

## Ghanaian Immigrant Entrepreneurs in Germany: Motivations and Contributions for Development

Submitted: 24.05.18 | Accepted: 28.02.19

**Regina Christina Andoh\***, **Claudia Nelly Berrones-Flemmig\*\***, **Utz Dornberger\*\*\***

This study investigates the contributions of Germany-based Ghanaian immigrant entrepreneurs to the socio-economic development of Germany and Ghana. This study also employs the 'pull' and 'push' theories to undertake an analysis of the motivating factors that drive these immigrants into entrepreneurship in Germany. This exploratory study adopts both quantitative and qualitative research methods to gather field-based data from 54 entrepreneurs in four different cities using a questionnaire and semi-structured face-to-face interviews. Among other roles, entrepreneurs contribute socially to the development of Germany and Ghana in activities such as charitable donations and offering training for prospective entrepreneurs. The economic contributions to both countries include activities such as paying taxes, receipt of remittances, export and import of goods. Overall, it appears that pull factors have a stronger impact on entrepreneurship than push factors do.

**Keywords:** opportunity entrepreneurship, economic growth and development, pull and push theories, social and economic contributions, Ghanaian immigrants in Germany.

## Imigranci z Ghany prowadzący przedsiębiorstwa w Niemczech – czynniki motywujące i wkład w rozwój

Nadesłany: 24.05.18 | Zaakceptowany do druku: 28.02.19

W artykule przeanalizowano wkład imigrantów z Ghany prowadzących działalność gospodarczą w Niemczech w rozwój społeczno-gospodarczy Niemiec i Ghany. W badaniu wykorzystano teorie dotyczące czynników pozytywnych („pull”) i negatywnych („push”) w celu dokonania analizy powodów, którymi imigranci kierują się, podejmując działania przedsiębiorcze w Niemczech. W badaniu pogłębionym przyjęto zarówno ilościowe, jak i jakościowe metody badawcze w celu pozyskania danych terenowych od 54 przedsiębiorców w czterech różnych miastach za pomocą kwestionariusza oraz częściowo ustrukturyzowanych wywiadów bezpośrednich. Przedsiębiorcy wnoszą m.in. wkład społeczny oraz ekonomiczny w rozwój obu krajów. Wydaje się, że czynniki pozytywne („pull”) mają większy wpływ na przedsiębiorczość niż czynniki negatywne („push”).

**Słowa kluczowe:** przedsiębiorczość oparta na możliwościach, wzrost i rozwój gospodarczy, czynniki pozytywne („pull”) i negatywne („push”), wkład społeczny i gospodarczy, imigranci z Ghany w Niemczech.

**JEL:** O150

\* **Regina Christina Andoh** – MBA Candidate, International SEPT Program, Leipzig University. <https://orcid.org/0000-0002-8443-0774>.

\*\* **Claudia Nelly Berrones-Flemmig** – Lecturer and researcher, Leipzig University. <https://orcid.org/0000-0003-1003-993X>.

\*\*\* **Utz Dornberger** – Director of International SEPT Program, Leipzig University. <https://orcid.org/0000-0002-0267-0310>.

Correspondence address: International SEPT Program, Leipzig University, Ritterstraße 9-13, 04109 Leipzig, Germany. E-mail: [reginaandoh96@yahoo.com](mailto:reginaandoh96@yahoo.com); [cberrones-flemmig@uni-leipzig.de](mailto:cberrones-flemmig@uni-leipzig.de); [dornberger@uni-leipzig.de](mailto:dornberger@uni-leipzig.de).



Ministry of Science  
and Higher Education  
Republic of Poland

The creation of the English-language version of these publications is financed in the framework of contract No. 607/P-DUN/2018 by the Ministry of Science and Higher Education committed to activities aimed at the promotion of education.

## 1. Introduction

International migration is increasingly seen as having important positive contributions to nations. Research suggests that migration, an ever-growing phenomenon, is one of the present-day global forces in the 21st century and plays an irrefutable role in facilitating and promoting the development of origin and destination countries in the South and in the North. ILO (2015) estimates that 55 per cent of people, or 128 million, representing more than half of the world's migrants settle in the G20 countries. In regions where there are violent conflicts, poor working conditions, political persecution and poor social protection, the emigration rate tends to be higher (ILO, 2015). These migrants sometimes settle together forming ethnic minority communities in the countries where they migrate to. Ethnic minorities, even though have migrated, still maintain a strong connection and interaction with their country of origin. Whilst advancement in telecommunication technologies and the internet has been instrumental in bridging interactions and linkages between migrants and their country of origin, improvement in modern transportation systems has also facilitated easier movement of people (Ionescu, 2006).

Transnational economic interactions between diaspora communities, their host and origin countries have gained considerable scholarly attention amongst social scientists and stimulated research and debate (Riddle, Hrivnak, & Nielsen, 2010). The topics that have been investigated include an empirical study conducted by the World Bank into US foreign direct investment abroad. This research revealed that *'diaspora ethnic networks affect foreign direct investment by promoting information flows across international borders and serve as contract-enforcement mechanisms'* (Javorcik et al., 2006, as cited in Riddle et al., 2010, p. 399).

The participation of diaspora and ethnic minorities in a nation's development has witnessed more diversified trends and patterns, expanding across social services (such as health, education), political and cultural influences. Particularly in migrant hosting countries, studies have observed an increase in ethnic enterprises. Mohamoud and Formson-Lorist (2014) posit immigrant entrepreneurship in the host country as having been facilitated by framework conditions such as access to information, social and business networks, funding, access to technology, business training programmes, among others.

Entrepreneurship is generally thought to contribute to economic development. Nevertheless, Naudé (2013) argues that previous literature on entrepreneurship and its contribution to development have taken a limited view of the phenomenon. The scholar maintains that proxies such as GDP, employment growth and productivity have been frequently used in many existing empirical studies to assess the relationship between entrepreneurship and economic development. Given that such studies do

not take into consideration other non-monetary measures such as well-being or human development as put forward by Sen (2000) and others, they fall short of taking a multi-dimensional perspective for assessing economic development (Ács, Desai, & Hessels, 2008; van Praag & Versloot, 2007, as cited in Naudé, 2013). Takamori and Yamashita (1973, p. 1) contend that *'economic development cannot be treated separately from the interlocking links with cultural, social, ecological and political factors. Therefore, interdisciplinary perspectives should be taken for purposes of the measure as well as for policy and planning.'*

It is against this background that this paper seeks to assess the developmental impact of Ghanaian immigrant entrepreneurs (with a first-generation focal point and particularly engaged in the retailing sector) by taking a multidimensional perspective in examining the social and economic contributions of these entrepreneurs to the development of Germany and Ghana.

## 2. Literature Review

### Ethnic Entrepreneurship

According to Petersen (1980), the term “ethnic” is an adjective used to characterize or classify people. Yinger (1985, p. 27) adds that an ethnic group is *'A segment of a larger society whose members are thought, by themselves or others, to have common origin and to share important segments of a common culture and who, in addition, participate in shared activities in which the common origin and culture are significant ingredients'*. Combining the definition of ethnic group given by Yinger (1985) and the definition by Aldrich and Waldinger (1990), Zhou (2004, p. 1040) refers to ethnic minority entrepreneurs *'[a]s simultaneously owners and managers (or operators) of their own businesses, whose group membership is tied to a common cultural heritage or origin and is known to out-group members as having such traits; more importantly, they are intrinsically intertwined in particular social structures in which individual behaviour, social relations, and economic transactions are constrained'*. Ethnic entrepreneurs are defined as owners and managers of their own businesses, whose group membership is linked to a common cultural heritage or origin; besides, it is particularly important to indicate that they are connected in particular social structures in which individual behaviour, social relations, and economic transactions are constrained.

Waldinger, Aldrich and Ward (1990) suggest that one facilitating condition that led to the establishment of ethnic businesses was growing ethnic groups/communities in Europe. They explain that ethnic communities demand special and specific ethnic commodities and services which could only be provided by co-ethnic individuals who possess the skills to produce, knowledge of tastes and buying preferences. Today, ethnic enterprises

or businesses are commonly seen all over Europe; this is because *'the opportunity structure for ethnic business has become more favourable as Europe's changing industrial structure has led to a resurgence of small and medium-sized enterprises'* (Blaschke et al., 1990, as cited in Volery, 2007, p. 30). Several other scholars use descriptive factors to further explain the recent prevalence of ethnic enterprises such as educational level, generation, cultural values, religion, among others.

