

The Role of Social Networks in the Creation and Development of Business among African Immigrants in Madrid Area (Spain)

Richard M. Mababu¹

Abstract

Social networks provide entrepreneurs with opportunities to gain information from a wide variety of sources, to get capital, to test idea of business, to gain moral and material support, and to get talents for the venture. Immigrants use their social networks as a strategy to maximize their opportunities of integration and success in the host country. This study explores the impact of social networks on African immigrants business creation and growth in Madrid area (Spain). A survey was conducted among 200 African immigrant entrepreneurs in Madrid area, using face-to-face interviews by mean of a questionnaire. The findings indicate that more than 75 per cent of African immigrant entrepreneurs interviewed decided to go abroad for Political instability in their home country and for economic reasons. Moreover, this study shows that the social networks play an important role in African immigrants for the start up and development of business. Family, friends and ethnic ties are among the largest part of the social networks where African entrepreneurs find the main resources they need to run their business. African entrepreneurs value the positive role of cultural factors in their success. Practical implications and recommendations for future researches are discussed.

Keywords: African Immigrant, Entrepreneurship, Entrepreneur, Social networks, Small business

1. Introduction

Entrepreneurship plays an important role in supporting economic activities in the country by creating jobs and by contributing to country's gross domestic product (Brewer & Gibson, 2014).

¹ Professor of Industrial & Organizational Psychology, Department of Labor Sciences & Human Resources Management, Madrid Open University (UDIMA), Crtra. de la Coruña, KM 38.500 - Vía de Servicio, nº 15, Collado Villalba 28400 – MADRID, SPAIN. E-mail: richard.mababu@udima.es, Tel. +34 91 856 16 96/Fax. +34 91 856 16 97, <http://www.udima.es>

Immigrant entrepreneurs are contributing to the development of their hosting country with their entrepreneurial activities by creating country's wealth and reducing people's dependence on government for providing jobs. Today the integration of immigrants into the job market of their host countries is one of the most important issues related to ethnic diversity in developed societies (Stephens, 2013). Most importantly, in developed countries that are major destinations for immigration, such integration has become a very serious issue. Immigrants face many obstacles to settlement and integration into the job market for various reasons including discrimination, but also due to limited skills. The despair resulting from this difficult situation forces some immigrants to start a business and to become their own employers. In the context of this study, an entrepreneur is a person who sets up a business or economic activities, taking on financial risks in the hope of profit. Entrepreneur initiates, implements and develops his projects trying to use a limited number of resources in order to generate surpluses and profits which can then be reinvested to achieve further development with minimum risks (Mababu, 2009). Entrepreneurship gives immigrants social dignity in the host country, but is also a very challenging initiative given the various obstacles they face (Chrysostome & Arcand, 2009). The challenge for immigrants is finding resources to start a business in a new and foreign land. In this case, social networks play an important role for the creation and survival of the business, particularly in case of immigrant entrepreneurs.

1.1. Social Networks: Literature Review

The term social network has drawn the attention of many researchers and various definitions have been proposed in the literature (Casson, 1997). In general, social network is defined as a set of high trust relationships which either directly or indirectly link together everyone in a social group (Johannisson, Alexanderson, Nowicki & Senneseth, 1994). The social networks provide entrepreneurs with business contacts, advice and training and capital loaned through informal financial markets. The social networks help to bring firms more resources; and more resources help to achieve higher performance. Higher performance in turn motivates network formation (Bar Nir & Smith, 2002). However, Jenssen and Koenig (2002) argue that the analysis of social networks has been of the direct relationship between social networks and entrepreneurship and not the relationship between social network and Entrepreneurship through resource. Birley, Cromie and Myers (1991) found that the dynamic process of starting and running a firm requires gathering and managing resources. It is during this process that the entrepreneur's ability to use his social networks becomes prime.

The entrepreneur must rely on his personal credibility in asking people to take a risk by investing in his business. Research into social networking recognizes that business activity is embedded in complex networks of social relations which include family, state, educational and professional background, religion, gender and ethnicity (Granovetter 1985). Jones & Beckinsale (1999) go as far as to say that it is impossible to consider decision making without examining networks of personal relationships. A social network provides certain benefits that are shared among its members such as communication of information, funds, exchange content, or goods and services, counseling or advice (Shane & Cable, 2002). Moreover, social network is a source of competitive advantage for the immigrant entrepreneur since it can provide ethnic labor and emotional support as well as strategic information and trust. Christensen and Peterson (1990) examined the sources of new venture ideas and found that in addition to a profound market or technological knowledge, specific problems or social encounters are frequently a source of venture ideas. Raugh (2001) points out that entrepreneurial successful group has to develop social networks and organizations that facilitate greater access to information, products and services.

