perspective. On the one hand, it incorporates a global perspective from the existing literature, reflecting the experiences and theories of authors from various nationalities. On the other hand, it presents a local perspective grounded in the experiences of immigrant entrepreneurs within the Portuguese context. This combination of global insights and local experiences will provide a comprehensive understanding of the factors influencing immigrant entrepreneurship in Portugal.

### RQ1: What motivates immigrant entrepreneurs to start a business in Portugal?

Immigrant entrepreneurs in Portugal are motivated by various personal and situational factors, as revealed through literature and interviews. A key motivator is the pursuit of freedom and autonomy. The interviewed entrepreneurs expressed that they seek independence from traditional employment by starting their own businesses. For instance, Rafik launched his business after realizing he needed to "do something for myself" after years of working for others. This aligns with literature where independence and self-direction are frequently cited as primary drivers for entrepreneurship (Bosiakoh & Tetteh, 2019). Shane et al. (2003) note that entrepreneurial motivations often stem from personal goals, such as the freedom to make decisions and control one's destiny.

Family background is one of the important factors when it comes to motivation. Many entrepreneurs are influenced by their family's entrepreneurial history, often following in the footsteps of parents or relatives. Estevão was motivated to continue his family's restaurant business. Similarly, Mafalda, Ivone, and Melyssa were inspired by their family's business backgrounds, with the entrepreneurial seed planted early in their lives. This is consistent with literature highlighting family influence as a critical factor in fostering entrepreneurial aspirations by providing resources, support, and role models (Baycan-Levent & Kundak, 2009; Szkudlarek & Wu, 2018). Cho et al. (2019) also emphasize the importance of parental motivation in driving entrepreneurial endeavours.

Immigrant entrepreneurs who are deeply committed to their industries start businesses out of love for their work and aim to share this passion with others. Ivone's passion for hairdressing and Marisa's deep knowledge and love for wine were central to their entrepreneurial journeys. Literature supports this, highlighting personal fulfilment and enjoyment as powerful motivators (Tehseen &

Anderson, 2020). Additionally, passion for cultural preservation or introducing aspects of one's culture to a new market can be significant motivators (Rametse et al., 2018). Sommer's drive to introduce Nepalese food and culture to Portugal exemplifies this. By doing this, he also caters to an ethnic market (Brzozowski, 2017).

The pursuit of financial success drives some entrepreneurs to start businesses, seeking economic mobility and security. Rodrigo's reflection that "every poor kid's dream is to be rich" captures this motivation. Financial dissatisfaction in traditional employment, as noted by Sommer and Jacinta, also pushed them toward entrepreneurship. This reflects findings by Shinnar & Young (2008), who identify financial motives as key factors in entrepreneurial decisions. Parks-Leduc et al. (2015) note that financial motives often intertwine with personal and altruistic goals in entrepreneurship.

Lastly, self-efficacy and a vision for the future are important motivators. Entrepreneurs who believe in their ability to succeed are more likely to pursue entrepreneurship, and this belief helps them overcome challenges. Melyssa's conviction that she had a "knack" for entrepreneurship and Ivone's confidence in her hairdressing skills illustrate the role of self-efficacy in motivating ventures. This concept is highlighted in the literature as a significant factor influencing entrepreneurial motivation (Shinnar & Nayır, 2019). Additionally, the desire to fulfil a long-held dream, as expressed by Rodrigo and Cristiano, aligns with the idea that entrepreneurship is driven by a deep-seated desire to accomplish something meaningful (Tehseen & Anderson, 2020).

# RQ2: What challenges and barriers do immigrant entrepreneurs encounter when starting businesses in Portugal?

Starting a business is challenging, and immigrant entrepreneurs in Portugal face unique obstacles. Key challenges include bureaucratic hurdles, logistical difficulties, time management issues, construction challenges, cultural adaptation, and prejudice.

The interviewed immigrant entrepreneurs reported many challenges related to business management. Time management, logistical problems, bureaucratic inefficiencies, and regulatory complexities are some of the most mentioned ones. Immigrant entrepreneurs often encounter unfamiliar administrative systems and language barriers, complicating the process of obtaining necessary permits and licenses, leading to delays and financial strain (Kazemipur & Halli, 2001; Rashid & Cepeda-García, 2021). Entrepreneurs like Jakub and Theodora experienced such delays, highlighting the need for streamlined processes and better support.

