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## Mixed Embeddedness and the Dynamics of Self-Employment among Turkish Immigrants in Finland

*Abstract:* The article analyses dynamics of social capital that can explain how Turkish immigrants in Finland become self-employed and why they have established themselves within a particular economic sector. The mixed embeddedness perspective on ethnic and immigrant entrepreneurship is utilised to achieve a better understanding of these processes. The interview study indicates that immigrants are able to establish ethnic economies also in countries with relatively small and geographically dispersed immigrant populations. Immigrant entrepreneurs can mobilise transnational social capital for the establishment of businesses, but only under circumstances where transnational resources can be utilised as a local resource. To understand the dynamics of immigrants businesses requires an analysis of the embeddedness of immigrants in a simultaneously transnational and local social context.

*Keywords:* mixed embeddedness, ethnic ties, social capital, Turkish immigrants, self-employment.

### Introduction<sup>1</sup>

The mixed embeddedness theory of ethnic and immigrant businesses provides an attempt to explain the dynamics of immigrant entrepreneurship in highly developed countries (Kloosterman and Rath 2001; Kloosterman 2010). The theory points out the interdependence of resources and opportunity structures in the start-up and operation of small businesses. This provides an explanation of why it is possible to find a concentration of some ethnic and immigrant groups in particular economic sectors and occupations. Most studies of immigrant and ethnic minority entrepreneurs are made in countries where we find relatively sizeable tight-knit minority communities and a concentration of immigrants in specific urban locations. Yet, migration is becoming increasingly diverse and in the 2000s most immigrants in Europe do not live in close communities together with compatriots. In fact, the geographical dispersal of immigrants has increased both within and among countries, the ethnic background of immigrants is manifold, and mixed families involving both ethnic minority and majority members are common (Castles and Miller 2009). This study of Turkish immigrants in Finland provides an example of the dynamics involved in the embeddedness of immigrant business in increasingly complex social contexts.

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Among Turkish immigrants in Finland, a large share of the economically active population is self-employed in the fast food and restaurant sector. The immigrants are especially active in so-called kebab businesses. This article outlines the dynamics that explain how Turkish immigrants become self-employed and why they have established themselves within this particular economic sector. The article describes how some entrepreneurs have succeeded and others have failed in their attempts to start a business. The entrepreneurs operate in both local and transnational social contexts. The article argues that immigrant entrepreneurs can utilise transnational social capital for the establishment of businesses, but only under circumstances where transnational resources can be utilised as a local resource.

Previous studies about ethnic businesses have demonstrated the importance of resources and social ties within ethnic groups for the establishment of businesses. The economic action of immigrants is embedded in a social context, which influences the establishment of businesses. The concept of “social capital” is useful to describe the access to various types of collective resources that are available to members of a specific social group in a given social context (Bourdieu 1986). This article focuses on trust and reciprocity as significant forms of social capital needed in the establishment of businesses. Furthermore, research on transnationalism, especially the work by Thomas Faist (2000a, 2000b), has pointed out that the social capital available to immigrants is not necessarily locally situated. Immigrant businesses can utilise resources in both the country of origin and in the country of settlement. Transnational ethnic ties can supply useful economic, social and human capital for immigrant entrepreneurs.

However, a focus on *ethnicity* might obscure a full understanding of the dynamics behind immigrant businesses. The social capital employed by Turkish immigrant entrepreneurs is not necessarily related to ethnicity. The social and economic ties of the Turkish entrepreneurs in Finland intersect traditional ethnic boundaries, for example within the framework of marriages between Turkish men and Finnish women. The social capital utilised by the entrepreneurs is based on mutual trust and reciprocity, which can be sustained both within and over traditional ethnic boundaries. The article suggests that a simplistic emphasis on the role of “ethnicity” in immigrant and minority businesses might even conceal more than it explains. Although ethnic ties, which might be transnational, are of importance, one also needs to take into account that these ties are always rooted in local contexts and embedded in social structures. This is why the approach of the mixed embeddedness theory is utilised in this article.

The results presented in this article are based on interviews with Turkish entrepreneurs and their Turkish employees in Finland in 2001–2002. Turkish immigrants were chosen for this case study because this group displays a very high rate of self-employed entrepreneurs. A comprehensive examination of Finnish statistical sources has been carried out by Annika Forsander (2002) to map the labour market position of immigrants in Finland. In this study, among immigrants of working age who arrived in the years 1989–1993, in total, only 4 per cent were self-employed by the end of 1997. In comparison, the percentage of self-employed in the total population was 8 per cent. However, among the Turkish citizens in the study, 22 per cent

were self-employed, which constituted the highest proportion of self-employment in all nationality groups. Furthermore, 92 per cent of the Turkish self-employed in the study worked in the restaurant business (Forsander 2002: 169–70). This concentration in one line of business makes it reasonable to describe the Turkish businesses as an ethnic economy, which has been referred to as a “kebab economy” (Wahlbeck 2007). Yet, the interesting issue is that a clear geographical concentration of the Turkish immigrants and their businesses is not the case in Finland, a feature often connected with ethnic economies in other countries (Light and Gold 2000: 14). Furthermore, in Finland there is a high proportion of intermarriages between Turkish immigrants and Finns. This suggests that the dynamics that explain the development of ethnic economies might be more complex than studies of tight-knit urban communities in other countries might suggest. Thus, this study of the Finnish case might provide some new clues of how immigrants can generate and utilise social capital in countries with relatively small and geographically dispersed immigrant populations.

