Cross-border entrepreneurship in a global world: a critical reconceptualization

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Abstract
This paper shows that international entrepreneurship and immigrant entrepreneurship increasingly intersect in a global world. Both research streams address cross-border entrepreneurial activity in parallel to each other. International entrepreneurship focuses on outgoing entrepreneurial activity, while immigrant entrepreneurship mainly considers incoming entrepreneurial activity. This paper critically discusses such a dichotomy, highlighting how differentiating immigrant entrepreneurs and international entrepreneurs perpetuates orientalist assumptions about cross-border business activity. Focusing on entrepreneurship as behaviour, the paper proposes an alternative perspective to cross-border entrepreneurship, discussing cross-border opportunity identification and exploitation between an entrepreneur’s country of residence and a foreign country. This perspective provides a number of avenues for further research open for scholars in the field of entrepreneurship to investigate either alone or in collaboration with other disciplines.

Keywords: international entrepreneur, immigrant entrepreneur, ethnic entrepreneur, transnational entrepreneur, opportunity, behavioural approach
'The mechanical faculty of Lancashire is said to be due to the influence of Norman smiths who were settled at Warrington by Hugo de Lupus in William the Conqueror's time. And the greater part of England's manufacturing industry before the era of cotton and steam had its course directed by settlements of Flemish and other artisans; many of which were made under the immediate direction of Plantagenet and Tudor kings. These immigrants taught us how to weave woollen and worsted stuffs, though for a long time we sent our cloths to the Netherlands to be fuelled and dyed. They taught us how to cure herrings, how to manufacture silk, how to make lace, glass, and paper, and to provide for many other of our wants' (Marshall, 1890, p.115)

This citation by Alfred Marshall, one of the founding fathers of today’s economic thinking, points to the importance of foreign entrepreneurs to a nation. Entrepreneurship is often the main creator for economic development in nations (Porter, 1990). Cross-border entrepreneurial activity has undeniable advantages for a country, whether these are financial or social. Previously accepted ways of studying cross-border business are however inadequate in today’s globally connected world, due to increased movement of people, money and goods (Appadurai, 1990). This mobility disrupts traditional migratory patterns, and results in increased intercultural competency among many business actors in today’s marketplaces (Demangeot et al., 2013).

Until now, the study of cross-border entrepreneurship has taken two different angles, outgoing and incoming entrepreneurship, differentially addressed in international business and entrepreneurship research. Outgoing internationalization, that is, the activity of ventures looking for business opportunities abroad has been the main focus of research on the internationalization of firms (Muzychenko and Liesch, 2015). Conversely, entrepreneurship research has taken a particular interest in incoming internationalization; investigating individuals’ immigration into a new environment leads them to develop entrepreneurship. While both approaches provide significant insights, addressing them separately obscures potential overlaps between these two research streams, a gap the present paper aims to fill. The present paper therefore argues that research in international entrepreneurship (IE) should refocus its perspective into encompassing
both ex-country/outgoing internationalization and in-country/incoming internationalization as two sides of a same phenomenon.

This paper in particular answers the question of how appropriate a differentiation between those types of cross-border entrepreneurship remains in societies and markets characterized by more and more global flows of money, people and goods. It shows that current differentiations between immigrant entrepreneurs and international entrepreneurs mainly rely on essentialist assumptions relative to the defining character of entrepreneurs’ ethnic characteristics, which lose validity in today’s global world. The present article therefore reconceptualises cross-border business activity in order to propose avenues for solving this issue. It discusses how cross-border business opportunities in a nation can be studied as a whole, instead of focusing on in- or out-going processes separately.

To support this claim, this paper proceeds as follows. It first provides an extended literature review, with the angle on outgoing (international) entrepreneurship on the one hand and on incoming (immigrant) entrepreneurship on the other. On this basis, it raises the question whether current research does not unconsciously and unintentionally adopt an orientalist perspective (Said, 1978) on immigrant entrepreneurship, studying business activity of individuals originating in non-western contexts differently from western entrepreneurship. Although contextual differences in some cases justify this differentiation, this paper critically examines existing overlaps. It thereby answers the question of how to study cross-border business activity in a way that does not perpetuate perspectives identified as discriminatory and ethnocentrically determined in previous research (Ogbor, 2000). Having identified the essentialist assumptions underlying research into cross-border business activity, the paper proposes an alternative conceptualization of cross-border entrepreneurship based on entrepreneurial activities rather than
individual characteristics. Such an approach allows for the cultural diversity of business contexts nowadays, and opens multiple areas for future research.

**A reconsideration of outgoing versus incoming entrepreneurship**

In order to answer the previously formulated questions, we need to consider two research streams, one taking the perspective of outgoing entrepreneurship (international entrepreneurship) and the other one considering incoming entrepreneurship (immigrant entrepreneurship). The following sections respectively address one of those perspectives, and discuss remaining gaps. The paper subsequently proceeds to highlight three contradictions in the dichotomic separation between international and immigrant entrepreneurship.