Recent research has shown the importance of the entrepreneurs' social capital in the access to several tangible and intangible resources, needed for the formation and growth of new firms (Greve & Salaff, 2003; De Sousa, Videira & Fontes, 2008). Spence & Lozano (2000) found that the most influential entities for small businesses are of course the government policy, the consumers, and in some cases trade associations. Also included in this influential group are families and friends, which ties play an important role in the small business culture. Social networks can be relevant to access and mobilize different resources critical to creation and development, namely: knowledge and information, financial capital, qualified human resources, facilities, credibility and reputation and emotional support (Arenius & De Clercq, 2004; Moensted, 2007). Social networks can also be instrumental in the identification of an opportunity (Ardichvili et al, 2003; Singh, 2000). In case of immigrants, social network analysis is based on an assumption of the importance of relationships among interacting units. Some draw on the social networks they developed before emigration to connect the new business to transnational networks. Others combine resources in the new country with those of the home country in order to create a business that appeals to the local market. If they do not expand their networks more widely, entrepreneurship remains limited to the ethnic economy (Salaff, Greve & Wong, 2006).

Entrepreneurs differ according to the size and type of social network that they can call on to supplement their expertise and knowledge etc., and the way in which they use and develop this network. Actors in an entrepreneur's social network may provide significant support in helping the entrepreneur to recognize their own abilities or limitations (perhaps leading them not to start up a particular business). The social network may also help to expand their abilities through drawing on and learning from the expertise and knowledge of the network (Ronstadt & Peterson, 1988). Social networks may improve the likelihood of success in a number of ways at different stages of the development of the business. Networks provide entrepreneurs with opportunities to gain information from a wide variety of sources, to test out their existing ideas, to get referred to appropriate specialists by their contacts (with a high probability that the specialist will take extra time to see them due to the mutual contact), to gain moral support and to gain the use of others who have an interest in the entrepreneur's welfare (Dubini & Aldrich, 1991; McQuaid, 1996). Social networks must also be considered as part of a wider process which includes the 'know-how' of entrepreneurs and their vision (Harrison & Leitch, 1994). Johannisson (1986) argues that personal networks are a major asset to the potential entrepreneur to develop the individual character which the entrepreneur is trying to impose on his business. Networks are a means by which potential entrepreneurs can choose the environment within which they wish to operate and select the people on whom they can depend; in this way entrepreneurs can defend their independence and authority.

Network characterization, as conducted in the social network literature, involves three aspects in general: the position occupied by different actors in the network, the network structure and the tie content (Wasserman & Faust, 1994). Regarding network position, it is considered that different positions, usually measured by network centrality measures, offer different opportunities for entrepreneurs to access the relevant sources of resources. The analysis of network structure is frequently linked with some density measures, which capture the strength of a network interconnection (Abello, Madariaga, & Hoyos, 1997). Despite the consensus on the importance of network structure, there is some debate over the specific effects of different network configurations (McQuaid, 1996; De Sousa et al, 2008). To conciliate these two perspectives, some authors argue that the creation of a new firm may require a mix of weak and strong ties, each of them contributing in a particular way to the entrepreneurial process. So, strong ties and close networks are associated with the exchange of fine-grained information and tacit knowledge, trust-based governance, and resource cooperation, while weak ties and open networks provide access to novel information (Hansen, 1992).

In this perspective, entrepreneurs' networks should have a balanced combination of strong and weak ties, that can be difficult to obtain (Uzzi, 1997; Stephens, 2013).

1.2. African Immigrants and Entrepreneurship in Spain

According to estimations, between 65,000 and 120,000 Sub-Saharan Africans enter the Maghreb (Mauritania, Morocco, Tunisia, Algeria, and Libya) yearly, of which 70 to 80 percent are believed to try to migrate to Europe (Muller, 2011; Frontex, 2014). Although the media focus on "boat migrants", many of immigrants employ other methods like using tourist visas, hiding in vehicles on ferries, and scaling or swimming around the fences surrounding the Spanish enclaves of Ceuta and Melilla in Morocco. Traditionally, Spain has been receiving an increasing amount of immigrants from Europe due to its pleasant climate, from Latin America due to its political and cultural ties, and from North Africa, more specifically Morocco, due to their historical relationship. However, due to famine, war, economic crisis, and political turmoil, African migration to Spain has greatly increased. The influx of immigrants from Africa is becoming more popular, and one of the concern issues for the Spanish government and European Union. Spain has become "land of opportunity" for some African immigrants; and for others, it is just a gateway to access to other prosperous countries of Europe like Germany, France, England, Belgium, Holland, and Scandinavian countries.

