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# **POLISH IMMIGRANTS IN LEICESTER:**

## **Forms of Capital Underpinning Entrepreneurial Activity**

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**POLISH IMMIGRANTS IN LEICESTER: FORMS OF CAPITAL  
UNDERPINNING ENTREPRENEURIAL ACTIVITY**

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**ABSTRACT**

In this paper we report a study of 10 Polish immigrant entrepreneurs operating in Leicester, UK. Like Ram, Theodorakopoulos and Jones (2008) we take a forms-of-capital approach but use Bourdieu's (1983) social, cultural and economic capitals as the lens through which to explore their pathways to entrepreneurship. This allows us to look beyond studies that generally focus on social capital embodied in family and ethnic networks. By incorporating a mixed embeddedness approach (Kloostermans, Van Leun and Rath, 1999), we identify three groups – traditional, opportunity and opportunist entrepreneurs - based on when they immigrated and the implications of the differing origins and amounts of capital they can access and convert into entrepreneurial activity. The contribution of this paper is to go beyond explaining ethnic entrepreneurship in terms of social capital arising from ethnic group membership and to show the existence of intra-ethnic variation in the UK Polish entrepreneurial community.

## INTRODUCTION

Since the 1980s the UK has moved to a position where immigration exceeds emigration (Hatton, 2005). The enlargement of the European Union (EU) has seen this increase significantly with the right to work being granted to nationals from the new EU member states in May 2004. To this end the term ‘super-diversity’ (Vertovec, 2007) has been used to describe the UK’s composition.

Our interest is in Polish nationals in the UK. Parts of the media have focussed on the supposed negative effects of Polish immigration in recent times (see Dispatches on Channel 4, 28 April 2008). However, they have represented a very mobile and visible workforce across Europe for over a century (Garapich, 2008a, see also Düvell, 2004; Górný and Ruspini, 2004; Morawska, 2002; Okólski, 2001; Triandafyllidou, 2006). Indeed, their recent influx into the UK should be regarded as a continuation of the migration process which began post-WWII. In Patterson’s (1968) *Immigrants in Industry*, the experience of Polish immigrants, who were initially housed in camps in the Leicestershire area and then settled in the UK after WWII, is discussed. When Poland gained associate membership of the EU in 1993 this gave to visa-free entry into the UK but limited access to the labour market. This agreement did however mean ‘Polish nationals were able to enter the EU labour market as self-employed individuals and were able to establish business in EU states’ (Garapich, 2008b, p. 742). This opened up opportunities for those Polish people who were already settled in the UK and research has shown that the self-employment schemes contributed to ‘deepening of the infrastructure of Polish social relations in London’ (Düvell, 2004, p. 25). Since Poland’s accession to the EU, access to the UK labour market has been unrestricted and even greater number of Polish nationals arrived in London seeking work (see Garapich 2008a and Triandafyllidou 2006 for more detail).

In this paper our concern is with one aspect of Polish immigrants’ economic participation in the UK: self-employment. ‘Ethnic entrepreneurship’ or ‘immigrant entrepreneurship’ is how the phenomenon of self-employment and enterprise development would usually be termed (see Kloostermans and Rath, 2003). We know entrepreneurship provides a way for immigrants to survive in their new homeland being prompted by difficulties in adapting and labour market discrimination. Jones and Ram (2007) overview the many developments in attempting to understand ethnic entrepreneurship but as they point out, the concept of social capital has been embraced in analyses of ethnic or immigrant entrepreneurial activities. These focus on how the group’s ethnic resources are harnessed to achieve economic survival or success. While the concept of social capital has become increasingly popular to use in understanding economic life (Rath and Kloostermans, 2002), some argue that there is a risk of ‘trying to explain too much with too little’ (Woolcock, 1998, p. 155).

The purpose of our paper is to consider not only the ways in which social capital is used by Polish immigrants in their pursuit of entrepreneurial activity but also the ways other forms of capital are combined in this pursuit. We take a sociological perspective drawing on Bourdieu (1983, p. 242) who argued, ‘it is in fact impossible to account for the structure and functioning of the social world unless one reintroduces capital in all its forms and not solely in the one form recognised by economic theory’.<sup>1</sup>

In our paper we take a lead from Ram et al (2008) who also used a forms-of-capital analysis when looking at Somali entrepreneurs in Leicester. However in referring to 'other forms' we return to Bourdieu (1983) and base our analysis on the categories he originally proposed: economic, social and cultural capital. Like Ram et al (2008), we argue that social capital arising from a shared ethnicity or the same country of origin is only one form of capital pertinent to ethnic entrepreneurial activity. While social capital embodied within the ethnic or immigrant community can help to explain entry (or not) into entrepreneurial activity, there are differences existing within immigrant populations. Ram et al (2008) also used the mixed embeddedness approach (elaborated by Kloostermans et al, 1999) to explore this as it helps to explain how ethnic entrepreneurship forms within the institutional frameworks and opportunity structures and how these enable or constrain the realisation of value from the different forms of capital. For our Polish immigrants we can see this in most notably in their employment rights arising from their immigration status and how this has changed over time as we pointed to above.