### **Immigrant and Ethnic Businesses**

“Ethnic businesses” is a phenomenon that has attracted huge interest among social scientists and there is a vast body of literature about immigrant and ethnic businesses (e.g. Light and Gold 2000; Rath and Kloosterman 2000). Previous research suggests that ethnic ties within immigrant communities constitute resources which immigrant entrepreneurs can utilise in establishing businesses. In the literature in economic sociology, it is suggested that the utilisation of social capital and social networks are especially consequential in the case of ethnic minority businesses (e.g. Portes 1995; 2010). To study the resources of ethnic minority groups, the concept of social capital and its different manifestations, such as “trust” and “reciprocity,” are often used as analytical concepts (Portes 2010). The point of these concepts is to examine the underlying social relations that businesses are embedded in. For example, the importance of trust for the success of ethnic businesses is documented in plenty of research. Trust is important, since it is a type of social capital which minority and immigrant communities can use to be able to compete with the majority. Social capital is often the only type of capital that the minority can generate to a larger extent than a resourceful majority. In an overview of the factors influencing the successes of ethnic businesses, Mark Granovetter (1995: 155) argues that the advantage of ethnic businesses seems most robust where the most problematic commodity required is trust.

However, as Jan Nederveen Pieterse (2003) argues, to assume that social capital is based on “ethnicity” might be misleading. He presents a convincing critique of the notion of “ethnic economy” and argues that immigrant business always also relies on cross-cultural relations. “Cultural social capital functions, and over time can only function, as part of cross-cultural social capital” (Nederveen Pieterse 2003: 40). Social capital always operates in a given social context and it presupposes a continuous series of social exchange (Bourdieu 1986). Thus, the value of social capital is never absolute

and the possibility to mobilise it depends on the social context. As argued by Floya Anthias (2007), we should confine the notion of social capital to mobilisable social ties and networks. Thus, although ethnicity can be utilised as a positive resource in business, it is not always a resource.

A more complicated issue is the fact that “ethnicity,” understood as a socially defined category, might be largely a product of economic structures. Thus, it is not only a question of how economic action is influenced by “ethnicity,” but also a question of how “ethnicity” in itself is constructed by economic action. For example, in immigrant small businesses, ethnic identities and boundaries might be largely constructed and negotiated in face-to-face encounters over the counter between workers and customers (cf. Parker 2000). Furthermore, the ethnic boundaries of the group can be defined by economic reciprocity within the group. This has, for example, been described by the anthropologist Jenny B. White (1997) in her study of Turks in Berlin. According to White, Turkish identity in Germany is difficult to describe in conventional ethnic or cultural terms. It is not possible to define the Turkish community in Germany merely using a few descriptive cultural traits, and at closer range the coherence of the community can be brought into question. “The Turkish ‘community’ refracts into numerous subcategories with sometimes substantially different interests and lifestyles: worker, student, Islamist, leftist, Kurd, Alevi, second and third generation, artistic elite, and so on” (White 1997: 755). White suggests that the community instead can be distinguished with the help of the “processual identity” of the Turkish community, which “is based on participation in generalized reciprocity: someone who shares time, attention, information, and assistance, a person whose ‘door is always open’ and from whom one can borrow money upon trust is ‘one of us,’ either a Turk or ‘like a Turk’” (White 1997: 756). The fieldwork by White in Berlin suggested that being able to borrow money was an important marker of a close relationship and of community. She argues that “money has become the primary vehicle of reciprocity. It also, therefore, becomes the salient metaphor of differentiation from Germans” (White 1997: 758). Thus, ethnicity and economy become intertwined into one another and each can be a result of the other.

The interplay of ethnicity and economy relate to the fact that economic actions have to be seen as socially embedded. This realisation is a fundamental starting point in economic sociology (cf. Granovetter 1985). The challenge in studies of immigrant businesses is to apply an analytical framework that takes into account all aspects of the social and structural embeddedness of firms and entrepreneurs (cf. Portes 1995; Rath 2000).