The Spanish economy is largely based on small and medium sized businesses, and make up 80% of the economy and create up 85% of jobs (Jerch, 2012). Therefore small businesses are very important to the livelihood of its economy and are the main employers in Spain. However, they yet lack the support from the government. According to the World Bank (2014), Spain is ranked 142 out of 189 countries ranked on their ease of starting a business. Spain has a ten-step procedure, lasting at the least a month, in comparison to the five-step procedures, and 11 days of other high-income countries. The national, provincial, and municipal governments all set the rules surrounding all small businesses. For company tax, small businesses are taxed at 25% on the first US \$ 300,000 earned and at 30% for income above that; the tax rate for large companies is 30% as well. Small businesses are also required to pay other taxes, such as, transfer tax, stamp duty tax, wealth tax, local property tax/council tax, land appreciation tax, capital gains tax, inheritance tax, income tax on rental income.

Only in certain situations the government is able to grant tax breaks. Spaniard small business entrepreneurs view themselves as victims of the government due to the bureaucratic strain of unfavorable regulations. The high taxes and lack of tax breaks show that small businesses are not favored in Spain especially in comparison to big businesses. The general lack of support leads immigrants to rely on their own network that will definitely support them (Adebayo, 2013).

While African immigrants abandon crucial support networks in their home country, they become reproduced in Spain's African immigrant networks which have been expanding with the continuous inflows of immigrants. Such networks help to counter the probable insecurities from western culture, language barriers, racism, unemployment and especially the initiative to undertake business ownership. This is important because each immigrant network has its own amount of resources and strategies that allow its members to become integrated in the network and host country (Goetz, 1999). Uncovering this relationship will provide the African immigrants with the best course of action when arriving in a new country and trying not only to survive, but also to thrive in the new society. Entrepreneurial immigrant groups have been found to follow the path of preserving ethnicities and forming enclaves of entrepreneurial activity based on family cohesion, trust relations, common language cultural and life habits (Raijman & Tienda, 2003).

1.3. Purpose of this Study

Most immigrants, and particularly African immigrants suffer prolonged unemployment and experience difficulties in getting into the labor market. For many, this is the reason they engage in small business. The purpose of the current study is to explore the importance of social networks and how African immigrants entrepreneurs able to take initiative, use social networks and transform themselves into successful business owners in Madrid Area. Madrid is the capital of Spain, and is the largest city of the country. It comprises the metropolitan city and suburban areas. It attracts many people: Spaniards from the countryside seeking job opportunities, tourists seeking to explore the historic monuments, and, more recently, immigrants also seeking job opportunities and a better life. So the main question this study tends answer is the following: How do African immigrants social networks help in the success of immigrant businesses in Spain, particularly in Madrid Area?

2. Method

2.1. Participants

The sample of this study consisted of 200 African immigrants who run their businesses in Madrid Area, 122 men (61%) and 78 women (39%). The age range was 24-61 years and the mean age was 32.53 years (SD=9.44). Table 1 summarizes the main characteristics of the participants. Concerning their age, 57% were between 25 to 45 years, 21% between 46 – 55 years, 18% over 55 years, meanwhile 4% were below 25 years. Most of participants were married (63%), 24% were single and only 13% of participants were divorced. Concerning education level, 12% of the entrepreneurs possess less than high school diploma or no education at all; 39% possess high school diploma and Vocational/Technical degrees; 41%, associates degree or bachelors degree; 8% possess Master's degree, PhD or advanced professional degree. The participants identified themselves according to their background or origin as follows: 21% were from Cameroon ; 11%, Nigeria; 23%, Senegal; 6%, Democratic Republic of the Congo (Congo-Kinshasa); 27%, Equatorial Guinea; and 12% were from others countries like Angola, Mozambique and Liberia. The business break down of the entrepreneurs interviewed is Groceries (27%), Beauty shops (18%), Hairdressing (9%), Clothing (6%), Restaurant (13%) , Bags, caps and belts (15%), Footwear (9%), and the group designated as 'others' represents only 3% and comprises businesses such music/movie shops, traditional healing, jewelery, panel beating, spices, etc. Participants are living in Spain for long time relatively: 13% are living for more than 21 years or above; 12%, between 15 and 20 years; 38% between 9-14 years; 28% between 3-8 years, and only 10% state they are living in Spain during a period which is less than 3 years.

Table 1: Demographic Characteristics of African Entrepreneurs

		Frequency	Percentage
Gender	Male	122	61
	Female	78	39
Age	Below 25 years old	8	4
	25 – 35 years old	56	27
	36 – 45 years old	60	30
	46 – 55 years old	41	21
	Over 55 years old	35	18
Marital status	Married	125	63
	Single	48	24
	Divorce	27	13
Level of education	Less than high school or none	23	12
	High school diploma	74	36
	Vocational/Technical degrees	5	3
	Associates degree (2-yr college degree)	21	11
	Bachelors (4-5 year University/college degree)	62	30
	Master's degree	11	6
	PhD or advanced professional degree such as MD, JD	4	2
Origin (country)	Cameroon	42	21
	Nigeria	21	11
	Senegal	45	23
	D.R. Congo	12	6
	Equatorial Guinea	57	27
	Other (Angola, Mozambique, Liberia)	23	12
Sector of activity	Groceries	54	27
	Beauty shops	38	18
	Hairdressing	17	9
	Clothing	13	6
	Restaurant	25	13
	Bags, caps and belts	29	15
	Footwear	18	9
	Other (*)	6	3
	Years in Spain	Less than 3 years	20
3-8 years		55	28
9-14 years		78	38
15-20 years		23	12
21 and above		24	13
		200	100

(*) The group designated as 'others' comprises businesses such music/movie shops, traditional healing, jewelery, panel beating, spices, etc.

