



# Opportunity Recognition, an influence on refugees and asylum seekers social entrepreneurship in host countries: From the lens of the mixed embeddedness and effectual frameworks. The French Context.

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# **OPPORTUNITY RECOGNITION, AN INFLUENCE ON REFUGEES AND ASYLUM SEEKERS SOCIAL ENTREPRENEURSHIP IN HOST COUNTRIES: FROM THE LENS OF THE MIXED EMBEDDEDNESS AND EFFECTUAL FRAMEWORKS.**

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## **Abstract**

This paper aims to highlight how harnessing female refugee activities through social entrepreneurship is beneficial to the country's economy and a driver of refugee integration in host communities (Akter, Rahman, & Radicic, 2019). This paper bridges the conceptual and contextual gaps of female refugee social entrepreneurship literature (Czinkota, Khan & Knight, 2021; Elo, Aman & Täube, 2018; Sinkovic & Reuber, 2021; Zucchella, 2021). It also addresses the scarcity of research on the relevance of gender in social entrepreneurship. Our main question is: **How does opportunity recognition as a construct influence female refugees' social entrepreneurship in the host country?** We draw upon the mixed embeddedness (Kloosterman, 2010; Kloosterman, Rusinovic & Yeboah, 2016) and effectual lenses (Sarasvathy, 2008) to understand how female refugees become social entrepreneurs, and what makes them different.

## **Theoretical background**

With the current geopolitical unrest, over 3 million people have left Ukraine and crossed into neighbouring countries (IOM, 2022). This is in addition to the recent statistics that show that, 82.4 million people were forcibly displaced world-wide at the end of 2020.

However, the phenomenon of refugees' inclusion in host countries and across the globe still remains a paradox for host governments due to their heterogeneity (Harima & Freudenberg, 2020). Therefore, to overcome unemployment and under employment many of them resort to entrepreneurship. To promote social cohesion through tackling societal challenges through their social entrepreneurial ventures with "a social goal" (Short, Moss & Lumpkin, 2009, p. 162).

The "hybrid nature of social entrepreneurship" influences female refugee social entrepreneurs to succeed since they adhere to both social goals even with stiff financial constraints. The transnational social entrepreneurs take advantage of being multiply embedded in different institutional environments an element that shapes their understanding of themselves and their environment (Bolzani, Marabello & Honig, 2020). Despite the impact of the endogenous and exogenous factors could undermine the existence of their social ventures. Female refugee social entrepreneurs are able to collaborate with services providers to meet untapped economic and social needs through co-creation and co-production while responding to the needs of marginalised segments of the society.

The first opportunity creation theory; asserts that opportunities do not exist independently from the entrepreneur. They are created by the actions, reactions, and enactment of entrepreneurs as they explore new ways to generate new products or services (Eckhardt & Shane, 2003). According to this view, entrepreneurs cannot search for opportunities, but rather act and observe the effects of their actions (Moss & Lumpkin, 2009) an argument supported by the effectual and mixed embeddedness frameworks. However, social entrepreneurship opportunities are different from those found in profit ventures especially for the female refugees.

## **Methodology**

We conducted a qualitative and exploratory study in order to develop a deep understanding of a complex social phenomenon (Eisenhardt, 1989). We conducted semi-structured interviews with 22 female refugee entrepreneurs (i.e. with a defined legal status and are beneficiaries of

international protection) and 3 service providers working with exiled people's social entrepreneurship in France. Data has been collected from April-July 2021 and January-February 2022 and analysed through a content analysis. The interviews were conducted both in French and English languages. The duration of the interviews ranged from 45 minutes to one hour.

## **Results**

We identified that female refugee social entrepreneurs recognise opportunities, through transformation of their human and social capital to be able to grasp the opportunities available within the host country market environments an aspect referred as "agency".

Secondly, most of the female refugee social entrepreneurs recognise their liability of foreignness but devise means through effectual decision-making process to create social ventures.

Thirdly, we aggregated our results also by highlighting the role of networks in creating opportunities for female refugee social entrepreneurs. Our target group acknowledges the importance of growing strategic networks as an important factor. Although some of them did not rely on the diaspora networks (as they differed in their entrepreneurial visions).

It worth noting that, while effectual approaches open up and create new markets with a low failure cost, expert social entrepreneurs who choose to build large ventures have to become good at using both casual and effectual tool boxes.

Fourthly, social value creation as another aggregated construct, there is an untapped opportunity for service providers and refugee social entrepreneurs to work together to achieve both business and social impact goals. Refugee social enterprises do bring inclusion and sustainability into value chains and create impact.

Finally, innovation and digital (skills and tools) appeared to play a crucial role. Most female refugee social entrepreneurs acknowledged to using digital pathways to unlock markets that were out of their reach, develop strategic networks and gain visibility. The digital tools also avoiding stereotypes and marginalization that could impact refugees' social ventures.

Moreover, their ventures became more resilient during the global COVID-19 pandemic due to their online presence.

Results from the service providers such as refugee incubators, accelerators and NGOs confirm that are entrepreneurial in nature despite the difficulties encountered in their migration trajectories.

Additionally, entrepreneurship is a way of promoting integration and diversity especially through co-production and co-creation initiatives.

### **Contribution to theory and policy**

This study is a novel attempt in providing a longitudinal analysis on how extant resources determine the opportunity spaces explored by the female refugees in turbulent host country business environments. The study makes specific contributions. Conceptually, female refugee social entrepreneurs are not only recognized for their contributions towards economic growth but also creating impactful social ventures aimed at wealth creation hence eradicating poverty and income inequality. We make theoretical contribution by enriching literature on opportunity recognition and its influence of female refugee social entrepreneurship through the lenses of the mixed embeddedness and effectual frameworks (Ram, Jones, Doldor, Villares-Varela & Li., 2022). Empirically, our research unveils the quasi systematic inclusion of sustainability in business models to promote social value. Managerial wise, to female refugee entrepreneurs, it is relevant to take into consideration the indicators of social entrepreneurship so as to measure their social impact. This could act as a tool for policy makers and stakeholders to work towards building inclusive entrepreneurial ecosystems and provide guidance in designing policies enabling female refugee to venture in social enterprises and create social impacts.

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