With skills learned in the home country devalued in the receiving labor market and with a generally poor command of the receiving country’s language, immigrants’ economic destinies depend heavily on the structures in which they become incorporated and, in particular, on the character of their own communities. Few instances of economic action can be found that are more embedded. (Portes and Sensenbrenner 1993: 1322)

To the extent that social capital is important for self-employment, its benefits are heavily dependent on the social, economic and political context both within the

immigrant community and in society in general. A theoretical framework that aims to take into account both these aspects is the so called “mixed embeddedness perspective,” which has been advanced in many recent studies of ethnic and immigrant businesses (Kloosterman, van der Leun and Rath 1999; Kloosterman and Rath 2001; Ram, Theodorakopoulos and Jones 2008; Nakhaie, Lin and Guan 2009; Kloosterman 2010; Vershinina, Barrett and Meyer 2011). The mixed embeddedness perspective can be seen as a development of the perspective on embeddedness initially presented by Granovetter (1985). The mixed embeddedness perspective argues that immigrant businesses are not only embedded in the social networks of the immigrants, but the way the networks can be utilised is also heavily dependent on the wider social, economic and political environment of the country of settlement (Kloosterman and Rath 2001; Kloosterman 2010). The perspective combines a focus on the resources of entrepreneurs with a focus on the opportunity structure they operate in. “Mixed embeddedness is, however, not just about linking the meso-level of the opportunity structure to the micro-level of the individual entrepreneur. The opportunity structure itself has to be problematized and related to the wider institutional framework” (Kloosterman 2010: 40).

In the case of migrants, social networks can be geographically far reaching. The existence of transnational social relations has been widely discussed among migration scholars since the 1990s. The transnational perspective encompasses the ethnic ties by which “immigrants forge and sustain multistranded social relations that link together their societies of origin and settlement” (Basch et al. 1994: 7). These discussions seem to have a lot to contribute to our understanding of immigrant businesses. The existence of transnational social relations suggests that migrant entrepreneurs can utilise resources in both the country of origin and the country of settlement (Faist 2000a; Rusinovic 2008). Thus, ethnic ties are not necessarily locally bounded within the framework of the receiving society and immigrant businesses can often rely heavily on resources available in transnational ties. As Faist (2000a, 2000b) describes, these ties might develop into transnational social spaces that involve various types of capital.

Cultural, political and economic processes in transnational social spaces involve the accumulation, use and effects of various sorts of capital, their volume and convertibility: economic capital (for example, financial capital), human capital (for example, skills and know-how) and social capital (resources inherent in social and symbolic ties). (Faist 2000a: 13)

Social capital is usually and primarily a local asset. However, if transnational networks and chain-migration emerge in the migration process, the transferability of social capital increases (Faist 2000b, Akcapar 2009). This transnational dimension implies that immigrant businesses do not necessarily need to rely on a geographical concentration of their ethnic community. It has also been argued that the perspective of mixed embeddedness needs to include a more detailed consideration of the transnational dimension (e.g. Bagwell 2008; Miera 2008; Katila and Wahlbeck 2012). For example, Frauke Miera (2008) describes how the Polish entrepreneurs in Berlin already in the 1990s operated in a transnational social space consisting of

both Poland and Germany, in contrast to the more local orientation of the “ethnic community” in the first period of Turkish entrepreneurship in Berlin. Her study maps the transnational relations and argues that in the Polish case, in contrast to the Turkish case, migration and entrepreneurial projects were simultaneous events, the businesses were oriented towards the open market rather than an ethnic one, and the businesses relied on a high mobility and the close distance between Berlin and Poland. She explicitly suggests that the transnational space can be introduced as a new level of analysis on markets and institutional regulations, as studied by the mixed embeddedness perspective (Miera 2008: 755).

However, it can be debated to what extent a transnational space can be studied as a separate level of analysis. Markets are very seldom solely transnational and can usually not be analysed in separation from their local contexts. Both customers and production facilities tend to be located somewhere, within specific local markets and local social, economic and political contexts. Likewise, many contributions to the discussion about transnationalism have emphasised the fact that transnational networks of migrants are *not* “deterritorialised.” Although transnationalism involves border-crossing relations, the social networks are still also connected to and rooted in specific localities and national contexts (e.g. Guarnizo and Smith 1998; Faist 2000b). Thus, immigrants utilise transnational ties and networks in their businesses, but there is still reason to also consider the local contexts in which the entrepreneurs operate. The question that needs to be addressed is how transnational resources, e.g. social capital, can be mobilised as a resource in the local context. This process is not always successful and its outcome seems to depend on many different factors. The mixed embeddedness perspective can be utilised to achieve a better understanding of these processes.

As this article argues, a full understanding of immigrant businesses in Finland requires an understanding of both the resources available in a transnational social space and the opportunity structures of the Finnish local context. In Finland, immigrants display a high rate of unemployment and experience marginalisation and exclusion in the labour market (Valtonen 2001; Forsander 2002, 2004; Martikainen, Valtonen and Wahlbeck 2012). In the light of this structural context, it becomes pertinent to study the dynamics that can explain the high rate of self-employment and the concentration in one line of business among Turkish immigrants.