2.2. Procedure

Data from African immigrant entrepreneurs were collected by means of personal visits and face-to-face interviews between the research staff and the respondents. The preliminary information was relied on African immigrants Associations in Spain. The sampling method used was convenience sampling, which is non-probability sampling. The first contact was by phone in which the objective of the survey was explained. Then, the next step consisted of an appointment for face-to-face meeting with immigrant entrepreneurs who accepted to participate in the survey. During the meeting, the interviewer first read a script that repeated the main aims of the research and then used the questionnaire for the survey. The interview took about 30-40 minutes and was at a time and place of respondents convenience. Of the 630 African entrepreneurs contacted, 200 accepted and took part in the survey. Participants were informed that their participation was voluntary and their information will be kept confidential.

2.3. Instrument

To understand the importance of social network and factors that influence the entrepreneurship among African immigrants, a survey was conducted in Madrid area. The methodology used to carry out the study was a survey by means of questionnaire which was a semi-structured set of questions developed for the purpose of this study. The questionnaire was pilot-tested to ensure clarity, comprehension and ease of use. A set of questions to measure the demographic characteristics of participants was included in the questionnaire. This instrument was utilized for collecting data to measure the immigrants' demographic information, experience of living in Spain, social network, knowledge of business, the profile of their business and the employment situation of the business.

3. Results

To understand the factors that influence the African immigrants entrepreneurship we focus on their integration in Spaniard culture, source of capital, and social network.

Table 2: Integration of African Entrepreneurs to Spaniard Culture

	Frequency	Percentage
Reasons why Africans leave their home countries for Spain		
Political instability	87	43
Economic reasons	71	34
Perception of business opportunities in Spain	14	8
Visit	21	11
Other (*)	7	4
How do you characterize your integration to the Spaniard culture, particularly in Madrid?		
Very easy	56	27
Easy	34	16
Somewhat easy	23	12
Somewhat difficult	43	22
Difficult	30	15
Very difficult	14	8
Did you get assistance during your integration process to Spaniard culture?		
Yes	147	73
No	53	27
	200	100

(*) The group designated as 'Other' comprises family problems, marriage, study, adventure etc.

The data from Table 2 show that 77 percent of participants state that they leave their home country to Spain for political instability (43%) and for economic reasons (34%). Growing instability, civil wars, and economic decline in several parts of East and Central Africa are still contributing to increase trans-Saharan migration and immigration to European countries like Spain, Italy, Portugal, France, Germany, etc. Once in Spain, they consider that their integration in Spaniard culture has been very easy (27%) and easy (16%) and somewhat easy (12%). However, about 45 percent of them claim that their integration has not been easy: 22% somewhat difficult; 15% difficult, and 8% very difficult. The majority of participants (73%) reported they got assistance during their integration process to Spaniard culture.

Table 3: African Entrepreneurs' Source of Capital

	Frequency	Percentage
Source of start up capital		
Personal saving only	34	17
Personal saving and bank credit	11	6
Bank credit only	0	0
Personal saving and family members' help	67	34
African system of solidarity savings mechanism (<i>Likelemba</i>)	88	43
Start up capital (in US \$)		
<100,000	134	67
100,000 – 250,000	37	18
251,000 – 500,000	29	15
501,000 -1,000,000	0	0
To what do you attribute your success?		
To your own effort	25	13
To your own effort and social network support	93	46
African system of solidarity savings mechanism (<i>Likelemba</i>) mainly	74	37
To your good luck in life	8	4
Source of current entrepreneurial opportunity in your host country (Spain)		
I worked in a similar business concern	29	15
Just myself and close family	105	53
Friends and social networks	47	24
Extended Family and ethnic group	12	6
By accident	7	4
	200	100

Some key issues related to source of start up capital, the initial capital, and opportunity of business are displayed in Table 3. Seventy seven percent of participants claim that their source of start up capital has been "Personal saving and family members help" and *Likelemba* (African system of solidarity savings mechanism). Only 17 percent of them confirm they used personal saving as source of start up; 6 percent of them stated they combined personal saving and bank credit as source of start up capital. None financed his capital with bank credit only. Bank credit is very limited among African entrepreneurs. They mainly received financing help from families and friends. African entrepreneurs commonly create credit associations called "*Likelemba*", "*Edir*" or "*Ekub*". The *likelemba* is an African solidarity savings system, a mechanism in which several members put some money into a "common pot"; and each month, the total amount in the pot is then given to one of the participating member. This solidarity savings system allows participants to make a number of outstanding projects without having to go through various conventional financial systems.