*Outgoing entrepreneurship: International entrepreneurship as merger of two streams of research*

The concept of ‘International New Ventures’ (INV) has developed as a corner concept at the intersection between entrepreneurship and international business research. Born global, these smaller, entrepreneurial INVs tend to adopt a global focus and operate in international markets from the earliest day of their establishment (Knight and Cavusgil, 1996; Madsen and Servais, 1997; Oviatt and McDougall, 2004). Four types of international new ventures exist: export/import start-ups, multinational traders (with a multi-domestic approach), geographically focused start-ups (with foreign operations beyond exports), and global start-ups. Of these four types, global start-ups have received the most conceptual and empirical attention in the international entrepreneurship literature. The main interest of this research indeed lies in the way in which firms from their inception mastered the risks, opportunities and uncertainty inherent to foreign markets, which contrasts with internationalization process theories, along with the
process models of the 1970s (Johanson and Vahlne, 1977), predominant international business paradigms in the rise of INV’s (Autio et al., 2000).

International entrepreneurship (IE) research has thereby for the start developed as a cross-disciplinary research field that combines international business and entrepreneurship (McDougall and Oviatt, 2000). As a result, the latest, broader, definition of IE refers to: ‘the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services’ (Oviatt and McDougall, 2005, p.540). In practice however, international business and entrepreneurship researchers too often to rely on either of the angles, leading to calls for more cross-fertilization of entrepreneurship and international business research, deeper multi-disciplinary approaches and balanced theoretical bases (Madsen and Servais, 1997; McDougall and Oviatt, 2000; Oviatt and McDougall, 2005). Specifically, more insights are required about entrepreneur-related conditions associated with international entrepreneurship (Zahra et al., 2005). This allows for a better understanding of firm-level processes and outcomes (Cumming et al., 2009).

Within the last decade, various overview articles have detailed how the previously mentioned gaps can be filled. From a methodological angle for instance, previous research has systematically analysed the time frame and research context, sample characteristics, data collection/analysis procedures, and equivalence issues of 55 articles on international entrepreneurship (Jones and Coviello, 2005). The authors point to the need for more dynamic research designs that integrate positivist with interpretivist methodologies, a suggestion confirmed in a later review of 38 studies between the years of 1993 and 2003 (Rialp et al., 2005). The authors find that the use of a single theoretical framework for explaining the acceleration of international operations by young SMEs appears to be somewhat reductionist and likely inhibits
any further theory development on this issue. As a consequence, the present paper develops a research framework that allows for theory development by highlighting the problems and gaps in current research, to be empirically investigated by both interpretive methods (for the more novel parts of the conceptualization) and quantitative methods (for providing generalizable findings). Furthermore, a recent review article analyses 291 scholarly articles on the topic, published in the period 1993-2012 (Peiris et al., 2012). The authors advocate for the adoption of multi-level perspectives, relying on the interrelation of the entrepreneur, the firm and the environment as core concepts (Madsen and Servais, 1997). They also view IE as a process initiated by a set of means as given, and creating possible outcomes using the same set of means (Sarasvathy, 2008; Zahra et al., 2005).

**Incoming entrepreneurship: Conceptual multiplicity and confusion in immigrant entrepreneurship**

From the perspective of incoming entrepreneurship, existing research mostly relies on concepts such as ethnic entrepreneurs (Ilhan-Nas et al., 2011) or immigrant entrepreneurs (Rath and Kloosterman, 2000). In order to avoid the fallacy of characterizing only minorities in a population as ‘ethnic’, this paper mainly uses the concept of immigrant entrepreneurship, more clearly cross-border connoted, unless referring to other authors’ explicit use of the concept of ethnic entrepreneur.

Migrants are representative subjects for studying individual international experience and entrepreneurship. The individual as opportunity-recognizer has been strongly linked to his or her experience or expertise about the multiple contexts (countries) in which the INVs activities will take place. Previous research hence argues for the importance of cross-culture competence or international experience (Fischer and Reuber, 2003; Jones et al., 2011; Reuber and Fischer,
1997), characteristics found in particular among immigrants due to their experience of border-crossing. Migration and its outcomes on the level of the individual are however not homogenous. Migration research identifies a multiplicity of migrant types, which can be more or less prone to transnational activity. In a transnational context, Vertovec (2009) contrasts for instance whether migrants move regularly between countries or whether they moved only once and settled in a particular country. Vertovec (2009) identifies diverse types of transnational migrants, be it specific ethnic groups, refugees, highly skilled migrants or others. Additionally, Castles (2002) highlights for instance that many theories focus on the ethnic homogeneity of transnational communities. As a consequence, immigrant entrepreneurs might be just as much cosmopolitan travellers who are constantly on the road, as members of ethnic Diaspora with more permanent settlement in a specific country. For Castles (2002), this differentiation represents the extremes of transnational communities, allowing for multiple variations in between them. As a consequence, the cross-border business activity of transnational migrants can take up many forms, which have to be addressed explicitly in research about immigrant entrepreneurship.

