

African Diaspora Entrepreneurs with a Business (idea) in Africa

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Background Research Project

*What are **motivations, resources and constraints** for **African Diaspora Entrepreneurs** with a business (idea) in Africa?*



2-jaar Applied Research project: Sept 2019 – Aug 2021

Diaspora Entrepreneurs

Riddle, Hrivnak & Nielsen (2010)

Emotional connection to homeland

Mayer, Harima, Freiling (2015)

Mixed Embeddedness

Kloosterman, van der Leun, Rath (1999)

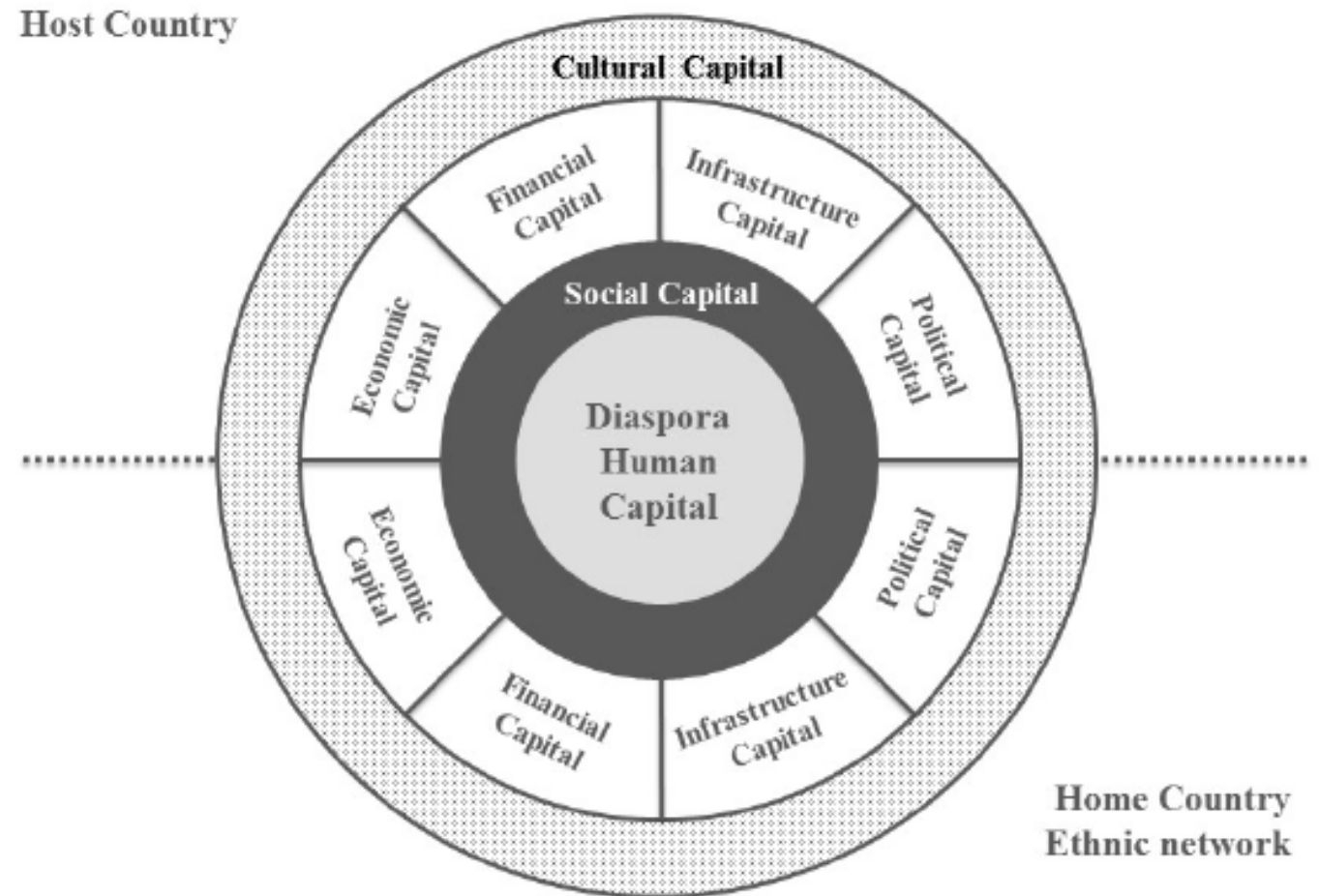
“Because anyway, as I am a bit of a hybrid for everyone, when I am in Belgium I am Senegalese, when I am here [in Senegal] I am French. So I take what interests me in each culture and in each environment. I make it my own, I appropriate it in a profitable way.”



