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Informal Practices of Ethnic Entrepreneurs Operating Micro Sized Enterprises

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*Informal Practices of Ethnic Entrepreneurs
Operating Micro Sized Enterprises*

Shahin Mitha

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requirements for the degree of Doctor of Philosophy

Sheffield Hallam University
Sheffield Business School

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Abstract

This research aims to develop a more nuanced understanding of informal practices that have manifested specifically in the operations of South Asian entrepreneurs operating micro sized enterprises. This research focuses on the experiences of entrepreneurs and the enterprises they operate in order to explore and comprehend the boundaries of informality and illegality. The study is underpinned by structuration theory, i.e. agency, the actions of entrepreneurs, and structure, internal and external influences that promote entrepreneurs to engage in informal activities. To support the focus on the enterprises of respondents, I created a Hexagon model canvas that is utilised to present the operations of micro enterprises which assists in demonstrating the integration of informal practices.

A qualitative inductive approach was incorporated to gather data through semi-structured and unstructured interviews, and conversations with South Asian entrepreneurs operating micro sized enterprises within South Yorkshire. A thematic data analysis enabled the production of themes such as employment and health and safety that revolve around cash transactions. Findings suggest that the above types of activities and the avoidance of regulations has become an integral aspect of business operations that manifest as informal practices. In addition to the creation of the Hexagon model canvas to analyse business models, this research proposes an enterprise framework that highlights five specific types of micro sized enterprises owned and managed by South Asian entrepreneurs. This research also includes entrepreneurial concepts that demonstrates South Asian entrepreneurs are predominantly opportunity driven and operate either Type 2, The Legal Enterprise with Marginal Illegal Activity, or Type 3, The Opportunistic Enterprise.

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Chapter 1 Introduction

The chapter introduces and considers an aspect of entrepreneurship that has become a topic of debate, namely informal entrepreneurship. The intention is to provide a greater understanding of the types of activities, entrepreneurs, and enterprises that exist within a UK context in relation to the informal economy. Specifically, it is concerned with a particular societal group: South Asian Entrepreneurs.

The chapter is structured as follows. First, the chapter outlines the importance of this research by introducing aspects of entrepreneurship that require further exploration in order to develop our understanding of entrepreneurs and enterprises. Secondly, the aims and objectives of this research study are presented. Lastly, the structure of this thesis is highlighted.

1.1 Rationale for this Research

Small to Medium sized Enterprises (SMEs) are the backbone of local economies as these enterprises account for 60% of private sector employment and 52% of private sector turnover (FSB, 2018). This research defines small enterprises in accordance to employment levels (Deakins and Freel, 2012). Consequently, this research focuses on micro enterprises that consist of 9 employees or less (European Commission, 2016) as these enterprises substantially contribute to job growth and economic stability (BIS, 2013). Ethnic minority enterprises have been given significant emphasis due to their growth within the UK (Dhaliwal and Amin, 1995; Dhaliwal, 1998) with scholars such as Basu and Werbner (2009) suggesting the need to investigate British Asian owned enterprises to develop a greater understanding of how this ethnic group operate their businesses. Thus, this research focuses on first generation and second generation South Asian entrepreneurs operating micro sized enterprises.

Research into ethnic entrepreneurship indicates that this group adopt survival strategies due to economic aspects (Aldrich, 1977). These, may take the form of long working hours and reduced profit margins (Kloosterman et al, 1998). Consequently, the activities of ethnic entrepreneurs may take an informal disposition. Entrepreneurship literature has recently begun to consider the relationship between entrepreneurs and the informal economy (Williams and Nadin, 2010), and the notion of ethnic entrepreneurs being associated with informality (Sassen, 1996; Light, 2004). There is a tendency to separate good (legal) economic activities from bad (illegal) economic activities (Williams, 2006), with research into the informal economy concentrating on the latter that highlights escaping official record keeping (Portes and Sassen-Knoob, 1987) based on social security, tax, and labour (Williams and Windebank, 1998). However, this lacks depth in demonstrating how informal practices with regards to labour are manifested into the operations of enterprises.

Research within entrepreneurship surpasses the boundaries of legality to consider illegal enterprises (Rehn and Taalas, 2004; Smith, 2007; Williams, 2008a), drug dealings (Frith and McElwee, 2008a, 2009b), and recently Food Fraud (McElwee et al, 2017). The distinction between activity within the informal and illegal sector are not fully clear (Tokman, 1992; Thomas, 1995; Chen et al, 2001; Williams and Nadin, 2010; Ojo et al, 2013). Recent research highlights entrepreneurial activity by degree of legality (Smith and McElwee, 2013) and the types of enterprises that exist (McElwee et al, 2011). However, the above research focuses on illegal enterprises, therefore this research concentrates on developing a greater understanding of the types of entrepreneurs and enterprises that integrate informal practices. In order to accomplish this, structuration theory (Giddens, 1984) underpins this research as it is concerned with the reproduction of social systems based on the analysis of agency and structure i.e. a multiple unit of analysis; the entrepreneur, and the enterprise. In accordance to the areas highlighted above, the next section states the aims and objectives of this research.

1.2 Aims, Objectives, and Research Questions

The aims of this research are to explore the nature of business practices, and the opportunities and occurrences of types of informal or possible illegal activity practised by South Asian entrepreneurs who own and manage micro sized enterprises in South Yorkshire.

Table 1.1 identifies the research objectives with their corresponding research questions that enabled the aims of this research to be met. The research questions below emerge from the literature (chapters 2 and 3) and table 1.1 presents a summation of them.

Table 1.1 Objectives and Research Questions

Objectives	Corresponding Research Questions
To explore the nature of entrepreneurship to determine how it manifests itself within micro sized enterprises in relation to informality and illegality.	<p>RQ1: When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?</p> <p>RQ4: Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?</p>
To explore the association of informality with regards to ethnic entrepreneurs, and particularly South Asian entrepreneurs in a specific region of England.	<p>RQ2: What are the experiences of South Asian entrepreneurs with regards to informal activities?</p> <p>RQ3: Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs?</p>

<p>To develop a typology of traders and enterprises that exist within a South Asian ethnic group.</p>	<p>RQ5: Does the framework of illegal rural enterprises developed by that of McElwee et al (2011) also apply to South Asians entrepreneurs that operate micro sized enterprises? If not, what types of enterprises exist?</p> <p>RQ6: The terms ‘informal trader’ and ‘criminal trader’ can be considered as broad terms. How are these reflected in the understanding of South Asian entrepreneurs?</p> <p>RQ7: Can additional terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?</p>
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1.3 Structure of Thesis

The following sections outline aspects in this thesis that are discussed chapter by chapter.

1.3.1 Introduction

This chapter contextualises the research by discussing various essential aspects that forms the research issue, which leads to the identification of the aims of objectives of this research study. This chapter then discusses the structure of the thesis through identifying the core characteristics of each chapter.

1.3.2 Literature Review

This chapter critically reviews key concepts relevant to this research study. Enterprises and entrepreneurs are central issues within this research. Therefore, this chapter highlights the importance to the economy of micro-sized enterprises in the SME sector, and the importance of entrepreneurs and in turn entrepreneurship. As this research focuses on South Asian entrepreneurs based in the South Yorkshire region of the UK, this chapter reflects upon and considers the extent to which ethnic entrepreneurship is a distinctive phenomenon. The reflection on ethnic entrepreneurs leads to the consideration of their role and activities within the informal economy identifying concepts such as opportunity driven and necessity driven entrepreneurs, and also reflects on the appropriateness of definitions of entrepreneurs within the informal economy and the extent to which they are relevant in this context. However, due to the fact that there are no clear distinctions between informal and illegal business activities, the chapter identifies aspects of illegal entrepreneurship such as the activities of criminal entrepreneurs and utilises an abstract continuum that assists in identifying the direction of this research. As this research is underpinned by structuration theory (Giddens, 1984), the literature highlights the core features i.e. creation and reproduction of social systems based on analysing structure, institutions enforcing rules and regulations, and agents, i.e. entrepreneurs managing micro sized enterprises. In order to determine the view of entrepreneurs, the stratification model proposed by Giddens is considered that refers to specific aspects, i.e. rationalisation and motivation for actions which is a particular focus of this research.

1.3.3 Business Model and Conceptual Framework

This chapter identifies the emergence of the business model concept and discusses its benefits in this research, leading to the elaboration of the business model canvas created by Osterwalder and Pigneur (2010) as a tool that is utilised to provide a

pictorial representation of respondents enterprises included in this study. The components of the business model canvas are identified, yet when applying this to micro enterprises with a focus on informal practices, its limitations are exposed. Therefore, I have created a revised version that is tailored to this research through distinguishing different cores that consist of various elements that bear greater relevancy to this research. Given that the focus of the thesis is concerned with the existence of enterprises within the informal and illegal economic sectors, a framework that highlights different types of illegal rural enterprises is discussed with a justification as to why such a framework is incorporated and applied in this research context. The chapter concludes with the identification of various research questions based on the information highlighted within this chapter and the previous chapter.

1.3.4 Philosophical Underpinnings

This chapter begins by reviewing the concepts of ontology and epistemology. Each position considers both objective and subjective perspectives that leads to reflecting on the characteristics of the various philosophical modes of engagement available. There are two specific concepts that have underlying influences on the philosophical schools of thought. Consequently, the chapter reviews the origins of these concepts as they assist in providing clarity in terms of the most suitable philosophical school of thought for this research. The chapter then reflects on my own thought process, and how I see the merits and limitations of various philosophical schools of thought. This helps me apply these stances when taking into account influential aspects such as the theoretical lens in this research study.

1.3.5 Research Methodology

This chapter commences with considering foundational issues of a research methodology, i.e. the research approach and the research inference. The research

approach draws on underlying issues discussed in the previous chapter which identifies the research approach required. The research inference approaches are considered with the most applicable highlighted and justified in relation to this research study. There are various units of analysis that can influence the direction of this research; therefore, these are reviewed in order to determine the focus of this research to fulfil the aims and objectives. As this research focuses on a specific ethnic group, the chapter identifies the region and population of the ethnic group that data is collected from.

Specific sampling techniques prove to be successful as this research tackles a sensitive area within entrepreneurship, thus allocating entrepreneurs that satisfy the participant criteria for this research is not a simple task. Consequently, a snowballing sampling technique is discussed due to its relevance in this research. Whilst data has the potential to be collected in multiple ways, interviews are the most suitable data collection instrument, therefore this chapter elaborates on the different forms of interviews and the form that best suits this research. Pilot studies enables trial runs of the data collection instrument in order to determine its feasibility. This process resulted in the consideration of a semi-structured interview guide. Conversations were also adopted as a data collection instrument due to the fact that some respondents were not willing to be part of the interview process, however, were willing to engage in an informal conversation. Due to the sensitivity of this research, field notes as well as recordings were incorporated into a two-phase data collection process. Consequently, this chapter discusses how field notes assisted in the collection of a wider depth of information. Access is an influential issue that dictates whether any research study is possible. Access was an issue that was managed satisfactorily due to the integration of confidentiality and anonymity of respondents. Previous chapters indicate the inclusion of a business model canvas, yet this chapter establishes how the business model canvas is integrated to present the business models of the respondents. A narrative story inquiry technique reflects on how

presenting each respondent as a case can prove to be an effective approach with support drawn from the successfulness of studies conducted by recent scholars.

1.3.6 Data Analysis Procedure

This chapter begins with the consideration of the data analysis of previous studies within the area of informal and illegal entrepreneurship. Consequently, thematic data analysis is explored as a suitable data analysis procedure. The six-phase process identified by Braun and Clarke (2006) in relation to thematic data analysis is discussed, which is then used as a platform to convey the stages of data analysis for this research. Manual transcription was adopted and the merits of such an approach are discussed. The coding process is then highlighted with specific emphasis on Creswell's (2013) spiral, as the coding process was not conducted in linear fashion as outlined by Corbin and Strauss (2008) but was more consistent to that indicated by Creswell (2013). NVivo is highlighted as a tool for data management and analysis, thus a discussion based on the coding process that led to the generation of themes is presented. The grouping of themes enabled the formation of two distinct perspectives. This chapter concludes with demonstrating how the created perspectives assist in answering the research questions emphasised in chapter 3, which in turn assists in achieving the objectives of this research study.

1.3.7 Findings

The unit of analysis within this research is not only the entrepreneur but also the enterprise. In order to develop a detailed insight into the characteristics of the respondents within this research, the background and specific experiences of entrepreneurs is presented. An author generated Hexagon canvas is utilised to represent the enterprises of respondents. Whilst the enterprises of respondents appear to be very similar, the Hexagon canvas assists in demonstrating that certain elements of the canvas can be considered the underpinning of informal and possibly

illegal activity. The background, experience, and structure of enterprises is presented for each respondent allowing for comparisons to be made that brings minor differentiations to the forefront, resonating with certain themes highlighted in the previous chapter. The chapter also considers that views of respondents in relation to the types of enterprises that exist, with the framework of illegal rural enterprises (McElwee et al, 2011) utilised as a foundation. The chapter then concludes with the presentation of a framework based on South Asian entrepreneurs operating micro enterprises.

1.3.8 Traders and Enterprises

This chapter explores the enterprise framework proposed in chapter 7, which is divided into two sections. The first section discusses each of the enterprises proposed to exist in terms of South Asian entrepreneurs operating micro sized enterprises in South Yorkshire. The boundaries of each enterprise are discussed by considering the views and perceptions of respondents. As this research encompasses more than one unit of analysis i.e. the entrepreneur and the enterprise, the types of South Asian traders that exist within each enterprise is considered. As five enterprises are proposed to exist, five specific traders are discussed based on the views of respondents. The second section discusses specific concepts highlighted in chapter 2 that directly relate to the framework proposed in chapter 7 i.e. necessity driven, opportunity driven, value-adding, and value-extracting entrepreneurs. These concepts are utilised to provide clarification on the enterprises and entrepreneurs that are proposed to exist.

1.3.9 Internal and External Influences

This chapter reports on factors highlighted by respondents that encourage South Asian entrepreneurs to engage in informal practices by considering internal and external aspects. Consequently, the chapter is divided into two sections. The first

section considers internal influences i.e. factors that South Asian entrepreneurs' control that are part of the processes of their enterprise. Four internal factors are discussed: employment; health and safety; cash transactions; and culture. Three key factors are discussed regarding employment: employee payment, ethnicity of employees, and training of employees. Each of these factors reflects on literature and considers the views of respondents, which is then linked back to the enterprise framework proposed in chapter 8. As health and safety is an aspect that has emerged from the perception of respondents, literature on health and safety in relation to ethnic entrepreneurs and small enterprises is reviewed. The knowledge and views of respondents are then considered to highlight how aspects of health and safety manifest as informal practices within the processes of South Asian entrepreneurs operating micro sized enterprises. Cash transactions are found to be an integral part of how South Asian entrepreneurs operate their enterprises, consequently this influence is discussed in terms of its relation to the previous influences of employment and health and safety. The responses from South Asian entrepreneurs included within this research are reviewed for the final influence of culture to determine the impact of culture as an underlying influence in the operations of South Asian entrepreneurs operating micro enterprises. A reflection on specific aspects of structuration theory is provided to develop a greater understanding of how entrepreneurs monitor and control informal practices within their enterprises.