Immigrant entrepreneurship is addressed through a multitude of concepts, which are sometimes used interchangeably, sometimes merged. Mostly, their definitions however remind of definitions relating to international entrepreneurs, yet are studied as different concepts. Drori et al. (2009) for instance differentiate between transnational entrepreneurs, ethnic entrepreneurs, returnee entrepreneurs and international entrepreneurs. Ethnic entrepreneurs are ‘those individuals whose group membership is tied to a common cultural heritage or origin and are known to out-group members as having such traits’ (Drori et al., 2009, p.1004). To differentiate this concept from transnational entrepreneurs (TE), the authors pose that the latter are involved in ‘cross-border business activities’, suggesting ethnic entrepreneurs are not (necessarily) doing
so. In particular, TE promotes ‘international trade by taking advantage of globalization and entrepreneurs’ cosmopolitan way of life, enhanced by cheap travel and the internet, which enable the more timely acquisition of resources required for operating cross-national businesses’ (Drori et al., 2009, p.1004). Transnational entrepreneurs are thereby characterized as ‘individuals that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin, and currently adopted countries and communities’ (Drori et al., 2009, p.1001). Explicitly, the authors characterize these transnational entrepreneurs as ‘individual entrepreneurs who leverage opportunities that arise from their dual fields and networks, optimizing resources where they may be most effective’ (Drori et al., 2009, p.1003). While we understand that the authors summarize previous research, and do not necessarily caution this differentiation, this conceptual overlap creates biased perceptions of who is an entrepreneur, and which type of entrepreneur an individual is.

The general tendency to consider transnational and ethnic entrepreneurship as intrinsically different from general international business activity is problematic since the focus does not lie on cross-border activity, but rather on the entrepreneur’s ethnic origin and affiliation. If there is no cross-border business contact, the ethnic origin of an entrepreneur should not play another role than the one that might similarly exist for other segments of a society, where the entrepreneur serves a particular segment or niche of the market due to his increased expertise or affiliation to the segment in question. This type of entrepreneurship is then equivalent to segmentations based on markets targeting individuals of specific sexual orientations (gay entrepreneurship), lifestyles or trends (underground entrepreneurship for skaters, surfers or Goths) or other criteria.
If however there is cross-border contact in addition to belonging to an ethnic minority, the question of the difference between ethnic and transnational entrepreneurship emerges again. Middleman (ethnic) entrepreneurs, ‘those entrepreneurs who take advantage of ethnic resources such as language, networks, and skills to trade between their host and origin societies’ (Drori et al., 2009, p.1004), indeed cross borders just like transnational entrepreneurs. In this view, there is thus not much difference between border-crossing ethnic entrepreneurs and transnational ones.

**The tripartite character of differentiations between outgoing and incoming entrepreneurship**

The previous sections have shown that multiple overlaps exist between outgoing and incoming entrepreneurship, yet that they are studied differently. This differentiation builds on three assumptions deemed to separate international from immigrant entrepreneurship: the unit of analysis (firm- or individual level), the geographical origin of the entrepreneur (or entrepreneurial firm), and the economic motivation underlying the entrepreneurial activity (innovative or subsistence-oriented entrepreneurial antecedents). Table 1 summarizes these assumptions, detailed in the following.

Insert Table 1 here

The first assumption underlying differentiations between outgoing and inward entrepreneurship relates to the unit of analysis. Cumming et al. (2009) find that much of the international entrepreneurship literature has focused on the firm as unit of analysis. Many owner-managed firms are engaged in international entrepreneurship. Characteristics and behaviours of the entrepreneur are key to internationalization (Jones et al., 2011), yet have been only insufficiently addressed. Likewise, differentiations between international entrepreneurship and transnational entrepreneurship rely on this dichotomy (Drori et al., 2009). Madsen, Rasmussen and Servais (2000) for instance study the characteristics of Danish international new ventures.
and compare them with other types of exporting companies. Thai and Chong (2008) observe that research about factors leading to the formation of international new ventures has been limited to firms from advanced, open economies. In parallel, research about transnational entrepreneurship studies this phenomenon among immigrants to the USA, Spain or the Netherlands (Patel and Conklin, 2009; Riddle et al., 2010; Urbano et al., 2011). Other transnational studies have taken the perspective of the expatriates, and their entrepreneurial activities (Connelly, 2010).