We locate our study in Leicester, a mid-sized city in the UK's East Midlands region. While Leicester is well known for its large and diverse south Asian population, there are new immigrant communities in the city who play an active entrepreneurial role (see Ram et al, 2008). The Polish community is one of these and in 2007 we counted at least 12 Polish websites and five internet radio stations. Moreover, we found at least 20 new Polish restaurants and Polish and other Eastern European food shops, as well as Polish recruitment firms and advice bureaus. In addition, numerous Polish plumbers and builders advertised their services in the local newspaper. We use case studies informed by the principal of 'maximum variation', to collect interview data which we analyse to show the ways different forms of capital are used as well as the ways they are converted into valued outcomes. In the next section of the paper we define the various forms of capital and discuss ways in which they can be used and converted such that they create value for ethnic entrepreneurs.

## **FORMS OF CAPITAL**

Capital is increasingly discussed in the ethnic entrepreneurship literature. Nee and Sanders (2001) used a forms-of-capital approach to understand how Asian immigrants' household characteristics shaped their mode of incorporation into North America society. Ram et al (2008, p. 440) then used this approach 'to account for the condition of Somalis in business'. In both studies the conclusion was that social capital 'pays dividends' (Nee and Sanders, 2001, p. 408), but as Ram et al (2008, p. 440) noted, it 'is conditioned or even subverted by market barriers, under-capitalisation and the associated sectoral and spatial entrapment'. In other words, it is the interplay of these forms of capital which is important in understanding entrepreneurial activity.

What are these forms? Bourdieu (1983, p. 243) writes that 'capital can present itself in three fundamental guises: as *economic capital*, which is immediately and directly convertible into money and may be institutionalised in the forms of property rights; as *cultural capital*, which is convertible, on certain conditions, into economic capital and may be institutionalised in the forms of educational qualifications; and as *social capital*, made up of social obligations ('connections'), which is convertible, in certain

conditions, into economic capital and may be institutionalised in the forms of a title of nobility'. We expand on each of these briefly as well as consider their convertibility and use in the context of entrepreneurial activity.<sup>2</sup>

Economic capital is an asset that can yield profit and one that can be converted into monetary form. It can be inherited or acquired and can be stored. However economic capital may be problematic for immigrants who may lack substantial amounts of money, be unable to convert assets from home into those of value in their new host country or generally are unable to access finances in mainstream credit markets. Considerable research has looked into the problems ethnic entrepreneurs have accessing finance (Smallbone et al, 2003) and this is partly why researchers have looked at how social capital, embodied within ethnic families and communities, can be converted to into a capital asset (see Jones and Ram, 2007).

Social capital is something that 'cannot be generated by individuals acting on their own in isolation' (Onyx and Bullen, 2000, p. 24) and is a product of aggregated resources held within durable networks of relationships of a defined group. These relationships become capital when individuals can rely upon one another to uphold social norms and reciprocate help. Family is critical as they can help in overcoming labour market obstacles such as providing information about hiring practices and labour-market conditions and making work introductions. New immigrants, without family, may have difficulty in utilizing and realising value from these networks, which is why it is within the context of family that Nee and Sander's (2001) forms-of-capital are elaborated.

Social capital is not exclusive to ethnic or immigrant groups: as Jones and Ram (2007) point out, all entrepreneurs have access to social networks. Yet disadvantaged groups are more likely to have access to social capital than other forms of capital (Light, 2004) and hence the focus in the ethnic entrepreneurship. It is used to explain the close interactions of co-ethnic entrepreneurs, suppliers and customers and the reliance on co-ethnic supports. This reliance permits individuals to make instrumental use of relationships of solidarity and the trust which is embedded in social networks. Like economic capital, social capital can be a profitable asset, when, for example, immigrants use family support measures such as living with relatives who migrated earlier or when the family acts as an unofficial resettlement agency (Nee and Sanders, 2001).

Bourdieu (1983) defines cultural capital as high cultural knowledge that ultimately redounds to the owner's socio-economic advantage. High cultural knowledge is not human capital because it does not directly support personal productivity, although educational qualifications are representative of cultural capital in its institutionalised state (p. 243). Bourdieu's definition of cultural capital, developed to explain how class structures affect returns from schooling, enables us to redress the problem that human capital explanations are ahistorical and ignore socio-economic conditions within which the ethnic or immigrant entrepreneur operates (Ibrahim and Galt, 2003).