The second section considers external influences, i.e. factors that an entrepreneur cannot control yet influences them to engage in informal practices. Two external influences are discussed: competition and regulations in business. Respondents emphasise fierce competition, therefore competition is considered to highlight how it pressurises South Asian entrepreneurs to integrate informal practices in their operations. Specific regulations in business resonate through the second data collection phase, consequently various forms of taxation and pension contributions are discussed as incentives to engage in informal practices.

1.3.10 Conclusion

This chapter provides an overview of this thesis. This summary considers areas that had the potential to be conducted differently such as data analysis. The contribution of this research is highlighted by considering contribution to both knowledge and practice. The limitations of this research are considered, specifically the method adopted, with recommendations and prospects for future research also discussed. Lastly, a reflection of my doctoral journey is highlighted that emphasises my personal and intellectual growth.

Chapter 2 Literature Review

This chapter presents a critical review of the key concepts of: ethnicity; micro businesses; ethnic owned small businesses and the informal economy. This review is presented by drawing on relevant aspects of the academic entrepreneurship literature and in particular the concepts of informality and illegality.

The chapter is structured as follows. First, the chapter discusses the importance of SMEs and the impact that they have on the economy, i.e. contributing to economic growth and stability via job creation. Entrepreneurship is associated with small business ownership (Carland, 1984). However, the ongoing debate concerning the nature and character of small business owners and entrepreneurs is discussed. In essence, this debate is concerned with the extent to which small business owners are entrepreneurs. Thus, the ensuing discussion will be concerned with definitional issues i.e. defining what entrepreneurship, and more specifically, what an entrepreneur is. Secondly, with the ethnic focus i.e. South Asian entrepreneurs, the chapter considers ethnic entrepreneurship grounded through the discussion of phenomena that shape such entrepreneurs. Cultural aspects are highlighted as this has the potential to shape an individual's motives for business entry or new venture creation, which leads to the consideration of entry barriers. Thirdly, the chapter discusses concepts of informal entrepreneurship of ethnic entrepreneurs that evolves around their activities. It is therefore appropriate to consider illegal entrepreneurship to determine how illegality overlaps and may be an element of the informal economy. Making distinctions and representations between what is classed as legitimate and illegitimate in societies, and social groups is not simple; therefore, a continuum based on the dimensions of entrepreneurial activity by degree of legality by that of Smith and McElwee (2013) is discussed and critically appraised. Lastly, relevant theoretical approaches are highlighted, and an explanation is provided as to why structuration theory is adopted as the theoretical lens for this study. The focus

of this study lies between the elements of *agency* and *structure*, first posited by Giddens (1984). This is based on gaining a deeper understanding of how the agent, i.e. entrepreneurs, react to structure, i.e. rules and regulations with an informal economic perspective. This then is a consideration of how structure influences the actions of agents, and vice versa, in terms of engagement within informal aspects. The purpose of the following sections is to accentuate the importance of SMEs in the economy and provide clarity on Asian entrepreneurs that operate micro sized enterprises with activities that may be informal or illegal. Such activities have the potential to form part of enterprise management and therefore requires exploration.

2.1 Small and Medium-sized Enterprises

According to the Federation of Small Businesses (FSB) (2018), small firms in the UK account for 99.3% of private sector businesses, 60% of private sector employment, and 52% of private sector turnover. Such figures demonstrate the impact small firms have on the private business sector within the UK economy. The UK Department of Business Skills and Innovation (BIS) (2013) indicates that 95.6% of private sector businesses, 53.8% of private sector employment, and 37.8% of private sector turnover in the UK is derived from micro sized enterprises. SMEs contribute 50.9% to the UK Gross Domestic Product (GDP), and 53% of the working population are employed by SMEs (Eurostat, 2017). Rhodes (2018) highlights the number of enterprises within specific regions of the UK and identifies that 96% of businesses within the UK are micro enterprises. Table 2.1 demonstrates that there is a significant number of enterprises within Yorkshire & Humber. In addition, Stocks (2014) indicates that South Yorkshire is the second mostly densely populated subregion with SMEs and account for approximately 30% of turnover within Yorkshire & Humber.

Table 2.1 Business Statistics by Regions of the UK from Rhodes (2018: 6)

	Number of Enterprises (000s)	SMEs (000s)
North East	163	163
North West	545	544
Yorkshire & Humber	401	400
East Midlands	368	367
West Midlands	448	448
East of England	565	564
London	1,096	1,095
South East	874	873
South West	546	546

These figures illustrate the significant impact SMEs have on the UK economy. However, it is necessary to note that as a measure of productivity, GDP, the total value of goods and services produced in a nation's borders (Daniels et al, 2016), is not without its shortcomings. For example, GDP does not consider those services that are not reported, i.e. activities that are considered to be part of the underground or informal economy (Williams, 2004).

To clarify what is meant by 'small firms' in order to determine the focus of this research. The term 'small' carries certain ambiguity as it can be interpreted in different ways dependent on the industry. For example, Aston Martin employs 2,100 individuals (Tovey, 2015) which is considered to be small in comparison to other manufacturers such as Nissan who have 152,421 employees (Nissan Motor Company, 2016). However, in contrast, Manchester United Football Club is considered to be one of the largest football clubs in the world yet has 837 employees (Manutd, 2017).

It therefore deems necessary to answer a simple yet multifaceted question, what is a small firm? In answering this question, factors such as industry sector and market must be taken into consideration. However, the UK committee of inquiry into small firms (Bolton, 1971) distinguish a statistical and economic definition. Statistically, Bolton (1971) recognised that it is appropriate to define an industry's size by employees in specific sectors, yet turnover or assets in others. Despite these definitions not being comprehensive, Bolton (1971) highlights that it is the principle of employing multiple measures to achieve relevant definitions. Therefore, the following table assists in attempting to define small firms.

Table 2.2 Bolton's Definition of Small Firms from Deakins and Freel (2012: 34)

The Statistical Definitions	
Manufacturing	200 employees or less
Construction, mining, and quarrying	25 employees or less
Retail and miscellaneous services	Turnover of £50,000 or less
Motor trades	Turnover of £100,000 or less
Wholesale trades	Turnover of £200,00 or less
Road transport	5 vehicles or less
Catering	All; excluding multiple and brewery managed houses
The economic definitions	
Small firms are those which:	
1. Have a relatively small share of their marketplace	
2. Are managed by owners or part-owners in a personalized way, and not through the medium of a formalized management structure	
3. Are independent, in the sense of not being part of a large enterprise	

Bolton's (1971) economic definitions have had considerable influence over policy-orientated academics not only in the UK but also elsewhere, thus have had a certain amount of durability in policy circles. There may be an underpinning logic that firms which satisfy Bolton's (1971) criteria, are likely to be small. These definitions have received criticism. Storey (1994) notes that Bolton's (1971) economic definition of small firms being 'managed by owners or part-owners in a personalised way, and not through the medium, of formalised management structure' is not compatible to the statistical definition that firms have '200 employees or less'. Atkinson and Meagre (1994) note that management appointments occur when firms reach 10-20 employees; therefore, it is unlikely that firms with 100 employees do not involve a certain degree of managerial delegation i.e. decision-making. Storey (1994) also questions the inability of small firms to influence their environment and suggests that Bolton (1971) is influenced by the concept of perfect competition i.e. a market structure where there are many firms, there is freedom of entry, they can produce identical products, and firms are price takers (Sloman et al, 2013). However, Storey (1994) suggests that small business competition is largely monopolistic i.e. a market structure where there are many firms, there is freedom of entry, firms produce differentiated products, thus retain some control over price (Sloman et al, 2013).

Despite such criticisms, the value of Bolton's (1971) definitions is that they address specific complexities that are involved with defining small firms and the issue of context. These strengths can also be a weakness, i.e. awareness of context can hinder consistent application in practice, therefore unambiguous criteria assist in eliminating complex administrative procedures. As a consequence of this practical application, the most commonly used measure of 'smallness' is employment levels (Deakins and Freel, 2012). OECD (2010: 7) considers small firms as 'non-subsidiary independent firms which employ fewer than a given number of employees'. Despite the variation of employment levels amongst different countries (Deakins and Freel,

2012), the European Commission (2016) provides the most commonly adopted definition, which is as follows:

- Micro enterprise – 9 employees or less
- Small enterprise – 10-49 employees
- Medium enterprise – 50-249 employees

According to BIS (2013), small businesses in comparison to medium and larger businesses, demonstrate resilience in challenging economic conditions. This resilience has resulted in growth in terms of the number of small businesses. The literature review now looks at the importance of SMEs, as they have significant influences on the economy in terms of job creation, economic growth, and economic stability (Hoffman et al, 1998).

2.1.2 Job Creation

Despite the presence of large firms in the UK, the majority of employment is provided by SMEs (Hoffman et al, 1998), and currently provide 60% of private sector employment (FSB, 2018). The smallest of firms (i.e. micro sized enterprises) have been increasing their employment year by year since 2000, and by 2010 employment had tripled since 1998, whilst large firms had a 20% decrease in their share of employment (BIS, 2013). This increase in employment demonstrates that micro enterprises are increasing their employee base, thus creating jobs for societies within which they operate. Despite this increase of employee size within businesses, they remain under the micro size classification, indicating that micro sized enterprises are a source of job creation, thus demonstrating the significance they have on local economies within the UK.

Whilst micro and small enterprises contribute 34% to new jobs within the UK in 2013, there has been a relatively sizeable portion of start-up businesses that account for a

further 33% of jobs, in which nine of ten start-ups employ less than five individuals at the birth of the business (BIS, 2013). A high number of start-up businesses i.e. 70-80% cease to exist after the first decade (BIS, 2013), which Stinchcombe (1965), cited in Krackhardt, (1996) refers to as the 'liability of newness' suggesting a number of reasons, four of which are described below. Firstly, new businesses have to abide by regulations, therefore there is a learning curve for entrepreneurs that proves to be a disadvantage. Secondly, the process of developing new roles i.e. management roles can incur high salary and wage costs, possibly creating conflict between employees and overlapping work due to introduction of new roles, which may result in inefficiency. Thirdly, new social relationships with strangers could negatively impact on the viability of a new business as critical relationships of trust are more difficult without past history, i.e. prediction of responses or reactions of colleagues in any given situation. Finally, businesses with well-established relationships with suppliers and customers are in a greater position in terms of replenishing stock at low cost and understanding customer needs. Familiarity of how a business fits within a larger organisational system places a new business at a disadvantage as they lack knowledge and may be unaware of organisational transactions (Stinchcombe, 1965).

Despite this 'liability of newness', 75% of businesses that start-up with less than five employees, will remain with less than five employees (BIS, 2013). This suggests that regardless of no increase in employment, micro enterprises live longer than small, medium or large enterprises. Therefore, micro enterprises provide consistent employment due to their longevity and reduced likelihood of demise. Whilst SMEs provide a great contribution to job creation, they also play a key role in the development of the UK economy through inspiring innovation and driving competition. I now turn to the impact of SMEs on economic growth.

2.1.3 Economic Growth

The prolonged period of recession since 2008 has meant businesses face very challenging economic conditions. However, since the beginning of this recession, the population of SMEs in the UK has grown by approximately 14%, and whilst the numbers of large businesses have declined, the greatest increase has been among businesses without employees, suggesting these are micro enterprises (BIS, 2013).

SMEs assist in economic growth through inspiring innovation and spurring competition. This is accomplished through (Sponseller, 2015):

- The speed of execution i.e. small firms have the potential to act quickly and pursue particular ideas enabling them to first market innovative products or services.
- A cultured team environment i.e. small firms can create a team culture that allows all employees to be involved in the process of innovation.
- The measurement of innovation i.e. small firms can make innovation part of an employee's job description therefore presenting a message that innovation is integrated into assessing job performance.

This increase in innovation increases competition as rivals will have no option but to respond with similar innovative ideas, which results in economic growth: '37 percent of SMEs (10-49 employees) were engaged in innovative activities between 2008 and 2010 compared to 42 percent of large businesses' (BIS, 2013: 27). However due to the advancements in labour market flexibility and IT, this gap has declined over the years. Scholars such as Mole (2002) suggest that new products create an additional 10% increase in the share of sales. SMEs act as a 'seedbed' for innovations and promote competition within their local economies through productivity; therefore, SMEs in particular, inspire innovation resulting in economic growth (BIS, 2013). A concept first proposed by Schumpeter (1942), labelled 'creative destruction',

is quite a widely recognised principle that entails new innovative entrepreneurs challenging businesses, which leads to greater competition and those firms that are least productive may have to exit the market whilst those more productive firms grow. Many scholars elaborate on the work of Schumpeter (1942) and criticise the concept. For example, Harvey, in a sequence of work from 1973-1985 (1985, 2006, 2009), discusses how creative destruction is manifested in the circulation of capital and that continuous effects of innovation devalue or possibly destroy labour skills and past investments. Harvey (1985, 2006, 2009) indicates that innovation exacerbates economic instability, thus forcing capitalism into periodic surges of crisis, i.e. the movement of capital investments to different corners of the globe devalue fixed assets and involve the elimination of labour for site transfer purposes. Freeman and Louçã (2001) and Perez (2003) develop the Schumpeterian legacy in suggesting that new technologies are often distinctive to productive regimes that currently exist, yet this will lead to bankrupt companies and possibly industries that are not able to manage and sustain the rapid rate of technological change. However, scholars such as Ledeen (2002) argue that creative destruction is a core aspect when it comes to civilisation i.e. individuals create new systems and procedures every day from business to science, art to law, and politics to literature. Nolan and Croson (1995) identify and discuss a six-stage process in order to transform an organisation through downsizing to liberate slack resources that have the potential of reinvestment to create competitive advantage. SMEs are highlighted to assist the economy, as they are the backbone of local economies within the UK (The Guardian, 2012).

2.1.4 South Asian Enterprises in the UK

Ethnic minority enterprises are 'an emerging economic force' (Barclays Bank, 2005), in which the growth of Asian enterprises has been noticeable with the small business population in the UK (Dhaliwal and Amin, 1995; Dhaliwal, 1998). There are many

successful British Asians who are millionaires and multi-millionaires appearing within the media such as the *Eastern Eye Magazines The 200 Richest Asians in British* (2006). However, scholars such as Basu and Werbner (2009: 53) suggest that British Asians are only the tip of an 'entrepreneurial iceberg', and that there is a need to investigate underneath the 'tip of the iceberg' i.e. the root that is small ethnic owned businesses, and concentrate on British South Asians in the UK in order to develop a greater understanding of the way such an ethnic group conducts business. Ethnic minorities actually have a greater tendency towards self-employment than White British individuals, thus an economically active South Asian is more likely to be an employer rather than an employee (Basu, 1998).