This rotation credit allows African immigrants to get or to raise money for investment or to start up a business. During the interview, 67 percent of participants reported that they started up their business activities with less than US \$ 100,000; and 33 percent stated they began with more than US \$ 100,000. Forty six percent of African entrepreneurs attributed their success in business to their own effort and social network support; 37% of them indicate their success is due to African system of rotating savings and credit Association (*Ilikelemba*). Only 13 percent consider their success is due to their own effort; and finally good luck in life was reported by 4 percent as source of success. The data show that the majority of participants (53%) state that source of their current business in Spain comes from their own idea and creativity, and from their close family. Near 24 percent indicate friends and social networks as source of their current entrepreneurial opportunity in Spain. Only 15 percent argue that they worked in a similar business in their home country.

Table 4: Culture and Social Networks

	Frequency	Percentage
How do you characterize your connection with your families or extended families back home?		
Extremely close	5	3
Very close	73	36
Close	110	55
Some what close	8	4
No relationship	4	2
Have you had any chance to connect socially with other entrepreneurs from your country?		
Yes	174	87
No	26	13
If you need information about business running, opportunities and development whom would you turn to?		
Africans	62	31
Public administration	31	15
My accountant	102	51
Internet	5	3
Cultural factors from you home country that have positive impact on entrepreneur's success in Spain?		
Collectivism/African solidarity	45	22
Saving	21	11
Persistence and patience	71	35
Beliefs in God/African Animism beliefs	40	20
Respect to others	23	12
Cultural factors acquired in Spain that have positive impact on entrepreneur's success in Madrid area?		
Labor force organization	18	9
Customers' services	24	12
Individualism	22	11
Operations mechanism	19	10
Political stability	68	33
Democracy and respect to laws and institutions	49	25
	200	100

Concerning culture and social networks (Table 4), 94 percent of African immigrants maintain their ties with their family in Spain as well as in their home countries. They consider very important the connection with their families or extended families at home countries for their personal wellbeing and psychological stability. Eighty seven percent of African entrepreneurs reported to be connected socially with other entrepreneurs from their country to develop social networks and organizations that facilitate greater access to information, products and services.

When they need information about business running, opportunities and development, 51 percent of participants turn to their accountant who is usually someone they trust such as a member of family or a close friend. Other 31 percent report they approach other African people and associations to get information they need about business, opportunities of development or any kind of information that could be benefit for their business. In the same context, 15 percent argue that they would turn to public administration to get any information they need related to their business activities. Regarding cultural factors, participants underline that there is a combination of factors from their home country that have positive impact on their entrepreneur's success in Spain: 35%, Persistence and patience ; 22%, Collectivism/African solidarity ; 20%, Beliefs in God/African Animism beliefs; 11%, Saving; and 12%, Respect to others. On the other side, participants underline some Spaniard cultural factors that have positive impact on entrepreneur's success in Madrid area such as political stability (33%), democracy and respect to laws and institutions (25%), organization of customers' services (12%), individualism (11%), operations mechanism (10%), the way of organizing labor force (9%).

4. Discussion

The objective of this study was to explore the importance of social networks for African immigrants entrepreneurs in Madrid Area. The results were presented in accordance with this objective and question formulated for the research, that is, to ascertain whether how African immigrants entrepreneurs take initiative, use social networks and become successful business owners in Madrid Area. Our results show that social networks play an important role in the African immigrants business start up since most of them state that their source of capital has been their personal saving and family members help as well as *likelemba* which is the African system of solidarity savings and credits mechanism.

As an African solidarity savings system, *Likelemba* provide a good mechanism that allow to get credits to start a business. In this mechanism, several members of the association put some money into a "common pot" and each month, the total amount in the pot is then given to one of the participating member. This solidarity savings system allows participants to get in a little time financial support they need to make a number of outstanding projects without having to go through various conventional financial networks. En general, the capital of start up is around US \$ 100,000. African immigrants tend to create great networks able to help in establishing and maintaining small businesses in Spain. Immigrant support networks are vital to the success of small businesses as shown in our study. Participants confirm that small businesses prove to be successful when immersed in the immigrant community because immigrants, who share a cultural connection, are able to support the business because of that cultural ties. Family and friends are mostly used as workers, accountants, helpers in setting up things or actually being employed. Hofstede (2003) explains Africans people as societies of a more collectivist nature with close ties between individuals.