Cultural capital represented in educational qualifications can be converted into economic capital although it is possible that investments may not be returned. Cultural capital has two other states: in the embodied state it includes 'long-lasting dispositions of the mind', and in the objectified state it includes cultural goods such as pictures,

books and the like (Bourdieu, 1983, p. 243). In the embodied state cultural capital is an investment made within the family. Transmission to individuals occurs over time through a process of socialisation. In its objectified state legal ownership of the goods can be materially transferred (should there be sufficient economic capital) although its value will only be realised if the owner knows how to 'consume' the good (Bourdieu, 1983, p. 247). Immigrants arrive with various levels of embodied and institutionalised cultural capital and it continues to accumulate as they become more familiar with the 'ways things are done' in their new home country, and as such can open up mainstream economic opportunities. However that cultural knowledge can also open up access to ethnic social networks and therefore niches within the ethnic economy

Each form of capital shares the capacity for storage and the convertability. Storage can have negative outcomes (Bourdieu, 1983; Light, 2004). For example, cultural capital represented by specific knowledge, may decay through obsolescence or memory loss. Moreover, in the context of immigration and ethnic entrepreneurship we know that education obtained in one country may not be recognised in another and therefore its transferrable value is negligible. The storage of social relationships can be problematic as they may break down as a result of death or divorce or indeed be stretched to a breaking point in the context of immigration. Social capital can also lose its value if it is not reproduced and this requires continual investment in social exchange (Bourdieu, 1983).

In terms of convertability, Light (2004, p. 148) argues, 'If people have any capital of any form, they may, with skill and luck, parlay what they have into the other forms as well'. However conversion is complex and time consuming and Bourdieu (1983, p. 241) argues that the each form of capital 'contains a tendency to persist in its being'. While 'everything is not equally possible or impossible' (Bourdieu, 1983, p. 242) immigrants may be able to convert social and cultural capital into economic capital through enterprise serving the co-ethnic community. However, as Bourdieu (1983) also argues, the value accruing from social capital increases in proportion to the individual's cultural capital as well as economic capital: such individuals who have time to learn and speak the language will have greater access to connection and opportunities.

In summary, when applying these ideas to immigrants we can see that their access to economic participation is underpinned by the varying amounts of economic, social and cultural capital that they have access to and can convert. In the next section we briefly provide an overview of our methodology.

## **METHODOLOGY**

Leicester is a diverse UK city. Minority ethnic groups make up 36% of the population and this is estimated to rise to 50% by 2011. Fifty-two languages are spoken in Leicester (LCC, 2006, p. 11). Asian/Asian British people account for a quarter of the population followed by Afro Caribbean and European migrants. With the city designated as a cluster area for dispersal of asylum seekers (LCC, 2006) new migrant communities have become established. While Ram et al (2008) focussed on enterprise within Leicester's Somalian community, our concern is with the Polish community.

However there is a virtual absence of data making it difficult to identify and access the Polish community in Leicester. An exploratory study is appropriate and ours is designed on to collect qualitative data in semi-structured interviews to enable the understanding different pathways to entrepreneurship (Yin, 2004). In October 2006, we contacted the Polish Parish Centre and Church in Leicester, the local Polish Social Club and all shops and bars which catered specifically for Polish people in an attempt to access potential respondents. People attending services, socializing or working at these establishments were approached directly, handed a leaflet describing the study in both Polish and English and asked if Polish entrepreneurs could contact the researchers.

Only a few contacts were generated, but through a snowballing technique we were able to access twenty Polish immigrant entrepreneurs in Leicester, of whom only 10 agreed to be interviewed. Interviews were held with the business owner to elicit information about developing their UK business and to explore the different forms of capital they used. The interviews were taped and transcribed verbatim while the data were then entered into NVivo for qualitative analysis.

For the analysis original constructs, based on the forms-of-capital framework were used for coding. The organisation and structuring of the data around common themes enabled the building of multiple case studies where similarities and difference were explored. Multiple respondents provide a stronger base for theory building (Yin, 1994) and we generalised our findings back to theory (Eisenhardt, 1989). In the next section we present our findings.

## **FINDINGS**

Respondents' demographics are presented in Appendix 1. Although four respondents were not born in Poland, and therefore cannot formally be described as 'immigrants', they were children of Polish immigrants and identified themselves as being 'Polish'.

### **Social Capital**

Social capital is a multifaceted form of capital dealing with any kind of support from the family, friends and acquaintances. For those who were born either during or after WWII in Poland, another country, or in the UK the training and support given to the parents as refugees was a defining influence. The pre- and post-war Polish immigrants developed Polish Catholic Churches and social clubs all over the UK – which also contributes to the maintenance and deepening of cultural capital.

These early immigrants were the ones who gained the reputation as being 'hardworking' and having a strong 'Catholic work ethic' (Garapich, 2008b, p. 749). Strong social ties were forged at this time. As AA explained,

*They were all dumped together, it was a kind of communism really, you had all sorts of people who were from all sorts of walks of life, well educated and those who were completely lowly and they got shoved into huts altogether.*

These older Polish entrepreneurs also talked about the similarities they had with immigrants from other countries to the UK: '*they are starting off in a new place and they are a foreigner, you have got to fight your corner, you have got to work hard in order to achieve something, you have got to learn the language*' (MM).



In terms of entrepreneurial behaviour those from this generation were influenced by *'the oldest generation - their parents as they came through in the war they knew they couldn't trust anyone'* (MM). A careful, and perhaps distrustful attitude towards strangers, even to those from Poland, together with ways of reputation and trust building that of the younger Polish generation which are unfamiliar, could go part way to explaining the negative attitudes we came across towards more recent Polish arrivals in the UK.

