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A new approach to migrations: communities-on-the-move as assets

Mario Davide Parrilli^a , Sandro Montresor^b  and Michaela Trippl^c 

ABSTRACT

This paper proposes a novel interpretive framework for studying migration and its implications in terms of innovation, entrepreneurship and regional development. We suggest that migration patterns and their impact should be analyzed through the lens of communities on the move (CoM): cultural communities marked by their own social capital, that is, shared values and network ties, which provide tacit knowledge and opportunities to their members and facilitate their integration in their host regions and countries. CoM have a strong influence on migrants' well-being and their capacity to produce innovation and entrepreneurial impact that promote the development of the host regions.

KEYWORDS

migration; communities; social capital; innovation; entrepreneurship

JEL J61, O3, Z1

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After decades of relative calm and stability, from the mid-1990s onwards the migration phenomenon has arisen again as an epochal issue that may radically transform the cultural, social, institutional and economic fabric of both 'home' and 'host' countries. This process has intensified to a point that the recipient countries, especially in the Northern part of the world, started to shake. Concerned about maintaining their high standard of living, job opportunities and public services to the population, some groups of people in advanced countries feel that decades of work spent to create proper institutions, adequate regulations, and a favourable social and economic environment might come to an end, unless migration is controlled and regulated. Fierce discussions are currently taking place in the political and social arena and the issue has been receiving renewed attention also in the academic debate (Constant & Zimmermann, 2013; Kritz, 2015).


Within this general debate, the aim of this special issue is to examine the impact of migration on a specific set of issues at the regional level: innovation, entrepreneurship and economic performance. In particular, we look at migration through a new lens of analysis, which we have termed the 'Communities-on-the-Move (CoM)' approach.

In essence, this approach focuses on migrant communities emerging from the capacity of specific national/regional groups to carry the heritage of their social capital when moving from one place to another. More precisely, the CoM approach focuses on the social capital migrants can rely on to 'bond' their in-group relations and to 'bridge' with extra-group ones during the migration process. As argued below, the CoM represents a different, though complementary, approach to the analysis of diasporas in the migration literature. Indeed, CoM relates to diasporas similarly to how 'clustering effects' relate to 'networking activities' in the regional economics of innovation literature (Swann, 2009, p. 163). The CoM approach takes account of the local effects such communities generate in the localities in which they are embedded ('clustering effect'), while the related 'diaspora communities concept' captures the non-local 'networking activities' that connect ethnic communities across the world and with their country of origin. As we will also maintain in the following, through this specificity the CoM approach is likely to capture a significant impact on innovation, entrepreneurship and economic performance, which would remain otherwise hidden by using more standard approaches to migration.


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Over a long period of time, scholars have been scrutinizing migration and its economic implications from diverse perspectives. A number of studies have focused on different aspects of the phenomenon from a macroeconomic point of view, including its impact on international trade between recipient and origin economies (Rauch & Trindade, 2002), productivity growth and employment opportunities (Rodríguez-Pose & Von Berlepsch, 2015), and innovation, creativity and entrepreneurship (Breschi, Lissoni, & Miguelez, 2017; Niebuhr, 2010; Trippel, 2013). Others have analyzed the socioeconomic effects of migration in terms of the use of public goods and resources (Hollifield, Martin, & Orrenius, 2014), as well as its wider impact on the social integration of migrants in recipient countries (Williams & Balaz, 2012). Most of these studies have shown general positive effects of migration on economic development in both host and home economies.

Migration has also received renewed attention in regional studies (Newbold, 2012), where it has been recognized to represent a source of both opportunities and constraints to local development (Parrilli, 2012). Key areas of interest have been, among others, the impact of migration flows on the job opportunities they create locally to both host and visiting communities and the relative skills and productivity implications (Lewis & Peri, 2015); the socio-spatial and demographic transformations that migration entails in urban spaces and the institutional decision-making process that needs to integrate the newcomers' 'voice' (Vaiou, 2010); and the inequality of income and innovation based on peculiar national/regional migration and labour market patterns (Lee & Rodríguez-Pose, 2013).

In spite of the importance that innovation and entrepreneurship have been found to have at the regional level in previous studies, the effects of migration on their unfolding have received relatively little attention so far. As for innovation, research on the interplay between its standard drivers (e.g., research and development (R&D), human capital and the like) and those related to migration (e.g., international networks of scientists) has been mainly conducted at the country level, and has only marginally been translated to the regional one, with a segmented focus on some selected issues: the (positive) impact of ethnic/cultural diversity on knowledge flows, patents (Choudhury, 2015; Niebuhr, 2010) and innovation outcomes (Gagliardi, 2015). Similarly, as for entrepreneurship, its consolidated link with migration – immigration and return migration in particular – at the country level (Fairlie & Lofstrom, 2015; Levie, 2007) has also found only limited resonance in regional studies, still with a segmented attention for specific issues such as: the role of ethnic communities and their social ties for new internationalization ventures within clusters (Prashantham & Dhanaraj, 2015); returnees and venture formation (Wahba & Zenou, 2012); and the impact of cultural diversity and skill composition on business creation (Rodríguez-Pose & Hardy, 2015).