The second assumption relates to individuals’ geographical origins, each perspective appearing to focus on either movement from economic centres to economic peripheries, or vice-versa. In international business literature, examples of INVs founded in a European or North-American setting predominate (Rialp et al., 2005). A recent study of international ethnic entrepreneurship showcases that from the incoming perspective, the entrepreneurs move from mostly non-Western, and often less economically advanced, contexts to Western nations such as Canada, USA, The Netherlands, Germany, UK or Australia (Ilhan-Nas et al., 2011; Thai and Chong, 2008). Existing research has for instance investigated Chinese, Italian, Jewish, Indian/Sikh, and Vietnamese entrepreneurs in Canada (Kariv et al., 2009) and religious minorities originating from India in Sweden (Pio, 2010). While this finding is consistent with larger immigration tendencies, it is striking that for outgoing entrepreneurship, the directionality seems reversed. A large number of studies comparing entrepreneurial internationalization concentrate on economically advantaged sending countries such as Denmark, Australia, UK, Germany, France and other Western nations (Jones et al., 2011). This tendency can find its explanation in the predominantly Western origin of international entrepreneurship studies. Most of those studies emanate from Europe (app.53 % of the articles), followed by Oceania (15 %).
and North America (13%) (Peiris et al., 2012). The authors especially point to the lack of studies investigating international market entrance by entrepreneurs from emerging and BRIC countries. The concepts of immigrant and international entrepreneurship therefore seem to differentiate between entrepreneurs based on their geographical origin, which essentializes individuals on the basis of their nationality and may disregard intra-country differences in entrepreneurial ambitions and resources.

This differentiation and related problems are accentuated in the third assumption, which contrasts entrepreneurial antecedents. International entrepreneurship mostly addresses a firm (or individual’s) discovery and exploitation of an opportunity in another national context (Jones et al., 2011). As a consequence, these businesses are often characterized as innovative, creative, and the entrepreneurs are seen as driven, goal focussed or astute (Drori and Yue, 2009; Martin and Wright, 2005; Sørensen, 2008). Conversely, immigrant entrepreneurship is often framed as a subsistence activity (Meir and Baskind, 2006; Viswanathan and Rosa, 2007). Assumed to suffer from labour market discrimination and social exclusion, these individuals engage in entrepreneurial behaviour in order to ‘survive’ in a hostile economic environment (Chaganti and Greene, 2002; Ilhan-Nas et al., 2011; Levie, 2007; Zhou, 2004). While this certainly is the case for some immigrant entrepreneurs, the previous discussion about the socio-economic and geographic diversity of migrants in today’s global world suggests that entrepreneurial antecedent is just as diverse. This differentiation runs along disciplinary lines, where business studies tend to focus on the innovative side of international entrepreneurship, while anthropological studies concentrate on subsistence entrepreneurship (Engelen, 2001; Rosa and Caulkins, 2012), further accentuating a dualistic perspective on those entrepreneurs.
These three assumptions construct a dichotomic picture of research in international versus immigrant entrepreneurship. As the previous paragraphs indicate, the concepts characterizing entrepreneurial activities suffer from terminological multitude - and potentially as result, confusion. To add to this confusion, the subject especially of immigrant entrepreneurship has been treated in a multitude of disciplines, mainly business and management (entrepreneurship) literature and sociological literature, but also ‘ethnic studies, [...] urban studies, [...] economic geography, [...] political science, and policy studies’ (Rath and Kloosterman, 2000, p.658). The main difficulty with this multiplicity of concepts is that they often lead to a simplified conceptualization of immigrant entrepreneurship, where ‘exactly what distinguishes ethnic entrepreneurship from entrepreneurship in general is seldom or never (theoretically) made explicit: does this adjective refer to the origins of the entrepreneur, his or her management strategies, personnel, clientele, products, or a combination of these?’ (Rath and Kloosterman, 2000, p.666).

While in some cases, this differentiation is adequate, it is critical to remain cautious of generalizing and essentializing depictions of entrepreneurs along the lines of unit of analysis, geographical origin or antecedents for entrepreneurial activity. Doing so carries the risk of closing the research field to new insights and to the globalized character of today’s world, where global flows diversify the movement of individuals as much as of financial and material resources. Rath and Kloosterman for instance point out that a ‘majority of researchers assume without further reflection that there are real differences, just because they are dealing with immigrants’ (Rath and Kloosterman, 2000, p.666). Underlying this assumption are gender- and ethnicity-related ideological frames structuring entrepreneurial discourses and research, which support the maintenance of gender and ethnic bias when it comes to entrepreneurial activity.
Such a risk of stereotyping relative to ethnicity relates to the concept of ‘orientalism’ (Said, 1978), the tendency of considering individuals and traditions coming from non-Western contexts as intrinsically different from the Western ones. By essentializing cross-border entrepreneurship along ethnic and geographical lines, researchers run the risk of overly simplifying a complex world and of closing the door to a global perspective in cross-border business activity.