AD commented on the weak or absent relationships between the generations of Poles in the UK saying,

*I'd better go to my Asian neighbour, who is running an Indian restaurant across the road and ask him how I can get things done in my business, as the Polish business owners would not be willing to help their own nationals. I remember I once asked one person who just opened his business in London, and felt like I was in Poland, he did not want to help me.*

Another put this down to a general Polish character trait (an embodied form of cultural capital):

*I suppose one famous Polish joke about Polish people will make it clear for you whether you should ask for advice: one of the farmers had hundreds of sheep and another one had only one. One morning he was praying and guess what: he was not asking for 100 sheep like his neighbour has, but only to kill all the neighbours' sheep (TP).*

For those who had more recently migrated from Poland, social networks were critical in pursuit of labour market opportunities. For some, friends they knew in Poland provided initial contacts and support in getting the first job in the UK. However, having come to the UK with high levels of education, including some holding Masters degrees from Poland - which represent an institutionalised form of cultural capital - four were unable to use their qualification in their work. For nine of the interviewees their initial employment was 'not ideal' but it enabled them to save some money as well as begin to understand the 'ways things worked' in the UK. When they opened their own business six of the interviewees had relatives working with them: *'my sister came to live in the UK to work in the shop I own'* (AC). Family was also involved in terms of providing advice. As one explained, *'my brother-in-law, who is involved in the City in business, he is a non-executive director of the company and the company chairman. I talk to him if I have problems'* (PH).

Social networks can be a source of information, workers, and customers, while entrepreneurial activity can help strengthen them also. *'We have a business and a community which has developed around our shop'* (TP). Or as another said, *'In Leicester, we know lots of new Polish people now. I want to organise the Polish food festival in the summer here and invite everybody, not just the Polish people'* (TP).

For others, social networks reinforce feelings of difference and work against integration into the community. As one said, *'when I have earned enough money for my family I'm going home'* (RC). This short-term view of settlement in a foreign country was a rationale for not integrating into UK society or even the resident UK Polish community, as they do not see the purpose of getting to know new people, and the only people they socialise with were their Polish friends who usually migrated to

the UK at about the same time. Arguably cultural capital impacts on this desire to stay within the same social network and this limits entrepreneurial activity to the co-ethnic population.

### **Cultural Capital**

Cultural capital is built up over time through socialisation within the family and is brought with Polish immigrants although it is continued to be accumulated in their host country. In terms of the latter it is important to acknowledge involvement in local associations and community groups as well as utilisation of opportunities for integration into the culture of the host country through language proficiency, additional training, as well as the work and life experience in the host country.

An important aspect of this type of capital is the attitude to work. As MM said about Polish immigrants, *'I suppose they have got it in them that they really have to try and improve themselves and you only improve yourselves through hard work.'* But this attitude might be changing, as AD commented,

*If I were to employ someone in my business, it will be a Polish national, because I know how hard they are prepared to work for the money. These people need experience, and they learn from you all the time about how to make their life better here. But I have a big problem with some of the younger Poles coming to the UK in search of work without education and training; these are the people that ruin the reputation that was built by us, they really have it easy.*

Parental influence on values and work related attitudes was apparent: *'both my parents are hard workers so they instilled hard work in us, we didn't know any different'* (MM). A significant role was played by Polish Catholic Church in terms of association and participation in the community activities, with it being *'the first place to go there they can see Polish people'* (TP). However this was not shared by all as some of those we interviewed refused to get in touch with the local Polish community in the UK, preferring to relate only to their close friends and family. Reliance on these close social networks and an unwillingness to accumulate cultural capital could have a negative impact on entrepreneurial behavior.

### **Economic Capital**

Many of those we spoke to had experienced difficulties when they tried to obtain the initial finance to start their business ventures. The key barriers they identified included having no credit history in the UK, limited savings generally, a lack of knowledge about the workings of the UK financial system. The difficulties a number of them faced are apparent in this quote from MM, who said,

*we needed to get premises, pay a deposit, there are lots of things we had to do in order to set up a business ... needed equipment, premises, a practice certificate, if all these things play out.. If you are a person living here you could perhaps get a guarantor, maybe your father or an uncle, maybe a grandmother, they would be offering you some help. But if you just came from Poland... ?*

Poor credit ratings were problematic for when trying to obtain additional funding. This is an issue for ethnic entrepreneurs more generally (Smallbone et al, 2003) and for some members of this group obtaining finances from 'traditional' funding sources was not an option. In particular a lack of trust in the Polish banking system meant the newer arrivals were reluctant to apply for funds within Britain. RC explained, *'lack of connections with key people that might provide you with leads, or simply point you in*

*the right direction*' exacerbated the problems of obtaining financial capital. Moreover this shows the way in which social capital or more particularly a lack of it can hinder the opportunity to access finances.