Logistical issues, particularly in supply chain management, also pose barriers. Immigrant entrepreneurs struggle to establish reliable supply chains due to a lack of networks and familiarity with local markets (Bolzani & Boari, 2018). Entrepreneurs like Martha and Anthony faced challenges

in securing timely and affordable supplies, disrupting operations, and increasing costs. Joana's experience underscores the need for better access to resources and support systems.

Time management is another major challenge, as entrepreneurs juggle business demands with personal responsibilities. Rodrigo and Jakub often sacrificed personal and family time to meet business needs, while Ivone, a mother of three, struggled to balance family duties with managing her businesses (Barth & Zalkat, 2020; Bolzani & Boari, 2018).

Construction and renovation challenges are also common, particularly when modifying business premises. Delays and unreliable contractors can lead to significant cost overruns, complicating financial stability during the early stages (Szczygiel et al., 2020). Entrepreneurs like Rafik and Rodrigo encountered these issues, which are further exacerbated by poor-quality construction services in Portugal.

Cultural adaptation presents another profound challenge as immigrant entrepreneurs integrate into a new environment. Language barriers and understanding local culture are significant hurdles (Bolzani & Boari, 2018; Kazemipur & Halli, 2001). Martha and Anthony initially feared starting a business in an unfamiliar setting. Moreover, gaining acceptance within the local community, as experienced by Melyssa and Estevão, can hinder customer loyalty and growth. Discrimination adds another layer of difficulty, leading to missed opportunities and social isolation (Solano, 2021). Jacinta and Mafalda's experiences with cultural misunderstandings and prejudice highlight how discrimination further complicates the entrepreneurial journey for immigrants.

# RQ3: How do the experiences of immigrant entrepreneurs in their home countries influence their decisions to start and manage businesses in Portugal?

The experiences that immigrant entrepreneurs have in their home country can differentiate them from their native counterparts in the type of business they open, as well as in their cultural, economic, and social practices. The literature on transnationalism and dual entrepreneurial ecosystems suggests that these entrepreneurs leverage resources and experiences from their home countries to differentiate themselves from native entrepreneurs in the host country (Duan et al., 2022; Portes et al., 1999).

One primary way this influence manifests is through the transfer of cultural practices and business models. Immigrant entrepreneurs often bring culturally specific products, services, and business practices that resonate with both ethnic communities and the local population in Portugal. For example, entrepreneurs like Estevão and Rodrigo introduced Brazilian and Argentine culinary traditions into the Portuguese market, catering to niche markets while creating a distinct, culturally enriched brand identity. This approach aligns with the literature, which highlights how immigrant

entrepreneurs use their bicultural backgrounds to introduce novel products, thereby strengthening trade and cultural connections between their home and host countries (Brzozowski & Lasek, 2019). Entrepreneurs like Viktor and Ivone have successfully leveraged their home country experiences to adapt and innovate within the Portuguese market, utilizing cultural traits such as precision, hard work, and customer engagement ingrained in their upbringing.

Moreover, cultural values and social norms from their home countries shape the entrepreneurial motivations and practices of immigrants. The emphasis on family ties and communal support in many immigrant communities drives entrepreneurs to establish businesses that serve both economic and cultural roles, consistent with You & Zhou's (2019) findings on the importance of maintaining cultural identities in sustaining immigrant businesses.

# RQ4: How do the skills and prior experiences (such as education, previous employment, or business ventures) of immigrant entrepreneurs contribute to starting and managing their businesses in Portugal?

Skills and previous experiences, particularly in education and professional backgrounds, seem to be important at the beginning of the entrepreneurial journey. The literature on human capital highlights the importance of education and experience in enhancing entrepreneurial success, both pre and post-migration (Duan et al., 2021). This theme was echoed in interviews where entrepreneurs such as Martha, Theodora, Jakub, and Karla credited their educational background and work experiences as essential to shaping their business ventures.

Education provides the foundational knowledge and skills necessary for effective business management. For instance, Martha's background in hospitality management has been critical in running her coffee shop, while Karla's degree is the backbone of her knowledge and business. This aligns with Lin and Tao's (2012) findings, which suggest that higher education significantly boosts entrepreneurial intentions and motivation.