To conclude, it is commonly assumed that the existence of ethnic ties can explain how and why members of certain ethnic groups become self-employed. However, explanations focused on ethnicity can give a simplified picture of the dynamics involved. A focus on ethnicity can, for example, hide structural factors, such as unemployment and discrimination, which force immigrants into self-employment. This article argues that a full understanding of the reasons why and how Turkish immigrants have become self-employed in Finland requires an analysis of the social embeddedness in a simultaneously transnational and local context, and that it is useful to study how trust and reciprocity, as forms of social capital, operate in this context. To understand this dynamic provides an insight into how the ability to mobilise social resources always depend on the social context.

### **Methods and Material**

The study of Turkish entrepreneurs is based on 27 semi-structured interviews, conducted in 2001–2002, with self-employed immigrants from Turkey. In addition, 11 Turkish employees in Turkish-owned businesses were interviewed to acquire an overall picture of the ethnic economy. Thus, the total number of interviews was 38. The project started with a study of all information available in the Finnish Trade Register concerning all Turkish-owned businesses in Finland. All businesses have to be registered in this official register and it is not possible to operate legally without a registration. The interviewees were found with the help of the names and addresses in the register. Access to the interviewees was facilitated by the employment of Turkish research assistant with good connections among Turkish entrepreneurs. A majority of the interviews were carried out in Turkish by the research assistant, and the remaining in Finnish by the author. The lengths of the interviews were between one and two hours. The interviews were tape-recorded and later transcribed to facilitate the analysis. Due to the gender division in the Turkish businesses in Finland, only three out of the 38 interviewees were women. All of the interviewees were born in Turkey.

The focus of the study was in south-west Finland (Varsinais-Suomi) and the aim was to include all Turkish-owned businesses in this area (i.e. not only the businesses in the restaurant sector, although these turned out to make up the clear majority). The region was chosen since it included a suitable number of businesses, which were found both in regional cities and in small rural locations. In total, 21 interviews with business owners were conducted in south-west Finland, which included almost 90 percent of the Turkish entrepreneurs in the region. None of the contacted entrepreneurs refused to take part in the study, but for various practical reasons a few were not reached for an interview. Since no major relevant differences were found among the interviewees in south-west Finland, the study was complemented with six interviews with business owners in urban Helsinki. Thus both the capital region, with a larger number of Turkish immigrants, as well as the geographical dispersal of Turkish businesses in rural areas, are covered by this study. However, it turned out that also in Helsinki the premises of the businesses were scattered all over the city and the dynamics of the businesses followed a similar pattern as in the other locations.

### **The Turkish Population in Finland**

Turkish citizens moved to Europe in large numbers as labour migrants in the 1960s and 1970s. In the 1990s, there were about 3 million Turkish citizens living in Western Europe, almost 2 million in Germany alone (Abadan-Unat 1995). In the 1960s and 1970s, the Turkish migrants were initially employed in factories and by the public sector. After the increase in the unemployment rate in these sectors, some Turks moved into self-employment. Studies in Germany indicate that an enabling factor for Turkish businesses was the geographical concentration of the Turkish community in specific urban locations, and many Turkish businesses were established mainly in

order to serve their own community. The orientation towards the general market usually occurred at a later stage (Abadan-Unat 1997; Wilpert 2003; Miera 2008).

The Turkish history of migration is different in Finland compared to other countries in Europe. The country has never experienced labour migration from Turkey of the same degree and type as has been experienced in many Western European countries. As is the case with most immigrant groups in Finland, immigrants from Turkey have arrived predominantly since the late 1980s, thus the Turkish community is relatively small in Finland compared to many other European countries. According to the population register of 31 December 2010, the number of people born in Turkey living permanently in Finland was 5,139 (Statistics Finland 2011). Furthermore, there is no clear geographical concentration of the population. Turkish-born people live all over the country, although there is a slight over-representation in various regional centres and in the capital area (Statistics Finland 2011). The interviews conducted for this study suggest that arriving in Finland has been more a question of individual coincidence than of chain migration. In addition, not many asylum seekers from Turkey have arrived in Finland, and those who have arrived have found it difficult to find political asylum in Finland (cf. Wahlbeck 1999).

A distinctive feature of the Turkish citizens in Finland is that many have received their residence permit because of family ties in Finland. In fact, Turkish migration to Finland has occurred mainly in conjunction with marriages between Turkish men and Finnish women. Because of the distinctive history of migration, there are far more men than women among Turkish immigrants. In 2010, the population register included 3,777 Turkish-born men and only 1,362 women (Statistics Finland 2011). The number of intermarriages between Turkish men and Finnish women is high. A study of intermarriages in Finland in 1997 indicated that a total of 60 percent of the married, Turkish-born men were married to Finnish-born women. In contrast, marriages between Finnish men and Turkish women were uncommon; only 8 percent of the married Turkish-born women in Finland were married to Finnish-born men (Ylänkö 2000: 189). Similar gender imbalances have also been observed in marriages among Turkish immigrants in Germany (cf. Kaiser 2003). The interviews conducted for this study indicate that a large proportion of the intermarriages in Finland seem to involve couples who met each other at holiday resorts in Turkey. As will be explained below, the large number of intermarriages has been of importance for the start-up processes among Turkish businesses in Finland. The Finnish spouses have provided a social capital and an access to local resources that the entrepreneurs otherwise would not have had access to.