However it was a lack of economic capital in Poland that drove some of them to the UK, as they saw this as a place that provided opportunities to generate income sufficient for themselves and their family in Poland. As AC said *'I'm here because of Poland at the moment; the conditions in Poland are now getting worse, and not getting better, as you can't live on £200 a month.'* The initial lack of finances meant that working for someone else was the strategy they employed, whether this was for their family (as in the case of HW or AA) or friends (RC and AC). However working for someone else enabled these immigrants to generate human-cultural capital based on their experiences in the UK labour market. Moreover it enabled them to save the finances needed for start-up.

In interviews it was apparent that many of them knew about the sources of funding they could possibly use, but it was also apparent that many were highly risk averse. This type of attitude was evident in a number of interviews particularly with those who had grown up in Polish immigrant families where hard work and saving was a defining characteristic (a form of embodied cultural capital). As RC said, *'I do not want to owe anything to anyone, I would prefer to use my own savings for funding the business'*. This attitude spilled over and was apparent in terms of their reluctance to use any available small business development support. PH had gone to Business Link when he first started in business, however he said, *'I soon became very cynical with Business Link...they have got some good people but ...what they're doing is they are looking for a job to get them through to 60 so they go into companies as consultants'*.

In summary, by looking at the different forms of capital and the ways they were used more generally amongst the 10 Polish entrepreneurs, some interesting similarities emerge. For instance, at face value the reasons for becoming self-employed were similar to the general motivations for entrepreneurship including the desire for financial independence, autonomy or seeing a niche in the market which they could exploit with their product or service. For example a financial motive can be seen when JM says *'the prime objective of switching the lights on every morning is to make money'*. The quest for autonomy is apparent in PH's comment that, *'when you run your own business you run it how you want to run it and you work the hours you want to work and you determine what happens, who comes, who goes, what you sell, what you don't sell'*. AA's passion for the product that underpinned her move into self-employment is clear when she explains that after using the product and being 'cured' of a long term illness, *'it made me really angry and I thought, people have got to know about this'*. While the motivations for becoming self-employed in the UK were not dissimilar to what other studies of the self-employed have shown (Storey, 1994) what is interesting is the various ways these entrepreneurs combined the forms of capital available to them and converted them to facilitate entrepreneurship. We outline these below.

### **Heterogeneity? Three Groups**

Three groups of entrepreneurs emerged from our findings.

*Group 1: Traditional Entrepreneurs* Members of this group made a conscious decision for enterprise that drew on skills and experiences developed in the mainstream UK labour market. These group members grew up in the UK within Polish families with one or both parents who arrived from Poland after WWII. Growing up in the UK meant they accumulated knowledge that gave them multiple choices in terms of economic participation not generally open to new immigrants. The members of this group had no intention of moving to Poland, despite some having bought property there in recent times. They identified themselves as Polish in terms of their embodied cultural capital - they adhered to traditional Polish values or values that lay in the past. Through their family they had access to established Polish social networks having participated in community events and social functions. While they maintained contact with their extended family in Poland, growing up in the UK meant they had, to different degrees, either lost or not gained Polish language skills and this hindered their access new Polish communities and the accumulation of further (Polish-oriented) cultural capital.

#### ***Case Study One : HW***

HW and his wife are partners in a business selling the clear and coloured glass they produce as well as import from Poland. Although UK born, their parents migrated to the UK from Poland via Siberia post WW2. HW's first job after his A-levels was with Sainsbury's on a graduate trainee programme. At the age of 19 he was earning £20,000 per annum. He then became a retail manager with John Lewis, where he learned his sales skills. Following this he was employed by a big glass merchant where he applied his skills to the buying and selling of glass.

HW started his own business to gain autonomy, to enjoy his work and to pursue his interest in glazing. The business has gives him flexibility to visit Poland as well as other places for two to three months each year, and look for new suppliers and customers. But *"when I am at work, I am happy to work at least 12 hours a day, but I would also expect people that work for me to work hard too. I tend to employ people who are older – at least over 30, because they want to work, and they are happy to be taught. I will never employ a younger person, because they want something for nothing. I have one Polish guy working for me, and I am really happy with him. "* HW employed 10 staff who undertook skilled work in glazing.

He felt himself to be British rather than English or Polish. He spoke without a Polish accent but that meant when he spoke Polish other Polish people thought he was a 'foreigner'. His immediate family lived in the UK but he kept in touch with his second cousins based in Poland. In 2006 HW and his wife decided to buy a holiday property in Poland. He said, *"I personally think there's too many damn Poles over in the UK now, especially young people who are not even 24, which means they have not finished their schooling. These people do not represent the elite, and they come to the central locations, bigger cities, and bigger streets. They're pretty westernised but they're very hungry for money and they're coming here because of a necessity. A lot of them are from the north eastern Poland where there is no work. It's not the top tier of society that's coming over, and this worries me a lot. They live using the reputation previous generations have developed."*

*Group 2: Opportunity Entrepreneurs* Members of this group entered the UK before 2004 in search of higher incomes on the basis of having a work permit. They started working part-time and in most cases doing more than one job, and when the opportunity arose, invested their savings in new businesses. It is from this group that the good reputation of Polish workers was earned. While holding Polish academic qualifications, this form of cultural capital was not utilised. There were no restrictions on them starting a business as they were established post-2004. A number had access to property and other forms of finances in Poland but it was the social capital as well as their cultural and economic capital they built through their employment in the UK that underpinned their move into entrepreneurship. Their financial investment and increasing stock of cultural capital meant that they felt returning to Poland would mean sacrificing incomes and standards of living. Two members of this group said they were prepared to sell some of their assets in Poland in order to further finance their business.

