UNIWERSYTET EKONOMICZNY W POZNANIU

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Conditions and perspectives for the development of entrepreneurship of Armenian immigrants in Poland

Thesis brief

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The PhD thesis subject justification

Both the end of the 20th century and the beginning of the 21st century are characterized by increasing migration trends, especially from countries with a relatively weak economy or unstable political situation, towards those countries that can ensure an adequate level of safety and standard of living. According to estimates by the International Organization for Migration (IOM), in 2020 there were about 281 million international migrants in the world, which equates to 3.6 per cent of the global population. The growing number of foreigners in host countries gives rise to many problems, which are mainly related to cultural, social, political, religious and legal aspects. Moreover, the lack of reliable information about migration and its consequences often causes great anxiety in the host society. Currently, the main directions of migration are rather highly developed countries with a pro-migration attitude. Poland also has been and remains one of those directions. It is the target of migration for many people from different countries, who, on the one hand, flee from armed conflicts, and on the other, seek to improve their own economic situation. Contemporary migration movements in Poland and the resulting positive or negative effects often attract the attention of not only the scientific community, but also the entire society. One of the frequently discussed aspects of the presence of foreigners in Poland is the economic aspect, especially issues related to their entrepreneurship and the importance of immigrants (including separate ethnic groups) in the economic development of the state.

However it should be emphasized, that in order to improve living conditions migration is not a simple or easy task. When looking for a job in a new country, an immigrant faces numerous barriers, including language problems, lack of knowledge about the labor market, lack of appropriate qualifications and skills in the new country, lack of a work permit, etc. As a result, immigrants often look for their own development paths, mainly through the creation of new firms and self-employment. We should also point out the positive aspects related to the migration movement. In particular, compared to the native-born citizens of the host country, the immigrant has an advantage in terms of cross-cultural experience, which allows new business opportunities to be identified relatively quickly and easily. In other words, an immigrant may sooner notice the lack of a product, service, technology or method in organizing any process that he or she had to deal with in his country, which means that he can implement a specific solution faster and use it on the way to success (Vandor, Franke, 2016).

It is worth emphasizing that in the recent years the interest towards entrepreneurship of immigrants has increased sharply in the world and in Poland. More and more studies are being conducted, and more and more publications are published that focus on selected, often relatively

narrow issues, concerning individual migrant groups or areas of migrant activity (see Glinka, 2013; Nestorowicz, 2013, Brzozowski and Pędziwiatr, 2015 Brzozowska, 2015; Kosała, 2016; Andrejuk, 2017; Majkut, 2017, Andrejuk and Oleksiyenko, 2018, Jelonek and Glinka, 2020, Kubiciel-Lodzińska, Maj and Bębenek, 2020). By analyzing the issues of entrepreneurship of immigrants in Poland, one mainly talks about the significant successes of groups such as the Chinese, Vietnamese and Ukrainians, neglecting other groups that are less numerous and conduct activities that are less conspicuous. In this context, the Armenians, whose entrepreneurship in Poland begins as early as the 14th - 15th centuries, deserve attention in particular. An important reason justifying the choice of the topic of Armenian entrepreneurship in Poland was also the desire to enrich knowledge about the Armenians in Poland, especially in the field of their economic activity.

It seems that the current state of knowledge on the issue in question is fragmented, largely incomplete and superficial. Deepening the knowledge, and especially the precise presentation of the conditions for the development of Armenian entrepreneurship, may, on the one hand, contribute to the improvement of the perception of various ethnic groups living in Poland by indigenous Poles, and, on the other hand, support them to solve cultural, social, political, legal, religious and economic problems. The dual approach to the issue should contribute to the growth of mutual understanding of different nations living in the same area, and thus the constructive development of cooperation and creation of value for the entire society.

Aims, hypotheses and the scope of the dissertation

This thesis covers the topic of the entrepreneurial processes taking place among entrepreneurs of Armenian immigrants in Poland. The subject under investigation is Armenians living in Poland, belonging to the so-called third wave of migration, i.e. immigrants who came to Poland after 1988 and run a registered business. The spatial scope covers the territory of Poland, and the temporal scope covers the period of 1990-2020, i.e. the period in which the examined entities conducted economic activity.