### **Turkish Businesses in Finland**

The Finnish Trade Register provides detailed information about the Turkish businesses in Finland. In the early 2000s, there were between 250 and 300 firms registered by entrepreneurs with Turkish names. This is a large number, considering the small number of immigrants from Turkey. The information in the register indicates that



most of the Turkish businesses are small-scale enterprises active in the service sector, mainly in restaurants and fast food outlets. This was confirmed by the interviews: out of the 27 self-employed participants interviewed, no fewer than 24 were active in the kebab and pizza restaurant sector, mostly in small businesses that do not have regular employees. Selling kebabs and pizza in small fast-food outlets is clearly the dominant business activity among immigrants from Turkey. The information in the trade register also confirms that most of the Turkish business owners and entrepreneurs are men, but there are also a few female Turkish entrepreneurs. The geographic dispersal of the companies is surprisingly large; the trade register includes Turkish businesses located in small and remote municipalities all over the country.

The geographical dispersal of the businesses makes the Finnish case motivating as a case study. The interviews with the entrepreneurs were focused on the utilisation of ethnic ties for the start-up and running of the businesses. A particular focus was the role of transnational social ties and how these can be used in the absence of a large and geographically concentrated ethnic community. The Turkish immigrants that were interviewed for this study displayed a variety of transnational social ties. In the following I will present some of these ties and the resources that these entail. This presentation provides examples of successful and unsuccessful utilisation of transnational resources respectively.

### **Transnational Ties**

In terms of direct transnational social ties, most of the Turkish immigrants have fairly recently arrived in Finland and they continue to keep in touch with relatives and friends in Turkey and in other countries in the Turkish diaspora. Some interviewees said they visit Turkey several times a year, and all said they try to do it at least once a year, despite the fact that this often involves great difficulties for the businesses they run in Finland. Some of the interviewees had previously lived in Germany for shorter periods of time. As Turkish immigrants in other countries, the interviewees can often be seen as being part of “transnational families” (cf. Faist 2000b: 202–3; Bryceson and Vuorela 2002), with members of the extended family scattered around the globe. Thus, not surprisingly, the transnational social ties of Turkish entrepreneurs in Finland are often extensive and far-reaching. To some extent these also involve the sending of remittances to family members in need of financial help.

The important role of transnational ties are perhaps most clearly visible when we look at the ways in which ideas and resources were utilised in the early phase of the establishment of kebab businesses in Finland. Actually, the whole kebab business concept was largely imported to Finland from Germany and Sweden. One of the business pioneers had lived in Germany in the 1970s. In the following interview, he recalled how he learnt the trade in the 1980s:

I was one of the first kebab entrepreneurs in Finland. Back in 1985, [my shop] was almost the first kebab shop that opened. At that time, I had a good Turkish friend and he helped me to start the business. Actually, we visited Germany to get acquainted with the business. I have some relatives in Germany and they had friends that were running businesses [...].

ÖW: Is your company involved in import from abroad?

Not my present companies, but in my previous businesses I have done import. At that time, you could not get anything in Finland. I have previously imported foodstuff and kebab equipment from Turkey, that kind of things, to use in my kebab shop. (Interview no. 34)

In the interviews, the first business pioneers explained that the idea to start businesses came from Germany and Sweden, where numerous kebab shops were established in the early 1980s. Since similar businesses did not exist in Finland, the equipment and skills had to be obtained from abroad. These findings indicate that transnational social, economic and cultural ties enabled the start-up of Turkish kebab businesses. Furthermore, some of the initial businesses proved to be very successful and still operated at the time of the interviews.