Most often scholars use three different terms interchangeably – ethnic entrepreneurs, immigrant entrepreneurs, and minority entrepreneurs – to define entrepreneurs who do not form part of the majority population within a particular country. *'Ethnic enterprise may be no more than a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences'* (Aldrich & Waldinger, 1990, p. 112). According to Choenni (1997), ethnic entrepreneurship may be distinguished from 'normal' entrepreneurship based on its orientation towards migrant products, towards migrant workers, towards migrant market customers or on indigenous migrant venture strategies.

According to Volery (2007), a term used alternatively to "ethnic" is "immigrant". "Immigrant entrepreneurs" include individuals who have immigrated over the past few decades, particularly in a first generation focal point (Elo, 2014). This definition excludes members of ethnic minority groups who have been living in a country for several centuries (Afro-Americans in the USA, Jews in Europe or aborigines).

Considering the definitions before, the term "immigrants" is used in this paper to define the ethnic group of Ghanaian entrepreneurs (with a first-generation focal point) who are new in Germany (host country).

### **Economic Growth and Development**

The concept of economic development is complex and multifaceted. Economists have expressed different viewpoints and arguments on the concept. However, for the purpose of this study, the researchers take a multidimensional perspective in defining development. The researchers define development as economic and social contributions at the individual or firm level aimed at improving the output of a nation's economy in addition to improving the welfare of its citizenry.

### **Economic Contributions**

This refers to monetary contributions made towards increasing the output of a nation's economy. In essence, this examines the extent to which entrepreneurs contribute financially or in monetary terms to improving the output of the host or origin economy. As such, economic contributions include entrepreneurs' level of participation in paying taxes (Ramadani, Rexhepi, Gërguri-Rashiti, Ibraimi, & Dana, 2014), making financial investments (Wei & Balasubramanyam, 2006), exporting and importing

goods (Rusinovic, 2008), remitting (Kariv, Menzies, Brenner, & Filion, 2009; Bagwell, 2006), establishing firms, creating jobs (Wadhwa, Saxenian, Freeman, & Gereffi, 2009) and investing in properties (Li, 1993). Of note is that economic contributions in the form of export and import are used as indicators for the host and home country respectively.

### **Social Contributions**

This is defined as any non-monetary contributions made at the individual, family and community levels towards improving quality of life, improving human capacity and sustaining the welfare of the society. Social contributions in this study include the level of participation or initiatives undertaken by entrepreneurs to improve the welfare of the individuals and communities in which they live and operate. This dimension of development examines the extent to which they are involved in activities such as offering informal entrepreneurship training to prospective entrepreneurs (Bailey & Waldinger, 1991), making charitable donations (Ramadani et al., 2014), counselling and mentoring (Zhou, 2004), sponsoring community events (Worthington, Ram, & Jones, 2006), offering apprenticeship training (Zhou, 2004), helping a local group as volunteers, helping to build community facilities such as schools, among others (Ramadani et al., 2014), and paying for employees to acquire training to improve their skills and knowledge (Worthington et al., 2006).

### **Entrepreneurship and Economic Development**

There exists a general notion among scholars that entrepreneurship is profitable to economic growth and development. Initially, entrepreneurship was limited to innovation and enterprising, where the entrepreneur's performance was concerned with business success and measured by profits (Gries & Naudé, 2010). However, this notion has been stretched further and entrepreneurship is viewed as a social phenomenon and a catalyst for structural change also concerned with subjective welfare and non-economic well-being of the society (ibid.). Adding to the beneficial contributions of entrepreneurship, Gries and Naudé (2010) postulate that countries such as China has experienced tremendous poverty reduction through entrepreneurship.

In the present case study of Ghanaian immigrants, we consider them as "entrepreneurs" according to the definition of Bull and Willard (1993), who based their definition on Schumpeter: an entrepreneur is "*a person who creates value by carrying out a new combination, causing discontinuity, under conditions of task related motivation, expertise, expectation of personal gain and a supportive environment*". The Ghanaian immigrants analysed in this case study accomplish the elements considered in this definition.

Adopting Lewis's (1954) structural change economic theory, Gries and Naudé (2010) and Rada (2007) argue that entrepreneurs 'trigger'

structural transformation in a country's economy by raising productivity and value addition through the use of improved technology, innovation and specialization. In so doing, entrepreneurs reallocate factors of production from the traditional to the modern sector of the economy, thereby creating employment – labour moves from the agricultural sector to the industrialized sector. Innovative forms of entrepreneurship, from empirical studies were conducted for instance in Brazil – particularly in high technological innovation-based sectors – by Stam and Wennberg (2009) and Kannebley et al., (2010); the scholars observed in their findings that these enterprises record higher levels of labour output, create more job opportunities, record positive net revenue and in addition cause positive spillovers for other ventures (Stam & Wennberg, 2009; Kannebley et al., 2010, as cited in Naudé, 2013).

### **Pull and Push Theory of Entrepreneurial Motivations**

One notable theory that has been widely adopted by researchers in examining the motivations of entrepreneurs is the 'pull' and 'push' theories proposed by Gilad and Levine (1986). The 'pull hypothesis' is found to be characterized by factors having positive connotations often influenced by extrinsic pulls which are largely economic and intrinsic ones which relate to self-fulfilment and draw people to start businesses, such as a perceived return on an opportunity (Hakim, 1989; Kirkwood, 2009; Sriram & Mersha, 2010; Dawson & Henley, 2012). Recently, literature on entrepreneurship motivation has adopted process-oriented models primarily focusing on beliefs, intentions and attitudes of entrepreneurs (Segal, Borgia, & Schoenfeld, 2005). The researchers contend that the complex nature of creating a new venture is as a result of an individual's cognitive processes. Adding to that, they maintain that, logically, individuals will not pursue entrepreneurship unless there is a more direct, process-oriented linkage (ibid., p. 44) – "*how the behaviour is initiated, directed, sustained and stopped*" (ibid., p. 43). According to Segal et al. (2005), it is irrational to expect an individual to pursue a career that they envisage to be either profitless, unviable or unachievable. Ideally, a person would think through the perspective of positive outcomes, choose the most desirable option and decide on whether it is viable to pursue it or not. Furthermore, entrepreneurs will consider the same since they are attracted by the desire to create wealth, seek independence and self-fulfilment among other reasons (Segal et al., 2005).

On the other hand, the 'push hypothesis' is characterized by negative personal or external factors that influence an individual to start his/her own business (Kirkwood, 2009; Segal et al., 2005). Where a group of people in a society feel marginalized, discriminated against or looked down upon, Hagen (1962, as cited in Paulose, 2011) mentions that then there is the likelihood of a '*psychological disequilibrium*' to take place. In such a situation,

he maintains, a disadvantaged person could be driven into enterprising to make up for this disparity. This corresponds to the social marginality theory put forward by Stanworth and Curran, which suggests that *‘the perceived incongruity between an individual’s prodigious personal attributes and the position they hold in society might propel them to be entrepreneurial’* (Stanworth & Curran, 1976, as cited in Paulose, 2011, p. 40). Of course, Kirkwood (2009) shares the same sentiment and contends that, where an immigrant is faced with similar situations, these negative experiences in the labour market can push the individual and serve as a motivating factor to become self-employed.

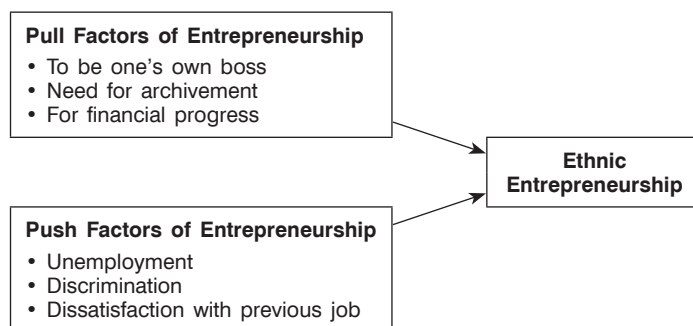


Fig. 1. Conceptual framework. Source: Author's own model.

### 3. Research Methods

A combination of both qualitative and quantitative research methods were employed in the conduct of this study. The quantitative approach enabled us to objectively measure and statistically analyse key variables of the study whilst the qualitative method enabled us to examine the ‘why and how’ of entrepreneurs’ social and economic contributions.