Professional experience, especially in relevant industries, further enhances immigrant entrepreneurs' capabilities, enabling them to implement best practices and innovative solutions. Entrepreneurs like Ivone, who transitioned from a career in the cosmetics industry to owning a hair salon, demonstrate how previous work experience directly informs and inspires entrepreneurial ventures. Rafik used his extensive work experience in hospitality to open his own business, where he is the manager and the chef of the kitchen. The ability to adapt and transfer skills across different sectors is crucial for navigating the entrepreneurial landscape, as noted by Duan et al. (2021).

Moreover, the role of continuous learning and skill enhancement in entrepreneurial success was emphasized. Entrepreneurs like Jakub and Estevão spoke about acquiring new skills and adapting to

their businesses' changing demands. This focus on lifelong learning is supported by the literature, which suggests that successful entrepreneurs continuously update their skills and knowledge to remain competitive (Williams & Krasniqi, 2018).

## RQ5: How do family and friends support immigrant entrepreneurs in starting and managing their businesses in Portugal?

Family and friends play a pivotal role in the entrepreneurial journey of immigrants, providing essential support that significantly impacts the success of their ventures. The literature on social capital emphasizes the importance of networks of relationships, which offer emotional, logistical, and financial support and business opportunities (Evansluong & Ramírez-Pasillas, 2019). The interviews revealed that family and friends are central to establishing and maintaining their businesses.

Family support is particularly vital for immigrant entrepreneurs, who may lack other support in their host country. For example, Rafik received crucial advice and assistance from his brother, who was already living in Portugal when he decided to come, while Joana's parents were the key to starting their family business. This aligns with Bosiakoh & Tetteh (2019), who note that family members often provide the initial capital, labour, and moral support necessary for launching a business.

Friends and professional peers also play significant roles by offering practical help, advice, and introductions to valuable contacts. Estevão and Marisa benefited from the support of friends who helped them navigate the complexities of the Portuguese business environment, giving them opportunities that they would not have access to in any other way. The literature supports this, showing that social networks are essential for accessing resources and mitigating entrepreneurial risks (Baycan-Levent & Kundak, 2009).

Financial assistance from family and friends is also crucial for many immigrant entrepreneurs. Several entrepreneurs, including Jakub, relied on private loans from personal networks to finance their ventures, consistent with Rashid & Cepeda-Garcia's (2021) findings on the challenges immigrant entrepreneurs face in accessing traditional banking services.

Support from family and friends not only facilitates the initial stages of business development but also sustains the business over time. Entrepreneurs like Rodrigo and Mafalda highlighted the ongoing support from spouses in managing the business and providing emotional support during challenging times, echoing Rodriguez-Gutierrez et al. (2020) on the resilience provided by social networks.

#### 6. Conclusion and Final Considerations

The findings from this study highlight the complex and multifaceted nature of immigrant entrepreneurship in Portugal. The motivations, challenges, and influences identified through this research underscore the importance of understanding the unique experiences of immigrant entrepreneurs. Motivations such as the pursuit of autonomy, financial empowerment, and the desire to continue family legacies were key drivers behind the decision to start businesses. These motivations are deeply personal, often intertwined with broader aspirations for self-fulfilment and personal achievement. Immigrants are often not recognized for their bravery, but the decision to move to a different country and become self-employed clearly demonstrates courage, as was evident in the interviews. Many of the entrepreneurs interviewed brought their unique products and skills to Portugal, offering the ethnic community a way to get access to products and services from their home country, as well as offering the Portuguese people a way to discover new products and cultures. By learning about the motives that make an immigrant open a business, it is possible to foster and encourage more immigrants to take the leap and become entrepreneurs. This can lead Portugal to become a more diverse country that is open to new ideas and new products, fostering innovation and providing a safe space for immigrants to take risks. With migration being such a preeminent topic, now more than ever, it is necessary to find ways to integrate ethnic communities and respect diversity. Hopefully, immigrant entrepreneurship can be one of the paths to successfully do this.