Figures from the Global Entrepreneurship Monitor (GEM) (2016) indicate that ethnic minorities from the UK are three times more likely to be entrepreneurial than those born in Britain, i.e. non-ethnic. In this case, ethnic entrepreneurs are referred to as first-generation and second-generation individuals. Carter et al (2013) state that ethnic minority-owned businesses are complex enterprises yet are a rapidly changing group, in which the South Asian ethnic minority can be viewed as an expanding group within the SMEs sector. Statistics from GOV (2018a) indicate that self-employment within the South Asian ethnic group has increased by 4% since 2011, with South Asian individuals now accounting for 36.9% of the population that are self-employed within the UK. Basu and Goswami (1999) indicate that this ethnic group is pursuing educational attainment in order to ensure the growth of their enterprise through constant product growth and training. The South Asian ethnic group has slowly transitioned to become an ethnic group that has gained the attention of the media due to success of entrepreneurs within this group, as highlighted above, however this has largely been neglected in academic research (Haq, 2015). To that end, examining the underlying nature of entrepreneurship in terms of British South Asians operating micro enterprises will provide a deeper grasp on the concept of entrepreneurship in a smaller business context.

As previously indicated, micro sized enterprises have a significant impact on their local economies. Therefore, exploring these types of enterprises can assist in providing clarity in a particular area of entrepreneurship research. When considering individuals that operate micro enterprises, there is a debate within entrepreneurship literature regarding the differentiation of entrepreneurs and small business owners, i.e. that they have different goals and functions (Carland et al, 1984). As this is a central issue within entrepreneurship research, it is necessary to explore this debate.

2.2 Small Business Owners and Entrepreneurs

'Entrepreneurship often is equated with small business ownership and management' (Carland et al, 1984: 354), suggesting there is an overlap to the two entities when classifying a business owner and an entrepreneur. Schumpeter (1934) identifies the entrepreneur as an entity i.e. a being with distinct existence and that is worthy of study, and that this entity is different from that of small business owners. Whilst differentiating entrepreneurs from small business owners/managers, Carland et al (1984) state that the *function* of entrepreneurs is what differentiates them from small business owners, i.e. entrepreneurs have *functions* to carry out *combinations* of production, which small business owners do not. From a Schumpeterian perspective, *functions* are referred to as the idea or the ability to conduct an act and carry out a *combination*. Schumpeter (1934) discusses the concept of *combination* and suggests this is the relationship between economic and technological aspects in terms of a process of production. Schumpeter (1934: 14) states that economic logic as well as technological impacts 'produce means to combine the things and forces within our reach', and also refers to enterprises and productive conditions of the economic system as a *combination*. In the context of this research, Schumpeter's concept of *combination* is seen as enterprises with productive conditions that may take an informal, or possibly, illegal outlook in respect to regulations.

Carland et al (1984) state the difference between small business owners and entrepreneurs is that small business owners manage a business for personal goals, whilst entrepreneurs establish a business for the purposes of profit and growth. An entrepreneur is categorised by innovative behaviour whilst a small business owner solely depends on their business and its activities as a source of income. However, to suggest that the personal goals of small business owners do not incorporate profit or growth, and that small business owners do not incorporate innovation to operate their business is not feasible. Despite this, scholars such as Martin (1982) suggest that an individual that owns/operates an enterprise is not necessarily an entrepreneur. This debate of small business owners and entrepreneurs can be linked to the aspect of agency and structure (discussed in detail in section 2.9). Despite the fact that this debate of small business owners and entrepreneurs is not the central focus of this research, the perspective of the agent (small business owner or entrepreneur) and the influences of structure (external environment) can add contributions to this debate. Scholars such as Carland et al (1984) and Martin (1982) suggest there is a difference between small business owners and entrepreneurs, if so; the actions of both these entities in response to the fluctuating structure that is their external environment would be different.

This literature review now begins to discuss the definitions of entrepreneurship, then the characteristics of an entrepreneur.

2.3 What is Entrepreneurship?

Defining entrepreneurship has long proven to be a problematic issue (Cole, 1969; Hull et al, 1980; Brockhaus and Horwitz, 1986; Shaver and Scott, 1991). There is not an accepted definition of entrepreneurship, as entrepreneurship is vague by nature (Sexton and Smilor, 1986; Gartner, 1988, 1990; Mitton, 1989; Bygrave and Hofer, 1991; Cunningham and Lischeron, 1991; Bull and Willard, 1993; Venkataraman, 1997;

Shane and Venkataraman, 2000). For example, Gartner (1990) highlights various aspects such as growth, organisation creation, and creating value, whilst Venkataraman (1997) considers the exploitation of inefficiencies within markets.

The fact that there is no consensus within the literature is revealing in itself. Jones and Spicer (2005) argue that this failure to create a common definition signifies that the concept of entrepreneurship is not seeking to describe and understand a lived practice, yet rather to portray an ideal i.e. the imagination of what is most suitable, therefore this can be used to measure ourselves to classify whether business activities are within the concept of entrepreneurship. This depiction of entrepreneurship as an Ideal Type, an innovator as stated by Weber (1978), in place of a descriptive subject is significant to the understanding of the breadth that is entrepreneurship, as it demonstrates that despite the lack of a general consensus on the definition of entrepreneurship, a broad agreement has emerged that portrays this in a positive manner i.e. the portrayal of entrepreneurs as “economic heroes” (Cannon, 1991). Burns (2001) suggests that entrepreneurs are the stuff of legends and therefore are held in high esteem as role models to be emulated. This is also the case in the more socially constructed approaches of management, leadership or intrapreneurship schools of thought, that portray the entrepreneur as a positive figure that possess virtuous attributes that lesser individuals will not possess. Such a representation creates an unattainable ideal type, therefore it is this gap between individuals as subjects and this Ideal Type that feeds one’s desire to become an enterprising subject (Jones and Spicer, 2005). Over time the definition of entrepreneurship has developed with additions made by various scholars in order to create a greater understanding. This is presented in the table below.

Table 2.3 Characteristics of Entrepreneurship

Authors	Characteristic Discussed
Hufeland (1807), Thünen (1875) cited by Knight (1964)	Risk taking for profit
Schumpeter (1934), Ely and Hess (1937), Draheim (1972)	The creation of enterprise i.e. innovation
Evans (1949), Kirzner (1973)	Control and decision-making

Entrepreneurship definitions tend to fall into two schools, i.e. narrow, a Schumpeterian perspective that focuses on the pursuit of profit. (Peneder, 2009), and a broad perspective such as that of Kirzner (1979) that focuses on innovation. This research adopts a more broad and modern definition, such as that of Churchill (1992) that takes into account various factors that have been previously identified. Entrepreneurship is a process of uncovering and developing opportunities to create value through innovation and seizing opportunities regardless of resources or location (Churchill, 1992). It is necessary to consider the attributes of an entrepreneur in order to better understand entrepreneurship; therefore, the characteristics of an entrepreneur are now explored.

2.4 What is an Entrepreneur?

The term 'entrepreneur' is derived from the French verb 'entreprendre', which translates to undertake, try, attempt, adventure, or to take between (Girard, 1981). As noted above, commentators suggest that there is no single accepted definition of what an 'entrepreneur' is (Carland et al, 1988), as the term has been interpreted from many different perspectives and tends to fall into broad and narrow definitions (Latha et al, 2008). The term 'entrepreneur' emerged with Cantillon who placed emphasis on an entrepreneur as a rational decision maker (Kilby, 1971), and

Schumpeter (1942) postulates entrepreneurs are individuals that carry out basic combinations. These combinations, as previously discussed, are referred to as an 'enterprise', i.e. the action of undertaking a business venture. These combinations are (Śledzik, 2013):

- Introduction of a new product
- Introduction of a new method of production
- Opening of a new market
- Conquest of new sources of supply
- New industry structure e.g. creation of a monopoly position

Over time the term 'entrepreneur' has evolved as scholars' place emphasis on different characteristics. Mill (1909) emphasises entrepreneurs as risk bearing; Schumpeter (1934) emphasises the concept of innovation as the defining characteristic of an 'entrepreneur', in which other scholars have expanded this characteristic. For example, Javillonar and Peters (1973) present risk-taking innovator as a defining characteristic and Vasant (2004) suggests that entrepreneurs convey innovation through change. The deliberations of Drucker (1970) on entrepreneurs also bears great affinity to that outlined by previous scholars who argue that entrepreneurial activities embody three specific characteristics; these are risk taking, innovation, and engaging in new business activities for profit. More recently, Veeraraghavan (2009) outlines the following characteristics as an entrepreneur.

- Reacts to profit opportunities
- Brings a balance between supplies and demands
- Bears uncertainty
- Has foresight to assume uncertainty
- Possess knowledge not available to everyone else, and this knowledge assists towards creative discoveries
- Has special alertness, i.e. capable of exploiting unnoticed opportunities

Fisher and Koch (2008) discuss that entrepreneurs have specific characteristics i.e. that they possess greater optimism, self-confidence, are visionary, and energetic. As this research focuses on a specific ethnic group, Yu and Tandon (2012) state that risk taking is not common within an ethnic Indian minority, i.e. financial risk (loss of investments/reserves), vested interest risk (lack of fair and effective regulations), personal risk (emotional pressure based on success/failure), competence risk (lack of knowledge and skills). However, these types of risks can be reduced through support from the government, the public, and an entrepreneur's community. Similarly, Ranasinghe and Holliday (2013) suggest that individuals from an Asian background are relatively risk averse. Jain and Ali (2012) highlight characteristics such as innovativeness, achievement orientation, and locus of control as being very positive amongst Indian entrepreneurs regardless of gender. Entrepreneurs that belong to family business backgrounds were notably superior to those from other backgrounds such as service in private or public companies in terms of characteristics of innovation, risk taking, achievement, and internal locus of control. However, scholars such as Jenks (1950) and Kilby (1971) have criticised the profiling of entrepreneurs and encourage research based on the activities of entrepreneurs. An entrepreneur should therefore be profiled in terms of his/her actions, the processes involved, not just their attributes (Stevenson and Jarrilo, 1990). Individuals are not separate from their activities (Veeraraghavan, 2009), consequently the profiling of entrepreneurs should include what an entrepreneur does (Gartner, 1988). Therefore, this research considers the actions of individuals, which is further highlighted within the discussion of structuration theory (section 2.9.1).

Value creation is emphasised as an influential aspect that assists in uplifting the economy through the input of imagination (Westhead et al, 2011). Value creation is a process that is not based on actual knowledge but rather on imagination of how events may unfold (Batstone and Pheby, 1966), which leads to creativity i.e. the formation of new ideas and products in business that promote economic stability

(Shackle, 1966/1979). Creative thought, knowledge, and imagination form actions (Shackle, 1962) that leads to new combinations and innovation. Entrepreneurs are innovators that bring change through introducing new technical products or processes (Schumpeter, 1934). Innovation by entrepreneurs can take various forms, therefore new products, services, or organisations can encourage new entry of firms within markets. Such innovation requires opportunity identification by entrepreneurs. Hayek (1949) discusses how entrepreneurs identify adjustments in the market equilibrium and are therefore alert to shifts in demand and supply. Entrepreneurs are able to combine factors of production in order to accommodate unexpected issues or changes in the market (Say, 1821). However, it is the accumulation of knowledge and experience that enables opportunity identification (Kirzner, 1973). This research focuses on this aspect of knowledge and experience in order to fulfil the aims and objectives of this study. Concepts of opportunity recognition and opportunity exploitation are discussed further on in this chapter in an informal economic context. Entrepreneurs use and evolve their resources and capabilities over time (Westhead et al, 2011). These resources and capabilities are used to create an advantage within their industries. Baker and Nelson (2005) identify those firms that create advantage from scarce resources through exploiting physical, social, or institutional involvements. This then requires the consideration of entrepreneurs and enterprises from an informal aspect, which is discussed in due course.

Social contexts have the ability to influence access to resources. This can 'make or break' an entrepreneur's career (Smith and McElwee, 2011). One's social surroundings can be associated with their desire to pursue entrepreneurship (Isaksen, 2006). Becker (1975) notes that one's human capital profile has the potential to shape productivity i.e. demographic characteristics and accumulated work experience, which will have a positive or negative impact on productivity. Becker (1993) distinguishes general and specific human capital. General human capital

includes an individual's gender, age, ethnic background, education, social class. Specific human capital includes an individual's industry and management knowledge, technical and entrepreneurial capability, business ownership experience, and ability to acquire resources. The effects of an entrepreneur's profiles on entrepreneurship are linked to the effects of societal and cultural contexts and decisions of individuals to pursue entrepreneurial activities (Westhead et al, 2011), thus leading to the exploration of cultural perspectives. This research focuses on a specific ethnic group; therefore, this chapter first considers ethnic entrepreneurship then aspects of culture specific to the ethnic group incorporated within this research, i.e. South Asian.

2.5 Ethnic Entrepreneurship

Despite the evolving definition of entrepreneurship, ethnic entrepreneurship has been defined quite simply as the connection of an individuals' sociocultural category i.e. ethnicity, and socioeconomic category i.e. status of self-employment (Kloosterman, 2010). However, this is not clear-cut, and issues arise when categorising and labelling individuals. For example, self-employment can be on a part-time basis, or they can run their business without the need of being officially registered, thus becomes problematic. Ethnicity on the other hand can be even more problematic, as this involves labelling and the identification of different social groups.

2.5.1 Ethnic Entrepreneurship Definition

Ethnic entrepreneurship can be defined as 'a set of connections and regular patterns of interaction among people sharing common national background or migration experiences' (Waldinger, et al, 1990: 3). Research conducted by Chaganti and Greene (2002) identifies that specific groups can be focussed to an ethnic community. This research focuses on a specific groups of individuals i.e. South Asian entrepreneurs.

However, it also considers second generation South Asian entrepreneurs, who do not share a common national background as their birth of origin is not South Asia. To that end, this research adopts a slightly more nuanced definition in the form of a 'set of connections and regular patterns of interaction among people' within a particular ethnic community (Waldinger et al, (1990: 3).

There are also various definitions for the term 'ethnic group' that have been suggested within the growing ethnic entrepreneurship literature. Yinger (1985) provides a detailed yet succinct definition of ethnic groups. For Yinger (1985) ethnic groups are a segment of a society that participate in similar activities. Ethnic economies have also been defined as an ethnic self-employed group, their employers, co-ethnic employees, and unpaid family workers (Light and Gold, 2000). Light and Gold (2000) introduce the concept of an ethnic ownership economy that is based on property rights and ownership, and the ethnic controlled economy, the basis of which is de facto control on numbers, and the organisation. This ethnic control economy refers to industries, organisations, and occupations within the general labour market, whilst the ethnic ownership economy consists of SMEs that are owned by ethnic entrepreneurs. The ethnic ownership economy is thus the economy that this research applies to.