The study was conducted in four cities in Germany, namely Hamburg, Berlin, Hannover and Frankfurt am Main. The rationale for the selection of these four cities was the fact that a large majority of Ghanaian immigrants, according to official statistics, reside in these parts of Germany and conduct their business operations there. Also, conducting this study in these four places gave a boarder overview of the entrepreneurial activities of Ghanaian immigrants in Germany.

The study unit of observation and analysis comprised Germany-based Ghanaian immigrant entrepreneurs. The Ghanaian immigrant entrepreneur was defined as any self-employed individual of Ghanaian descent owning and operating any business enterprise in Germany. This definition took



into consideration self-employed persons with a physical place of operation (for example shops) whose businesses were online based as well as those who worked from home.

As at the time of conducting this study, no business association or comprehensive data on Ghanaian immigrant entrepreneurs was available; therefore, using a standard probability-sampling method would be difficult in locating the respondents. Grinnell and Unrau (2005) state that in such cases, non-probability methods like quota sampling, purposive sampling, and snowball sampling could be adopted in locating the respondents. The snowball sampling method is any sort of sampling where subjects under study are identified through the help of other respondents (Grinnell & Unrau, 2005, as cited in Paulose, 2011). The snowball sampling method was employed to identify the subjects under study. Respondents were identified through the help of other respondents who accelerated access and acceptance of the researcher through referrals.

The main research instruments adopted were a questionnaire and an interview guide. Face-to-face semi-structured interviews with the entrepreneurs were conducted for the qualitative study. In total, 54 respondents were interviewed for the quantitative study (descriptive statistics) and 10 qualitative interviews were conducted for the study. Interviews were recorded and transcribed for analysis. For reliability, qualitative interviews were recorded and transcribed. Respondents' statements regarding their motivation for starting business were matched to the indicators under the economic and social contributions.

## **4. Results**

### **Relevant Demographic Characteristics of Respondents**

The educational background of the respondents show that the minimum level is primary school or lower and the highest is a bachelor's or postgraduate degree. The analysis revealed that the level of education of respondents turned out to be low. A majority of the interviewees representing 42.6% with the frequency of 23 had only senior high school education whilst 35.2% (including 13.0% and 22.2% diploma/HND holders and bachelor/postgraduate, respectively) had obtained higher professional training or a university degree. On the other hand, interviewees who had obtained only vocational training recorded the frequency of 10 (18.5%) whereas respondents who had the lowest level of education being primary school or less recorded 3.7%.

For this study, the age of respondents was grouped into five main categories. The reason behind these groupings was that Ghanaians are typically unwilling to talk about their age openly. The relevance of these groupings was to help in identifying the age group actively engaged in



entrepreneurial activities amongst the respondents interviewed. This information could also be useful in future studies as it will facilitate designing, planning and implementing entrepreneurial strategies targeted at integrating or collaborating with Germany-based Ghanaian immigrant entrepreneurs. The age group with the highest frequency of 28 (51.9%) and actively engaged in entrepreneurial activities was 46–59 years. The smallest group with the frequency of 1 (1.9%) was the age range of less than 25 years. The second largest age range with a figure of 17 respondents constituting 31.5% was 36–45 years. Respondents who fell within the age ranges of 60 years and above and less than 25 years recorded the same figures – 7.4%, 7.4% with the frequency of 4 and 4, respectively. As represented in the data set, it is worth noting that the active population within the age range of 36–59 are those engaged more in entrepreneurship, thus reflecting a mid-career ambition. It could also be noted that as people progress in age, the more likely they are to be drawn into entrepreneurial activities; however, this figure declines radically as people attain the age of 60 years and above.

A large number of respondents' businesses were found to be actively engaged in wholesale or retail. Out of the total number of 54 people interviewed, 37% representing 20 participants were engaged in wholesaling/retailing. In addition, 14 participants representing 25.9% were engaged in the hairstyling/fashion design sector. The logistics/transport and hospitality industries recorded the percentages of 16.7% and 7.4%, respectively. All other sectors including health, information technology, auto repairs, entertainment, consulting, janitorial services and tourism constituted 13%. Table 2 below gives a breakdown of the sectors of ethnic businesses.

A majority of forty-one (41) respondents constituting 75.9% financed their start-up capital from their own savings. Moreover, the second highest figure with the frequency of five (5) and the percentage of 9.3% was recorded for respondents who were found to have started their business with a loan from family and friends. In third place, there are respondents who funded their start-up capital with a loan from a bank and those who funded their start-up capital with a combination of their own savings and a loan from family/friends. Finally, a minority of only two people obtained their start-up funding from customer advance payment and a combination of their own savings and a bank loan.

In comparing this data set with a prior similar study carried out in South Africa by Mitchell and Co (2007), the results of this data set reveal consistency with the findings of these scholars. In their study, one's own savings were the most cited source of start-up capital for all three different migrant groups interviewed (Africans, Indians and Europeans).

## Contributions of Respondents to the Growth and Development of Germany

### Social contributions of respondents to the development of Germany

The study investigated non-monetary contributions made at the individual, family and community levels towards improving the quality of life, improving human capacity and sustaining the welfare of the society in respondents' host country (Germany).

Social contribution in the form of offering counselling and mentorship to individuals or groups in Germany scored the highest mean figure and mode of 4.33 and 5, respectively (see Table 1). This could be interpreted that a majority of the interviewees contributed more in this form. On the other hand, contributions in the form of making charitable donations, volunteering in local action group and sponsoring community events recorded impressive results showing mean figures of 3.50, 3.39 and 3.07, respectively.

Form of Social Contributions	N	Mean	Mode	Std. Deviation	Minimum	Maximum
	Valid					
Offering counselling and mentorship to individuals or groups in Germany	54	4.33	5	.890	1	5
Making charitable donations in Germany	54	3.50	3	.863	1	5
Volunteering in a local action group	54	3.39	3	.856	2	5
Sponsoring community events	54	3.07	3	.797	2	5
Offering apprenticeship training free of charge	54	2.83	3 <sup>a</sup>	1.328	1	5
Offering training for prospective entrepreneurs	54	2.83	3	1.095	1	5
Paying for employees to acquire training to improve their skills and knowledge	54	1.63	1	1.248	1	5
Offering help to build community facilities	54	1.39	1	.834	1	5

Tab. 1. Descriptive statistics of social contribution to the development of Germany. Source: The authors' field survey (2017).

Furthermore, social contributions of respondents in the form of offering help to build community facilities and paying for employees to acquire training to improve their skills and knowledge were found to have recorded the lowest mean and mode figures illustrating that the extent to which respondents engaged in such activities is minimal.

### Economic contributions of respondents to the development of Germany

The highest contribution of respondents to the economy of Germany is found in the taxes they pay to the German government, recording the mean of 4.96 and the mode of 5 (see Table 2). On the contrary, the least contribution to the economic output of Germany is found in the number of business branches operated and the number of employees, recording the means of 0.19 and 0.94, respectively. Here, it is indicated that an overwhelming majority of respondents had only one business branch or venture. Adding to that, this reveals that the business of respondents did not offer much job opportunities. Furthermore, contributions of respondents in the form of exporting goods from Germany and receiving remittances from outside the shores of Germany ranked second whereas financial investment in shares and bonds, among others, took third place.

Forms of Economic Contributions	N	Mean	Mode	Std. Deviation	Minimum	Maximum
	Valid					
Paying taxes to the German government	54	<b>4.96</b>	<b>5</b>	.191	4	5
Exporting goods from Germany	54	<b>2.65</b>	1	1.627	1	5
Receiving remittances from outside Germany	54	<b>2.65</b>	1	1.519	1	5
Investing in properties in Germany	54	1.39	1	.656	1	3
Making financial investment (e.g. in shares, bonds, stocks, fixed deposits)	54	1.31	1	.696	1	4
Number of employees including all other business branches	54	.94	1	.998	0	5
Number of business branches besides this particular branch	54	<b>.19</b>	<b>0</b>	.646	0	4

Tab. 2. Descriptive statistics of economic contributions in Germany. Source: The authors' field survey (2017).