The challenges faced by immigrant entrepreneurs are equally diverse, ranging from bureaucratic hurdles to cultural adaptation. Bureaucracy emerged as a significant barrier, with many entrepreneurs struggling to navigate the complex regulatory environment. Logistical challenges, time management issues, and construction-related difficulties further complicated their entrepreneurial journeys. Cultural adaptation and experiences of prejudice and discrimination added another layer of complexity, highlighting the need for targeted support systems to help immigrant entrepreneurs overcome these obstacles. Policymakers should certainly explore these challenges and find ways to make the entrepreneurial environment much easier for immigrants to navigate. Immigrant entrepreneurs often need more support than native entrepreneurs when starting out due to the greater number of barriers they face. Support is essential, and Portugal should begin investing in immigrant entrepreneurs as a source of economic growth and progress. Improved assistance programs, reduced bureaucracy, and increased financial support are necessary. A focus on management programs can also be an excellent way to provide support for immigrant entrepreneurs. Many of the interviewees reported problems with management, such as time management, logistics, and financial knowledge. As an entrepreneur, knowledge in management is fundamental, and

supporting immigrants with the correct tools in this area can lead to much more successful businesses, which in turn give a lot more benefits to Portugal, as a country, to ethnic communities, and to immigrants.

The influence of home country experiences on entrepreneurship was profound and enlightening. Immigrant entrepreneurs often draw on their cultural heritage, business practices, and social norms from their home countries to shape their ventures in Portugal. It is through their culture that they find a way to differentiate their businesses from native entrepreneur businesses, making them stand out from the competition. Skills, education, and previous professional experiences were also critical in enabling entrepreneurs to navigate the challenges of starting and maintaining their businesses. The support of family and friends was indispensable, providing not only financial assistance but also emotional and logistical support. Some entrepreneurs married Portuguese and attribute some of their successful business openings to their partners' support. The number of new products introduced in the market makes it grow and thrive, but also expands and enriches the culture of the host country, in this case, Portugal. It is fascinating to analyse the many ways in which immigrant entrepreneurs are different from their native ones by utilizing their cultural capital. This is a key finding of this study. Immigrants almost often bring something from their home country into their businesses, making them fresh and unique while also catering to the ethnic market.

Immigrant entrepreneurs are shaped by their experiences. When they move from one place to another, they become citizens of the world, bringing a piece of their culture into the new country they move to. Host countries should embrace immigrant entrepreneurs and make them feel integrated, as they might introduce something into the market that has yet to exist in their host country. This is the key distinction between immigrant and native entrepreneurs, and it should be recognized as progress.

Finally, it is important to highlight the significant implications of this study for the field of management, particularly in the context of developing strategies and policies to support immigrant entrepreneurship. By highlighting the unique challenges and motivations of immigrant entrepreneurs, this research provides valuable insights for managers and policymakers aiming to create an inclusive and supportive entrepreneurial ecosystem. Understanding the distinct needs of immigrant entrepreneurs, such as the necessity for tailored assistance programs, reduced bureaucratic barriers, and enhanced financial support, can enable managers to design better frameworks that foster innovation, cultural diversity, and economic growth. Furthermore, the study underscores the importance of leveraging the diverse experiences and skills that immigrant entrepreneurs bring to the table, which can enrich the business landscape and drive competitive advantage. Therefore, this research is not only relevant for policymakers but also crucial for managers who seek to harness the potential of immigrant entrepreneurship to contribute to broader organizational and societal goals.

To new immigrant entrepreneurs, this research is important to elucidate the challenges they might face as business owners and managers. Learning from previous experiences is great for avoiding management mistakes or improving as a manager.

One limitation of this study is the focus on Portugal as the host country. While the findings are relevant to the Portuguese context, they may not be fully generalizable to other countries with different cultural, economic, and regulatory environments. Comparative studies involving immigrant entrepreneurs in multiple host countries could provide a broader understanding of the challenges and opportunities they face. Future research could also expand on the thematic analysis made in this study by coding and exploring all the possible themes that emerged from the interviews.

Overall, this study contributes to a deeper understanding of the factors that influence immigrant entrepreneurship in Portugal, offering valuable insights for both scholars and practitioners. It underscores the need for policies and support systems that are tailored to the unique needs of immigrant entrepreneurs, helping them to thrive in their host country.