Research into ethnic entrepreneurship is very broad and covers various aspects such as, gendered ethnic entrepreneurship (Dhaliwal, 2007; Basu and Werber, 2009; Collins and Low, 2010), success strategies and enterprise development (Deakins et al, 1997; Fadahunsi et al, 2000), business support (Dhaliwal, 2008), employment (Jones et al, 2006), and informal enterprises (MacDonald, 1994; Ojo et al, 2013) to name a few. Ethnic entrepreneurship research can be tracked back to the work of Max Weber (1930). Simmel (1950) and Sombart (2001) note that the concept of a stranger as a trader with the combination of social structures of society and religious norms have influenced entrepreneurship research. They claim that entrepreneurs are

individuals that operate outside the ethical norms of one's society and such individuals are foreigners, outsiders, and strangers (Ülker, 2016). Weber (1930) emphasises the 'idea of the excluded group as well as the additional unifying dimension of the shared experience' (Minniti, 2007). Weber (1930) notes there is a difference of activities in terms of satisfaction of needs and acquisition. Weber's (1930) work differentiated economic traditionalism and the acquisitive economy, yet this differentiation has been lost in minority entrepreneurship to the assumption that business undertaken by members within a group is a result of being pushed into such a situation due to survival, and thus limits entrepreneurial outcomes. Traditional societal norms locked down the spirit of individuals in changing their destiny. However, the spread of rationalisation reflected in areas such as consumption, competition, and technological development has resulted in the modern entrepreneur being viewed as a symbol of individual freedom.

Ethnic businesses typically start when an entrepreneur is able to serve members of an ethnic community that have created the demand for specific ethnic goods and services which can only be fulfilled by those co-ethnics that possess the knowledge of tastes and buying preferences (Green and Owen, 2004; Volery, 2007). Ethnic communities are referred to as an organisational structure (Werbner, 2001) as they can directly provide opportunities or conditions to create opportunities. Due to the growth and expansion of ethnic communities in the UK, ethnic business ventures are also rapidly increasing. These include ventures such as garment stores, specialist grocery shops, travel agencies, and fast food stores. Ethnic entrepreneurs are numerous within the restaurant, wholesale, and retailing industry sectors (Rath, 1999), however Basu and Altinay (2002) find that Indians and Pakistanis tend to operate within the wholesaling and retailing industry sectors. However, it is necessary to note that this research was conducted nearly two decades ago, therefore this research considers the industry sectors South Asian entrepreneurs currently operate within to determine whether this still holds true. Ethnic businesses within

the restaurant, wholesale, and retailing industry sectors can grow through trading with entrepreneurs from various ethnic groups, and are then able to expand to high volume trade once becoming a respectable business within the local population (Volery, 2007).

The recruitment of employees of ethnic entrepreneurs is more simplistic as they recruit family members and members within their community, subsequently enabling the entrepreneur to be more flexible and reduce the costs that are traditionally associated with recruitment in non-ethnic businesses and sectors. It is suggested that the family is at the core of a successful business (BBC, 2005). Support from family members and those from their community assist entrepreneurs in creating an established business, therefore having good network connections and relatives are key for the success of ethnic entrepreneurs. It has also been emphasised that the assistance of family members is prominent especially within Asian families.

Basu and Altinay (2002) identify various motives for ethnic individuals to enter self-employment. One's desire to create additional income has been emphasised by Western thinkers, for example Cantillon (2010) in the 1750s and Marx in the 1800s (Taymans, 1951). This desire to make more money throughout an individuals' lifetime may encourage an engagement in entrepreneurial activities. Entrepreneurship has traditionally been associated with business and making profits (Wickham, 2006); therefore, it is this desire to make profits that lead to business.

In the context of business owners, the view of independence is the freedom people have to operate their business without the intrusion of external influences, such as franchisors when entrepreneurs are part of a symbol group i.e. Select & Save or One Stop. In this case, entrepreneurs have greater independence to operate their enterprise as they see fit. Status can be viewed as one's professional standing, i.e. the ranking of one's occupation by society. Praag (2011) conducted a study in order to

determine the occupational ranking of an entrepreneur in comparison to various other occupations including a lawyer, journalist, management consultant, police officer. Praag (2011) indicates that an entrepreneur as an occupation ranked eighth of a possible twenty in their study, thus demonstrating that an entrepreneur has a high occupational ranking and concludes that this professional status influences the likelihood and willingness of an individual to become an entrepreneur. Schumpeter (1965) emphasizes that this independence and status comes as part of self-employment. Segal et al (2005) identify that it appears to be the difference between the desirability of being self-employed and the desire of working for others. They suggest that it is due to one's desire to be self-employed and have independence that motivates them to become an entrepreneur. Basu and Altinay (2002) found that the desire to be independent is particularly prominent in Bangladeshi, Indian, and Pakistani ethnic groups. This indicates that British South Asians may have a strong desire to be independent thus motivating them to be entrepreneurs.

Scholars such as Modood (1992), Ram (1994), and Kloosterman et al (2000) emphasise the negative aspects associated with the treatment of ethnic minorities in employment, i.e. unfair racial treatment in the labour market in the form of underpaid work, and redundancy notice and pay. Other scholars argue racial discrimination in host countries forces ethnic individuals to accept minimum wage jobs and restricts career progression (Jones et al, 1992; Ram, 1994). Racial discrimination within the job market appears to have become prevalent within the interview process (BBC, 2004), i.e. it is established that candidates with 'White' names are far more likely to be given an interview than 'Asian' names. This research study considers ethnic individuals that are British born. Blackaby et al (2005) note that British born individuals experience less racial discrimination in the labour market. However such discrimination has not been completely eliminated as individuals within Indian and Pakistani groups experience discrimination (Basu and

Altinay, 2002), which may be a causal factor leading to these groups choosing to enter self-employment.

Kirzner (1973) emphasises that individuals who are knowledgeable and have past experiences within specific markets may consider becoming an entrepreneur. Kirzner (1973) argues that an individual's market knowledge and previous experience places them in a greater position with regards to decision-making to exploit potential opportunities. Such individuals possess a superior understanding in terms of resources therefore optimal allocation can be achieved, thus maximising unnoticed and potentially valuable resources. Basu and Altinay (2002) find that Bangladeshi, Indian, Pakistani, and East African Asians (essentially Indians who migrated from British 'colonies' in some African countries: Kenya, Uganda etc) are ethnic groups that are motivated to enter business and become entrepreneurs due to market knowledge and past experiences they possess in a given market. Therefore, entrepreneurship as a profession can be viewed as a prominent path for individuals within the ethnicities highlighted above.

Family tradition has the potential to be a very influential factor for individuals in becoming entrepreneurs. Family tradition can be referred to as individuals following in the example of their family. There may be individuals within specific cultures and traditions that do not have the opportunity to explore other paths and career opportunities due to the imposition of family traditions. This may possibly be the result of one's culture. Culture as part of ethnic entrepreneurship appears to be influential as many scholars explore this aspect (Basu and Altinay, 2002; Volery, 2007; Biradavlou, 2008; Danes et al, 2008; Basu and Werbner, 2009; Yu and Tandon, 2012). As this research focuses on ethnic entrepreneurship, it deems necessary to explore this aspect due to the influence it has on ethnic entrepreneurs.

The purpose of this section is to consider the influence of culture on ethnic entrepreneurs, more specifically South Asian ethnic entrepreneurs. Many studies suggest culture influences entrepreneurs and entrepreneurial behaviour. Studies within ethnic entrepreneurship regarding culture can be tracked back to the work of Weber (1930) and Schumpeter (1934), in which they argue that entrepreneurial behaviour lies within the social and value structures of societies (Urban, 2006). Entrepreneurial behaviour may be linked to cultural values, and suggests that such values encourage entrepreneurship within specific cultural groups that predisposes members to entrepreneurship (Turan and Kara, 2007). Lee and Peterson (2000) suggest that an individual's personalities, behaviours, political/legal systems, economic conditions, and social mores are all intertwined with the national culture from where they originate. Therefore, Lee and Peterson (2000) propose that the study of entrepreneurship that involves aspects of culture is appropriate.

Studies of culture among ethnic entrepreneurs, such as those of Li (2007) and Nguyen et al (2009) suggests that culture is perceived as less of a barrier to British South Asian entrepreneurs than entrepreneurs from foreign cultural backgrounds. Cultural factors create a relatively large impact on individuals' desires to start new business ventures, i.e. a lack of desire to start new business ventures due to Eastern culture. However, those ethnic businesses that maintain family management do not diversify into different areas and start new business ventures if the family does not have expertise in that area (Tsui-Auch, 2005).

A cultural dimension raised by Aycan et al (2000) and Tsui-Auch (2005) that applies to a South Asian ethnic group is that of paternalism. Paternalism implies a hierarchical relationship between a superior and his/her subordinate with a role differentiation present in the relationship. Such a relationship involves the role of a superior to care, nurture, and provide protection and guidance to their subordinate. The role of the subordinate in this case is to be deferent yet loyal to superiors. In

accordance with Redding et al (1994), paternalism is one of the most prominent characteristics in many Asian cultures. Kim et al (1994) highlights that paternalism in Asian cultures is a traditional value of familyism. Familyism is the situation where the needs of the family take precedence over a specific family member therefore priority is placed on the family as a collective rather than individuals. Kim et al (1994) also emphasise patriarchal i.e. autocratic ruling by the male head of a family, patrilocal i.e. residence among male families, and patrilineal relationships i.e. based on ancestral descent through male line. However, over time these paternalistic relationships have gone beyond the boundaries of the family, in which relationships within the family are extended and based on seniority in the workplace and social life (Kim et al, 1994). Whilst scholars such as Northouse (1997) suggest paternalistic managers as benevolent dictators, this does not appear to be the case. Aycan and Kanungo (1998) indicate that paternalism is not positively correlated to authoritarianism, and paternalism is considered to be one of the most desired characteristics of people in authority within Eastern cultures (Aycan et al, 2000), suggesting that paternalistic managers originating from the East yet residing in Western societies are caring in their managerial approach, yet may become stern in the execution that they require. However further research will need to be conducted in this area in order to substantiate such a claim.

A significant dimension indicated by Aycan et al (2000) is the loyalty towards one's community, in which it was found that this dimension is relatively high for those from an Indian or Pakistani culture, and that loyalty amongst managers positively predicted obligation to their community. Loyalty towards one's community forms part of the individualism vs collectivism dimension highlighted by Hofstede (1980). This refers to the extent to which an individual may feel loyal to their community, and thus feels they are compelled to fulfil certain obligations towards members that are within their community i.e. relatives (Kim et al, 1994).

Abbey (2002) proposes that cultural background plays an important role in terms of motivation for entrepreneurship i.e. the need for economic security and social standing within individuals' societies. Emphasis of cultural impact has also been placed on language and politics on Indian entrepreneurs as influences in the way business is conducted (Forte, 2013). Forte (2013) suggests that ethnic backgrounds provide individuals with additional cultural characteristics. However, perspectives on culture have actually been challenged for placing a greater emphasis on ethnicity rather than other influential factors i.e. education of business owners, economic class, surrounding opportunity structures and the wider socioeconomic context that ethnic minority enterprises operate in (Ram and Jones, 1998; Rath, 2000). Family tradition is found to be relatively high within India, Pakistani, and East African Asian ethnic groups that would have an influence on motives for business entry (Basu and Altinay, 2002). Therefore, it deems necessary to consider entry barriers that such entrepreneurs encounter in their industry sectors.

The markets that ethnic entrepreneurs operate in are characterised by low barriers to entry i.e. the amount of capital that is required and an individuals' educational qualifications (Nwankwo, 2005). Such enterprises can be very labour intensive and have low added value. This view of low entry barriers will be taken into account as it is necessary to determine the markets that South Asians reside in and whether these entry barriers are still prominent. As entry barriers are indicated to remain relatively low for ethnic entrepreneurs, and micro sized enterprises in particular, there are a large number of business start-ups (Rahman et al, 2018). However due to these start-ups, competition can become very fierce, and thus there is a higher rate of failure (Rath and Kloosterman, 2000). It is suggested that this competition is based on price rather than the quality of goods or services. However, this may be dependent on the type of industry sector that ethnic entrepreneurs operate in, therefore entrepreneurs competitive focus is taken into consideration in this research study.

Research suggests Asian ethnic entrepreneurs adopt important survival strategies (Aldrich, 1977), due to a combination of political and economic aspects. Such survival strategies can be in the form of self-exploitation such as working long hours, accepting lower incomes than they would working for others, extending credit times to suppliers and customers. The profit margin for ethnic owned micro sized enterprises tends to be small, although obtaining such data is of course problematic. It is not surprising therefore that the harsh trading conditions and associated lifestyles mean that survival strategies and commercial activities of these entrepreneurs do not constantly follow the law and other regulations (Kloosterman et al, 1998).

Basu and Altinay (2002) suggest that ethnic entrepreneurship is an emerging economic force. As previously discussed, this may be due to one's desire to make more money, their tradition, the need for freedom, and so on, which leads to innovation and expansion. Entrepreneurs have been characterised as heroes, yet there are scholars that argue this is a myth (Noudoushani and Noudoushani, 2000). However, as stated earlier, small businesses are regarded as the backbone of local economies, and with competition becoming very fierce due to alterations in structure, i.e. internal and external environment, Kloosterman et al (1998) suggest entrepreneurs may take an informal disposition thus this research considers the experiences of South Asian entrepreneurs with regards to informal activities (RQ2) and whether they believe informality is associated with ethnic entrepreneurs (RQ3). This then leads us to consider ethnic entrepreneurs within the informal economy.

2.6 Informal Entrepreneurship and Ethnic entrepreneurs

Whilst the information presented above emphasises positive aspects of entrepreneurs thus identifying them as a hero figure, individuals also consider the opposite side of the spectrum. There are many writers who portray entrepreneurs as

characters that have a propensity to flout the rulebook, which is caught in the adage; if you scratch an entrepreneur, you will find a “spiv” i.e. a petty criminal that deals in the *black market* (Burns, 2001). Stinchcombe’s (1965) ‘liability of newness’ (previously discussed in section 2.1.2 job creation) i.e. new enterprises are more likely to fail in the first stages of its growth due to the lengthy time required to build functional relationships, or the ‘liability of legitimacy’ (Singh et al, 1986) i.e. external forms such as community directory listing, can be considered due to the underlying issues of structure. Are entrepreneurs forced to deal in the so-called black market, which is hereafter referred to as the informal economy, due to the influences of structure or do they deal in the informal economy out of free will? Consequently, this research considers the views of South Asian entrepreneurs in relation to the manifestation of informal or illegal practices from an internal and external point of view (RQ1), and whether their experiences indicate that informality is predominant in micro enterprises only (RQ4). Despite the relation of entrepreneurs and shady characteristics, entrepreneurship literature has recently begun to evaluate the relationship between entrepreneurship and the informal economy (Williams and Nadin, 2010).