The African communities abroad are built on connections. Better connections usually provide better opportunities and can facilitate access to information, motivation and material resources. Immigrants come to Spain for better life since at home they deal with war, conflict, famine and economical problems, disease and political turmoil. Participants stressed that without peace, it is not able to build a personal wellbeing, and there is no success in business, and children do not grow properly. They underlined also the economic problems as major reason of leaving their home country to Spain. The finding relating to 'economic reasons' as a major motivating factor can be compared with that by Stephens (2013) and Kalitanyi and Visser (2010) who argue that that economic motivations are some of the reasons for people migrating in search of better living conditions. On this point, Policy makers and other agencies could facilitate the contributions of immigrant groups in the economic development by providing assistance in securing start-up capital to immigrants (DeLancey, 2014). In Spain, African immigrants are shocked to find out that they are not just a minority, but they have to face many problems related to new language, culture and Spaniard labor market which is facing higher rate of unemployment. Immersed in a new country with new social, political and economic conditions that generally seem hard to adapt, African immigrants look to establishing small businesses as a detour to unemployment rate in Spaniard labor market. In this condition, start up a small business becomes one of the important solutions.

In Madrid Area, African immigrants are involved in a variety of business activities related to Groceries, Beauty shops, Hairdressing, Clothing, Restaurants, Bags, caps and belts, Footwear, music/movie shops, traditional healing, jewelry, panel beating, spices, etc. The findings of this survey show that African immigrants use their home country values (collectivism/African solidarity saving, persistence and patience, beliefs in God/African animism beliefs, respect to others, etc.) in their adaptation process in the host country. From their host country they appreciate positively some values such as political stability, democracy and respect to laws and institutions, individualism, operations mechanism, labor force organization, customers' services, etc. These findings coincide with Rajiman and Tienda (2003) who found that entrepreneurial immigrant groups tended to follow the path of preserving ethnicities and forming enclaves of entrepreneurial activity based on family cohesion, trust relations, common language cultural and life habits. In this context, Dahlerg (1997) states that we all find ourselves in various new places, either physically or mentally, including new jobs, new neighborhoods, new cities, new relationships, deaths and so on; and that these experiences require skills of adaptation - the ability to change and think of new possibilities.

Despite their education and experience, African immigrants find work in labor market only with great difficulties, and they are working grossly in positions with low income and which do not require any qualification. Frustrated in their goals to integrate into the host society, they turn to entrepreneurship, sometimes targeting the protected niche in the ethnic enclaves. This forces many of them to enter necessity-based entrepreneurship or solo-entrepreneurship. Starting a small business is the easiest way to make a living for an immigrant who is starting from scratch. Consequently, they create employment for themselves and sometimes for unemployed African immigrants and Spaniard citizens. Sometimes, solo-entrepreneurship is the best option for those immigrants with little capital, not much specialized knowledge, and possibly no residency papers or work permit. Despite the difficult local conditions in which they operate, most of African immigrant entrepreneurs base their effort on social networks to optimize the possibilities of creating and expanding their business activities in their host country. An overwhelming number of these African entrepreneurs obtain finance through a highly creative process based on African solidarity and social networks. They also have to deal with customs, harassment by police, and risks of being targeted by mafia, criminal associations or gangs.

Therefore, immigrant social networks do in fact help immigrants to easily and efficiently integrate into the host country. New immigrants are able to take advantage of the resources within the social network: people are able to teach them host country language (Spanish in this case), advice on how to get residency or work permit, to get connections on job opportunities, avoid mafia and illegal ways. In case of new immigrants, they trust the paths that the already established immigrants have taken and trust that this is the best way to succeed in the host country. They attempt to do life as they can and the only way they know how is through their immigrant social networks.

5. Conclusion and Recommendations for Further Research

This study has highlighted the issue of African immigrants entrepreneurship in Spain, and presented the importance of social networks in immigrants start up and business development. The relevance of this research is based on the implications that it generates. First, this study contributes to entrepreneurship theory since it provides a theoretical and empirical base to explain how social networks affect immigrant entrepreneur's business opportunity. Second, the social networks provide entrepreneurs with business contacts, advice and training and capital loaned. The findings of this study contribute substantially to the understanding of the African immigrants entrepreneurship and the role of social networks in the host country.

There are few studies that have considered the context of job creation by immigrants in Spain as an alternative way of changing the negative perception among some European citizens that believe immigrants who are in host country take the jobs that should be done by Spaniards. African immigrants choose to take the risk and undertake business ventures to improve their living conditions while at the same create employment contributing to the host country economy. Third, this study brings out some relevant data which would help to European Union policy of immigration. European Union is looking at Spaniard borders with a certain concern because of the increasing number of Sub-Saharan Africans who are trying to reach Spain by boats "*pateras*" or by crossing Spain's northwest African enclave cities of Melilla and Ceuta. This study brings some evidence of African immigrants activities in Spain that could help in European Union immigration policy. Despite of those interesting findings, this study has some limitations. First, the sampling method used in the research was convenience sampling which is non-probability sampling.