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### 8. Annexes

Annex A - Summary of the Main Topics and Issues from the Literature Review

Author, Year	Main Topics (Actual Research)	Main Issue (Future Research)
Alexandre and Alalam (2019)	Motivations and challenges of Syrian refugee entrepreneurs in Lebanon, examining how cultural ties and prior experience influence their decision to start businesses in a developing country.	Investigation into the role of local policies and social capital in facilitating or hindering refugee entrepreneurship
Andoh et al. (2019)	Motivations and contributions of Ghanaian immigrant entrepreneurs in Germany, focusing on the economic and social impacts in both their host and home countries.	Explore the impact of cultural, social, ecological, and political factors on the entrepreneurship and economic development of immigrant communities.
Barth and Zalkat (2021)	Examines refugee entrepreneurship in Sweden's rural agri-food sector, highlighting the motivations and challenges encountered by these entrepreneurs.	Examine the long-term viability of rural refugee-owned businesses, focusing on how 'liability of rurality' impacts their survival compared to urban enterprises.
Baycan-Levent and Kundak (2009)	Examination of the motivations, driving forces, and success factors of Turkish entrepreneurs in Switzerland	Explore the sustainability and adaptation strategies of Turkish entrepreneurs in Switzerland, focusing on evolving socioeconomic conditions and their integration into the Swiss economy.
Baycan-Levent and Nijkamp (2009)	Explore how immigrant entrepreneurs utilize social capital and networks to overcome challenges and contribute to the local economy.	Investigate the long-term sustainability of ethnic businesses and how urban policies impact the social capital and economic contributions of immigrant entrepreneurs.
Bolzani and Boari (2017)	Influence of cultural and institutional contexts on the entrepreneurial behaviour of immigrant women, highlighting the unique challenges they face in balancing family and business responsibilities.	Explore how cultural shifts within host societies impact the entrepreneurial motivations and success of immigrant women.
Brzozowski (2019)	Investigates the economic impact of immigrant entrepreneurship in Poland, focusing on transnational networks and their role in facilitating cross-border business operations.	Examine the influence of changing immigration policies on the entrepreneurial activities of immigrants and how these policies affect their transnational networks.

Chidau et al. (2022)	Explores the entrepreneurial	Further investigation is needed
, ,	activities of African immigrants in	on the role of alternative
	the UK, focusing on their	financial platforms in supporting
	financial challenges and the use	immigrant entrepreneurs who
	of social capital to overcome	face traditional banking
	them.	constraints.
Cho et al. (2019)	The influence of family dynamics	Explore how changes in
	and community support in	immigration law and policy
	shaping business ventures of	impact the entrepreneurial
	Latina immigrants in the USA.	aspirations and outcomes of
		immigrant entrepreneurs.
Chu et al. (2010)	Cultural factors influence the	Study how generational shifts
, ,	entrepreneurial decisions of	within immigrant families affect
	Asian immigrants in the United	the sustainability and evolution
	States, with a focus on the role of	of immigrant-owned businesses.
	family values and social networks	5 : : :
	in their business success.	
Dal Bello et al. (2021)	Systematic literature review on	Future research to explore the
	immigrant entrepreneurship	interactions between host and
	motivation and the immigrant	home country influences on
	entrepreneurial ecosystem.	immigrant entrepreneurship
	entrepreneuriar ecosystem.	motivations
Duan and Sandhu (2021)	Presents a framework to analyse	Test the framework to evaluate
Buan and Sunana (2021)	how home-country	how immigrant entrepreneurs
	entrepreneurial ecosystems	can leverage home-country
	affect immigrant	resources to enhance business
	entrepreneurship, highlighting	success in host countries.
	the dual impact of home and	success in nost countries.
	host-country environments.	
Duan et al. (2021)	how immigrant entrepreneurs	Test the dual ecosystem
Juan et an (2021)	leverage entrepreneurial	framework, particularly focusing
	ecosystems from both their	on how immigrant entrepreneurs
	home and host countries to	balance and integrate resources
	enhance business success,	from both ecosystems to sustain
	introducing a dual ecosystem	and grow their businesses.
	framework for deeper insight.	and grow their businesses.
Kazemipur and Halli	The economic challenges faced	
(2001)	by immigrants due to barriers	
(2001)	such as language, credential	
	recognition, and limited social	
	support by immigrants in Canada	
Khosa and Kalitanyi	Challenges and opportunities	Assess how government and
(2015)	faced by African immigrant	private sector programs aid
(2013)	entrepreneurs in South Africa,	immigrant entrepreneurship,
	with a focus on the role of social	especially in overcoming
	networks and access to financial	financial and bureaucratic
		barriers.
	resources.	Dailleis.

