Analysing the Effects of Symbolic Capital on Ethnic Entrepreneurship

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ABSTRACT

This article advances a structure for understanding the factors, e.g. capital, strategies, culture, and opportunity structure, affecting the embeddedness of ethnic entrepreneurship growth and development in the country of residence. Through the employment of the concept of symbolic capital the article interrogates the roles of the country of origin on the outcome of ethnic enterprises growth trajectories and susceptibility to failure crises. The article, thus, developed an integrated model; theorizing that exogenous factors are critical drivers of ethnic entrepreneurs’ economic growth and socio-political inclusiveness/embeddedness.

KEYWORDS

Black Africans, Breakout, Entrepreneurship, Symbolic Capital, UK
INTRODUCTION

A country’s reputation, as a collective judgment based on impressions of a variety of factors such as good government, people and culture, tourism, economic power, products, exports, and foreign policy (Wang, 2006), has broad implications on the perception and image of that country in the international arena. The ramification of countries’ reputation is, thus, explored in this paper to offer a model that explains the conditions under which ethnic immigrants’ embeddedness, as indicated through visible entrenchment of their cultural artefacts (including businesses) in the host countries’ socio-economic networks, is likely to flourish or fail. The model integrates symbolic capital (Bourdieu, 1993), which is a form of a non-financial resource of the entrepreneurial capital base, and ethnic network theories to asserts that the global image and representation of immigrants’ homeland have a significant influence on their entrepreneurship in the host country. These image and imagery conditions also drive immigrants’ cultural artefacts toward structural embeddedness that enables the host society to embrace or reject those artefacts. Research on image abound in the literature spanning many fields (e.g. Marketing, Tourism, Politics, etc.), however, the linkage between symbolic capital and immigrants’ socio-economic embeddedness is not as pronounced.

Essentially, this paper suggests that symbolic capital has a role to play in the breakout process of immigrants/ethnic entrepreneurship, implying that the allure and prestige associated with immigrants’ country of origin may shape the attractiveness of their products, services, and customs in the host country. In a nutshell, the interconnections between entrepreneurial practices, the broader society, cultural images of entrepreneurs (Essers & Benschop, 2007), together with socio-political global events are inductively analysed to offer fresh insight into ethnic entrepreneurship in the Western world. The effect of global exogenous factors on outcomes of ethnic entrepreneurship has been largely ignored. This research gap is of interest because the effect of the global events on economic activities can be redeployed in the study of social relations. Hence, this paper links concepts such as soft power, brand state, multiculturalism, symbolic capital, and breakout/crossover from diverse fields in theorizing the differential embeddedness of ethnic entrepreneurship and cultural incorporation.

It is hoped that some contributions to the understanding of the causal link between symbolic capital and ethnic entrepreneurship will be achieved by interrogating the extent at which symbolic capital shapes and influences the outcomes of ethnic enterprises. This will also help to unveil interesting insights into the ‘breakout’ process of ethnic entrepreneurship and possibly identify linkage of exogenous factors (e.g. brand state and liability of foreignness) to successful diffusion/breakout argument. This contribution is germane because existing models have paid insufficient attention to how the international perception of the country of origin and globalization impact on the opportunity structure of ethnic entrepreneurship. This is crucial especially as the literature of ethnic entrepreneurship emphasizes that expansion beyond the ethnic
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