It would be interesting to use probabilistic sampling in order to assure the generalization of the results to the population of the study. The second limitation is related to the statistics techniques. In this study, frequencies and percentages have been used as main techniques for data analysis. The use of more robust statistics like correlations, factor analysis and regression would bring significant contribution in terms of the relationship between variables, particularly between entrepreneurship, capital and social networks.

Despite of above-mentioned limitations, this research have made a significant contribution to our understanding of immigrants entrepreneurship and social networks. It would greatly help to recognize the realities for immigrants in the host-society as well as the resources that immigrants could draw upon to lead them to success. Researchers and government could find relevant information which could allow to set up different programs and policy for integration of African immigrants. It would be interesting to conduct research at national level to determine and study the impact and dynamic of the immigrant social networks in Spain economy and welfare. Research into a number of aspects of immigrant entrepreneurship could greatly benefit the economies of host countries while at the same time contributing positively to the lives of their populations through tax, jobs creation and consumption. Immigrant entrepreneurs might also improve the welfare in their home countries due to remittances and specific development projects. It is therefore strongly recommended that further research be undertaken into the inclusion of all immigrants in Spain without distinction of origin. This research would analyze the contribution of the immigrants in the host country economy on one hand, and on the other hand, it would determine the entrepreneurship mechanisms and the importance of social networks. Race and discrimination issues have not been approached in this study. However, it would be interesting to study those issues since some immigrant entrepreneurs point them out. A comprehension of culture differences between home country and host country would enrich our understanding of immigrant entrepreneurship.

References

- Abello, L. R., Madariaga, C. & Hoyos, L. (1997). Redes sociales como mecanismo de supervivencia: un estudio de casos en sectores de extrema pobreza [Social networks as a survival mechanism: a case study in areas of extreme poverty]. *Revista Latinoamericana de psicología*, 29(1), 115-128.

- Adebayo, M. (2013). West African Immigrant Entrepreneurs in Spain. Unpublished paper. Washington DC: Johns Hopkins University.
- Ardichvili, A., Cardozo, R., & Ray, S. (2003). A theory of entrepreneurial opportunity identification and development. *Journal of Business Venturing*, 18(1), 105-123.
- Arenius, P., & De Clercq, D. (2004). A Network-Based Approach on Opportunity Recognition. Vlerick Leuven Gent: Working Paper Series 2004/23.
- Bar Nir, A. & Smith, K.A. (2002). Interfirm alliances in the small business: The role of social networks. *Journal of Small Business Management*, 40, 219-232.
- Birley, S., Cromie, S., & Myers, A. (1991). Entrepreneurial networks: their emergence in Ireland and Overseas. *International Small Business Journal* 9(4), 56-74.
- Brewer, J. & Gibson, S. W. (2014). Necessity Entrepreneurs Microenterprise Education and Economic Development. Cheltenham, UK: Edward Elgar Publishing Ltd.
- Casson, M.C. (1997). Information and organization: A New perspective on the Theory of the Firm. Oxford: Clarendon Press.
- Christensen, P. S. & Peterson, R. (1990). Opportunity identification: Mapping the sources of new venture ideas (paper presented at the 10th annual Babson Entrepreneurship Research Conference, April 1990). Denmark: Aarhus University Institute of Management.
- Chrysostome, E. & Arcand, S. (2009). Survival of Necessity Immigrant Entrepreneurs: An Exploratory Study. *Journal of Comparative International Management*, 12(2), 3-29.
- Dahlerg, S.T. (1997). Aging: A migratory experience, migrant aging. Minnesota, Phoenix: International Centre for Creativity and imagination.
- DeLancey, R.M. (2014). Entrepreneurship and Immigration: A Study of Africans in the Korean Economy. *International Journal of Knowledge and Innovation in Business*, 1 (1), 1-20.
- De Sousa, C., Videira, P. & Fontes, M. (2008). The role of entrepreneurs' social networks in the creation and early development of biotechnology companies. International Conference Rent XXII - Research in Entrepreneurship and Small Business Covilhã, Portugal, November 20-21, 35-46.
- Dubini, P. & Aldrich, H. (1991). Personal and Extended Networks are Central to the Entrepreneurial Process', *Journal of Business Venturing*, 6, 305—313.
- Frontex- European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (2014). FRAN Quarterly. Warsaw, Poland: Risk Analysis Unit.
- Granovetter, M. (1985). Economic Action and Social Structure: The Problem of Embeddedness. *The American Journal of Sociology*, 91(3), 481-510.
- Greve, A., & Salaff, J. W. (2003). Social Networks and Entrepreneurship. *Entrepreneurship Theory and Practice*, 28, 1-22.
- Goetz, S.J. (1999). Migration and local labor markets. The web book of regional science. Harrisburg: Penn State University.
- Hansen, N. (1992). Competition, Trust and Reciprocity in the Development of Innovative Regional Milieux. *Papers in Regional Science* 71(2), 95-105.
- Harrison, R.T. & Leitch, C.M. (1994). Entrepreneurship and Leadership: The Implications for Education and Development. *Entrepreneurship and Regional Development* 6, 111--125.
- Hofstede, G. (2003). Culture's consequences, comparing values, behaviors, institutions, and organizations across Nations. Newbury Park, CA: Sage Publications; Second Edition.