There is a tendency in the economy to separate 'good' (legal) economic activities from 'bad' (illegal) economic activities. Scholars indicate that entrepreneurs who operate at the margin can be located within the informal economy (Williams, 2006). Entrepreneurship research has explored the reason behind why specific individuals that do not fit the conventional description of an entrepreneur that engages in enterprise and entrepreneurship. Research in this area focuses on marginalised entrepreneurs rather than entrepreneurs at the margins, i.e. cases of minority entrepreneurs (Galloway, 2007), illegal enterprises (Rehn and Taalas, 2004; Smith, 2007; Williams, 2008a) drug dealing (Frith and McElwee, 2008a, 2009b), and Food Fraud (McElwee et al, 2017). Such research has challenged the ‘current stereotype-based knowledge’ and draws attention to diverse entrepreneurial activities

(Galloway, 2007: 271). Frith and McElwee (2009) highlight an overlooked dualism in entrepreneurship literature i.e. value-adding and value-extracting entrepreneurs (McElwee et al, 2011/2014), which categorises the economic activity of entrepreneurs that operate at the margins of society.

Value-adding entrepreneurs ensure that their resources are put to their most effective, productive, and profitable use. Such entrepreneurs engage in activities of arbitrage i.e. exploiting opportunities from price discrepancies amongst different currencies and foreign markets. Value-adding entrepreneurs can therefore be defined as entrepreneurs that maximise their resources yet have minimal effect on the society within which they operate (Frith and McElwee, 2009) i.e. entrepreneurial activities that are legitimate and have a minimal impact on the margins of society. Value-adding entrepreneurs can be categorised as being positive by nature as entrepreneurs operating legitimate enterprises and use their resources to create positive impacts on society. Value-extracting on the other hand are entrepreneurial activities that, despite existing within the margins of society, damage the community within which they occur. Illegal enterprises such as drug dealings and prostitution, are such examples of value-extracting activities. However, when considering the activities of these enterprises they closely imitate legitimate enterprises yet compromise the moral and ethical values of wider society. In contrast to value-adding, value-extracting can be categorised to be negative by nature due to the negative entrepreneurial activities of value-extracting entrepreneurs.

Although scholars such as Smith (2007) focus attention to entrepreneurship at the margins, there is an aspect of entrepreneurship within this dualism where there lies a level of acceptance in terms of entrepreneurial activities, which is essential to survival and growth. Whilst there may be margins that are known and accepted by entrepreneurs, Frith and McElwee (2009) note that there are also entrepreneurs that assist in influencing and shaping margins. Entrepreneurs are commonly presented

as sole individuals, maverick heroes with skills and expertise in opportunity spotting that are concerned with the maximising of profit (Nodoushani and Nodoushani, 2000). However, entrepreneurs are socially active individuals in which their actions and behaviours have a positive and negative impact in the environment within which they operate. This research takes into account this dualism of value-adding and value-extracting in order to gain a deeper understanding of this issue in relation to ethnic entrepreneurs within the UK. Despite the fact that this dualism in entrepreneurship literature can be viewed as a moralistic categorisation based on one's interpretation of what constitutes to be a value-adding or value-extracting activity. Nevertheless, this dualism has the potential to assist in analysing ethnic entrepreneurs in terms of their economic activities; and in turn the notion that ethnic entrepreneurs are associated with informality (Sassen, 1996: Light, 2004).

Fainstein, et al (1992) suggest that ethnic individuals within the informal economy fall into three categories. These are:

- The manufacturing of products for large customer markets, such as textiles
- Low quality service delivery, such as cleaning services
- Ethnic niche products, such as food from different cuisines

However, Fainstein, et al (ibid) also state that the rigorous rules of countries regarding business, i.e. trading standards that enterprises must abide by, unintentionally encourage ethnic entrepreneurs to operate at the boundary, or outside of the boundary. However, do entrepreneurs realise that they are operating at the boundary, or outside the boundary of the laws in the country? Alternatively, is this part of their consciousness therefore operating at the boundary, or outside the boundary of the laws in the country out of free will? This research includes this aspect and sheds light as to whether entrepreneurs are aware of the boundaries of the country in terms of business operation.

In terms of operating at the boundaries of the law, MacGaffey and Bazenguissa-Ganda (2000) suggest that success and survival strategies involve opposing government boundaries, such as licensing requirements and evading taxes. Freeman and Ogelman (2000) establish that ethnic entrepreneurs lack familiarity with the institutional frameworks present in countries, therefore ethnic entrepreneurs are over signified in terms of violating regulations, hence are associated with the informal economy. Evidence from research conducted in European countries (Williams, 2004) argues that there is no strong link between ethnicity and activities within the informal economy. However, it proves to be difficult to suggest there is no link between ethnicity and activities within the informal economy, and further research is required to validate this claim. This research study takes into account this view of lack of knowledge or familiarity with regulations in the country, more specifically, the link of South Asian entrepreneurs that operate micro enterprises and activities in the informal economy.

Portes and Sassen-Knoob (1987: 30) state that the informal economy, also referred to as the 'underground' economy, calls attention to 'a series of activities that, by occurring outside the areas of the normal regulated economy, escapes official record keeping'. These types of activities can take many forms. Scholars suggest that the informal economy encompasses activities that are hidden for social security, tax, or labour law purposes, however, are legal in using other criteria (Williams and Windebank, 1998). Williams and Windebank's (1998) suggestions are based on a threefold debate around social security, tax, and labour. However, the views of South Asians entrepreneurs may differ or may possibly emphasise another avenue that would take an informal form, thus warranting exploration in this research.

Informal entrepreneurs are indicated to be necessity driven to such endeavours as a last resort (Castells and Portes, 1989; Sassen, 1997; Gallin, 2001). Literature also suggests that informal entrepreneurs are represented as 'forced', 'involuntary',

'reluctant' and 'survivalist' (Boyle, 1994; Travers, 2002; Singh and De Noble, 2003; Hughes, 2006). It is of great importance to note that these assertions have however been seen as *a priori* assumptions rather than empirical findings. However, many scholars have begun to discuss the inverse (Cross, 1997, 2000; Gerxhani, 2004; Maloney, 2004; Snyder, 2004). Gerxhani (2004) asserts that many individuals choose to become involved in the informal economy because of the greater autonomy, flexibility, and freedom available than in the formal sector, whilst Snyder (2004) finds that informal entrepreneurs chose this path themselves to change their work identity.

As indicated above, entrepreneurs are driven out of necessity to engage in informal practices due to fierce competition, or possible stringent tax or other legislative regulations (Williams and Windebank, 1998). However, there are debates present as to whether informal entrepreneurs are opportunity driven, i.e. they are pulled into the informal entrepreneurial sector out of choice. For example, Synder (2004) indicates that the majority of the entrepreneurs in her study were involved in the informal sector out of choice to meet some personal goal or set a new career path to transform one's work identity. Cross (1997, 2000) in their study of street vendors argue that despite informal entrepreneurs being conventionally represented as doing such business out of necessity, many entrepreneurs conduct this work out of choice. In towns and regions within the United Kingdom, informal entrepreneurs are identified to be three times more likely to be opportunity driven rather than necessity driven (Williams, 2010). Informal entrepreneurs are found to be necessity driven in deprived areas, but opportunity driven in affluent areas. However, it is argued that both opportunity and necessity driven motives can be present, yet these motives shift over time but are more often necessity then opportunity driven (Synder, 2004; Williams, 2007, 2008, 2009b, 2009c). This debate of entrepreneurs being necessity or opportunity driven is an emerging debate over the recent decade and has gathered academic interest.

When exploring this academic debate, further concepts of opportunity recognition and opportunity exploitation are emphasised (Hajizadesh and Zali, 2016; Jarvis, 2016; Kuckertza et al, 2017). However, there appears to be no distinctive definition of these concepts and various scholars identify factors that are related to either opportunity recognition or opportunity exploitation. For example, Tumasjan and Braun (2012) indicate that opportunity recognition is based on innovative opportunities; Gibbs (2009) distinguishes between opportunity recognition perceptions and behaviours; and Shane and Nicolaou (2015) link creativity to the recognition of entrepreneurial opportunities. Kuckertza et al (2017) argue that opportunity recognition and opportunity exploitation are distinct yet are often consecutive steps within the entrepreneurial process. In order to determine an academic definition of opportunity recognition and exploitation, Kuckertza et al (2017) conducted a study that involved the input of 106 academic scholars from various countries such as Germany, the UK, and the USA. Kuckertza et al (2017) conclude that opportunity recognition

‘is characterised by being alert to potential business opportunities, actively searching for them, and gathering information about new ideas on products or services. Opportunity exploitation is characterised by developing a product or service based on a perceived entrepreneurial opportunity, acquiring appropriate human resources, gathering financial resources, and setting up the organisation’. (Kuckertza et al, 2017: 92)

The underlying concept of opportunity structure arises as this links to opportunity creation and recognition. Aldrich and Waldinger (1990) identify opportunity structure to involve a market dimension (access to ownership, market conditions), and a non-market dimension (resource mobilisation, group characteristics). Kloosterman and Rath (2001) argue that there is a need to consider the resources available based on other segments i.e. accessible markets, and the growth potential

of business based on national, regional, and local levels. Lassalle and McElwee (2016) further develop this framework based on Polish entrepreneurs with the additional dimensions of community support (emotional and social needs) at local level, cultural proximity (understand community needs) and historical context (background, education, and employment influences mind-set) at national level. Lassale and McElwee (2016) also highlight entrepreneurial decision-making as household led therefore a dimension of household (living conditions) is stated at a local level that evolves to settlement strategies (settle in city/region) at a region level and then migration strategies (migrate to nation/country) at a national level. The purpose of this research is to highlight how a specific group of ethnic entrepreneurs exploit opportunities based on an informal perspective, not how these opportunities are structured within society. Therefore, this research does not focus on opportunity structure but rather opportunity exploitation.

This debate of entrepreneurs being necessity driven or opportunity driven can assist in differentiating small business owners from entrepreneurs. The integration of these concepts are able to assist in generalising whether the individuals incorporated in this study that operate micro sized enterprises are in fact entrepreneurs or small business owners.

When the formal economy shrinks, there is greater involvement in activities within the informal sector due to the lack of options in terms of earning a living (Lubell, 1991). This then indicates that there is the potential for illegality within the informal economy i.e. disregarding the authorities and conducting an act that opposes the law of the land, and therefore seen as unlawful. Activities within the informal economy are differentiated from criminal activities, such as drug dealing; yet small enterprises that are not registered with the relevant authorities fall under informal economic activities (Portes, 1995). There lies substantial opportunity within the informal sector

for criminal activity, thus there is a need to distinguish what classes to be an informal activity and a criminal activity.

The distinction between legal, illegal and criminal is not easily determined and of course may well explain why laws and regulations are selectively enforced in different country contexts (Chen et al, 2001). Attempts to make a credible distinction between the informal economy and illegality are longstanding (Tokman, 1992; Thomas, 1995; Williams and Nadin, 2010). Williams and Nadin (2010) suggest that informal entrepreneurs are those that are legitimate with their business from a birds-eye view, i.e. the interpretation individuals yield when taking an elevated view from above, yet simultaneously hidden from tax/or benefit purposes. Individuals that are trading in illicit goods and/or services i.e. drug trafficking, piracy, and selling counterfeit goods, are not part of the informal economy but rather are part of the broader criminal economy. Whilst differentiating illegal from informal economic outputs, additional differences have been highlighted regarding informal, irregular, and criminal traders (Thomas, 1995).

- Informal traders produce legal products and/or services without violating rules and regulations
- Irregular traders do not, and avoid, registering their business venture, paying tax, and reporting their sales figures despite them dealing in legal products and/or services
- Criminal traders operate illegally and produce illegal products and/or services

When considering these definitions, there appears to be a contradiction in the definition of informality from scholars. For example, Portes and Sassen-Knoob (1987) suggest that informality underlines those activities that occur outside the regulated economy; however, Thomas (1995) refers to an informal trader as an individual that

produces legal products and/or services without violation of regulations. As these definitions contradict one another, this research intends to highlight the view of South Asian entrepreneurs within the UK in terms of the understanding of informality, and therefore shed light to provide possible definitive distinctions regarding formality and informality, specifically reflecting the understanding of South Asian entrepreneurs (RQ6).

Previous economic studies of European countries (Reyneri, 2003) have associated illegal immigrants with the underground economy and suggest that they are immersed in this and involved in various types of activities that are ignored by administrative norms, such as services, self-employment, and small manufacturing firms (García, 2009). This position suggests that individuals involved with underground activities are illegal immigrants. However, this research has been carried out in European economies with little research conducted, therefore such a claim requires further research from a UK context for validity.

As identified, there remains a substantial amount of opportunity in the informal sector for illegal activity, and not all illegal activities can be located in what Williams (2006) and Williams and Nadin (2011) refer to as the informal economy. Therefore, this literature review moves on to discuss illegal minority enterprises. Illegal minority enterprises inform the extent to which illegal enterprises are actually present, hence suggesting that if these enterprises exist what are the views of those entrepreneurs' viz-a-viz informality and illegality? In this case, we refer to illegal minority enterprises being those enterprises that take advantage of all opportunities, despite them being outside the boundaries of the law.

2.7 Illegal Entrepreneurship

Illegal entrepreneurship is most simply defined as a process whereby entrepreneurs supply willing customers with illegal services or products, or legal services or products using an illegal process and illegal enterprises (McElwee et al, 2011: 41; Davey et al, 2015). For example, drug dealing and fencing (selling 'hot' or stolen goods), are similar in their business practices to traditional forms of entrepreneurship aside from the moral or ethical issues associated with them (McElwee et al, 2011: 52). However, it is necessary to note that this definition does not attempt to define an illegal entrepreneur. Latter work carried out by McElwee et al (2017) and Smith et al (2017) remedies this with emphasis placed on both criminal and legitimate business activities that create practices existing at the margins of legality.

Illegality within business overlaps many activities which occur within the informal economy, such as those activities that are underhand i.e. activities conducted in a discreet manner hence not visible from a superficial perspective; however, previous scholars have attempted to establish the distinction between informality and illegality. Yet there remains a need to understand the views and perceptions of South Asian entrepreneurs regarding this distinction as there is a large density of such ethnic entrepreneurs within the UK that have positive impacts on their local economies.

There are indications that illegal activities are also present within the 'formal' economy (Ojo et al, 2013), thus indicating that illegal activities are not limited to the informal economy. There are studies within academic literature regarding illegal enterprises, such as those by Fadahunsi and Rosa (2002) and Rehn and Taalas (2004), suggesting that illegal enterprises have been a relatively ignored aspect within the research of entrepreneurship (Ojo et al, 2013). It is suggested that entrepreneurs should consider and exploit all opportunities, but 'this should occur within the

boundaries set by the law, and complimented by ethics' (Wempe, 2005: 215). Nevertheless, why should this be the case? The assumption behind Wempe's (2005) position is an explicit assumption that the entrepreneurial activities within business will be conducted in a moral, ethical, and legal manner (Anderson and Smith, 2007). Furthermore, this position places a normative characterisation on the 'clean' role of enterprise and neglects the negative aspects that are associated with entrepreneurship. There are suggestions that crime and entrepreneurship often intertwine (Casson, 1980).