These and many other recent studies produce a mapping of the migration phenomenon that, given its

multidimensional nature, is just embryonic in nature. Indeed, such a variety of academic and policy-focused contributions have not generated consensus on the opportunities and threats of migration. What is more, they have not spawned a valid interpretive instrument to find a common ground for the development of a shared method of analysis, synthesis and problem-solving. This is mainly due to the fact that most of the aforementioned efforts have targeted the migration phenomenon as a whole, and measured its impact in the realm of economic action (e.g., entrepreneurship, employment, innovation, productivity) in a quite 'black-boxed' way, without directing enough attention to the community nature of the migrations flows. Yet, in this way important elements are missed. Just think of the entrepreneurial drive of some ethnic communities that are keen to provide social support and business services to their members. Chinese and Indians in Silicon Valley are a clear example of this (Saxenian, 2007). Chinese in the Italian industrial district of Prato are another case in point (Dei Ottati, 2017). In general, the focus on CoM enables one to challenge the view that migrants only guarantee skilled individual human capital (if not even knowledge flows and innovation in the case of migrant scientists and researchers) or cheap workforce to the host countries. Following the CoM approach, migrants matter as they guarantee also and above all solidity and consistence in the proactive integration process of their members in the recipient communities.

On these bases, this special issue seeks to move beyond traditional approaches to migration that explain migration flows as a macroeconomic process motivated by important events (e.g., war, famine, wage differentials; Lewis, 1954; Ravenstein, 1885) and/or by the microeconomic endowment (e.g., skills and human capital) of the individuals who perform such a journey (Niebuhr, 2010; Rodríguez-Pose & Hardy, 2015). Whilst not denying these aspects, we propose to shed a light on other important factors to explain the way this process occurs.

Following the CoM approach entails considering migrants as non-homogenous flows of people who become embedded at the local level of the receiving areas. This calls for a stronger focus on the regional level as a means to introduce the meso- and meta-analytical levels of economic development, which is missing in other approaches (Esser, Hillebrand, Messner, & Meyer-Stamer, 1994). In particular, the meso-level allows for identifying peculiar territorial, institutional and sectoral dimensions that can promote the integration of immigrants in the recipient country. These go hand in hand with the meta-level, which highlights the norms and values, including social capital, that guarantee cohesion within the recipient society and the CoM. In our novel approach, these two sets of aspects (i.e., meso and meta) represent critical drivers of the migration process and essential catalyzers of cohesion and integration. They are keys to the solution of the multiple dilemmas that migration entails.

The approach put forward here complements the diaspora approach to migration, which refers to ethnic groups and communities spreading around the world and

maintaining a strong connection to their homeland (Kuznetsov, 2006; Sonderegger & Taube, 2010). Instead, the concept of CoM directs attention to the specific relation and impact that migrant communities have within a specific recipient country or region. Metaphorically speaking, the notion of diasporas captures ‘networking’ effects, while the notion of CoM zooms in on and takes account of ‘clustering’ effects. Indeed, CoM accommodates both the meso- and meta-development meanings of migration, as CoM refers to ethnic and national/regional groups of migrants who carry with them the heritage of their history and social capital. This cohesion attracts migrants towards the poles of concentration of these CoM (e.g., Indians in the Midlands, Turks in Baden Wurttemberg, Cubans in Miami, Mexicans in California). In turn, their concentration leads to the possibility of using internal networks, social support and business services (the meso-aspects), which facilitate the adaptation of newcomers to social and economic life in the recipient country.

In adopting, more or less directly, the CoM approach, the 11 papers in this volume can be organized around three sets of specific issues. The first set contributes to a deeper understanding of the complex *relationship between CoM and regional innovation*. Arguably, the question of how migration and movements of labour affect knowledge linkages and innovation performances of sending and receiving regions has been intensively analyzed (Breschi et al., 2017; Faggian, Rajbhandari, & Dotzel, 2017), although with a focus on skilled (scientific) migration, which represents a self-selected group within CoM. Four papers in this special issue add to our understanding of the phenomenon by providing new insights into the nature and spatial reach of innovation-enhancing knowledge flows triggered by CoM. D’Ambrosio, Montresor, Parrilli and Quatraro (2018, in this issue) investigate the extent to which regional immigrants and emigrants affect the capacity of their hosting and departing communities to engage in knowledge networks that lead to international co-inventorship. Focusing on Spain, both immigrants and emigrants are found to affect these connections. Moreover, the social capital of both the moving and the hosting communities appears to have a bridging role, because it moderates this impact positively. Schneider, Kubis, and Titze (2017, in this issue) provide support to the view that a large-sized CoM positively affects the host regions’ capacity to establish outward knowledge linkages. Employing data on R&D collaboration projects in Germany, they show that ethnic proximity matters for the establishment of extra-regional knowledge connections. R&D linkages are found mainly to knit together regions that are home to the same CoM. Further, two papers focus on the innovation impact of one particular kind of moving communities, namely mobile inventors. Lenzi and Capello (2018, in this issue) examine how these kinds of flows across space affect regional innovation pathways in Europe. They show that ‘inventors on the move’ play a significant role in shaping structural dynamics of regional innovation patterns, albeit their transformative impact is found to vary across different types of regions. Cappelli, Czarnitzki,