- Jenssen, J.I. & Koenig, F.H. (2002). The effect of social networks on resources access and business startup. *European planning studies*, 10(8), 1040-1046.
- Jerch, M. (2012). La promoción de las pequeñas y medianas empresas en los países del mediterráneo y la cooperación financiera [The promotion of small and medium enterprises in the Mediterranean countries and financial cooperation]. *Revista ICE Información Comercial de España*, 864 (Enero-Febrero), 115-130.
- Johannisson B., Alexanderson O., Nowicki K. & Senneseth K (1994). Beyond anarchy and organization: entrepreneurs in contextual networks. *Entrepreneurship and regional development* 6 (4), 329-356.
- Johannisson, B. (1986). Network strategies: management technologies for entrepreneurship and change. *International Small Business Journal*, 5(1), 19-30.
- Jones O. & Beckinsale, M. (1999). Analysing the Innovation process: networks, mocrpolitics & structural change. Research paper series. Aston: Aston Business School Research Institute.
- Kalitanyi, V. & Visser, K. (2010). African immigrants in South Africa: Job Takers or Job Creators? *South African Journal of Economic and Management Sciences*, 13(4), 376-390.
- Mababu, R. (2009). El Comportamiento del Empresario: Aproximación a las Características Personales del Emprendedor en las PYME. [Entrepreneur's behavior: Approach to Personal Characteristics of Entrepreneurs in Small and middle sided Businesses] *Revista CEF de Trabajo y Seguridad Social*, 324, 131-164.
- McQuaid, R.W. (1996). Social Networks, Entrepreneurship and Regional Development. In M. Danson (ed.), *Small Firm Formation and Regional Economic Development* (pp. 118-131). London : Routledge.
- Moensted, M. (2007). Strategic networking in small high tech firms. *International Entreprise and Management Journal*, 3, 15-27.
- Muller, M. (2011). Inmigrantes Subsaharianos. Una aproximación a las claves de la exclusión. [Sub-Saharan immigrants. An approach to keys factors of exclusion]. Madrid: Consejería de Empleo, Mujer e Inmigración.
- Raijman, R. & M. Tienda, (2003). Ethnic foundations of economic transactions: Mexican and Korean Immigrant entrepreneurs in Chicago. *Ethnic and Racial Studies*, 26(5), 783-801.
- Raugh, J. (2001). Black ties only? Ethnic business networks, intermediaries and African American retail entrepreneurship. In J. E., Rough and A, Casella (Eds.) *Markets and Networks* (pp. 270-309). New York: Russel Sage.
- Salaff, J., Greve, A. & Wong, S. (2006). Business Social Networks and Immigrant Entrepreneurs from China. In E. Fong and C. Luk (Eds.), *Chinese Ethnic Economy: Global and Local Perspectives* (pp. 56-86). London, UK: Routledge.
- Shane, S., & Cable, D. (2002). Network ties, reputation, and financing of new ventures. *Management Science*, 48(3), 364–381.
- Spence, L.J. & Lozano, J. F. (2000). Communicating about ethics with small firms: Experiences from the UK and Spain. *Journal of Business Ethics*, 27, 43-53.
- Singh, R. P. (2000). Entrepreneurial opportunity recognition through social networks. London: Garland.
- Stephens, S. (2013). Building an entrepreneurial network: the experiences of immigrant entrepreneurs. *Journal of Enterprising Communities*, 7(3), 233-244.

- Tesfom, G. (2006). The Role of Social Networks on the Entrepreneurial Drive of First Generation East African Origin Entrepreneurs in the Seattle Area. *Journal of Asia Entrepreneurship and Sustainability*, 2(4), 21-35.
- Ronstadt, R. & Peterson, R. (1988) *Networking for Success: KnowWho plus KnowHow*. Natick MA: Lord.
- Uzzi, B. (1997). Social structure and competition in interfirm networks: the paradox of embeddedness. *Administrative Science Quarterly*, 42, 35-67.
- Wasserman, S & Faust, K. (1994). *Social Network Analysis. Methods and Applications*. Cambridge, UK: Cambridge University Press.
- World Bank Group. *Doing Business* (2014). Retrieved date: 10 Aug. 2014
<http://www.doingbusiness.org/data/exploreeconomies/spain>