### Contributions of Respondents to the Growth and Development of Ghana

#### Social contributions of respondents to the development of Ghana

The study investigated non-monetary contributions made at the individual, family and community levels towards improving the quality of life, improving human capacity and sustaining the welfare of the society in respondents' country of origin (Ghana).

The social contribution of respondents in the form of offering counselling and mentorship to individuals or groups in Ghana recorded a significant mean figure of 4.46 and a mode of 5 (see Table 3). From these two figures, it could be said that a large number of respondents maintained regular contact with acquaintances in the country of origin to the extent that these acquaintances residing back home regularly sought counsel from respondents. This revelation is no surprise as Ghanaians back home typically regard acquaintances living abroad highly. In addition, some Ghanaian families with family members (bread-winners) residing abroad sometimes rely or depend on the advice and recommendation of these individuals to take bold decisions or undertake certain projects.

Forms of Social Contributions	N	Mean	Mode	Std. Deviation	Minimum	Maximum
	Valid					
Offering counselling and mentorship to individuals or groups in Ghana	54	<b>4.46</b>	<b>5</b>	.770	2	5
Making charitable donations in Ghana	54	<b>3.76</b>	4	.989	1	5
Offering help to build community facilities in Ghana	54	<b>3.13</b>	<b>3</b>	.991	1	5
Sponsoring community events in Ghana	54	2.93	3	.773	1	4
Offering training for prospective entrepreneurs in Ghana	54	2.33	1	1.149	1	5
Volunteering in a local action group in communities in Ghana	54	2.24	2	.930	1	5
Offering apprenticeship training free of charge in Ghana	54	1.70	1	1.075	1	5
Paying for employees in Ghana to acquire training to improve their skills and knowledge	54	<b>1.33</b>	<b>1</b>	.911	1	5

Tab. 3. Descriptive statistics of social contributions of respondents to the development of Ghana. Source: The authors' field survey (2018).

Other outstanding contribution of respondents to their country of origin is charitable donations they make and the help they offer in building community facilities. Some respondents in this study also revealed that, besides individual contributions, they are members of hometown associations

based in either Ghana or Germany. These associations are concerned about contributing to the development of the home country, as such they focus their activities in this area. The associations are engaged in supporting regions, towns, villages, schools, churches, among others, back home through the provision of all kinds of developmental aids including social amenities targeted at improving the livelihood of these communities in Ghana.

#### **Economic contributions of respondents to the growth and development in Ghana**

With respect to monetary contributions made towards increasing the output of the Ghanaian economy, the study reveals that a majority of the interviewees' contributions were the taxes they pay to the Ghanaian government and financial remittances they send to the country of origin (see Table 4). The respective mean figures for both indicators were 3.94 and 3.78. Table 4 below also shows that a large number of respondents always engaged in these two activities, thus recording mode figures of 5 and 5, respectively. On the other hand, 'importing goods from Ghana' is the third important form of economic contribution made towards the country of origin (Ghana), recording the mean of 2.46.

Furthermore, the least economic contributions are in the form of the total 'number of business branches in Ghana' and the 'number of employees including all business branches in Ghana'. 0.72 and 0.63 were the mean figures recorded for these indicators, respectively. Again, these low recorded figures could be due to the fact that not all respondents operate businesses ventures in Ghana.

Forms of Economic Contributions	N	Mean	Mode	Std. Deviation	Minimum	Maximum
	Valid					
Paying taxes to the Ghanaian Government	54	<b>3.94</b>	<b>5</b>	1.653	1	5
Sending financial remittances to Ghana	54	3.78	5	1.160	1	5
Importing goods from Ghana	54	2.46	1	1.767	1	5
Investing in properties in Ghana	54	2.26	3	.994	1	4
Making financial investment (e.g. in shares, stocks, bonds, fixed deposits in Ghana)	54	1.76	1	1.027	1	5
Number of business branches in Ghana	54	.72	0	.920	0	3
Number of employees in Ghana including all business branches	54	<b>.63</b>	<b>0</b>	.875	0	5

*Tab. 4. Descriptive statistics of economic contributions of respondents to the development of Ghana. Source: The authors' field survey (2017).*

## Motivating Factors That Drive Germany-Based Ghanaian Immigrants Into Entrepreneurship in Germany

### Business entry motives

Regarding the motivations of respondents for entering into entrepreneurship, first, the participants for this study were asked to choose the three most important reasons for engaging in entrepreneurship from some pre-set multiple motivational reasons provided in the questionnaire. Second, the participants were asked to further rank the three motivations already ticked in order of importance using a ranking scheme of one (1) to three (3) (where 1 stood for 'very important'; 2 stood for 'important'; and 3 stood for 'not so important'). The reason behind these rankings was to ascertain the degree of importance which respondents attach to each of the motivations selected.

### Pull factors of entrepreneurship

From the results of the dataset, the 'need to make good use of one's expertise' and the 'need for achievement' were found to be the most cited motivational factors, recording the percentage of 46.3 and 46.3, respectively (see Table 5). Other relevant motives, in descending order of importance were the need 'to be one's own boss' and the need to be able 'to implement one's own ideas' as the reasons for engaging in entrepreneurship. Table 5 below gives an overview of the responses of the interviewees regarding their motives for business entry.

Pull Factors of Entrepreneurship	Frequency			
	Yes	Percentage (%)	No	Percentage (%)
Need for achievement	25	46.3	29	53.7
Need to make good use of one's expertise	25	46.3	29	53.7
To be one's own boss	21	38.9	33	61.1
To implement one's own ideas	19	35.2	35	64.8
To improve income	14	25.9	40	74.1
For social status or prestige	8	14.8	46	85.2
Need for greater control over one's own life	6	11.1	48	88.9

Tab. 5. Frequency and percentage of respondents motivated by pull factors of entrepreneurship. Source: The authors' field data (2017).

The degree of importance which respondents attach to each of the motivational reasons selected has been presented in Table 6 below. Based on the previously explained rankings, it could be observed from the table

below that of all the pull factors that motivated the participants of this survey to engage in entrepreneurship, the ‘need to make good use of one’s expertise’ was the strongest (very important), recording the frequency of 15. In addition, the ‘need for achievement’ took second place with the frequency of eight (8) participants who iterated this factor as a ‘very important’ motivation. Nonetheless, 11 participants motivated by this factor to engage in entrepreneurship mentioned this factor as ‘not so important’.

Pull Factors of Entrepreneurship	Very important	Important	Not so important	Total
Need to make good use of one’s expertise	<b>15</b>	6	4	25
Need for achievement	8	6	11	25
To be one’s own boss	6	<b>8</b>	7	21
To improve income	5	7	2	14
To implement one’s own ideas	3	6	10	19
Need to for greater control over one’s own life	2	2	2	6
For social status or prestige	1	3	4	8

Tab. 6. The magnitude of importance of the pull factors mentioned by respondents. Source: The authors’ field data (2017).

#### Push factors of entrepreneurship

The ‘need to balance work-family life’ and ‘fits well with domestic commitments’ were found to be the most cited reasons that pushed a couple of respondents into enterprising, recording the frequency of 8 and 8 and the percentage of 14.8 and 14.8, respectively (see Table 7). Additionally, ‘discrimination’ took second place with the percentage of 11.1% and the frequency of 6 respondents. A minority of only one (1) person stated poor language skills as the reason that drove him/her into entrepreneurship.

Push Factors of Entrepreneurship	Frequency			
	Yes	Percentage (%)	No.	Percentage (%)
Need to balance work-family life	<b>8</b>	<b>14.8</b>	46	85.2
Fits well with domestic commitments	<b>8</b>	<b>14.8</b>	46	85.2
Discrimination	<b>6</b>	<b>11.1</b>	48	88.9
Dissatisfaction with previous job	4	7.4	50	92.6



Push Factors of Entrepreneurship	Frequency			
	Yes	Percentage (%)	No.	Percentage (%)
Need to make a living to support family	3	5.6	51	94.4
Unemployment	1	1.9	53	98.1
Poor language skills	1	1.9	53	98.1

Tab. 7. Frequency and percentage of respondents motivated by push factors of entrepreneurship. Source: The authors' field data (2017).

It could be observed from Table 8 below that four (4) and four (4) respondents stated entrepreneurship 'fits well with their domestic commitments' as the strongest (very important) and 'important' motivation for starting their own businesses, respectively. On the other hand, two (2) respondents stated 'discrimination' as a 'very important' reason for engaging in entrepreneurship. On the contrary, five (5) respondents were motivated by the 'need to balance work-family life', yet this reason was 'not so important'. Likewise, three (3) respondents were pushed to start their own businesses by the 'discrimination' they faced in the job market, but this reason was 'not so important'.