The main purpose of the dissertation is to identify the mechanisms of the establishment and functioning of enterprises run by Armenian immigrants in Poland. The main goal defined in this way was broken down into mutually overlapping sub goals, including:

- Theoretical goal, within which the achievements of the literature on the subject of immigrant entrepreneurship and the conditions for its development were systematized,
- Research and cognitive goals, which include:

- identification of factors influencing the decision of Armenians to migrate to Poland,
- identification of factors motivating Armenian immigrants to start their own business in Poland,
- assessment of importance of Armenian diaspora support in the process of starting and running entrepreneurial activities by Armenian immigrants in Poland,
- identification of factors influencing the development of entrepreneurship of Armenian immigrants in Poland,
- identification of factors limiting the development of entrepreneurship of Armenian immigrants in Poland,
- identification of the goals of the economic activities of Armenian immigrants in Poland.

- Application objective - developing recommendations for immigrant entrepreneurs.

The adopted main as well as sub goals were the basis for the formulation of the following hypotheses:

H1- The entrepreneurship undertaken by Armenian immigrants in Poland is significantly influenced by conditions related to their striving for independence, time flexibility and eagerness to obtain a satisfactory salary that will ensure an adequate standard of living.

H2- The development of entrepreneurship of Armenian immigrants in Poland is limited by a number of legal, fiscal and financial barriers, which negatively affects their competitive position and prevents them from effectively fighting on an integrated market.

H3- The primary goals of Armenian immigrant entrepreneurs are to provide livelihoods and work for the family.

Research methodology

The adopted research procedure included the following four research stages:

- recognition and critical analysis of immigrant entrepreneurship research and identification of the cognitive gap,
- formulation of the main goal, subgoals and research hypotheses,
- collecting, processing and analyzing empirical material,
- development of empirical research results, verification of research hypotheses, formulation of conclusions and recommendations.

The nature of the research problem, concerning entrepreneurship and immigrant entrepreneurs, determined the adoption of quantitative and qualitative research as the basis, in which a multidimensional comparative analysis of complex phenomena was applied. The basis

for the analysis and assessments of the processes, which are taking place among the entrepreneurs of Armenian immigrants in Poland, were the results of in-depth questionnaire research and interviews conducted on a sample of 101 Armenian entrepreneurs, engaged in diversified economic activities.

The research was conducted in 2018 and mainly addressed the conditions, barriers, and motives for the development of entrepreneurship of immigrants. Due to the structure of Armenian immigrants in Poland, a non-random, purposeful selection of average units typical for a given population was used.

The two basic criteria that were adopted were that of belonging to the Armenian diaspora and formally running a business in Poland. We took into account people who run business, who belong to the third wave of migration, i.e. who came to Poland after 1988. Due to the relatively small number of such units, no other criteria were applied.

According to the available data, the number of Armenian citizens running their own business in Poland is around 500-600 people (Andrejuk, 2015, p. 237; Łukaszczyk, 2015, p. 41; Report Armenian community in Poland, migration policy of Armenia 2009, p. 123). It should be emphasized that these data do not include the Armenians who registered their economic activity as Polish citizens.

In the process of identifying entities to participate in the study, the following ways were used:

1) the author's personal contacts with Armenian enterprises in Poland, as well as the help of the priest of the Holy Apostolic Church of the Armenians in Poland,
2) assistance of representatives of various social organizations operating for the Armenians in Poland,
3) social media, in particular discussion groups aimed at connecting Armenians in Poland,
4) information obtained from the surveyed entrepreneurs,

The research questionnaire consisted of 4 parts, each of which represents a separate research problem. It should be emphasized that the problems in the questionnaire were focused on the current and past situation as well as on the directions of development. The duration of one interview, including observation, ranged from 60 to 90 minutes. It is noteworthy that the interviews were conducted by the author mainly in Armenian language, which is a member of the Armenian diaspora, which allowed the respondents to freely and easily express their views and opinions. The respondents' answers were recorded in the questionnaire in Polish. Face to face questionnaire research was conducted using several methods, including:

- direct interview in enterprises with owners or co-owners,
- participant observation in some enterprises,

- expert discussions with representatives of the Armenian diaspora,
- analysis of empirical data obtained in the surveyed enterprises.

Empirical research was preceded by a critical and large-scale analysis of the literature on the subject of immigrant entrepreneurship.

The in-depth research was carried out with the use of the interdependence analysis method and factor analysis, which enables the identification of structures in sets of random variables.