**A focus on international opportunities as new avenue for a global entrepreneurship perspective**

In order to move away from perspectives that essentialize and orientalize certain types of entrepreneurs, Gartner’s (1989) focus on entrepreneurs’ behaviour constitutes a useful starting point. Instead of analysing fixed characteristics of either firms or individuals, the study of immigrant entrepreneurship should concentrate on the activities that constitute entrepreneurship. Such a perspective has been promoted in particular in the ‘European school’ for entrepreneurship research (Hjorth et al., 2008). Building on constructivist frameworks, it advocates that entrepreneurial activity emerges from interactions between different individuals and institutions (Bouchikhi, 1993), and focuses thereby on the entrepreneuring process (Steyaert, 2007). Questions of ethnic origins, whether entrepreneurial activity is initiated by an individual or a firm, or if the activity emerges from subsistence or innovation, therefore need to step into the background, allowing for the study of the process of crossing national (or cultural) borders in business settings.

More particularly, this move implies a return to the analysis of entrepreneurship in terms of business opportunities as defined by Oviatt and McDougall (2005). Entrepreneurship research needs to include the border-crossing nature of International Entrepreneurship and its focus on
opportunities (Mainela et al., 2014). Building on an extensive overview of existing literature, the authors argue that ‘an international opportunity is a situation that both spans and integrates elements from multiple national contexts in which entrepreneurial action and interaction transform the manifestations of economic activity’ (Mainela et al., 2014, p.120). Taking this definition as basis, the following sections offer a reconceptualization of cross-border entrepreneurship.

**Cross-border opportunity exploration and exploitation**

Over the last decades, research about the internationalization of firms has moved from analysis of internal experience and learning about international markets and operations (Johanson and Vahlne, 1977), towards analyses of opportunity development and opportunities available through relationship networks (Johanson and Vahlne, 2009). Entrepreneurial opportunity has been defined as a situation in which new goods, services, raw materials and organizing methods are combined in a way that allows for selling at a greater price than the production costs (Shane and Venkataraman, 2000). Opportunities can be recognized, discovered or created (Alvarez and Barney, 2007; Sarasvathy, 2008). They can be seen either as things to be recognized or as events and processes to be created (Muzychenko and Liesch, 2015; Sarasvathy, 2008). Opportunities can be seen to exist independently of individual’s perception and to be of objective, observable nature or to be created as a result of an individual’s actions and, thus, be of subjective nature (Alvarez and Barney, 2007; Ardichvili et al., 2003). Objective opportunities are searched for, recognized and exploited by alert entrepreneurs who can collect enough information to anticipate the possible outcomes of their actions and calculate and carry the risks related to the situation. Subjective opportunities result of entrepreneurs enacting opportunities as
social constructions in a genuinely uncertain decision making situation, where information to define possible outcomes does not exist.

While supporting this view on opportunities, existing research bemoans that the over-emphasis on entrepreneurial orientation has ignored the importance of the opportunity recognition aspect of the international entrepreneurship process (Peiris et al., 2012). Existing theories assume implicitly that the internationalization process is preceded by opportunity recognition, but provide little explanations about this process or the capabilities individuals need to identify these opportunities (Peiris et al., 2012). Styles and Seymour (2006) however define international entrepreneurship as ‘the behavioural processes associated with the creation and exchange of value through the identification and exploitation of opportunities that cross national borders’ (Styles and Seymour, 2006, p.134).

The focal research issue hence becomes ‘how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited’ (Shane and Venkataraman, 2000, p.218). The present paper considers international opportunity development as context-embedded and socially constructed. On this basis, it postulates that instead of constituting a group of entrepreneurs intrinsically different from other international entrepreneurs on the basis of fixed characteristics such as citizenship and/or ethnic origins, international and immigrant entrepreneurs should be merged in a same conceptualization, using a focus on business opportunities.

**A novel perspective on existing categorizations**

Due to the original definition of INV’s, research in this subject has primarily been taken place considering the exploitation of new ventures (Sharma and Blomstermo, 2003). However, both exploration and exploitation of opportunities are crucial for organisational learning (March,
1991). Most organizations need to make a trade-off between them, depending on the organizational context and the distribution of costs and benefits across time, a decision relevant for immigrant entrepreneurs. Differentiating opportunity exploration (alternatively named recognition, identification in different research perspectives) from opportunity exploitation (March, 1991) and discussing for each where the opportunity primarily emerges (country of residence or foreign country), the next paragraphs detail four situations that are independent of an entrepreneur’s ethnic origin or citizenship. Table 2 summarizes those situations, numbered A to D. Such a perspective allows moving away from individuals’ citizenship or ethnicity and focusing on the resources (social or cultural) at their disposal, concentrating on individuals’ differential cross-border opportunity exploration and exploitation instead.