Push Factors of Entrepreneurship	Very important	Important	Not so important	Total
Unemployment	0	1	0	1
Dissatisfaction with previous job	1	1	2	4
Discrimination	2	1	3	6
Poor language skills	0	1	0	1
Need to make a living to support family	0	1	2	3
Need to balance work-family life	1	2	5	8
Fits well with domestic commitments	4	4	0	8

Tab. 8. The magnitude of importance of the push factors mentioned by respondents. Source: The authors' field data (2017).

## 5. Discussion

The results regarding the ways in which the Ghanaian immigrant entrepreneurs contribute socially to the development of Germany showed that these are activities such as offering counselling and mentorship, charitable donations, volunteering in local action groups, sponsoring

community events, offering apprenticeships and offering training for prospective entrepreneurs. Economic contributions to development were found in activities including paying taxes, export of goods from Germany and receipt of remittances from outside Germany. Overall, contributions of Ghanaian immigrants were made more in social than economic forms. This means that these immigrants contributed more in non-monetary forms to improve the welfare of the individuals or communities in which they operate or reside than to the economy. Social and economic contributions to the development of both countries are discussed seriatim below.

### **Social Contributions to the Development of Germany and Ghana**

#### **Offering counselling and mentorship to individuals or groups**

This form of activity recorded outstanding mean figures of 4.33 and 4.46 for both Germany and Ghana, respectively, an indication that Ghanaian immigrant entrepreneurs often participate or engage in offering advice, guidance or mentorship. In Germany, this form of activity is also seen in dispute and conflict management highlighted in the qualitative discussions as part of this study where one of respondents mentioned that he had established a traditional court system to solve conflicts between members of the community, to promote peace and the entire welfare in the society. Entrepreneurs are generally thought to be problem solvers, to have the ability to make judgemental decisions (Casson, 1990, as cited in Paulose, 2011). These traits influence other people to consult them, to accept their counsel, advice and look up to them as role models due to the high respect they have for them.

#### **Charitable donations in Germany**

Another relevant social benefit of Ghanaian immigrant entrepreneurs for the Country of Residence (COR) and the Country of Origin (COO) was charitable aids that they contributed to improve the quality of life of people in areas encompassing health, poverty relief, education, community development, religion, environment, human rights, culture, among others. These donations were found in the form of inter alia, clothing, food, cash, books, equipment. Ghanaian immigrant entrepreneurs often engage in such activity in both countries either individually or collectively, recording mean figures of 3.50 and 3.76 for Germany and Ghana, respectively. This result of this survey is supported by evidence from the works of Al-Ali, Black and Koser (2001) and Worthington et al. (2006).

#### **Volunteering in a local action group**

Voluntary engagement of respondents in activities aimed towards contributing to the welfare of the community recorded different levels of participation by respondents in the COR and COO. The extent to

which Ghanaian immigrant entrepreneurs engaged in voluntary works in Germany recorded the mean figure of 3.39 indicating that these respondents sometimes participated in such activity. On the other hand, the mean figure for their level of participation in voluntary works in Ghana stood at 2.24, demonstrating that respondents rarely engaged in such activity. This revelation is not surprising as respondents spend most of their time in Germany rather than in Ghana and in this case the probability of participating in such activity in the COR will be higher than for the COO. This finding is supported with evidence from the qualitative discussion in the statement of one respondent who mentions his voluntary engagement in Germany: *'Oh, in the Ghanaian community I do it a lot, when something happens we step forward, we opinion leaders take the leadership role and go forward to solve the problem. When something happens many people withdraw, they are afraid in the society in which we are because they cannot express themselves and they need some of us who can step forward.... Sometimes the police even call me to assist in investigations, I go there and help. I also offer them emotional support'*.

#### **Sponsoring community events**

Sponsoring community events emerged as one of important contributions of Ghanaian immigrant entrepreneurs to both COO and COR, recording similar levels of participation – mean figures of 2.93 and 3.07, respectively. In comparing the mean scores with the level of participation of respondents, it is noted that they engage 'sometimes' in the above mentioned activities. Sponsorship of such events came in kind or as cash as mentioned by one the respondent: *'I came up with the initiative to support the orphanage in my hometown. We send them money and every year I travel to Ghana to organise a party for the children'*. Adding to that, the study found that not only did these immigrant entrepreneurs sponsor community events but they also organised some community events targeted at enabling community socialization, entertainment, promoting the culture and businesses of both countries. These events strengthen social networks locally and internationally, which could be beneficial for mutual gains. For instance, sponsoring socialization events eases the negative effects of societal isolation and helps community members to bond, build relationships and ultimately improve their social well-being, which, as argued by Sen (1985, 1992, 1999), development should fundamentally focus on.

#### **Offering training for prospective entrepreneurs and apprenticeship training for free**

The study found that Ghanaian immigrants entrepreneurs did not only nurture entrepreneurial spirit in prospective entrepreneurs, but they also offered informal training opportunities for them enabling these potential entrepreneurs to eventually start their own business. In addition, other

respondents mentioned formal apprenticeship training for community members brought in by the German Government for skills development. It could be said that these initiatives have positive social effects beyond pure economic gains for respondents and have observable effects on human capital formation, which is beneficial in realising development. Of note is that in the COR, these informal and formal training systems are offered both to co-ethnics and the masses. Compared to the level of participation in Ghana, respondents engaged more in offering training for prospective entrepreneurs and in offering apprenticeships in Germany. The low recorded figures could be a result of a low number of respondents who had established business ventures in Ghana. They study found that 25 (46.3%) out of the total of 54 respondents had business ventures in Ghana. Regarding respondents' level of engagement in offering training for prospective entrepreneurs, Ghanaian immigrant entrepreneurs participated in such activity rarely and sometimes in Ghana and Germany, respectively. The mean figure for the level of participation in Ghana recorded 2.33 whereas Germany recorded the mean figure of 2.83. Nonetheless, the result is consistent with the findings of a survey conducted by Waldinger (1984, 1986) in his study of the New York City garment industry. The scholar observed from his survey that ethnic entrepreneurs provided informal training opportunities for immigrant workers when they assumed supervisory roles.

### **Economic Contributions to the Development of Germany and Ghana**

#### **Paying taxes**

One of the outstanding contributions of the Germany-based Ghanaian immigrant entrepreneurs to the growth and development of Germany and Ghana is found in the form of paying taxes to both governments. The level of engagement in Germany recorded the mean figure of 4.96, an indication that respondents 'always' pay their taxes to the German government. For this economic contribution activity, the lowest level of engagement recorded for Germany was 'often'. On the contrary, 11 respondents had 'never' participated in paying any form of tax to the Ghanaian government in the previous 12 months; however, the overall engagement in such economic contribution activity in Ghana was at the level of 'often', recording the mean figure of 3.94. It is worth mentioning that such taxes paid by respondents included income tax and import taxes for the respondents who owned business ventures in Ghana. In addition, property tax was often mentioned by the respondents who owned properties in the country. In comparing these findings with already existing literature, the work of Ramadani et al. (2014) supports such an economic contribution from ethnic entrepreneurs. In their study, the scholars noted that Albanian entrepreneurs operating businesses in the Republic of Macedonia paid their taxes regularly.

### **Exports and imports of goods**

Economic contributions in the form of import of goods from Ghana and export of goods outside the shores of Germany recoded approximately the same mean figures of 2.46 and 2.65, respectively, an indication that respondents 'sometimes' participated in such economic activities. Of note is that import activities of Ghanaian immigrant entrepreneurs, namely their involvement in importing goods from Ghana, contribute to the Gross Domestic Product (GDP) of Ghana, whereas their engagement in exporting goods from Germany actually contributes to the output of the German economy. In addition, Ghanaian immigrants' exports basket included but was not limited to autos, machinery or equipment, medicines and cosmetic products, groceries, apparel, auto parts, household electronics, among others, whereas imports from Ghana were mostly found to be food stuffs, apparel, cultural and artistic artefacts. In general, it could be said that the amount of goods being exported from Germany by these respondents in terms of monetary value exceeds that of the imports from Ghana. It is worth mentioning that for most of respondents who were engaged in export activities, a large quantity of their exported goods lands in Ghana and a minority of export is directed to other countries.