The structure of the dissertation

The structure of the thesis was subordinated to the methodology of achieving the main and sub goals. The design of the work is also determined by the scope and nature of the information collected in the course of the research.

The thesis consists of an introduction, six chapters, summary and recommendations. The first, second and third chapters are theoretical. Whereas the fourth chapter is empirical and methodical. Chapters five and six are empirical in nature.

The first chapter focuses on the issues of understanding the essence of entrepreneurship, the division of entrepreneurship into various types, types and places of entrepreneurship as a sub-discipline in management and quality studies.

In the second chapter, a literature review was carried out on the entrepreneurship of immigrants in Poland and the entrepreneurship of Polish immigrants. The aim of the second chapter was also to present theories explaining the entrepreneurial behavior of immigrants and the impact of immigrant entrepreneurship on the economy.

The third chapter describes the migration situation in Armenia and the phases of Armenians' migration to Poland, along with historical data on their entrepreneurial activity in Poland. The third chapter also presents data on the Armenian diaspora.

Nextly, the fourth empirical and methodological chapter focuses on the research procedure concerning the entrepreneurship of Armenian immigrants in Poland and the characteristics of the studied sample.

Chapter five contains data on the factors influencing the decision to migrate to Poland, the decision to start and run their own business, and the relations between Armenian immigrants and the diaspora. This chapter also focuses on the types of activities of Armenian immigrants, the results of diversification and change of activity.

The sixth chapter concerns the functioning of enterprises run by Armenian immigrants in Poland, barriers related to setting up and running enterprises, and the goals of immigrant entrepreneurs. This chapter also focuses on succession and decision-making processes in Armenian immigrant companies.

Main conclusions

The first problem discussed in the paper concerned the factors influencing the decision of Armenians to emigrate and their choice of Poland as a destination country.

Research has shown that the most significant impact on decisions regarding migration had economic factors, which primarily took into account the desire to change the place of residence due to the improvement of living and existential conditions, increase in personal income, ensuring financial security for the family and an adequate standard of living. It should also be emphasized that an important element in the choice of Poland as a country of economic emigration was positive information on the possibility of working and obtaining funds in Poland from Armenian friends already working in this country. Moreover, the visa-free regime until 1997 was also conducive to the arrival of Armenians to Poland. On the other hand, the analysis of the results showed that the social and religious factors had a relatively weak influence on the decision to migrate. This means that there is no religious persecution in Armenia, and the society functions in a relatively stable environment that positively influences their development, activity and behavior.

The next problem discussed in the paper concerned the factors that motivate Armenian immigrants to start their own business in Poland. The conducted research allowed to partially verify the first hypothesis. It turned out that the following factors had a major impact on Armenian immigrants starting their own business in Poland:

- striving for independence,
- favorable circumstances on the Polish market,
- mobility (flexible working hours),
- remuneration - striving for satisfactory earnings,
- socio-economic conditions (unfamiliarity with the Polish language, lack of knowledge about the market, no job opportunities, imitation of other Armenians, lack of funds for living).

Another problem this dissertation tried to solve concerns the interethnic relations of Armenian immigrants in Poland. The analysis of the results showed that a significant part of the respondents came to Poland because they had friends, colleagues and/or relatives working or running their own business in Poland. The help of the diaspora for new arrivals from Armenia in setting up their own business can be assessed as significant, because the vast majority of immigrants received help in the form of useful information on the organization of business activities, support in finding suitable workplaces and in other organizational matters.

The next problem in this dissertation concerns the types of economic activity carried out by Armenian immigrants and the results of diversification and change of this activity. At the moment of initiation of the enterprise as well as at the period of analyzing (2018), the dominant type of activity of Armenian immigrants in Poland turned out to be trade, which, however, shows a downward trend. With the passage of time, the economic activity conducted by Armenian immigrants has undergone evolutionary changes and diversification. It turned out that these changes were positive. It can also be emphasized that both in the case of changing the profile and its diversification, the basic motivation was the desire to find a new business opportunity, the improvement of the profitability of business activity and the use of the possessed knowledge and experience. At the same time, it is worthy to stress that the changes that are taking place are contributing to the limitation of commercial activities and the development of gastronomy.