Insert Table 2 here

Opportunity identification takes two shapes, involving market knowledge in multiple environments. It requires detecting under-served markets, inefficient processes or unaddressed collaborations. On the one hand, entrepreneurs can recognize an opportunity in their country of residence after experiencing foreign (business) contexts. On the other, they can also recognize an opportunity in a foreign country, which may or may not be their country of origin.

In section A: *Opportunity identification in the country of residence*, individuals’ experience of a foreign country and its business environment leads them to discover and address business opportunities in their country of residence. This type of international entrepreneurship compares to what has been often researched under the header of ethnic entrepreneurship: individuals within an ethnic enclave who provide the local community or country with products from the country of origin. Previous studies have for instance shown how Mexican, Chinese and Korean ethnic entrepreneurs developed markets for products and services from their country.
origin in their new country of residence (Nopper, 2009; Smart, 2003). As pointed out previously, this type of market-serving also constitutes an activity known of transnational entrepreneurs (Drori et al., 2009). This type of international opportunity discovery does not require an individual to be an immigrant to the country of residence. Any individual, even native to the local country of residence, who travelled regularly to a specific context, lived there for a period of time or otherwise obtained insights into the foreign context, may obtain the necessary expertise to identify gaps in the local marketplace (Connelly, 2010).

Secondly, **Opportunity identification in a foreign country** (B) means that in result of their border-crossing, individuals identify an opportunity in a country in which they do not reside for the moment (Nkongolo-Bakenda and Chrysostome, 2012). For immigrant entrepreneurs, this relates to the migrant’s country of origin, but it can as well apply for any other entrepreneur who is knowledgeable about a foreign context. Expatriates for example have lived for longer periods of time in different contexts and possess the knowledge and contacts that enable them to engage in business activities across borders (Connelly, 2010). In these contexts, they identify advantageous opportunities corresponding to their novel knowledge or skills. If we consider that the individuals ‘import’ their knowledge into their home environment after an international experience, section B can also encompass returnee entrepreneurship as defined by Drori et al. (2009). Examples of such knowledge import are return entrepreneurs in Malawi, who developed abilities for self-employment in non-agricultural sectors (Thomas and Inkpen, 2013). Transnational entrepreneurship also corresponds to this section, as it involves ‘concurrently maintaining business-related linkages with their former country of origin and currently adopted countries and communities’ (Drori et al., 2009, p.1001).
When it comes to opportunity exploitation, entrepreneurs have an advantage due to their social network in either or both countries, which can for instance facilitate import/export due to physical presence in all countries, or logistically support the continued development of an activity in a given context. As a result, whether entrepreneurs find themselves in one context or another, they will have to create sufficient links with trustworthy collaborators in order to manage the cross-border activities.

On the side of opportunity exploitation in the country of residence (C), the focus lies on the ability to leverage entrepreneurs’ contacts in a foreign country (for migrants, often their country of origin). This network enables them to sustain a business while being abroad, that is, where they can rely on trusted friends or family members to for instance send goods from the foreign country. Ethnic ties play an important role in this context, as they enable cross-border entrepreneurship (Jean et al., 2011; Salaff et al., 2003). Therefore, this third section can again include ethnic entrepreneurs, transnational entrepreneurs, but also international entrepreneurs.

For many international businesses, section D is of relevance: Opportunity exploitation in a foreign country. In this setting, individuals exploit an opportunity in a context in which they do not reside at the moment (Crick and Chaudhry, 2010). For immigrant entrepreneurs, this context is often their country of origin, where family members can either directly work in the business or supervise activities (Mustafa and Chen, 2010; Sanders et al., 2002). While regular presence and direct management remain important, the entrepreneur to a large extent relies on a strong social network in the foreign country (Salaff et al., 2003). But individuals who are not natives of this context can similarly develop their business through social connections obtained through sustained contact (Connelly, 2010). The social network established in the foreign country either
through previous familiar links or through new business contacts thus supports the activity despite the entrepreneur’s absence.

**Directions for future research**

The differentiation between opportunity identification/exploitation on the one hand and country of residence versus foreign country on the other provides a way of reconsidering the idea of cross-border entrepreneurship that avoids essentializing entrepreneurs on the basis of their ethno-national background. The redefinition of entrepreneurial border-crossing answers this paper’s research question: how to study cross-border conception of business opportunities in a nation. By recognizing that any international business activity implies comparison of two markets and the emergence of a new business opportunity on the basis of the comparison, such a perspective allows researchers to concentrate on what makes international business research unique. The focus on translations between different marketplaces, a translation that implies the crossing of national, ethnic and/or legal boundaries thereby comes to the fore.