The positive role played by transnational ties seems to become less pronounced in the 2000s, when some Turkish businesses already had become well established in Finland. At the time of the interviews, many of the interviewees expressed an interest for international trade, where they would utilise their transnational social ties in Turkey and in the Turkish diaspora. However, a closer discussion of the topic indicated that the actual international trade of the Turkish businesses in Finland is relatively limited in the 2000s. Although the entrepreneurs do have many contacts and keep in touch with Turkish entrepreneurs in Turkey and Europe, successful business contacts with Turkish firms in other countries seem to be rare. For example, the kebab business gradually became well established in Finland in the 1990s, and in later periods there was no longer a need to utilise transnational connections to get the know-how or equipment needed in the kebab shops. In the 2000s, the typical Turkish kebab restaurant buys all the goods and foodstuffs it needs from Finnish wholesale markets. Many entrepreneurs have tried to import or export goods, but these experiments have seldom proved to be long-lasting. The reason for this seems to relate to the problems of transferring resources into the Finnish local context. Many interviewees expressed an interest for importing goods from Turkey, and quite a few had tried to do this. However, these business endeavours often faced large challenges in the Finnish end. For example, one interviewee imported textile products of a well-known Turkish high-quality brand, which he sold in his own shop. He described the challenges he faced:

I have imported these products myself. Right from the beginning I have done everything myself. I have negotiated with the Turkish producer, visited their production facilities [in Turkey] and in the end we signed a contract. You cannot get these products in Finland. In this country, the wholesale companies and retailers do business with each other and outsiders are not allowed in, no matter what product in question, this is the way things are done in this country. [...]. Actually, I could expand this shop into whatever textile product, but the market is concentrated in the hands of a few Finnish companies and only large Finnish companies are able to succeed in this business sector. I have had contacts with Finnish companies, but it has not lead to results. They have kind of a monopoly in this sector. I have not been in the position to negotiate with the large Finnish companies. (Interview no. 33)

As described in the quotation above. Turkish immigrants often have good business connections in Turkey. In other words, they seem to have a valuable social capital that can be utilised in a Turkish business environment. In the Finnish local contexts, things are different. Despite a good product and good connections in Turkey, the right contacts and resources are missing in the Finnish business environment. This

indicates that the social capital of the entrepreneurs is not easily transferred to and utilised in the Finnish local context. Thus, only a minority of the interviewees were involved in international business transactions at the time of the interviews. In fact, the interviewee quoted above decided to close down his shop about a year after the interview was made.

In the later stages of a business operation the recruitment of employees often becomes an issue. As suggested by literature on immigrant businesses, transnational ties can provide a channel for the recruitment of labour in the businesses. Turkish entrepreneurs in Europe have, at least previously, had “a pool of cheap and docile labour” in Turkey (cf. Faist 2000b: 216). In the late 1980s, when the kebab business expanded, some entrepreneurs did invite relatives to work in their restaurants. However, in Finland’s case, with extensive unemployment among immigrants, cheap and docile labour is available in large numbers also in Finland. Because of this labour market situation, the Finnish authorities have been reluctant to grant work permits for Turkish citizens who wish to work in the restaurant sector. In any case, most Turkish entrepreneurs in Finland run small businesses without a great need for employees and those that are employed are recruited in Finland (cf. Wahlbeck 2007).

In general, the results of this study suggest that the utilisation of transnational ties have been prevalent in the start-up phase of the businesses, but in later phases the local social context has been crucial for the running of the business. Thus, the local setting and its structural constraints must always be taken into account when studying the role of transnational social and economic networks. This relates to the argument that transnational networks always have to be seen as connected to specific local and national contexts. The mixed embeddedness perspectives provides a framework for analysing the role of the local opportunity structures. This also enables an analysis of when and how social capital, in the form of trust and reciprocity, can be utilised in a specific local context.

### **The Local Context**

The establishment of kebab restaurants in Finland must be seen in relation to the local opportunity structure. Since a large and geographically concentrated Turkish community does not exist in Finland, the Turkish entrepreneurs immediately have to compete with Finnish businesses for Finnish customers. My interviews indicate that the first kebab businesses were established in the mid-1980s (one of the first places owned by a Turk was a fast food outlet opened in Karis in 1985). The first business pioneers were Turkish men who had lived in Finland for some time, usually married to a Finn and fluent in Finnish. The establishment of kebab businesses can be seen in relation to some more general changes in Finnish food culture; various “ethnic” dishes and restaurants were introduced in Finland in the 1980s. The introduction of pizza restaurants was followed by kebab shops and a large variety of “ethnic” restaurants. In addition to Turkish entrepreneurs, many Finnish entrepreneurs introduced kebabs as an alternative in established fast food shops. Later on, also many other non-Turkish immigrant groups have started to establish pizza and kebab shops. Consequently,

selling kebabs is not in any way specific to the Turks in Finland, and only a small minority of the kebab shops in Finland are owned by Turkish entrepreneurs in the 2000s. Furthermore, the fast food outlets of today sell pizza, kebabs and various other fast foods in a multicultural and hybrid fashion, regardless of the actual ethnic origin of the shop owner. The kebab is originally a Turkish dish, but the fast food outlets have adapted their products to the Finnish market and Finnish customers. Thus, this particular business niche and its commercial products largely seem to be the outcome of a Finnish local context.

The type of economic activity practised in kebab fast food outlets proved to be very popular among Turkish immigrants in the 1990s. The work was easy to learn and a shop required minimal financial investment. The equipment is not expensive and the restaurant can be established in very small premises where the rent is affordable. The investment needed is time, a commodity which immigrants in Finland had an abundance of in the 1990s due to the unemployment situation. This was also one of the few business sectors where it was possible to compete with Finnish entrepreneurs by working longer hours than the Finns.