In addition, while most of Ghanaian immigrant entrepreneurs engaged in export activities supplied goods to their customers or their own business venture in the COO, few respondents also export non-commercial goods to their families and these export activities have been facilitated by other Ghanaian immigrant entrepreneurs who work in the logistics sector in both Germany and Ghana. The study found that these Ghanaian immigrant entrepreneurs had made it easier for Ghanaian migrants in Germany to export both small and large quantities of items, particularly to the COO, through the door-to-door service they offered. The study found that almost all the Ghanaian immigrant entrepreneurs who worked in the logistics/transport sector had branches in Ghana, which helped them to coordinate the business interface in Ghana, thus making it easier to distribute customers' goods cleared from the Ghanaian harbours to their respective owners. The qualitative interviews also revealed that export activities of respondents had been reduced drastically in the last decade due to the depreciating Ghanaian cedi and high import taxes at Ghana's harbours which discouraged respondents from frequent participation in export activities or stopped some of them from engaging in such activity in the previous 12 months.

### **Sending and receiving remittances**

The study found that Ghanaian immigrant entrepreneurs did not only send remittances to their COO, but they also received remittances in Germany. Overall, it is noted from the mean figures that the level of participation in sending remittances to Ghana by respondents exceeds the

extent to which they receive remittances in Germany. The mean figures recorded for the level of participation in such economic contributions are 3.78 and 2.65 for Ghana and Germany, respectively. The mean figures demonstrate that respondents 'often' engage in sending remittances to Ghana whilst they 'sometimes' receive remittances in Germany. Remittances sent to the COO were largely to cater for or support family members. It could be said that these remittances enhanced the purchasing power of households that received them, which would also have a multiplier effect on consumption and poverty alleviation. In other instances, one of the positive impacts of remittances in the COO is found in accelerating investment in properties and in the financial market. Respondents said that the purposes of the remittances to the COO were to invest in real estate (house construction and land purchase), financial market (shares, treasury bills, among others), pay bills and make charitable donations. Only a minority of respondents engaged in import activities from Ghana reported that they sent money to purchase goods and services from the COO. On the contrary, remittances received in Germany were mostly from customers or acquaintances who needed the supply of goods and services offered by the respondents themselves or by other firms or who needed goods such as equipment, autos, medicines from Germany and so relied on these respondents to buy and export to them upon sending them money. Adding to that, some of the remitted money received from outside Germany by respondents engaged in export activities are proceeds from goods exported and sold outside Germany.

### **Motivating Factors That Drive Germany-Based Ghanaian Immigrants Into Entrepreneurship in Germany**

It has been found that the decision to start a business is complex and multifaceted. Interestingly, 'pure' pull motivations as well as a combination of pull and push motivations are observed. Nonetheless, amongst Germany-based Ghanaian immigrant entrepreneurs, the pull factors are more prevalent than the push factors. More of these immigrant entrepreneurs are opportunity-driven than necessity-driven, thus the decision to engage in entrepreneurship was born out of positive reasons. Adding to that, the findings revealed that the majority of these immigrant entrepreneurs were not motivated by monetary rewards or were not strongly motivated by the absence of satisfactory work in mainstream employment, as it is prevalent in a large number of studies documented in immigrant entrepreneurship literature, but rather they were driven by the desire to put their skills to the optimum use.

The 'need to make good use of one's expertise', 'the need for achievement' and 'independence' were the three most important pull factors that drove the Ghanaian immigrant entrepreneurs into enterprising in Germany. The high number recorded under the 'need to make good use of one's

expertise or skills' could be as a result of the social belief of Ghanaians that individuals right from the childhood should be encouraged to learn some form of vocational skills or trade, which is locally called 'Nsano Dwuma'. In Ghana, it is believed that with these kind of vocational skills, one can earn a living or start a business in a particular field no matter where one settles. Shepherd, Douglas and Shanley (2000) add that previous career skills and experience enhance an individual's capability to build a relevant network of suppliers or contacts, obtain market knowledge, enable one to identify and exploit opportunity gaps in the market.

The need for achievement has emerged as one of the strongest personality traits of firm founders and a motivational factor found to have a direct relationship with entrepreneurial activities (Johnson, 1990; Fineman, 1977). McClelland (1961) posits that individuals who have a strong need of achievement are more likely *'to engage in activities that have a high degree of individual responsibility for outcomes, require individual skill and effort, have a moderate degree of risks, and include clear feedback on performance'* (Shane, Locke and Collins, 2003, p. 263).

Likewise, in this study, the need for achievement was found to be one of significant factors that drove respondents into entrepreneurship. This is an indication that the desire to pursue a goal could exert a pull effect on an individual toward enterprising. As such, these individuals are more likely to set targets for themselves and work towards achieving these targets. McClelland adds that individuals with a high need to solve their own problems are those who have a strong need to achieve something on their own. These individuals are most likely to engage in enterprising and perform better than others. In general, people migrate from their home countries to settle elsewhere in search for green pastures, better opportunities, to study, among others. These personal goals tend to influence the behaviour of immigrants in the host country. *'Immigrants are thought to have a high need for achievement after migrating to a new country and are more likely to become entrepreneurs'* (Maritz, 2004, as cited in Paulose, 2011, p. 33).

In addition, the high recorded figures for the 'need for achievement' and the 'need to be one's own boss' could be attributed to the fact that the ability to be independent and achieve something tangible in life is highly regarded and appreciated in Ghana. It is a general perception in Ghana that success means being able to achieve something on your own as it is commonplace to see parents and guardians instil in growing kids the mentality of the need to be successful and independent. This fact sometimes encourages and arouses the desire of individuals to become entrepreneurs in an attempt to achieve something on their own as Ghanaian communities embrace and have high respect for successful entrepreneurs.

In the field of entrepreneurship research, the desire for independence stands out as one of the relevant pull factors driving ethnic minorities into entrepreneurship; an ample number of empirical works have established



this fact. 'Wanting to be their own boss' and the 'desire or feeling to be in charge or control over their own destiny' are oftentimes cited by ethnic entrepreneurs. However, the findings of this study mirror prior studies in this respect. While the incidence of the 'need to be one's own boss' ranked third in the descending order of importance, the 'need to have control of one's own life' was cited by a minority of respondents in this study. These results contradict the common trends of motivation for becoming an entrepreneur as found in the works of Basu and Altinay (2002), Masurel, Nijkamp and Vindigni (2004) and Baycan-Levent and Nijkamp (2007), where the desire for independence ranked first in the descending order of importance as the ultimate factor precipitating the move into business ownership.

Having studied three different immigrant entrepreneurial groups in Amsterdam, Baycan-Levent and Nijkamp (2007) concluded that, although the desire to be one's own boss stood out as the main motive for business ownership in all three case studies with scores of 70%–80%, this pull effect did not only reflect positive reasons but also other negative or push effects seemed plausible after examining the background of entrepreneurs. The scholars attributed these negative reasons to a lack of education, lack of alternatives and unemployment.

However, the results of this study contradict the findings of Baycan-Levent and Nijkamp and it is argued that, although the subjects under study exhibited low educational background, the desire for independence or to be one's own boss reflects positive reasons for business ownership or full pull effect. This is because 72.2% of respondents were employed (working for another organization) before starting their current ventures, indicating that they had other alternatives available to them. In addition, respondents possessed long-standing previous experience of 6–10 years in entrepreneurial activities and long-standing previous experience in the current business sector, and it is concluded that the outcome (business ownership) was not the only option of upward mobility. It could also be said that the motivation to be one's own boss stems from the desire to take responsibility for one's own decisions, to use one's own judgement, be in charge of one's own life instead of blindly following the decisions or choices of others and living off their efforts as captured in the statement of one respondent, *'I was tired of always running and chasing after bus and train to work for people to tell me what to do'*.

The challenges of integrating family into strict time schedules of wage employment and the concern for the well-being of family sometimes push some individuals into enterprising. The need to be able to fulfil household and family commitments has emerged as one of the relevant factors that push individuals into venture creation and this study was no exception as also revealed in the works of Greenfield and Nayak (1992), Kirkwood (2009) and Verheul, Stel and Thurik (2006) on entrepreneurship motivation. However, the findings revealed that women are more motivated by this

factor than men. Fourteen (14) out of the sixteen (16) respondents who cited this factor were women, an indication that gender differences exist and have an influence on the motivation of an individual to become an entrepreneur.