#### ***Case Study Two: TP***

TP was 34 years old and had a Polish Masters degree, with aspiration of undertaking a UK PhD. With his wife he migrated to the UK in 2002 after his UK-based uncle suggested he come over make some ‘quick money’ while improving his English skills. At that time the economic situation in Poland was poor and few jobs were available, so the decision was taken to move to London. The first six months were tough and they both worked as waiters in an Indian restaurant in London. However during this time they had a chance to get to know London and ‘how things worked’ in the UK as well as searched for better jobs. Their next jobs were in a London hotel where after a year they built up their savings before moving to a provincial Leicestershire town which had, at that time, a very small ethnic community. The move was encouraged by TP’s brother, who identified Leicester, Northampton and Nottingham as places to open a retail business. When they moved the first Polish bar and restaurants were opening in Leicester which already had a large and mixed ethnic population. After researching the rental costs in Leicester, TP rented a reasonably priced lock-up shop near the Leicester city centre.

TP and his wife did not have any contacts with the Leicester Polish community. They approached the post WW2 Polish migrant community groups but were not made to feel welcome. As they felt advice could not be sought from those in the tight knit Polish networks in Leicester then they made it part of their business to help new migrants from Poland. They put up notice board in their store for Polish customers to advertise their services. They also created a Polish hub – a kind of advice bureau, which helped to also being in new customers and engender customer loyalty. In its first year the shop was not profitable as TW had predicted, but a profit was earned in their second year of business. Their strategy of being a ‘one stop shop for Polish’ where products from home could be bought and answers to questions such as ‘how to obtain an Insurance Number’ or ‘how to open a bank account’ was successful.

TP suppliers were local UK based Polish companies. He claimed that it was easier to work with Polish nationals in the UK, as they were hard working, and

they relied on orders from shops like his so were loyal suppliers. TP and his wife enjoyed being centre of a small Polish community although the majority of customers were English (about 75%), and only 25% were from co-ethnic Eastern European communities. They put this down to the transience of the Polish community. They employed, part-time, two Polish workers and had no problems finding workers. The ‘best person for the job’ rather than being Polish was the criteria for their employment. TP’s wife also worked (full-time) in the shop and talking to customers had helped her to improve her English language skills. She was considering studying for a business degree in Leicester.

When TP and his wife had come to the UK, they had planned to stay for four years, save money and then go home. Now, after many of their relatives had moved to the UK, and they enjoyed running their own business, TP said it would be difficult to return to Poland. Their life was comfortable in the UK. While this did not mean they would not return to Poland, just that their plans have been delayed, maybe indefinitely.

*Group 3: Opportunist Entrepreneurs* Members of this group came to the UK after EU enlargement in 2004. They saw their stay in the UK as temporary as they had come with to earn money and then return to Poland. Relatives in the UK helped to ease any potential difficulties of migrating. ‘They had it easy’ is how it was put to us in interviews by some of the traditional entrepreneurs, mainly because there was no restriction on the nature or type of economic activity in which they could engage. Their motivation for business was purely financial and retail outlets (especially food oriented) catering for the Polish community were opened with Polish suppliers who had an established reputation rather than family connections. As such, in their decision for self-employment, social capital played an important role while their cultural capital in the form of their previous education in Poland was less important. Assets in Poland, or close personal relationships there, ‘pulled’ them back towards Poland. They were not interested in building cultural capital in the UK, instead relied on social capital and particularly their Polish networks in the UK and Poland, to build their business.

#### ***Case Study Three: RC***

RC was a 28 year old with a Masters degree in Politics. There were few job opportunities in Poland for him and considerable competition in the job market. He spent six months in Holland before moving to the UK for work. He came to Leicester as some of his Polish friends were working there at the time. He started out working as a builder for Barratt Homes and also part time as a waiter in a number of restaurants. After three years he was motivated to open business when he saw the large influx of Polish workers temporarily settling in Leicester. His business provided accounting services for Leicester’s Polish community. He also continued to work on building projects with one of his Polish friends, as well as providing translation services for Polish nationals whose spoken English was poor. RC said he tended to work 12–14 hours a day, and said he made a good living. He lived in a rented terraced house with three other Polish nationals, who also came to the UK in search of well paid jobs.

He promoted his services through Polish food shop windows, like the one run by

his friend. He did not engage with the Polish community in the area, did not go to church, or want to try to integrate with the locals as he had Polish friends in Leicester that he knew from his degree. He had a plot of land in Poland and a flat he inherited which he was renting out.