My interviews clearly indicate that the major reason why the interviewees have started their own business was unemployment. None of the interviewees had arrived in Finland with the intention of starting a business. The reason for moving to Finland was always connected to personal reasons, or attributed to complete coincidences. The idea of establishing a business usually came after some time in Finland, often associated with a period of unemployment. In recent years, the example set by immigrants who had arrived in Finland earlier has been crucial for those Turkish immigrants arriving in Finland later on. The knowledge and resources possessed by earlier immigrants have been transferred to succeeding immigrants in the daily work in the kebab shops. Usually, a Turkish kebab owner starts by working as an employee in a kebab shop owned by another immigrant (usually Turkish). After some time, he establishes his own shop, or, in some cases, buys the shop where he has formerly been employed. Employees often accept to work for a very small salary, since they are able to learn the trade and establish useful connections which can be used in future business (Wahlbeck 2007). In this way many new Turkish immigrants are drawn into the fast food business and learn the trade from fellow immigrants from Turkey. A well-established entrepreneur gave the following description of how he ended up in the kebab business:

This was not at all my intention when I came to Finland [...], but when I came to Finland, the restaurant sector, the whole kebab business, was going very well. That is where I got the idea. But, actually, I did not have any alternative; I became unemployed and there were no other jobs available [...] I became somewhat familiar with kebab restaurants in Finland after I moved here. I was helping a few times in kebab shops and that is where I got the idea. In the beginning, this was a new and interesting product and there were not many kebab places around and business was going relatively well in Finland, or, in other words, it was better than unemployment. I had been working in other Turkish places helping out before I opened my own place. Hence, I became familiar with the business sector before I decided to try it myself. (interview no. 32)

As mentioned in the quotation above, many Turkish entrepreneurs rely on compatriots to learn the trade before they start their own businesses. Turkish entrepreneurs

often employ fellow Turks to work in the kebab shops. This ethnic pattern can be seen as an example of the utilisation of ethnic social capital. However, it was also common for immigrants from other Middle Eastern countries to work in Turkish owned shops (and vice versa), but on the other hand Finns are very seldom employed in the Turkish firms.

In order to understand these “ethnic” employment patterns we need to know how the Finnish local labour market works and how the kebab businesses operate; the social capital utilised in kebab shops cannot be accounted for merely by explaining that they are a consequence of ethnic origin (cf. Wahlbeck 2007; Jones and Ram 2010). Thus, the role of ethnic social capital must be interpreted within the current social and economic context in Finland, where the entrepreneurs live and operate. In this study, the interviewees had a clear opinion as to why Finns were not suitable as employees. The entrepreneurs needed employees whom they could trust, also in the event that the business did not succeed. There was a need for flexibility regarding working hours and salary on the part of the employee. A Finnish employee was usually not regarded as providing the necessary flexibility and would probably not be ready to work under the working conditions that exist in kebab shops. In the event that Turkish employees were not available, the second best alternative would be an immigrant from the Middle East, where at least some form of trust and reciprocity could be established (Wahlbeck 2007). Thus, in the recruitment of workers, social capital is of fundamental importance, but its relation to ethnicity is complex and not straight-forward.

Fast food kebab and pizza restaurants form a suitable economic niche for immigrant entrepreneurs, since the initial economic capital needed is not substantial. Nevertheless, there is usually a need to borrow some money when a business is established. A common problem for many Turkish immigrants has been the difficulties of getting a bank loan. Studies in other countries have shown that Turkish immigrants often have good opportunity to borrow money from one another, thanks to their extensive ethnic and social networks (e.g. White 1997; Flap, Kumcu and Bulder 2000; Basu and Altinay 2002). This happens in Finland as well. However, since the kebab business has not always been very profitable, the financial resources among immigrants are limited. In Finland’s case, there is also reason to emphasise the importance of the role played by Finnish spouses in the establishment of businesses. A large proportion of the male Turkish entrepreneurs have Finnish wives who might have helped their husbands financially with small private loans, or they have been able to act as guarantor for bank loans. Finnish wives have also helped with various translations, while professional Finnish bookkeepers have helped with the more specific bureaucratic matters. Occasionally, the Finnish wife might also be the public face of the firm, hence avoiding ethnic discrimination against the firm. Still, you hardly ever find a Finnish spouse working behind the counter of the kebab shop, a job that is primarily reserved for male immigrants.