Adapted Capital Model for Diaspora Entrepreneurs

Baron & Harima (2019, p81)

Figure 2 The adapted capital model for diaspora entrepreneurs



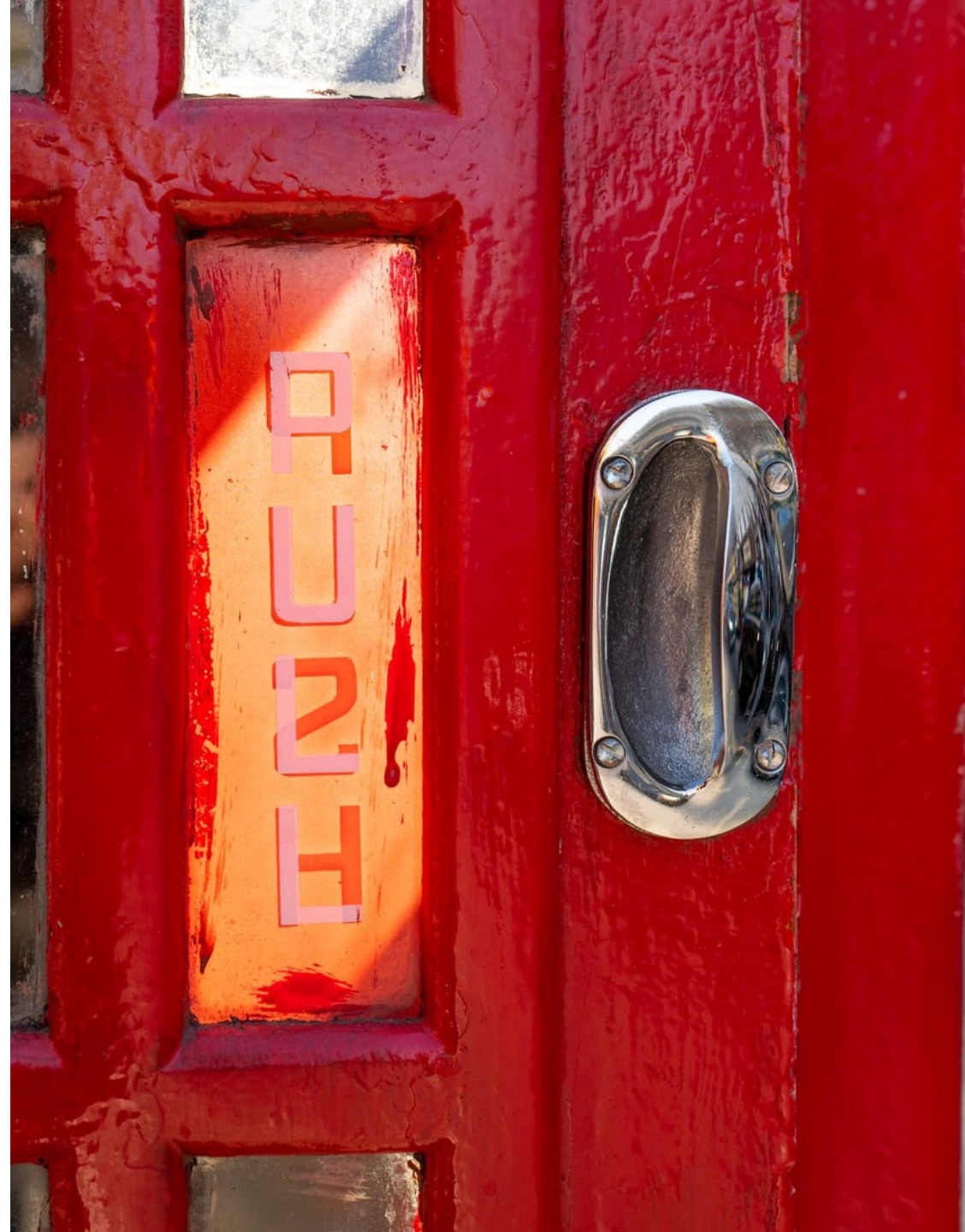
Methodology

- **29 in-depth interviews**
 - 12 women & 17 men
- Countries:
 - DRC (7), Cameroon (6), Senegal (4), Togo (3), Morocco (2), Rwanda, Uganda, Ethiopia, Burundi, Rwanda, Nigeria, Ghana, Sudan
- Different Sectors
- Different phases of business maturity (pre-formal stage)
- Recorded + transcribed + Coded in Nvivo
 - Combo inductive + deductive coding



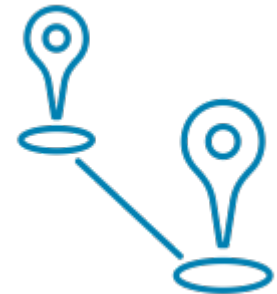
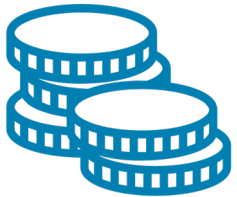
Push & Pull Factors

Nyame-Asiamah, Oduro Amoako,
Amankwah-Amoah, & Debrah (2020)



What are the challenges?

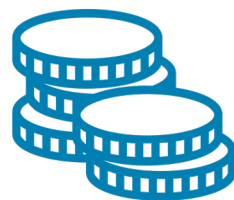
- Looked at both challenges in CoO and CoR
- Most common challenges:



Challenges & Resources

2 sides of the same coin





Resource

- Own resources + family
- Job security
- Grant applications (diversification)
- Investors, specific programmes (minority)
- Financial support programmes in CoO

Challenge

- Reluctant towards bank loans
- Impact investors
 - > high level entry
 - > high return on investment
- No synergies between CoR & CoO



Resource

- Creativity in administrative set-up
 - Bricolage to take advantage of both contexts + available funding channels
- Social Network & Trust

Challenge

- Institutional void
 - Corruption and bribing
- Difference between policy and practice
- It takes a lot of time and resources – slow process

“You can have your company established, but then for everything else, it's going to take a long time. Really, you'll have to, it's still the country where you pay bribes, so that it goes faster and that your file passes, they'll make you come back a hundred times and so, it's a horror administratively.”