McElwee, et al (2011) suggest illegal trading has become a common manifestation in businesses within the UK, and Baumol (1990), through his theory of unproductive and destructive entrepreneurship, notes that the actions of individuals in business are not always legal. This then implies there are wider economic behaviours that exist in a larger area than that which is usually analysed in entrepreneurship research. Individuals networking with entrepreneurs that possess criminal acumen can also become involved in illegal entrepreneurship despite them being law-abiding individuals due to discrete criminal fraternities' entrepreneurial ability to create and extract additional value from their environments (Smith, 2013).

Previous studies (Glasgow, 1980; Light, 1980; Kloosterman et al, 1998; Kloosterman et al, 1999) that focus on various ethnic groups and their engagement in activities within the informal economy indicate that, despite harsh trading conditions, ethnic groups have managed to survive through the use of semi-legal activities. However, as this is only an indication, this research attempts to explore the multi-layered nature of economic activity with specific emphasis placed on informality within the small business sector.

Entrepreneurship is not straightforward; it is often embedded in an interplay of influences (Ojo et al, 2013). Granovetter (1985) considers the behavioural actions that

are affected by social relations and proposes a theory of embeddedness. Aldrich and Zimmer (1986) also consider this embedded nature of social behaviour within entrepreneurship networks suggesting that the social embeddedness theory confirms that entrepreneurs are involved in social networks that they *use* and *manipulate* (Ojo et al, 2013), presumably for their own good. However, this issue of entrepreneurs using social networks for their own good is only an assumption, and needs to be taken into consideration in this research in order to determine its validity with South Asian entrepreneurs in the UK. Buckley and Casson (2001) state that entrepreneurship has always been a morally vague activity, thus suggesting that what constitutes morality is flexible and subject to individual and cultural interpretation. Entrepreneurship, by its very nature, involves a measure of exploitation. Scholars such as Venkataraman (1997), and Shane and Venkataraman (2000) state that entrepreneurship involves activities that encompass the exploitation of opportunities. Shane and Venkataraman (2000) suggest that entrepreneurs discover and acquire resources to exploit opportunities. Exploitation in this case refers to using resources, even if used in a negative sense, to benefit the entrepreneur. However, if entrepreneurs can exploit resources for their benefit, they may also avoid difficulties that can occur and negatively impact business operations and profitability. The avoidance of obstacles within businesses can quite easily turn into evasion of business laws and regulations. MacDonald (1994) explores 'fiddly work' and found that there is an absence of written contracts within the labour process, which provides businesses with the opportunity to escape regulations, for example through the use of cash-in-hand payments, avoiding tax, and making false claims on welfare benefits. Jones, et al (2004), on their findings within the Asian informal economy, find that 'ghost' workers are not recorded, and this invisibility allows the use of illegal workers to be widespread. Scholars such as Chen et al (2001) suggest that entrepreneurs and businesses are involved in illegality through the use of underhand activities, for example informal workers and subtracting production and services to smaller firms that are not registered. Chen et al (2001) state that the

informal economy is linked to the capacity of formal firms to absorb the costs of labour and their willingness to absorb these costs. There lies substantial opportunity for high profit for those entrepreneurs that seek for such opportunities (Fasahunsi and Rosa, 2002).

MacDonald (1994) suggests that 'fiddly work' is distributed through local social network minorities to maintain involvement in work culture, thus suggesting that only if social networks deemed this type of activity to be appropriate, or acceptable, could there be distribution of 'fiddly work'. This provides the indication that social network minorities view 'fiddly work' as an illicit activity. When considering entrepreneurship as an academic discipline, it is concerned with the understanding of how entrepreneurs work and what is accepted in pursuing profits. If we discard morality, business ventures that involve illegality often operate in the same manner as traditional ventures (Paoli, 2002; McElwee and Smith, 2015). However, it is not so simple to discard aspects of morality hence it is an aspect that this literature review must consider.

2.8 Legal to Illegal: Not a Simple Continuum

From the work of Fadahunsi and Rosa (2002), Smith (2004), Wempe (2005), Dobson et al (2015), and Basu et al (2018) there is an increasing awareness regarding the characteristics of illegal economic activity:

- Fewer benefits and protections for those who work illegally
- There are areas in which the government can benefit from illegal entrepreneurship
- There are many products or services that have the potential to be part of the illegal economy
- Activities are, but not always, in the form of cash in hand e.g. cryptocurrencies and cyberspace.

- All those who possess the entrepreneurial capability have the potential to engage in illegal entrepreneurship
- There is the possibility that entrepreneurs may be able to operate a number of illegal activities or ventures

As previously stated, Baumol (1990) developed a distinction between productive, unproductive, and destructive entrepreneurship that has had an influential impact within entrepreneurship research. This distinction encompasses various forms of behaviour from illegal action i.e. criminal (destructive), to moral actions that comply with rules and regulations (productive). Baumol's (1990) unproductive entrepreneurship encompasses activities and entrepreneurial behaviour that is blurred. Thus, activities here can span from being close to productive and also destructive entrepreneurship. Smith and McElwee (2013) present the dimensions of legal to illegal in a very concise manner, thus enabling us to further understand this continuum. Baumol's (1990) theories of entrepreneurship can also be further explained through the use of the following continuum.

Table 2.4 Dimensions of Entrepreneurial Activity by Degree of Legality from Smith and McElwee (2013)

Illegal <i>(organised crime)</i>	Illegal <i>(white collar crime)</i>	Illicit <i>(crimino- entrepreneurial)</i>	Informal <i>(immoral)</i>	Legal <i>(ammoral)</i>	Legal <i>(moral)</i>
ILLEGAL (CRIMINAL) ENTREPRENEURSHIP				LEGAL ENTREPRENEURSHIP	

At the extreme side of the continuum is illegal organised crime. Such activities are associated with crime groups and involve criminals' i.e. armed robbery. Illegal entrepreneurs involve entrepreneurs that are of criminal disposition, i.e.

entrepreneurs that can also be associated with white-collar crime, such as tax evasion, and the production of counterfeit money and goods. This element of the continuum is part of Baumol's (1990) classification of destructive entrepreneurship – activities that make society worse rather than innovative activities that improve society.

It is in the illicit (crimino-entrepreneurial) category that activities become blurred. Activities here consist of behaviours that are criminal however are considered to be less severe i.e. society and communities view actions of crimino-entrepreneurs as a less serious crime and thus place less emphasis on their activities, for example, the production of 'moonshine' – illicit alcohol. An assumption within this category is that respondents are ordinary individuals who engage in relatively small-scale localised activities with no intention to cause harm but to increase their profits even if this involves deceiving society and communities with criminal activities. This category is part of Baumol's (1990) unproductive entrepreneurship, although is directed towards the criminal side.

There are two different types of entrepreneurial activities that form part of the informal (immoral) category. The first is an unregistered activity. For example, if a business has unregistered workers it is an illegal activity. However, this is not to say that they are illegal in all other aspects such as various forms of taxation, i.e. income tax and so on. The second is based on an activity that is illegal and therefore cannot be declared, such as conducting business using an employer's resources, such as time, workspace, use of the internet for personal use and so forth. This informal (immoral) category also forms part of Baumol's (1990) unproductive entrepreneurship. However, activities here are closer to the legal side of entrepreneurship yet individuals' actions and behaviours prove to be unethical and dishonest.

Legal (amoral) activities are viewed or considered as semi-legal or grey entrepreneurship as it may be legal in the eyes of the law however immoral to individuals or particular societies. An example of this is the involvement of gambling; this may be legal in a specific country but could result in the entrepreneur being in a lesser esteem due to negative judgements from society. The entrepreneur does not need to be a gambler themselves, however if they are involved in the gambling business, i.e. operate a business in this industry, society may view this as the promotion of a frowned upon activity. In this sense, activity that is legal but not always accepted by society and can be classed as amoral entrepreneurship. This legal (amoral) category forms part of Baumol's (1990) productive entrepreneurship.

At the other side of the continuum are legal (moral) activities. This encompasses activities that are legal and moral as they comply with rules and regulations of host societies. In this sense an entrepreneur is held at the highest possible esteem by society. However even at this side of the continuum there are sharp practices that can be considered shameful by the public. This proves that entrepreneurship by nature is not a straightforward activity, thus requires attention on the perceptions of entrepreneurs. This category forms part of Baumol's (1990) productive entrepreneurship where economies cultivate and benefit from such activities.

When considering this categorisation of legal and illegal entrepreneurship in order to better understand informal entrepreneurship, value-adding and value-extracting have also been identified to play significant roles i.e. entrepreneurs operating at the margins (Frith and McElwee, 2009). As previously discussed, value-adding entrepreneurs use resources to their maximum use in a positive sense, thus value-adding entrepreneurship are entrepreneurial activities that are legitimate and have little effect on the margins of society. Value-extracting entrepreneurs cause damage to communities despite existing within the margins of society. Value-extracting entrepreneurs attempt to influence and shape the margins of society; therefore,

value-adding entrepreneurs can be considered legal whilst value-extracting entrepreneurs can be considered illegal. However, the actions of value-extracting entrepreneurs mimic those from value-adding entrepreneurs.

The assumption that lies within entrepreneurship literature is that entrepreneurs predominantly engage in value-adding activities, in which value-extracting activities have the potential to be eliminated through increasing the chances of detection and levels of punishment (Renooy et al, 2004). However, developing a greater nuanced understanding of value-extracting behaviours is vital in order to implement public policy decisions that can be used towards hidden enterprise culture, i.e. initiatives to legitimise business ventures rather than eliminate these enterprises (McElwee et al, 2011). This entrepreneurial perspective of value-adding and value-extracting activities can be integrated to assist the theoretical lens in order to provide further clarification on the activities and behaviours of South Asian entrepreneurs in micro sized enterprises. This chapter now discusses the theoretical lens adopted for this study.

2.9 Theoretical Lens

This study aims to develop a deeper understanding of ethnic entrepreneurs that operate micro sized enterprises with the integration of informal practices. However, this requires a theoretical perspective that enables the exploration of the activities of the entrepreneur yet accounts for an internal and external structural view. Many theories have the potential to underpin this research, i.e. actor network theory – understanding processes of technological innovation and scientific knowledge creation by emphasizing surrounding factors of a given issue (Latour, 2005), cultural dimensions theory – understanding collective programming of one’s mind in a patterned way (Hofstede et al, 2010), and need theory – motive systems that affect one’s behaviour (McClelland, 1987). However, the theoretical perspective adopted

must assist in achieving the aims and objectives of this research study. It felt as if the above theoretical lenses may steer this research into a different direction as the focus of this research is the entrepreneur and his or her activities within the enterprise. The theoretical lens that felt most suitable and supportive to achieve research outcomes is structuration theory.

2.9.1 Structuration Theory

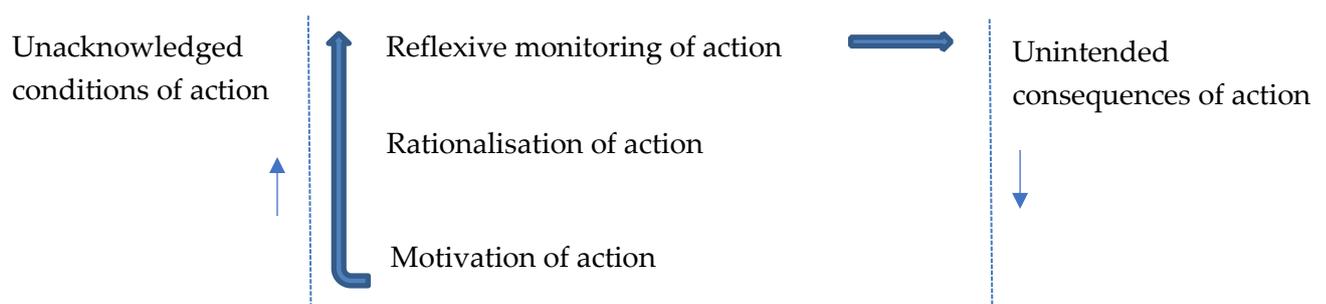
Anthony Giddens first outlined structuration theory in 1984. In order to grasp the concept of structuration theory, it is useful to distinguish structuration from that of functionalism and structuralism. Unlike structuralism, structuration views the reproduction of social systems not as mechanical outcomes, but rather an active constituting process that is accomplished by the doings [action] of active subjects. Unlike functionalism where structures and systems compromise organisations, structuration theory involves the duality of structure that relates to 'the fundamentally recursive character of social life and expresses the mutual dependence of structure and agency' (Giddens, 1979: 69). The argument put forth by Giddens (1984) is that structure is an organised set of rules and resources that are recursive, thus out of time and space, and marked by the absence of the subject. Social systems comprise of situated activities of human agents that are reproduced across time and space. Structuration entails analysing social systems by means of studying the modes of such systems where activities of actors that draw upon rules and resources in action contexts are produced and reproduced in interaction. In this instance, actors are viewed as using rules and resources during societal interactions to manipulate systems, and in accordance to structuration, social systems do not have a purpose nor a reason or need, only humans do (Giddens, 1979).

Structuration theory is concerned with the creation and reproduction of social systems based on the analysis of structure and agents. Structure in this case refers to

the arrangements in society determined from the actions of individuals, for example institutions or large groups that enforce rules and regulations. Structural properties in nations involve structural principles that specify overall types of societies with nation-states accentuating clear-cut boundaries, yet 'there are a variety of social forms which cross-cut societal boundaries' (Giddens, 1984: 283). This research therefore focuses on internal and external forms of structure that influences the actions of the agent. Giddens (1984) suggests that all individuals are knowledgeable agents, i.e. social actors that are aware of conditions and consequences of their actions in day-to-day life. In this sense they are able to describe what they do and why they do it, yet rationalisation for actions only arise when asked by others. For the purposes of this research, agents are entrepreneurs, more specifically South Asian entrepreneurs operating micro sized enterprises.

Giddens (1979) states that structure can be both enabling and constraining, which correlates directly to this aspect of informal practise i.e. structures may be less restrictive in certain areas thus allowing informal activities to take place. Giddens (1979) conveys that it is one of the tasks of social theory to study the connections between social systems and structure. However, the purpose of this research is to focus on the agents, South Asian entrepreneurs. This research affirms to Giddens' (1984) perspective of agency in the form on the stratification model.