The decision to become an entrepreneur is sometimes born out of the needs of one's family. More women engage in business ownership largely due to the emphasis they put on having a flexible time schedule to be able to take care of the needs of their family (especially their children) and entrepreneurship is the only option that can offer them such flexibility. This is no surprising as women are often tasked with the responsibility to perform the household chores (especially in the Ghanaian culture, where women are seen as homemakers and are tasked with more domestic commitments than men) whilst men play the role of breadwinners and provide for the family financially. It has also been observed from literature that these household issues and the possibility of fulfilling such domestic commitments which de Bruin and his colleagues term 'motherhood' sometimes strengthen women's desire for business ownership and push them into entrepreneurship (de Bruin et al., 2007b, as cited in Kirkwood, 2009).

In comparing the very few instances of discrimination as the push factor for business entry, the empirical works of scholar such as Blackburn (1993), Masurel et al. (2004) and Basu and Altinay (2002) support the results of our study. According to Blackburn, in his sample of ethnic entrepreneurs, '*racial discrimination was mentioned so infrequently that it did not warrant a category of its own*' (Blackburn, 1993, as cited in Phizacklea and Ram, 1995, p. 52).

Finally, these findings bring to fore the fact that besides the 'pure pull' and 'pure push' motivating factors to start a business, some entrepreneurs exhibit a combination of both positive and negative motives for engaging in entrepreneurship. To highlight some of such instances, one respondent commenting on his motivation for starting his own business stated that '*I felt so discriminated in the workplace, I was ill-treated and frustrated so I quit the job and established my own workshop to make good use of my skills. But I also wanted to leave an inheritance for my son*'.

## 6. Conclusion

This paper examined the impact of Germany-based Ghanaian immigrant entrepreneurs' activities on the development of their country of origin and residence. The main objective of this study was to investigate the contributions of Ghanaian immigrant entrepreneurs to the socio-economic development of the country of residence (Germany) and the country of origin (Ghana). The results from the data shows a positive contribution from immigrant entrepreneurship to the socio-economic development of the country of origin and country of residence, thus illustrating that

contributions of immigrant entrepreneurship to the development of a nation could come in the form of social and economic contributions. In addition, the data indicates that not only does immigrant entrepreneurship benefit the country of residence but also it benefits the country of origin where ethnic minorities migrated from. Finally, the results for some parts of the dataset are consistent with the findings of existing literature on studies carried out on immigrant entrepreneurship by other scholars.

Another objective of this study was to understand the motivating factors that drive Germany-based Ghanaian immigrants into entrepreneurship in Germany. In Germany, scanty are studies that have focused on immigrant entrepreneurship and the motivations that stimulate it. The present study brings to the fore the factors that drive Germany-based Ghanaian immigrants into entrepreneurship. Whilst other scholars have found it difficult to assess the magnitude of each motivating factor of entrepreneurs, this survey gave room for the respondents themselves to assign the magnitude of importance to each of their motives by means of a ranking scale. Although entrepreneurship may be a strategy to avoid unemployment, the current study found that an overwhelming majority of respondents had other alternative employment options available to them; however, the majority of these entrepreneurs chose venture creation as a path to socio-economic mobility. A large number of respondents had previous experience in entrepreneurial activities prior to migrating to Germany and had long-standing previous experience in the current economic sector in which they operated. This prior experience enhanced their problem-solving skills and their opportunity recognition skills which helped them in becoming self-employed in Germany. As such, the study concludes that individuals who have prior experience in business ownership are more likely to be drawn into entrepreneurship when they migrate to a new place of abode. While motivations for entrepreneurship appear to be intertwined and complicated, a significant number of respondents appear to have chosen self-employment out of positive reasons, particularly with the motive to make optimum use of one's skills, for achievement and flexibility. The study found minimal evidence to support forced entrepreneurship; few respondents chose this career path due to negative reasons often related with family commitments and discrimination.

Furthermore, this study sought to use qualitative interviews to probe whether the pull and push theories sufficiently explain entrepreneurship motivations. The findings of this study affirm the pull and push theories and allow them to be supported. The rationale behind immigrants' decision to make a shift from wage employment to entrepreneurial career is still under-researched; the researchers suggest a further study to be carried out on the difference between the ambition prior to the creation of a business and actual experiences in relation to how rewarding entrepreneurship has been for these migrants.

Furthermore, one important observation during data gathering was that a large number of respondents, though had operated their businesses for many years, still remained micro or small business owners. These enterprises were observed to have experienced no expansion or growth. Against this background, the researchers suggest further studies to be conducted on the performance of enterprises and the factors facilitating or hindering their growth.

Besides, the researchers observed from the interviews that a large number of respondents were active members of associations and community groups such as hometown associations, political party associations and old students associations. Therefore, the researchers suggest a further study to be carried out on how Ghanaian immigrant entrepreneurs utilize networks and use social capital to boost the performance of their businesses.

The researchers also suggest further empirical studies to be conducted to test the research model, the constructs and variables used in measuring contributions to economic growth and development with a vigorous statistical method. Besides, we recommend to take into consideration the changes in the entrepreneurship landscape from one generation to another and from one time to another.

Finally, a further comparative qualitative study could be conducted on the cultural background and the tribal differences that exist between Ghanaian immigrant entrepreneurs and how such factors influence their decision about entrepreneurship.

## References

- Ács, Z.J., Desai, S., & Hessels, J. (2008). Entrepreneurship, economic development and institutions. *Small Business Economics*, 31, 219–234.
- Al-Ali, N., Black, R., & Koser, K. (2001). Refugees and transnationalism: The experience of Bosnians and Eritreans in Europe. *Journal of Ethnic and Migration Studies*, 27(4), 615–634.
- Aldrich, H.E., & Waldinger, R. (1990). Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16(1), 111–135.
- Bagwell, S. (2006). UK Vietnamese businesses: Cultural influences and intracultural differences. *Environment and Planning C: Government and Policy*, 24(1), 51–69.
- Bailey, T., & Waldinger, R. (1991). Primary, secondary, and enclave labor markets: A training system approach. *American Sociological Review*, 56(4), A32–A45.
- Basu, A., & Altinay, E. (2002). The interaction between culture and entrepreneurship in London's immigrant businesses. *International Small Business Journal*, 20(4), 371–393.
- Baycan-Levent, T., & Nijkamp, P. (2007). Ethnic entrepreneurship in European cities: A comparative study of Amsterdam. In L.-P. Dana (Ed.), *Handbook of research on ethnic minority entrepreneurship: A co-evolutionary view on resource management* (pp. 323–336). UK: Edward Elgar Publishing, Inc.
- Blaschke, J., Boissevain, J., Grotenberg, H., Joseph, I., Morokvasic, M., & Ward, R. (1990). European trends in ethnic business. In R. Waldinger, H. Aldrich, & R. Ward (Eds.), *Ethnic entrepreneurs: Immigrant business in industrial societies* (pp. 79–105). London: Sage.
- Bull, I., & Willard, G. (1993). Towards a theory of entrepreneurship. *Journal of Business Venturing*, 8(3), 183–195.