Multiple opportunities for future research emerge from this conception. Firstly, entrepreneurship research should provide more insights into the concept of entrepreneurial acculturation. Cross-border conception of business opportunities indeed requires adaptation by the entrepreneur. Previously addressed in marketing research with the angle of marketer acculturation (Peñaloza and Gilly, 1999), this adaptation not only implies the acquisition of sufficient economic capital in order to establish a business. It also requires to a larger extent the acquisition of context- and market-specific social (Adler and Kwon, 2002; Chetty and Agndal, 2007) and cultural capital (Bourdieu, 1979; Kim et al., 2006). Given that previous research having highlighted the importance of networking ties in cross-border entrepreneurial activity (Lo et al., 2003), the role of the entrepreneur’s past activities and networks hence deserves attention.
With actual experience in two potential business environments, immigrants possess privileged access to the other country’s cultural and social capital, but it is not exclusive to them. It can be acquired by any individual whose knowledge of and competences in other contexts enable them to consider business activity in a foreign country.

The question remains at this stage whether differences remain between immigrant and other international entrepreneurs. Future research should therefore investigate to what extent the building of competences for cross-border business activity is influenced by the frequency of the entrepreneur’s border crossing. Previous research has pointed to differences between an entrepreneur’s first experience (Chandra et al., 2009) and when they recurrently cross borders for business activities (Basu and Virick, 2013). Such differences should be addressed comparatively between the types of cross-border entrepreneurship defined in Table 2 and identify for instance how non-immigrant entrepreneurs can compensate for the initial lack of social and cultural capital that may disadvantage them in comparison to immigrants. The extent of individuals’ entrepreneurial acculturation can also depend on the extent to which the specific business context is globalized, that is, to what extent cross-border business has been facilitated through globalization processes (Waters, 2001). Future research should provide further insights into entrepreneurial acculturation behaviour by evaluating the impact of differential industry globalization on entrepreneurial activity and adaptation.

Secondly, the liability of foreignness can be studied when comparing international and immigrant entrepreneurship. Previous research has indicated that firm-specific difficulties arise from a lack of complementary resources, which creates three types of liabilities (Cuervo-Cazurro et al., 2007): (1) the liability of expansion, or the lack of complementary resources needed to operate at a larger scale; (2) the liability of newness or the lack of complementary resources
needed to compete in a new competitive environment; and (3) the liability of foreignness or the lack of complementary resources needed to operate in a new institutional environment. Among others, the role of liabilities in cross border entrepreneurship becomes the pivot in questions relative of International New Venture (INV) creation. So far, INV research has mainly focused on local entrepreneurs rapidly entering foreign markets. Few studies have focused on the background of entrepreneur (Madsen and Servais, 1997). This background could be relevant to future studies of INV’s. Are immigrant or returnees highly active in the foundation of INV’s (Dalziel, 2008)? Are transnational entrepreneurs essential to the rapid internationalization of INV’s? Given the importance for entrepreneurs of building cross-cultural entrepreneurial competence, these points acquire additional urgency.

In parallel, future research should study how the types in Table 2 correspond to the types of experiential knowledge required for successful internationalization, such as internationalization knowledge about how to be an international firm; business knowledge about the new country’s competitive environment; and institutional knowledge of the new country’s institutional environment. Adjacent to these suggestions is the one of studying legitimacy questions relative to cross-border business activity. The previously described liabilities as well as the contextual differences between migrants and business contexts may influence differences in the legitimacy of the cross-border entrepreneur and their activities.

Thirdly, a deeper investigation of border-crossing entrepreneurship between global economic peripheries is timely. Extensive research has investigated entrepreneurs’ migration from economic centres to economies considered to be part of global peripheries. For instance, many studies have considered movement from a Western country such as Australia or Canada to emerging markets (Evangelista, 2005; Spence and Crick, 2009). Likewise, immigrant
entrepreneurship has studied multiple cases of immigrants from global peripheries establishing businesses in global economic centres, such as Surinamese immigrants setting up businesses in The Netherlands (Heilbron and van der Meulen, 1995). Continuous interest has been given to entrepreneurial activity between economic centres, but with the exception of the case of Ghanaian entrepreneurs starting businesses in Botswana (van Dijk, 2003), research about entrepreneurial border-crossing between global economic peripheries (van Dijk, 2003) has received comparatively less attention. With the increased economic progress of those nations in the last decades, this angle becomes ever more relevant, and should be addressed as such. Aside from the advantage of contextual diversification, a contribution of such studies is for instance their ability to establish the differential impact of restrictive or open politico-legal contexts on cross-border entrepreneurship, given the wide diversity of economic and legal systems existing on a global scale.

Finally, future research has the possibility of contributing to the dissolution of differentiations between (often Western) international entrepreneurship deemed to address innovation and opportunity creation on the one hand (Drori and Yue, 2009), and immigrant sustenance entrepreneurship on the other (Viswanathan and Rosa, 2007). First studies emerge about sustenance entrepreneurship in developed economies such as Japan (Harima et al., 2016), but more attention should likewise be given to opportunity creation in global centres by entrepreneurs emerging from global peripheries. More generally, disciplinary diversity especially on the side of immigrant entrepreneurship points to the necessity of increasing the number of cross-disciplinary research initiatives, in order to promote cross-fertilization of ideas and a more diversified understanding of entrepreneurial behaviour.