Figure 2.1 The Stratification Model from Giddens (1984: 5)



The reflexive monitoring of an agents' activity is a feature of everyday action, which is also expected of others i.e. actors continuously monitor the flow of their activities. Giddens (1984) refers to the rationalisation of action as actors having a theoretical understanding of their activities. Therefore, it is expected that agents will be able to explain the majority of actions they conduct. However, Giddens (1984) highlights that there is no need to ask an individual about their engagement in conventional activities that are part of a group or culture as philosophers pose questions regarding intentions and reasons of conduct that is specifically puzzling or a fracture in competency, which in turn could be an intended one. Thus Giddens (1984) distinguishes monitoring of one's activity and rationalisation of action from motivation. Reasons refer to the grounds of action whereas an agents' motives refer to the wants that prompt it. Motivation actually refers to the potential for action rather than the mode in which action is carried on by the agent. Motives can have a direct impact on action in specific circumstances. Competent actors can report regarding their intentions and reasons for acting, yet not necessarily for their motives.

A significant feature of human conduct is unconscious motivation. However, the notion of practical consciousness is fundamental to structuration theory. It is the characteristics of a human agent that structuralism is blind. It is only in specific sociological traditions that we find subtle treatments in the nature of practical consciousness, i.e. schools of thought such as phenomenology and ethnomethodology (Giddens, 1984). Giddens (1984) discusses that aspects of an agents' socialisation and learning experiences can alter the division between discursive consciousness and practical consciousness. Giddens (1984) highlights the difference between discursive and practical consciousness as that of what is said and that of what is characteristically simply done. However, there are barriers, centred upon repression, between discursive consciousness and the unconscious. Yet this research does not concentrate on unconscious aspects as such a focus would steer

this research into a different direction that would emphasise the behaviour of South Asian entrepreneurs rather than concentrating on the nature of business practices in order to meet aims and objectives.

The rationale behind the exploration of structuration theory in the context of this research is to examine the interplay of the elements of agency and structure on the activities of the entrepreneur. I consider the agency to be the entrepreneur and his or her norms, values and activities, and structure to be rules and regulations that impact on the entrepreneur's activities. The notion here is of personal agency, i.e. the informal decisions that one takes yet structure works with, for or against them. The decision-making actions and processes of entrepreneurs is where the stratification model, figure 2.1, takes effect. This research concentrates on the conscious and practical consciousness of the entrepreneurs, thus eliminating the remaining segment of unconsciousness, as previously discussed this is not relevant. The irrelevance of this is centred upon the philosophical mode of engagement that is adopted and supports structuration theory, which is discussed in chapter 4. The underlying purpose for this focus is the motivation and rationale of entrepreneurs that dictates their actions and the consequences of their actions. Due to the restriction of structure, these actions can take an informal disposition, it deems necessary to gain a deeper understanding of the motivation and rationale of the informal decision's entrepreneurs take, and their unintended or possibly intended consequences of their actions.

In proposing structuration theory, *Giddens (1984: 281-284)* identifies ten concepts that are relevant to research conducted within the social science. These concepts are outlined below and applied to this research in order to highlight their relevancy.

Table 2.5 Application of Giddens (1984) Ten Concepts

Concepts	Application to Research	Relevant to Research Questions
<p><i>'All human beings are knowledgeable agents, all social actors know a great deal about the conditions and consequences of what they do in their day-to-day lives, actors are able to describe what they do and their reasons for doing it'.</i></p>	<p>This indicates that South Asian entrepreneurs are knowledgeable and fully aware of their actions, even those that fall within the informal economy; thus they are able to justify their actions. This aspect of knowledgeable and awareness will be explored in order to determine the motives for South Asian entrepreneurs to engage in activities within the informal economy.</p>	<p>RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?</p> <p>RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities?</p> <p>RQ3 – Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs?</p> <p>RQ6 – The terms 'informal trader' and 'criminal trader' can be considered as broad terms. How are these reflected in the understanding of South Asian entrepreneurs?</p> <p>RQ7 – Can additional terms be introduced to</p>

		develop a more succinct understanding in relation to the types of traders that exist?
<i>'Knowledgeability of human actors is always bounded by unacknowledged condition/unintended consequences of action; important tasks of social science are to be found in the investigation of these boundaries'.</i>	This indicates that there may be South Asian entrepreneurs that are bounded by their knowledge, thus not aware of the consequences of their actions. As above, this aspect of knowledgeability will be explored whilst also considering the boundaries of their knowledge in terms of the operations of micro enterprises.	RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities? RQ3 – Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs? RQ4 – Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?
<i>'The study of day-to-day life is integral to analysis of the reproduction of institutionalised practices'.</i>	Exploring the activities of South Asian entrepreneurs within the informal sector and bringing these activities to the surface enables the reproduction of institutionalised practices and policies. Not only everyday practices, but in order to gain a deep	RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view? RQ2 – What are the experiences of South Asian

	understanding, <i>'more far-flung'</i> connections will be focused on.	entrepreneurs with regards to informal activities? RQ4 – Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?
<i>'Routine, psychologically linked to the minimising of unconscious sources of anxiety, is the predominant form of day-to-day social activity'.</i>	Giddens (1984) suggests that the routine of agents provides a sense of ontological security, i.e. a sense of order and continuity with regards to the experiences of an individual. Exploring the routines of South Asian entrepreneurs assists in determining the manifestation of informality and possibly illegality within the operations of micro sized enterprises.	RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view? RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities?
<i>'The study of context, or of the contextualities of interaction, is inherent in the investigation of social reproduction'.</i>	The contextualisation of this research, i.e. focus on South Asian entrepreneurs, allows me to consider the nature of business	RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in

	<p>activities within the enterprises they operate with a particular focus on informal and illegal conduct.</p>	<p>business operations from an internal and external point of view?</p> <p>RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities?</p> <p>RQ3 – Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs?</p> <p>RQ4 – Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?</p>
<p><i>‘Social identities, and the position-practice relations associated with them, are ‘markers’ in the virtual time-space of structure’.</i></p>	<p>The indication of social identities and the practices associated with their status is interesting. In application to this research, the practices of South Asian entrepreneurs based on their social upstanding may differ when considering specifically the informal sector.</p>	<p>RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?</p> <p>RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities?</p> <p>RQ7 – Can additional</p>

		terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?
<i>'No unitary meaning can be given to 'constraint' in social analysis'.</i>	Giddens (1984) suggests that there are many constraints within human life and indicates structure as one constraint. Exploring this constraint of structure allows me to highlight what form such constraints appear to South Asian entrepreneurs that work as an incentive to engage in informal aspects.	RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view? RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities? RQ4 – Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?
<i>'Among the structural properties of social systems, structural principles are particularly important, since they specify overall types of society'.</i>	Giddens (1984) refers to that of 'degrees of systemness' that appear as different forms within society, and to avoid assuming that society can be easily defined. Whilst	RQ4 – Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only? RQ5 – Does the framework of illegal rural enterprises

	<p>different types of society are characterised by various structural properties, this aspect is treated as a risk due to the interpretation of structural properties within the context of South Asian entrepreneurs operating micro sized enterprises.</p>	<p>developed by that of McElwee et al (2011) also apply to South Asian entrepreneurs that operate micro sized enterprises? If not, what types of enterprises exist?</p> <p>RQ6 – The terms ‘informal trader’ and ‘criminal trader’ can be considered as broad terms. How are these reflected in the understanding of South Asian entrepreneurs?</p> <p>RQ7 – Can additional terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?</p>
<p><i>‘The study of power cannot be regarded as a second-order consideration within the social sciences’.</i></p>	<p>Giddens (1984) indicates that ‘power struggles’ are accurately seen as some of the most bitter conflicts in social life, however it is a mistake to treat power as divisive. Power is emphasised as an important concept in</p>	<p>RQ1 – When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?</p> <p>RQ2 – What are the</p>

	<p>relation to structure as a means of <i>'getting things done'</i>. Whilst power and control is not a main aspect of focus, there lies the potential that this may surface. If so, it will be explored in order to determine the nature of its existence in this research context.</p>	<p>experiences of South Asian entrepreneurs with regards to informal activities?</p>
<p><i>'There is no mechanism of social organisation or social reproduction identified by social analysts which lay actors cannot also get to know about and actively incorporate into what they do'.</i></p>	<p>Giddens (1984) here is referring to the 'findings' of social researchers. Individuals are always able to learn how society works. In the context of this research, South Asian entrepreneurs have the opportunity to widen their understanding of activities that fall part of the informal economy and possible consequences in terms of their business operations.</p>	<p>RQ2 – What are the experiences of South Asian entrepreneurs with regards to informal activities? RQ5 – Does the framework of illegal rural enterprises developed by that of McElwee et al (2011) also apply to South Asian entrepreneurs that operate micro sized enterprises? If not, what types of enterprises exist? RQ6 – The terms 'informal trader' and 'criminal trader' can be considered as broad terms. How are</p>

		<p>these reflected in the understanding of South Asian entrepreneurs?</p> <p>RQ7 – Can additional terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?</p>
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In addition to the above basic concepts, Giddens (1984) also indicates a number of guidelines that deem to be suitable for this research study. Giddens (1984) refers to the ‘double hermeneutic’ that characterises social research. The double hermeneutic points to a ‘*double process of translation or interpretation*’, thus suggesting that I need to frame myself in the perspective of social actors when interpreting activities associated with the informal economy. Giddens (1984) notes that a literary style is relevant in social research; social analysts are communicators that provide contexts with the aim of describing a ‘*cultural milieu*’, and there is a need for thick descriptions in certain types of research. This acts as a foundational aspect for this research, as providing background for each one of the South Asian entrepreneurs included in this research allows me to set the scene, thereby ensuring that the vital aspect of context behind each respondent is highlighted, providing a platform to grasp the essence of this research. The application of the above ten concepts acts as a theoretical lens allowing the exploration of structure and agency, which is the focus of this research. With structure referring to rules and regulations, and agency referring to the actions of an entrepreneur, this research can uncover the informal and possibly illegal nature of South Asian entrepreneurs operating micro sized

enterprises with reference to understanding the nature and manifestation of activities within these forms of entrepreneurship.

Whilst structuration theory proves to be an appropriate theoretical lens for this study, it is not without its criticisms. Giddens (1984: 25) proposes that structure and agency are inseparable, they '*are not two independently given sets of phenomena*' therefore they represent a duality. Archer (1995) objects to this inseparability and proposes a notion of dualism, upholding that structure and agency should be analysed separately. Essentially, Archer (1995) objected on the grounds that Giddens (1984) conflated structure and agency, as there is the potential to unravel them analytically. Archer (1995) proposes a '*morphogenetic*' approach, which suggests that the isolation of cultural and structural factors that provide context for action, can be investigated to shape subsequent interactions of agents. As this research is attempting to depict the effects of structure on agents, and vice versa, in order to develop a more nuanced understanding of activities that relate to informal and illegal entrepreneurship, there is no need to unravel these analytically, but to focus on the fact that structure can be both an enabling and constraining element therefore the lens of structure and agency assists in the exploration of entrepreneurs within the informal economy.

2.10 Summary

This chapter discusses SMEs and the impact such enterprises have on the economy leading to the importance of Asian enterprises as an expanding group within the SME sector. The chapter then highlights debates between small business owners and entrepreneurs, thus leading to entrepreneurial characteristics and behaviour. Due to the focus of a specific ethnic group, this chapter discusses ethnic entrepreneurship and characteristics that are associated with ethnic entrepreneurs. Previous scholarly research suggests that informal entrepreneurship is linked to ethnic entrepreneurs,

thus diverse entrepreneurial activities are discussed. Distinctions of economic activities are identified i.e. value-adding and value-extracting entrepreneurs. Discussions of boundaries led to the distinction of illegal practices. However, there are no clear-cut boundaries between informal and illegal entrepreneurial practices, therefore dimensions of entrepreneurial activity by degree of legality (Smith and McElwee, 2013) is discussed, which presents the area of focus for this research. The chapter concludes with a discussion of the theoretical lens that underpins this research i.e. structuration theory with a focus on structure and agency. The stratification model is presented and discusses the focus on one's consciousness in order to explore experiences based on informal entrepreneurial aspects, and how the ten basic concepts of structuration theory apply to this research.

The next chapter considers the business model canvas and reconfigures the canvas in order to make it suitable for this research. A framework of illegal rural enterprises (McElwee, et al, 2011) is considered to determine the types of enterprises that exist in an informal context.

Chapter 3 Business Model and Conceptual Framework

This chapter presents the use of a business model, and a conceptual framework in order to fulfil the research aims and objectives. The purpose of this chapter is to identify the business model that this research considers, and a theoretical framework that considers aspects of illegality that are relevant to this research, i.e. enterprise structure.

This chapter is structured as follows. First, this chapter discusses the emergence of a business model concept in research studies, and how business models can be integrated into research studies to better understand economic behaviour of enterprises and entrepreneurs (Zott et al, 2011). Secondly, a business model canvas developed by Osterwalder and Pigneur (2010) is presented as a strategic management tool to provide background and context on small businesses. The components of this canvas are discussed, the limitations of the canvas are identified, and a revised version of this canvas is created as it is believed this version better suits this research. The components of this new model canvas are then discussed, and significant changes are highlighted in order to better understand how these changes assist this research study. Thirdly, a framework developed by McElwee et al (2011), of illegal rural enterprises, is critically examined. The different types of enterprises highlighted within this framework are discussed, with justification for taking this specific framework and applying it to the context of this research. The chapter concludes with stating the research questions derived from this chapter and this the previous chapter.

3.1 The Business Model Concept

Whilst business models have been an integral aspect of economic behaviour and trading since classical times (Teece, 2010) i.e. an era where Greek and Roman societies flourished, the concept of business models became prevalent in the 1990s

and become a popular concept. The concept of business models has received substantial attention over the past years by academics and practitioners. The applicability and relevance of the business model to understand the economic behaviour of enterprises and entrepreneurs has been a growing subject area by a number of practitioner-oriented studies (Zott et al, 2011). However, despite a large surge in literature on business models, there is no agreement by scholars on what a business model is. Researchers adopt idiosyncratic definitions that fit purposes for their study. Definitions of a business model take many different forms, and at a general level they have been referred to as a description of an organisations value proposition (Weil and Vitble, 2001), a representation (Morris, et al, 2005; Shafer, Smith and Linder, 2005), a conceptual tool or model (George and Bock, 2009; Osterwalder, 2004; Osterwalder, et al, 2005), a framework (Afuah, 2004), and a structural template (Amit and Zott, 2001). However, business models integrated into studies are often depicted without a clear definition of the concept i.e. explicitly defining the model and its components (Zott et al, 2011). This lack of clarity can represent a source of confusion that may cause dispersion of perspective in business model research, and as a result can affect and question the validity of a research study.

A relatively recent definition is that of Magretta (2002), who suggests that business models are like stories that describe how enterprises operates. Magretta (2002) indicates that business models refer back to Peter Drucker's questions of who is the customer and what does the customer value? It also focuses on the logic of delivering value to customers at appropriate costs. Though, a recent definition of business models suggests that business models articulate the logic and facts that support a value proposition for a customer, whilst also providing a viable structure of costs and revenues for an enterprise that is delivering value (Teece, 2010). Regardless of the conceptual differences amongst researchers from diverse disciplines, there are emergent common aspects. First, a widespread

acknowledgement that business models are a distinctive form of unit of analysis centred on a firm, yet the boundaries are wider than that of the firm. Secondly, business models emphasize a holistic approach that explains how firms 'do business'. Thirdly, business models emphasize activities of a firm and the importance partners play in the model of a firm. Fourthly, business models seek to explain value creation and value capture.