He missed his family. While he had a sister working in London, the rest of his family were in Poland and he helped his close relatives by sending them money every month. He had found access financial capital particularly difficult in the UK and without a credit history he was unable to borrow capital for business development. All this served to make his residence in the UK temporary. As RC said, *“I do not like to be here mentally, and really want to go home to Poland; the only thing that’s keeping me here is the good money”*.

**Table 1: Origins of Forms of capital used by Polish immigrant entrepreneurs**

	Traditional	Opportunity	Opportunist
<b>Economic capital</b>			
Money	UK	UK	Poland
Assets	UK	Poland	Poland
<b>Social capital</b>			
Networks	UK+Poland	Poland+UK	Poland
Family	UK+Poland	Poland+UK	Poland
<b>Cultural capital</b>			
Embodied (knowledge)	UK+Poland	Poland+UK	Poland
Objectified (goods)	UK	Poland	Poland
Institutionalised (qualifications)	UK	Poland	Poland

The forms of capital employed by these Polish entrepreneurs are apparent in Table 1. If we look to the traditional entrepreneurs it can be seen they have considerable economic capital. HV explained, *‘I own everything we have’* and then went on to exhibit his attitude to economic capital for business development, saying *‘You see these business go bust and they haven’t got a penny to rub together – well they shouldn’t be in business’*. Or as JM, said, *‘I am the main shareholder. I own all the shares and I run the business’*.

Social and cultural capitals are largely developed within the confines of the family. The differences between the traditional entrepreneurs and the other two groups in terms of these forms of capital can be seen in Table 1 and could largely be attributed to the length of time these individuals and their families have spent in the UK. Bourdieu (1983) explains this in terms of family socialisation, and this is what unites the latter two groups as their families are still in Poland and therefore individuals in these groups have stronger social and cultural connections in and with Poland. Linguistic differentiation also represents an important social marker. For example, those who had grown up in the UK expressed disappointment at being unable to speak Polish even though they had Polish names and were proud of their Polish heritage. For the members of the other two groups the lack of English language skills was a barrier to accumulating further cultural capital. However it was also exploited in entrepreneurial opportunities as we can see with the social network created by TP who

allowed information about services and jobs to be posted for and by Polish speakers in his shop window.

Table 1 also suggests that the opportunists have the least in terms of forms of capital to utilise. For instance, even though they or their family have assets such as property or land in Poland, they have been unable to draw on this resource in the UK. While some within this group had UK-based relatives, these relatives were in a similar position. Moreover the reliance on family members and networks of friends lead to looking inwards and not building support structures within the wider Polish or UK communities. For example, AC relied on his sister to run his business whilst he earned money outside to support his family in Poland. Similarly, RC had a girlfriend in Poland to whom he regularly sent money and visited. Both rented a property in Leicester with Polish friends and they had neither time nor interest in socialising outside this very closed group. As RC explained, *'the only thing that's keeping me here is the good money'*.

## **DISCUSSION AND CONCLUSION**

The purpose of this paper was to examine the pathways to self-employment undertaken by members of the UK's Polish immigrant community and to explore the forms of capital utilised by this group in their pursuit of entrepreneurship in the UK. We wanted to go beyond an explanation focusing on social capital alone and to consider other forms of capital employed in the development of entrepreneurial activity. To that end we took a lead from Ram et al (2008) but drew on Bourdieu's (1983) forms of capital to consider the ways in which social, cultural and economic capital are combined to explain the many ways in which immigrant group members may become incorporated into the labour market.

Social capital arising from a shared ethnicity or the same country of origin was only one form of capital pertinent to these 10 Polish immigrant entrepreneurs. In fact, some of the newer immigrants faced the censure of the older immigrants who thought they could harm their reputation. By looking at different forms of capital we acknowledged the immigration status of these entrepreneurs (as the mixed embeddedness approach suggests) to see how value could be realised from the different forms of capital. This enabled us to observe variations in the rationale for self-employment with motivations ranging from starting a business that reflects the individual's skills set or professional qualifications to seeing an opportunity to serve a niche market or simply desiring to make money as well as similarities and differences in the ways the different forms of capital were used. Essentially the path to entrepreneurial activity was influenced by the environment in which the different individuals grew up, whether in Poland or UK, their family upbringing, the way they perceived and perceive their life's objectives. The time spent in the UK was important to the development of social and cultural capital. Those who were members of families that migrated to the UK post-WWII clearly had a better understanding of how the economic, social and financial systems operated in the UK compared to those most recently arrived. They also had more time to build economic capital which could be put to effect in their entrepreneurial activity. However the long history to Polish immigration to the UK also meant that newer arrivals were able to tap into the social networks that had been established earlier. Although, as we indicate above, this could be at times problematic as there were some



surprising attitudes exhibited by the older immigrants towards the newer Polish arrivals.