One of the most important considerations in the dissertation were the factors influencing the development of economic activity of Armenian immigrants in Poland. The analysis of the research results showed that, according to the Armenian immigrant entrepreneurs, the most significant benefits of running their own business are:

- remuneration that is adequate to the effort invested,
- professional independence, meaning that the entrepreneur is an autonomous and independent entity,
- the possibility of employing a family that can be equated with self-esteem,
- flexible working hours.

Furthermore, the problem which this dissertation attempts to solve concerns the barriers and shortcomings of the development of entrepreneurship of Armenian immigrants in Poland. The results of the conducted research and analysis allowed to identify seven main limitations that may have a negative impact on the development of entrepreneurship of Armenian immigrants in Poland. Of these factors, two are of particular importance:

- competence, which is associated with industry knowledge, ownership competences, experience in running entrepreneurial activities, etc,
- legal norms, which are associated with unclear legal provisions, their variability and ambiguity, etc.

The conducted research allowed to partially verify the second hypothesis. As a result of the conducted research, it was confirmed that problems related to inconsistent and difficult to interpret legal provisions, as well as financial aspects, i.e. financial liquidity, creditworthiness and conditions related to trade and bank loans, are a significant barrier regarding the issue under consideration. On the other hand, the passage concerning the excessive fiscalism of the state has not been confirmed. It is worth noting that the most important barrier is the lack of appropriate

competences and skills that were not included in the hypothesis. It is worth adding that in the surveyed group as many as 51 people (50.5%) had higher education, of which 37 studied in Armenia, 11 in Poland and one person each in Russia, Georgia and Ukraine. Entrepreneurs who studied in Poland are the second generation of migrants from the 1990s, and most often they are co-owners in a family business.

Another issue that was tried to be solved in this dissertation concerned the goals adopted by immigrants in their activities. The analysis of the results allowed to identify 6 main goals set by immigrants, including:

- focus on achieving long-term and stable profit,
- diversification of the supported market and the type of activity carried out,
- striving for the satisfaction of customers,
- focusing on the employee as the most important resource of the enterprise,
- providing a livelihood for the family,
- providing work for the family.

It should be emphasized that the first four factors are consistent with the general goals adopted by most enterprises, while apart from the above-mentioned universal goals, the last two are specific and are focused on the nuclear or distant family. It is worth adding that in Armenian society, the family is considered to be the most important aspect of modern life, which means that the priority of every Armenian is to provide an adequate livelihood for his loved ones. It should also be emphasized that the conducted research allowed to verify the adopted hypothesis that the main goals of Armenian immigrant entrepreneurs include providing livelihoods for the family and ensuring its work.

The next problem that this dissertation tried to answer concerned the succession process in Armenian immigrant companies. In the analyzed group, the business is managed by entrepreneurs of the first migration generation who initiated the business and own it. This means that the succession process has not yet taken place in any of the surveyed enterprises. Also, it should be added that most entrepreneurs have not even considered the issue of succession. There are several reasons for not having plans for an inheritance. The first is related to the relatively young age of the surveyed entrepreneurs, the second to the lack of interest in taking over the company by potential successors. It is worth emphasizing that in the case of companies where succession is planned, the inheritance is considered only towards members of the immediate family, i.e. children and grandchildren, while in the case of no interest in inheritance on the part of the direct heir, the sale of the company is considered. It should also be added that in none of the analyzed cases an appropriate document was prepared to regulate the issues and stages of succession, all assumptions are based on the declaration and will of the current owner. In

addition, it is worth noting that after the succession, the current owners do not plan to actively participate in the daily life of the company, but are ready to offer their advice and experience to the new owner and do not expect remuneration for their help.

Limitations and directions of further research

Within this study, one can distinguish a limitation that concerned the inclusion of a larger number of Armenian immigrant entrepreneurs in the studied sample. It would be particularly interesting to study people who in the 1990s ran their own business in Poland, but later gave up this activity and returned to Armenia. Understanding the motives for starting and running one's own business and the identification of barriers encountered by these immigrants, as well as a comparison with the results obtained in this research, would allow for a more complete understanding of the entrepreneurial processes taking place among Armenian immigrants in Poland. Due to limited resources, especially in terms of time, it was impossible to conduct a survey among the above-mentioned people. Regarding further research on entrepreneurship of Armenian immigrants, special attention can be paid to the activities of second-generation Armenian immigrant entrepreneurs, especially those who will be successors of companies surveyed in this work.

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