Conclusion
This paper has discussed how cross-border business opportunity conception has been studied until now. It has investigated the underlying rationales of this perspective in depth, highlighting that previous research has tended to essentialize either the entrepreneurial individual or the firm, along the lines of national and ethnic origins as well as the antecedents defining entrepreneurial activity. It has critically discussed existing research in both international entrepreneurship and immigrant entrepreneurship, showing that these research streams are two sides of border-crossing entrepreneurship, which hence should be investigated jointly. Focusing on a perspective that frames entrepreneurship as behaviour, this paper proposes an alternative approach to cross-border entrepreneurship, which focuses on cross-border opportunity identification and exploitation between an entrepreneur’s country of residence and a foreign country. Given the conceptual character of the discussion, the present paper would benefit from empirical validation, to establish whether the proposed theoretical model is applicable in empirical contexts of cross-border business activity. The proposed avenues for further research therefore open avenues for generating a deeper understanding of cross-border entrepreneurship, which goes beyond essentialist characterizations.

References


### Table 1: Summary of assumptions underlying outgoing versus incoming entrepreneurship

<table>
<thead>
<tr>
<th></th>
<th>Outgoing entrepreneurship</th>
<th>Incoming entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit of analysis</strong></td>
<td>Existing sources study entrepreneurship mainly from the perspective of the <strong>firm</strong></td>
<td>Existing sources study entrepreneurship mainly from the perspective of the <strong>individual</strong></td>
</tr>
<tr>
<td></td>
<td>(Jones and Coviello, 2005; Madsen et al., 2000; Madsen and Servais, 1997; McDougall et al., 1994; Oviatt and McDougall, 2004; Thai and Chong, 2008)</td>
<td>(Connelly, 2010; Cumming et al., 2009; Drori et al., 2009; Patel and Conklin, 2009; Riddle et al., 2010; Urbano et al., 2011)</td>
</tr>
<tr>
<td><strong>Economic origin</strong></td>
<td>Entrepreneurial activity migrates from economic <strong>Centres-to-Peripheries</strong> or <strong>Centre-to-Centre</strong></td>
<td>Entrepreneurial activity migrates from economic <strong>Peripheries-to-Centre</strong></td>
</tr>
<tr>
<td></td>
<td>(Jones et al., 2011; Peiris et al., 2012)</td>
<td>(Ilhan-Nas et al., 2011; Kariv et al., 2009; Pio, 2010)</td>
</tr>
<tr>
<td><strong>Entrepreneurial antecedents</strong></td>
<td>Entrepreneurship arises from <strong>Innovation</strong> or <strong>Opportunity</strong></td>
<td>Entrepreneurship becomes indispensable to ensure <strong>Subsistence</strong></td>
</tr>
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<td></td>
<td>(Drori and Yue, 2009; Mainela et al., 2014; Martin and Wright, 2005; Sørensen, 2008)</td>
<td>(Engelen, 2001; Meir and Baskind, 2006; Rosa and Caulkins, 2012; Viswanathan and Rosa, 2007)</td>
</tr>
</tbody>
</table>
Table 2: An opportunity-based categorization of cross-border entrepreneur activity

<table>
<thead>
<tr>
<th>Country of residence</th>
<th>Opportunity identification</th>
<th>Opportunity exploitation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>A</strong></td>
<td><strong>C</strong></td>
</tr>
<tr>
<td></td>
<td>By living abroad, individuals recognize a market opportunity in this new context (COR for migrants) (Connelly, 2010; Drori et al., 2009; Nopper, 2009; Smart, 2003)</td>
<td>Individuals with a social network in a foreign country can leverage it to create economic capital in the country of residence (Connelly, 2010; Drori et al., 2009; Jean et al., 2011; Salaff et al., 2003; Thomas and Inkpen, 2013)</td>
</tr>
<tr>
<td>Foreign Country</td>
<td><strong>B</strong></td>
<td><strong>D</strong></td>
</tr>
<tr>
<td></td>
<td>By living abroad, individuals recognize a market opportunity in another country</td>
<td>Individuals with a social network in their country of residence can leverage it to create economic capital in a foreign country (Connelly, 2010; Crick and Chaudhry, 2010; Mustafa and Chen, 2010; Salaff et al., 2003; Sanders et al., 2002)</td>
</tr>
<tr>
<td></td>
<td>(Connelly, 2010; Drori et al., 2009; Jean et al., 2011; Nkongolo-Bakenda and Chrysostome, 2012; Salaff et al., 2003; Thomas and Inkpen, 2013)</td>
<td></td>
</tr>
</tbody>
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