Doherr and Montobbio (2018, in this issue) analyze mobility patterns of inventors in Italy and provide evidence that their inflows and outflows have had an impact on the growth of total factor productivity (TFP) at the regional level over the period 1996–2011.

A second set of papers in this issue enhances our understanding of the nexus between CoM and entrepreneurship in the receiving regions. The question of how immigrant entrepreneurs contribute to regional economic vitality and the role that diasporas play in fostering entrepreneurship have already been tackled in the regional economics literature (e.g., Grant & Thompson, 2014; Wahba & Zenou, 2012). However, the focus has thus far primarily been on diaspora linkages on a global scale rather than on how specific CoM act in cities and regions. Four articles contribute to gaining a better understanding of the latter in different ways. Bettin, Bianchi, Nicolli, Ramaciotti, and Rizzo (2018, in this issue) show that CoM in general, and their size in particular, have a positive effect on migrants’ entrepreneurial activities. Drawing on empirical evidence on Italy, however, they also demonstrate that new firm formation often takes place in low value-added services. Tavassoli and Trippel (2017, in this issue) provide a nuanced view on how ethnic communities shape immigrants’ entrepreneurial activities. They use longitudinal-registered data from Sweden and demonstrate that mere embeddedness in an ethnic community does not matter for new immigrant entrepreneurship. Rather, it is the embeddedness in ethnic communities with high shares of entrepreneurs that essentially facilitates business ventures of immigrants. These findings indicate that bonding social capital does not suffice to explain how CoM foster entrepreneurship among their members. Circulation of industry-specific knowledge, entrepreneurial skills and institutional knowledge about the host region within such communities requires due consideration. Mickiewicz, Hart, Nyakudya, and Theodorakopoulos (2017, in this issue) investigate the impact of migration flows on entrepreneurship in the UK. They find that the variety of the ethnic groups matters in the same respect, although its impact is not linear and rather shows a ‘U’-turn pattern that points to the importance of heterogeneity of CoM and their creativity to boost entrepreneurship. Finally, Taube, Elo, and Volovelsky (2018, in this issue) study the migratory path of Jewish CoM entrepreneurs, the nature of their activities in host countries and regions, and their location decisions. This work contributes to the understanding of the interplay between entrepreneurs ‘against-the-tide’, their underlying social capital, and the specific multifocal location decisions of the Jew entrepreneurial CoM.

The third set of papers advances our understanding of the location pattern of CoM and offers novel insights into what factors underpin them and their effects. Nowotny and Pennerstorfer (2017, in this issue) scrutinize location decisions of different ethnic groups at the regional level in the European Union. They provide clear evidence that locations of regionally concentrated CoM and their neighbourhood regions play a powerful role in attracting new

migrants. Arguably, location decisions of migrants may well produce a lock-in effect, because there is evidence that current migrants' structures shape future location patterns. Fratesi, Percoco, and Proietti (2018, in this issue) provide fresh insights into bonding social capital and its effect on inflows of migrants. Focusing on location decisions of refugees in Italy, they show that, somehow unexpectedly, bonding social capital prevents the location of ethnic communities. These findings also imply that less consolidated regional societies, with lower levels of bonding social capital (such as those in Southern and Central Italy), offer better perspectives for the integration of refugees. Finally, Von Berlepsch, Rodriguez-Pose, and Lee (2018, in this issue) focus on the location decisions of migrant women and their economic impact. The authors' unique historical analysis of the patterns of migrant women in the United States over the 20th century shows that this impact is more through their sons, who are more likely to generate higher economic performance than any other type of sons/daughters (from local parents or both foreign parents). This emphasizes the important role of migrating women as carriers of cultural and social heritage.

Taken together, the papers in this special issue offer novel conceptualizations and new evidence on the meta- and meso-implications of migration that the CoM approach enables one to capture. While some of the papers adopt a broader perspective to the issue than CoM, along with those directly more inspired by it, together they suggest that such a perspective is convincing and capable of making the implications of migration less black boxed. The CoM perspective advocated in this issue has also policy implications, to which the papers dedicate much space. Host communities and their governments are well advised to acknowledge CoM as an important regional stakeholder to be involved in the governance of innovation, entrepreneurship and integration projects.

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No potential conflict of interest was reported by the authors.

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