- Choenni, O.A. (1997). *Veelsoortig assortiment; allochtoon ondernemerschap in Amsterdam als incorporatietraject 1965–1995*.
- Clark, K., & Drinkwater, S. (2000). Pushed out or pulled in? Self-employment among ethnic minorities in England and Wales. *Labour Economics*, 7(5), 603–628.
- Dawson, C., & Henley, A. (2012). “Push” versus “pull” entrepreneurship: An ambiguous distinction?. *International Journal of Entrepreneurial Behavior & Research*, 18(6), 697–719.
- de Bruin, A., Brush, C., & Welter, F. (2007). Advancing a framework for coherent research on women’s entrepreneurship. *Entrepreneurship Theory and Practice*, 31(3), 323–40.
- Elo, M. (2014). Diaspora networks in international business and transnational entrepreneurship – A literature review. *Zentral Working Papers in Transnational Studies*, (40/2014). November.
- Fineman, S. (1977). The achievement motive construct and its measurement: Where are we now?. *British Journal of Psychology*, 68(1), 1–22.
- Gilad, B., & Levine, P. (1986). A behavioral model of entrepreneurial supply. *Journal of Small Business Management*, 24(4), 45–54.
- Greenfield, S., & Nayak, A. (1992). The management information needs of very small businesses: gender differences. In R. Welford (Ed.), *The management information needs of very small businesses: Gender differences*. Bradford: European Research Press.
- Gries, T., & Naudé, W.A. (2010). Entrepreneurship and structural economic transformation. *Small Business Economics Journal*, 34(1), 13–29.
- Hakim, C. (1989, June). New recruits to self-employment in the 1980s. *Employment Gazette*, 286–97.
- Grinnell, R.M., & Unrau, Y.A. (2005). *Social work research and evaluation: Quantitative and qualitative approaches*. New York: Oxford University Press.
- International Labour Organisation (ILO), Organisation for Economic Co-operation and Development (OECD) and World Bank Group (WBG). (2015). *The contribution of labour mobility to economic growth*. Joint paper for the 3rd meeting of G20 Employment Working Group, Cappadocia, Turkey, 23–25 July 2015.
- Ionescu, D. (2006). *Engaging diasporas as development partners for home and destination countries: Challenges for policymakers*. Geneva: International Organization for Migration.
- Johnson, B.R. (1990). Toward a multidimensional model of entrepreneurship: The case of achievement motivation and the entrepreneur. *Entrepreneurship Theory and Practice*, 14(3), 39–54.
- Kariv, D., Menzies, T.V., Brenner, G.A., & Fillion, L.J. (2009). Transnational networking and business performance: Ethnic entrepreneurs in Canada. *Entrepreneurship and Regional Development*, 21(3), 239–264.
- Kirkwood, J. (2009). Motivational factors in a push-pull theory of entrepreneurship. *Gender in Management: An International Journal*, 24(5), 346–364.
- Kwaven, B.C.V. (2014). *Cameroonian Diaspora Entrepreneurship in Germany: A case study on Cameroonian Entrepreneurship in Berlin* (Master’s thesis). International SEPT Program, University of Leipzig.
- Lewis, W.A. (1954). Economic development with unlimited supplies of labour. *The Manchester School*, 28(2), 139–191.
- Li, P.S. (1993). Chinese investment and business in Canada: Ethnic entrepreneurship reconsidered. *Pacific Affairs*, 219–243.
- Masurel, E., Nijkamp, P., & Vindigni, G. (2004). Breeding places for ethnic entrepreneurs: A comparative marketing approach. *Entrepreneurship & Regional Development*, 16, 77–86.
- McClelland, D.C. (1961). *The achieving society*. Princeton: Van Nostrand.
- Mersha, T., Sriram, V., & Hailu, M. (2010). Nurturing entrepreneurs in Africa: Some lessons from Ethiopia. *Journal of Global Business Advancement*, 3(2), 155–175.

- Mitchell, B., & Co, M.J. (2007). Ethnic entrepreneurship in South Africa: An embedded approach to the study among various ethnic groups. In L.-P. Dana (Ed.), *Handbook of research on ethnic minority entrepreneurship: A co-evolutionary view on resource management* (pp. 681–706). UK: Edward Elgar Publishing, Inc.
- Mohamoud, A., & Formson-Lorist, C. (2014). *Diaspora and migrant entrepreneurs as social and economic investors in homeland development: Harnessing the bridging potential of migrant and diaspora entrepreneurs for transformative and inclusive development*.
- Naudé, W. (2013). *Entrepreneurship and economic development: Theory, evidence and policy* (Discussion Paper No. 7507). University of Maastricht, IZA.
- Paulose, A. (2011). *Motivation to become entrepreneurs: The case of Indian immigrants to New Zealand* (Master's thesis).
- Petersen, W. (1980). Concepts of ethnicity. In S. Thernstrom, A. Orlov, & Oscar Handlin (Eds.), *Harvard encyclopedia of American ethnic groups* (pp. 234–42). Cambridge, Massachusetts: Harvard University Press.
- Phizacklea, A., & Ram, M. (1995). Ethnic entrepreneurship in comparative perspective. *International Journal of Entrepreneurial Behavior & Research*, 1(1), 48–58. Retrieved on 20 August 2017 from <http://dx.doi.org/10.1108/13552559510079760>. doi: 10.1108/13552559510079760.
- Rada, C. (2007). Stagnation or transformation of a dual economy through endogenous productivity growth. *Cambridge Journal of Economics*, 31(5), 711–740.
- Ramadani, V., Rexhepi, G., Gërguri-Rashiti, S., Ibraimi, S., & Dana, L. P. (2014). Ethnic entrepreneurship in Macedonia: The case of Albanian entrepreneurs. *International Journal of Entrepreneurship and Small Business*, 23(3), 313–335.
- Riddle, L., Hrivnak, G.A., & Nielsen, T.M. (2010). Transnational diaspora entrepreneurship in emerging markets: Bridging institutional divides. *Journal of International Management*, 16(4), 398–411.
- Rusinovic, K. (2008). Transnational embeddedness: Transnational activities and networks among first-and second-generation immigrant entrepreneurs in the Netherlands. *Journal of Ethnic and Migration Studies*, 34(3), 431–451.
- Schumpeter, J.A. (1947). The creative response in economic history. *The Journal of Economic History*, 7(2), 149–159.
- Segal, G., Borgia, D., & Schoenfeld, J. (2005). The motivation to become an entrepreneur. *International Journal of Entrepreneurial Behaviour & Research*, 11(1), 42–57. Retrieved on 20 July 2017 from <https://doi.org/10.1108/13552550510580834>.
- Sen, A. (1985). *Commodities and capabilities*. Amsterdam: North Holland.
- Sen, A. (1992). *Inequality re-examined*. Oxford: Clarendon.
- Sen, A. (1999). *Development as freedom*. Oxford: Oxford University Press.
- Sen, A. (2000). *Development as freedom*. New York: Anchor Books.
- Shane, S., Locke, E.A., & Collins, C.J. (2003). Entrepreneurial motivation. *Human Resource Management Review*, 13(2), 257–279.
- Shepherd, D.A., Douglas, E.J., & Shanley, M. (2000). New venture survival: Ignorance, external shocks, and risk reduction strategies. *Journal of Business Venturing*, 15(5–6), 393–410.
- Stam, E., & Wennberg, K. (2009). The roles of R&D in new firm growth. *Small Business Economics*, 33(1), 77–89.
- Takamori, H., & Yamashita, S. (1973). Measuring socioeconomic development: Indicators, development paths, and international comparisons. *The Developing Economies*, 11(2), 111–145.
- Verheul, I., Stel, A.V., & Thurik, R. (2006). Explaining female and male entrepreneurship at the country level. *Entrepreneurship and regional development*, 18(2), 151–183.
- Volery, T. (2007). Ethnic entrepreneurship: A theoretical framework. In L.-P. Dana (Ed.), *Handbook of research on ethnic minority entrepreneurship: A co-evolutionary view on resource management* (pp. 30–41). UK: Edward Elgar Publishing, Inc.



- Wadhwa, V., Saxenian, A., Freeman, R.B., & Gereffi, G. (2009). *America's loss is the world's gain: America's new immigrant entrepreneurs, Part 4*.
- Waldinger, R. (1984). Immigrant enterprise in the New York garment industry. *Social Problem*, 32(1), 60–71.
- Waldinger, R. (1986). *Through the eye of the needle: Immigrants and enterprise in New York's garment trades*. New York: New York University Press.
- Waldinger, R., Aldrich, H., & Ward, R. (1990). Opportunities, group characteristics and strategies. In R. Waldinger, H. Aldrich, & R. Ward (Eds.), *Ethnic entrepreneurs: Immigrant business in industrial societies* (pp. 13–48). London: Sage.
- Wei, Y., & Balasubramanyam, V.N. (2006). Diaspora and development. *The World Economy*, 29(11), 1599–1609.
- Worthington, I., Ram, M., & Jones, T. (2006). 'Giving something back': A study of corporate social responsibility in UK South Asian small enterprises. *Business Ethics: A European Review*, 15(1), 95–108.
- Yinger, M.J. (1985). Ethnicity. *Annual Review of Sociology*, 11, 151–80.
- Zhou, M. (2004). Revisiting ethnic entrepreneurship: Convergencies, controversies, and conceptual advancements. *International Migration Review*, 38(3), 1040–1074.