Resource

- Mixed embeddedness

“Yeah, you know but, we cannot deal with people like you because what you need is micro funding”. And he didn't hear about my project, he didn't hear about my pitch”

Challenge

- Availability of supporting organisation and “access to it”
- Perception of diaspora entrepreneur’s needs and reality
 - Microfinance
- LT perspective diaspora vs short-term needs local community



Resource

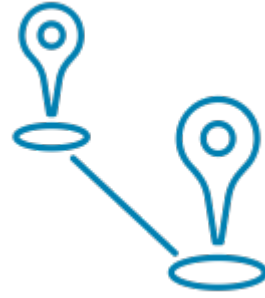
- Key resource to bridge time and distance
- Access to other sources:
 - Access to info in CoO
 - Practical support
 - Financial support
 - Human Resources

“I favor training my family members than outsiders. Why? Even if its my family member and he leaves me and go and start something else, it comes back to the family.”

Challenge

- Invest in your social network
- Built new social network/inherit social network from parents
- Loyalty versus business needs

“you have to be very, very independent and be willing to go against the grain, in conflict with your own family. Is your desire to be an entrepreneur stronger than your family ties?”



Resource

- Several entrepreneurs able to quickly adapt to Covid-19 because distance communication already in place
- Some remote business services became more acceptable -> new opportunities

“I already adopted Covid methods before Covid”

Challenge

- Money and time needed to visit
- Reliance on social network

Conclusion & Recommendations

- Adapt or re-invent financial options that facilitate diaspora-led entrepreneurship
- Better understanding of the needs of diaspora entrepreneurs + advantage of mixed embeddedness
- Looking at impact of diaspora-led entrepreneurship



Questions? Feedback?