Lange et al. (2020)	Examines the barriers faced by skilled entrepreneurial refugees in the Netherlands and how local policies impact their financial independence through entrepreneurship.	Analyse how municipal and national policies can be standardized and improved to consistently support refugee entrepreneurship across regions.
Li (2001)	Investigates the relationship between age and entrepreneurial intention among immigrants.	Explore how different stages of life impact the sustainability and growth of businesses started by immigrant entrepreneurs.
Lin and Tao (2012)	Examines the traits and success drivers of Chinese-Canadian transnational entrepreneurs, highlighting how they utilize resources from both home and host countries.	Explore how policy changes in both the home and host countries impact the sustainability of transnational entrepreneurial ventures
Parks-Leduc et al. (2015)	Explores the role of personal values in shaping the entrepreneurial motivations of immigrant entrepreneurs.	Examine how personal values aligning or clashing with the host country's culture and economy affect immigrant entrepreneurial success.
Portes et al. (1999)	Outlines transnationalism by exploring how immigrants sustain social, economic, and political connections across borders and the impact on their host and home countries.	
Rametse et al. (2018)	Exploring how business ideas and opportunity recognition influence immigrant entrepreneurs' motivation and success.	Explore how different types of business opportunities influence the long-term sustainability of immigrant businesses.
Rashid and Cepeda-Garcia (2021)	Bureaucratic challenges faced by immigrant entrepreneurs in Portugal.	Assess how policy reforms aimed at reducing bureaucratic barriers impact the entrepreneurial success of immigrants.
Shane et al. (2003)	How individual differences affect the recognition and exploitation of opportunities in entrepreneurial ventures.	Investigate how cultural and market differences across countries affect opportunity recognition for immigrant entrepreneurs.
Shinnar and Nayir (2019)	The role of entrepreneurial self- efficacy in shaping the business decisions and outcomes of immigrant entrepreneurs.	Explore how financial and social support boosts self-efficacy and business performance for immigrant entrepreneurs across various settings.
Shinnar and Young (2008)	Analyses motivations and outcomes for Hispanic immigrant entrepreneurs in Las Vegas, focusing on why they choose self-employment and the challenges	

	they encounter in achieving business success.	
Solano (2021)	It explores the barriers to entrepreneurship among immigrant women in Spain, focusing on discrimination and lack of access to resources.	Examine how mentorship and community support programs help immigrant women entrepreneurs overcome specific challenges.
Tehseen and Anderson (2020)	The impact of personal and family values on the entrepreneurial motivations of immigrant entrepreneurs.	Explore the evolution of family values and their long-term effects on the activities and success of immigrant-owned businesses.
Williams and Krasniqi (2017)	How education and prior work experience impact business outcomes for immigrant entrepreneurs in Europe, focusing on the relationship between human capital and entrepreneurial orientation.	Investigate how human capital interacts with social and financial capital to affect the success of immigrant entrepreneurs.
You and Zhou (2019)	Social networks and transnational ties influence Chinese immigrant entrepreneurs in Canada, highlighting the significance of connections with their home country.	Assess how shifts in immigration policies and international relations impact immigrant entrepreneurs' use of transnational networks for business success.

### Annex B – Prototype of the Research Instrument Integrated with the Research Objectives

Research Objectives	Research Questions	Type of question
RO1. Understand the main motivations behind starting a	RQ1. What motivates immigrant entrepreneurs to start a business in	Exploratory Question
business in Portugal as an immigrant.	Portugal?	
RO2. Identify the primary challenges	RQ2. What challenges and barriers do	Exploratory
encountered by immigrant entrepreneurs in creating a business	immigrant entrepreneurs encounter	Question Descriptive
in Portugal.	when starting businesses in Portugal?	Question
RO3. Examine the extent to which	RQ3. How do the experiences of	Interpretive
cultural background from the	immigrant entrepreneurs in their home	Question
immigrants' home countries impacts	countries influence their decisions to	
their entrepreneurial behaviours,	start and manage businesses in	
strategies, and success in Portugal.	Portugal?	