We found that the Polish immigrant entrepreneurs in Leicester were not a homogeneous group and we differentiated traditional, opportunity, and opportunist entrepreneurs based on their access to and use of economic, social and cultural capital. We saw how the forms of capital, while sharing common features, also are convertible (Light, 2004) into other forms. For example, those traditional entrepreneurs had considerable stocks of cultural capital having grown up in the UK but this impacted on their social capital such that they had limited connection to the Polish community. Indeed AA, in wanting to develop her business, was also seeking to re-establish connections within the Polish community which she thought might be possible given her Polish name, despite lacking the language skills. However having grown up in the UK also meant that social capital was built on more than family or ethnic community membership.

The opportunity entrepreneurs had limited amounts of social capital although this was more than members of the opportunist entrepreneurial group. The latter group had families in Poland (to whom they sent money) and these entrepreneurs seemed to be handicapped by relying on a limited ethnic network in the UK. Bourdieu (1983) has argued that limited amounts of social capital could limit the possibilities of converting it into other forms of capital and we saw this as being problematic for entrepreneurial behavior. Underpinning business development is the ability to utilise and effectively convert social capital into economic and/or cultural forms. A lack of financial resources and an inability to utilise resources locked away in Poland was yet another barrier to business development in the UK. Cultural capital on its own was not sufficient to generate opportunities and develop networks, and ignoring other available forms of capital (such as business support or bank finance or generally spending time developing networks) was a problem for members of the last two groups.

Over the past ten years, the nature of immigration to Britain has brought with it a transformative 'diversification of diversity' not just in terms of ethnicities and countries of origin, but also with respect to a variety of significant variables that affect where, how and with whom people live (Vertovec, 2007). The contribution of our study has been to show the different ways in which members of the Polish immigrant community combined and used different forms of capital. We found considerable diversity within the firms operated by these Polish entrepreneurs as well as diversity between the individuals who operated these firms. Arguably differing amounts of and access to social, cultural and economic capital depended on the period when the individual arrived in the UK. These differences have not been accommodated well by the existing ethnic minority entrepreneurship literature (Peters, 2002). Moreover with the further passage of time some of the opportunist entrepreneurs would have a choice to stay and develop additional forms of capital which could put them in a more advantageous position for business development.

In this paper, we can clearly see that the ways in which forms of capital are used to create different entrepreneurial activities and these are time bounded and relate to the period of entry into the UK. This creates an additional layer in the complexity of the framework within which ethnic entrepreneurship is analysed. We must, however, note

that our study is limited by the sample size as well as the selection process. This did reflect the lack of information available on Polish immigrant entrepreneurs within this geographically bounded area as well as the difficulties researchers, who do not share group characteristics can have when trying to access ethnic or immigrant groups. Despite this, our findings suggest that ‘super-diversity’ needs to be acknowledged – as ethnic communities are not homogeneous and this needs to be addressed by research and policy. Moreover the diversity within ethnic communities is a changing phenomena and this affects the means and modes of capital available: the value of capital changes with use, while forms can increase or decay with storage, therefore that what can be used at one point in time may not be available or valuable at another. As such, future research could look at the impact of the recession in the UK on entrepreneurial activity within different ethnic communities and the effect on the different forms of capital available. This would be pertinent for this community in particular now that the Polish national economy, like the UK economy, has stopped growing and unemployment mounts.

## ENDNOTES

<sup>1</sup> Other authors have taken an economic perspective to entrepreneurship and the role of capital in generating economic value from entrepreneurial behaviour (see Erikson, 2002 or Audretsch and Kielbach, 2004).

<sup>2</sup> Some have referred to entrepreneurial capital as the sum of all financial and non-financial capital possessed by individuals in their pursuit of enterprise (Firkin, 2003). This is problematic as forms of capital can be converted into other forms but they cannot be reduced to one.

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**Appendix 1: Participants**

Code	Gender	Birthplace	Age	Highest education	Business	Ownership	Established	Employees (Polish)
AA	F	UK	45-54	O levels; Food Hygiene Cert. (UK)	Retail	Sole Proprietor	2004	0 (0)
HW	M	UK	45-54	BTech (UK)	Manufacturer Glass	Sole Proprietor	1981	10 (1)
JM	M	UK	35-44	BA (UK)	Electrical Contractor	Ltd	1984	50 (1)
PH	M	Poland	45-54	BA (UK)	Retail Delicatessen	Sole Proprietor	2004	2 (1)
MM	M	Poland	55-64	BA (UK)	Solicitor	Sole Proprietor	1979	0 (0)
AD	F	Poland	25-34	Masters (Poland)	Restaurant	Ltd	2005	2 ( 2 )
TP	M	Poland	25-34	Masters (Poland)	Retail	Partnership	2006	2 ( 2 )
RB	M	UK	35-44	Degree (Poland)	Building	Sole Proprietor	2005	0 (0)
AC	M	Poland	25-34	Masters (Poland)	Retail	Ltd	2007	2 ( 2 )
RC	M	Poland	25-34	Masters (Poland) IT course (UK)	Accounting services	Ltd	2007	1 (1)