Thus, Turkish entrepreneurs in Finland are in close reciprocal relationships with people they trust in economic and business transactions. The person whom you can

trust is a fellow Turk or a person who is “like a Turk“. Finns could be trusted as business partners in some circumstances. In the case of a marriage to a Finn, the necessary reciprocity would probably exist and a Finnish spouse or relative could be trusted just “like a Turk” (cf. White 1997). Shared business transactions or a loan of money will create a common social bond. Furthermore, the ethnic solidarity among Turkish immigrants should not be exaggerated. In a local setting, Turkish entrepreneurs regard one another as competitors in an increasingly competitive business niche and they can, therefore, not necessarily trust one another. Furthermore, there are many political disagreements and divisions in the Turkish community that can have a detrimental effect on the generation of social capital within the Turkish group at large. Hence, trust and reciprocity are not necessarily established along traditional and simple ethnic or cultural lines.

### Conclusion

This study of Turkish entrepreneurs indicates that the immigrants are able to establish ethnic economies despite an absence of a geographically concentrated local community. The Turkish immigrants in Finland have mainly established a particular type of small businesses in the restaurant sector. Previous studies of immigrant businesses tend to have been conducted in specific urban locations, but this study points out that the resources needed to establish small businesses can be mobilised also without relying on the social capital that can be found in a tight-knit local ethnic community. The social capital available in transnational social ties constitutes a resource that all immigrants to some degree can access. As pointed out by Faist (2000b: 202), reciprocity in transnational kinship groups is typical for many first generation immigrants. This study shows that transnational ethnic and family ties exist also among Turkish immigrants in Finland. However, as argued in this article, this does not rule out the possibility of reciprocal ties crossing ethnic boundaries within the society of settlement. This study indicates that the establishment of businesses has been significantly helped by the Turkish entrepreneurs’ social ties in Finnish society. Among the business pioneers, those who were fluent in Finnish, married to a Finn and had Finnish business contacts were the ones who were the most likely to find success in business. The results of this study indicate that the geographical dispersal and intermarriages provide the immigrants with particular types of resources and opportunities, which in some respects can compensate for the lack of a tight-knit ethnic community in Finland. In more recent years, Turkish immigrants have also been able to learn the trade from fellow Turks established within the kebab business sector. Turkish entrepreneurs do utilise the social capital that exists within their own ethnic group in Finland and within transnational social spaces. However, the resources in these ties are often limited, and occasionally it is easier to utilise social capital in local Finnish ties, for example, the resources available thanks to Finnish spouses. In this sense, Turkish entrepreneurs use any available social capital to enable their businesses to survive. As many theories suggest, the most beneficial position in terms of social cap-

ital is where a person is part of several *different* networks at the same time.<sup>2</sup> The key to understanding the relative successes of Turkish entrepreneurs in Finland probably lies in their ability to combine the resources available in both Finnish and Turkish ties, as well as both local and transnational ties. Thus, the results of this study point out that the entrepreneurs are embedded in a simultaneously local and transnational social context.

The mixed embeddedness theory of ethnic and immigrant entrepreneurship highlights the role of the local opportunity structures, which can either enable or hamper the utilisation of transnational social capital. Furthermore, the theory suggests that the opportunity structure has to be related to the wider institutional framework in the local context where the businesses operate (Kloosterman 2010). The interviews made for this study indicates that the immigrants in question usually do not have any other option than to become self-employed in Finland. Since there are no other jobs available for immigrants, the structure of the Finnish labour market forces many into self-employment. Thus, the primary reason that Turkish immigrants work in kebab shops can be found in the way the Finnish labour market operates. Of course, Turkish immigrants use their transnational social capital as a resource in establishing businesses, but this process has to be seen within the context of the Finnish labour market, which in practice is largely closed to immigrants.

To understand the dynamics of the immigrants businesses we need to consider how the social capital of immigrants can be mobilised in a specific local context. To possess “social capital” is obviously not enough; you also need to be able to successfully utilise the resource. Social networks and ties that cannot be mobilised as a resource do not constitute valuable social capital (cf. Anthias 2007). In other words, the capital has to be in the right currency. Transnational social ties function as a bridge across which ideas and resources (in short, “social capital”) can move from one country to another. Immigrant entrepreneurs can be part of valuable transnational contexts, simultaneously relating to both country of origin and country of settlement. These transnational ties can provide social, economic and human capital. However, the operations of firms and businesses are always connected to specific places and specific local contexts. The opportunity structure provided by the labour market and the business environment in the country of settlement are obviously important factors in the local context. As suggested by the mixed embeddedness perspective, the social capital of immigrants has to fit into the economic and social structures of the country of settlement to be able to be used as a resource by the entrepreneurs. Thus, we need to study the embeddedness of immigrant businesses in a simultaneously local and transnational context to get a better understanding of why some businesses have been successfully started and others have failed.

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<sup>2</sup> The benefits of being part of many different networks is emphasised in many contemporary books in business and economics, often written for a wide audience. Among sociologists, similar thoughts have already been thoroughly discussed in the classical works of Georg Simmel (1955) and within so-called Structural Sociology (Blau 1977).

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