RO4. Examine the role of human	RQ4. How do the skills and prior	Predictive
capital, including education and	experiences (such as education,	Question
previous job or business experiences,	previous employment, or business	Descriptive
in contributing to the successful	ventures) of immigrant entrepreneurs	Question
establishment and operation of	contribute to starting and managing	
immigrant-owned businesses in	their businesses in Portugal?	
Portugal.		
RO5. Investigate the role of personal,	RQ5. How do family and friends support	Predictive
familial, and professional networks in	immigrant entrepreneurs in starting and	Question
supporting the establishment and	managing their businesses in Portugal?	Descriptive
growth of businesses by immigrant		Question
entrepreneurs in Portugal.		

### Annex C - Interview Guide

### Part A

- 1. Where are you from?
- 2. How old are you?
- 3. How long have you been in Portugal?
- 4. When did you start your business?

### Part B

- 5. What motivated you to start a business in Portugal?
- 6. What challenges or barriers did you face when starting a business in Portugal?
- 7. In which ways did your experiences in your home country influence your decision to open a business in Portugal?
- 8. How have your skills and previous experiences been valuable in starting and managing your business in Portugal?
- 9. How have your family and friends helped you start and manage your business in Portugal?

### Annex D – Interviewees Description

Interview	Origin	Arrival	Age	Age at Business Opening	Business Age (Years)	Creation of the Business	Level of Education	Sector	Business	Interview Date
Martha	Ukraine	2022	27	27	<1	2024	Bachelor's degree in hospitality management	Food and Beverage	Coffee Shop	03-Jun-24
Antony	Ukraine	2022	30	30	<1	2024	Bachelor's degree in computer science	Food and Beverage	Coffee Shop	03-Jun-24
Rafik	Bangladesh	2017	36	32	4	2020	Bachelor's degree in hospitality management	Hospitality	Restaurant	04-Jun-24
Rodrigo	Brazil	2013	32	32	< 1	2024	High School	Hospitality	Restaurant	06-Jun-24
Estevão	Brazil	2016	30	29	1	2023	High School	Hospitality	Restaurant	07-Jun-24
Viktor	Ukraine	2014	31	31	<1	2024	Bachelor's degree in economics	Food and Beverage	Beer Shop	07-Jun-24
Jakub	Germany	2017	37	32	5	2019	Bachelor of Arts in Fitness and Economics	Health and Wellness	Yoga retreat Centre	11-Jun-24
Theodora	Czech Republic	2022	31	29	2	2022	Bachelor's degree in business and economics	Food and Beverage	Coffee Shop	12-Jun-24
Ivone	Mozambique	2000	42	40	2	2022	High School	Service Industry	Hair Saloon	14-Jun-24

Joana	Brazil	2018	32	30	2	2022	High School	Food and Beverage	Açai Shop	15-Jun-24
Sommer	Nepal	2010	41	38	3	2021	Bachelor's degree in science	Hospitality	Restaurant	18-Jun-24
Mafalda	Brazil	2005	32	26	6	2018	Bachelor's degree in architecture	Retail	Bijouterie Store	20-Jun-24
Melyssa	South Africa	2022	27	25	2	2022	High School	Technical Services	Online Marketing and social media Company	20-Jun-24
Yulia	Bulgari	2016	34	32	2	2022	Bachelor's degree in law	Retail	Fedora Designer	24-Jun-24
Karla	Brazil	2022	34	32	2	2022	Masters in Physiotherapy	Service Industry	Physical Therapy Clinic	24-Jun-24
Cristiano	Brazil	2022	33	31	2	2022	High School	Technical Services	Sports Photography Business	24-Jun-24
Marisa	Russia	2022	40	38	2	2022	Bachelor's degree in Sociology	Hospitality	Wine Bar	25-Jun-24
Jacinta	Brazil	2004	34	29	5	2019	High School	Service Industry	Nails Saloon	25-Jun-24