Business models have been highlighted as a source of competitive advantage that can be utilised in a strategic sense as they can allow enterprises to focus on customer needs (Christensen, 2001). A specific factor has captured the attention of scholars i.e. that the business model concept seems to have a greater focus on co-operation, partnership, and joint value creation (Magretta, 2002; Mansfield and Fourie, 2004). Despite conceptual differences, business models can play a vital role in a firm's strategy. Business models can explain how an enterprise's activity can assist in executing a firm's strategy (Richardson, 2008), whilst business models can reflect a firm's realised strategy (Casadesus-Masanell and Ricart, 2010). There are two business model notions, traditional and lean (Baporikar, 2016). A traditional strategy is lengthy as this involves a detailed business plan. In contrast, a lean strategy is less detailed in the form of a business model i.e. a blueprint that provides an overview of the enterprise. As this research focuses on micro sized enterprises, a business model is utilised as a simple method to highlight different aspects of an enterprise. Therefore, a business model enables this research to focus on an enterprise and consider areas where informal practices may lie. In the case of a business model, the unit of analysis is the enterprise yet the majority of focus lies in the actions of the entrepreneur, this is discussed in greater depth in chapter 5, Research Methodology. As the incorporation of a business model can assist in achieving the aims and objectives of the research, a recent business model canvas designed by Osterwalder and Pigneur (2010) is discussed in which each of its components are examined as to their suitability for this research.

3.2 Business Model Canvas

Osterwalder and Pigneur (2010: 14) developed a business model canvas that acts as a strategic and management tool for business owners. They define a business model as a model that ‘describes the rationale of how an organisation creates, delivers, and captures value’.

3.2.1 The Business Model Canvas

The business model canvas is based on nine building blocks that allow individuals understand, discuss, create, and analyse business models.

Figure 3.1 The Business Model Canvas adapted from Osterwalder and Pigneur (2010)

<i>Key Partners</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationships</i>	<i>Customer Segments</i>
	<i>Key Resources</i>		<i>Channels</i>	
<i>Cost Structure</i>			<i>Revenue Streams</i>	

3.2.2 Key Partners

Key partners describe the network of partners and suppliers a business may have. Alliances are created to optimise business models, acquire resources, and reduce risks. The management of companies forge partnerships for beneficial reasons, and consequently, ‘partnerships are becoming a cornerstone for business models’ (Osterwalder and Pigneur, 2010: 38).

3.2.3 Key Activities

Key activities describe the important things company managers do to make business models work, and the actions that they take to ensure that they operate successfully. As with many of the building blocks that form the business model canvas, they are dependent on each other i.e. key activities are required to create value propositions, and maintain customer relationships, and vice versa. For example, the owners of smaller organisations may aspire to offer a wide range of products and/or services, thus allowing them to develop their business and create value propositions.

3.2.4 Key Resources

Key resources describe important assets that are required to make business models. All business models require key resources, and these can take physical, financial, intellectual, or human form. Key resources can either be owned, leased by companies, or possibly acquired from key partners. For example, SMEs within a variety of industries rely on human capital in order ensure smooth operation of the business.

3.2.5 Value Proposition

The value proposition of companies influences whether customers choose one company or turn to other companies. Value propositions can involve solving a customer problem or satisfying a customer need. Value propositions can actually consist of a bundle of products and services that can cater to a specific customer segment. Value propositions can be innovative, represent a new offer, or similar to existing offers however with added features. For example, SMEs within the Information Technology industry may need to offer incentives to propose value to customers i.e. the inclusion anti-virus software when purchasing computers.

3.2.6 Customer Relationships

Customer relationships describe the types of relationships companies establish with customer segments. Companies have to clarify the type of relationships it wants with specific customer segments. These relationships can be driven by the following motivations: boosting sales, customer retention, and customer acquisition, which can range from being personal to automated. The customers overall experience is influenced by the customer relationships within a company's business model. For example, due to the fact that SMEs are not able offer the same price as large organisations, focussing on customers relationships plays a crucial role in customer retention.

3.2.7 Channels

Channels describe how companies communicate with their customer segments in order to deliver a value proposition. A company's interface with customers comprises of sales, communication, and distribution channels. These channels play a very important role in customer experience. Channels have various functions, which are as follows:

- Assists customers evaluate companies value propositions
- Raises customer awareness of a company's products and services
- Provides customer support and aftercare post purchase

An organisation has the opportunity to determine which channels it uses to reach its customers. For example, SMEs are likely to use their own channels (an in-house sales force, website), however those larger organisations may utilise partner channels (retail stores owned and operated by an organisation).

3.2.8 Customer Segments

Customer segments are the individuals or organisations that an enterprise aims to serve. Customers are the heart of a business model as no company can survive without profitable customers. Therefore, companies group them into segments with common behaviours, needs, or various other attributes in order to satisfy customers. It may be necessary for companies to take decisions regarding which segments to serve and ignore. A business model can then be designed around as strong knowledge and understanding of specific customer needs. There are many different types of customer segments that organisations can focus on, these are:

- Mass market – business models do not distinguish different customer segments yet focus on one large group with similar needs.
- Niche market – business models tailored to cater for a specialised market. This is a vital customer segmentation strategy for SMEs as focussing on a niche market can be utilised as a tool for survival. For example, small organisations within the fast food industry may focus on providing a specialty cuisine.
- Segmented – business models that distinguish between the needs of different markets.
- Diversified – organisations that serve two different unrelated customer segments. Diversification strategies are adopted by organisations that have expansion plans. For example, SMEs within the retailing sectors may wish to provide mobile network services such as top-ups and phone cards, whilst also providing a range of confectionary items.
- Multi-sided markets – organisations serving more than one independent customer segment e.g. an enterprise offering newspapers requires a large reader base to attract advertisers; finance from advertisers enables production and distribution. Both segments are required to make the business model work.

3.2.9 Cost Structure

Cost structure describes the costs companies incur to operate a business model. To create and deliver value, maintain customer relationships, and generate revenue has the potential to incur significant costs. All these costs can be calculated after considering key activities, key resources, and key partnerships. However, there are business models that are centred on low costs, which have cost effective structures as their main priority. For example, SMEs within the catering industry may focus on cost effectiveness of their products as a value proposition.

3.2.10 Revenue Streams

Revenue streams represent the revenue companies generate from customer segments. When companies are successfully able to establish how much customer segments are willing to pay for specific products and/or services, they will be able to generate more revenue. Revenue streams in a business model can take two forms i.e. first, revenue from one-time customer payments, and second, recurring revenues from ongoing payments to deliver value proposition or post purchase aftercare. For example, a one-time payment could involve the purchase of an asset such as a vehicle, whereas recurring revenues could be in the form of subscription fees. Whilst there maybe SMEs that operate a gym and possess recurring gym fees, a one-time payment is more likely to be a prominent revenue stream for SMEs due to the size of the business.

3.2.11 Purpose for Adopting the Business Model Canvas

The business model canvas can be used as a tool for entrepreneurs to visualise and change their business models and therefore can be seen to add value, as entrepreneurs are able to clearly define their business models. Initially, I wanted to use and adopt the business model canvas in order to determine the models of entrepreneurs operating micro enterprises and how informal, and potentially illegal

processes, had manifested themselves in the daily operations of these businesses. This would enable the illustration of how informal and possibly illegal activities are mapped onto a business process. However, as previously discussed the central focus here, i.e. unit of analysis, is not the enterprise but the entrepreneur. The purpose of this research is to focus on the perception of ethnic owned small businesses concerning informality. However, in order to provide context and background for the entrepreneurs, i.e. their businesses and the industry sector they operate in, the business model canvas is adopted to highlight this, thus providing context in terms of specific entrepreneurs' perceptions. The canvas also enables a demonstration of how an entrepreneur's key activities are mapped onto their business processes.

There are specific issues and criticisms that have been identified with the business model canvas. Competition is a vital component of any business model. To a certain extent, enterprises choose who they want to compete with which affects the other components and vice versa. This business model canvas focusses on a money-making logic, and one may state that an entrepreneur is able to compare their business models with those of competitors, which is a valid point. However, it may not always be possible for entrepreneurs to have all the necessary information of their competitors. In the event that entrepreneurs may have the necessary information to compare their business models to competitors, the models they may have to compare would be a large amount due to the number of competitors they have, however the complexity and time consumption involved does not make this seem a viable solution. Thus, the business model could benefit from taking competition into account.

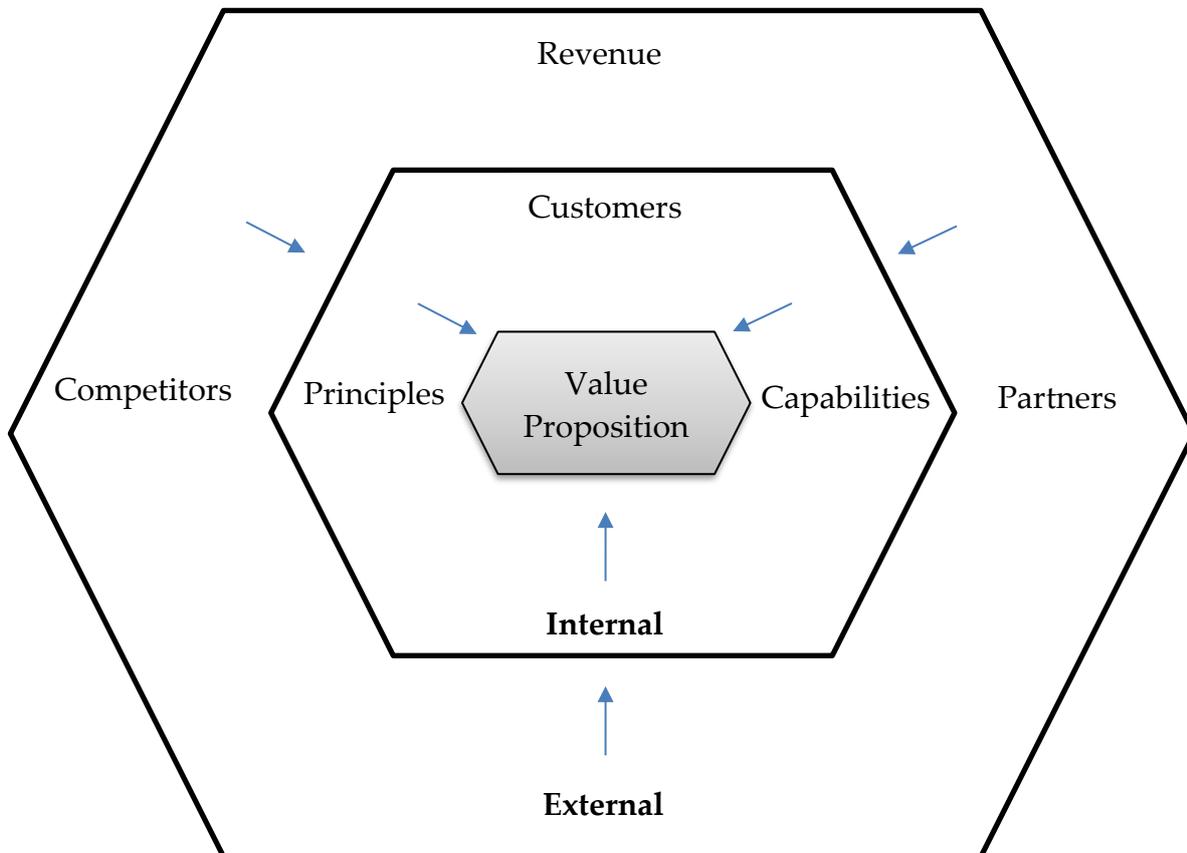
This business model canvas is based on businesses making profit and this may be the goal for many business ventures, even a charity organisation will have surplus as one of its main goals. However, the business model canvas does not take into account the strategic intentions of organisations i.e. their vision and strategic objectives. The

strategic intentions of an organisation are vital to its business model and will influence the other components and vice versa. When completing each section of the model canvas, there is a mixed level of detail that can occur as there are components within the canvas that require more emphasis than others. Thus users, i.e. the management in organisations, have to think at different levels when filling out the canvas. For example, channels and customer relationships may need to be given greater emphasis when elaborating on the marketing aspect of a business model; however, this would not need to be defined at the same stage as value proposition for example. Due to this, the business model canvas can become imbalanced. In order to eliminate these issues that have been discussed, I have recreated and adapted the business model canvas in a different format that I believe is simpler as it takes into account only the most fundamental components of the current business model canvas and additional components relevant to the research at hand. The following revised version of the business model canvas is incorporated in this research in order to provide background and context around the enterprises of British South Asian entrepreneurs. My adaptation of the business model canvas is appropriate for this research as it considers components that are relevant to the industry sectors of the entrepreneurs included in this study i.e. competition.

3.3 The Hexagon Canvas

I have created a Hexagon canvas that is an altered version of the business model canvas (Osterwalder and Pigneur, 2010) that enables a background of respondents to be highlighted, which allows for a deeper understanding of the emphasis entrepreneurs give on specific components that form part of the canvas. When considering the theoretical lens for this research study i.e. structuration theory and the focus of internal and external influences, I tailored the Hexagon canvas to this research i.e. an internal and external core, as presented in figure 3.2.

Figure 3.2 The Hexagon Canvas (Source: Author)



3.3.2 Value Proposition

The value proposition of an organisation is the fundamental element as it can be classed as the nexus of the remaining elements. Therefore, this version of a business model canvas places the value proposition in the centre.

3.3.3 Internal

The internal core consists of three elements, customers, principles, and capabilities. These three elements have the greatest effect on the value proposition. Customers refers to an organisation's key customers enabling small businesses to tailor their goods and/or services in accordance to their needs. Principles refers to the values of a business, which in turn dictates their actions and behaviours, thus determining if

they are fulfilling their business goals. Capabilities refers to a business's competency, i.e. its ability to achieve a desired outcome through an organisations processes and services. The three elements that reside within the internal core can assist entrepreneurs in shaping their ideal value proposition.

3.3.4 External

The external core consists of a further three elements, revenue, competitors, and partners. Revenue refers to how an organisation is able to realise their value proposition from a financial perspective. The cost structure component from the business model canvas can also be considered within this revenue element of the Hexagon canvas. Competitors refers to those enterprises that directly influence an organisations value proposition, and how their value proposition compares to that of its competitors. Partners refers to individuals that assist an organisation in realising its value proposition through their input. These three elements enable an entrepreneur to turn an ideal value proposition into reality.

As represented in the Hexagon canvas, the internal core is a level that influences the value proposition, however all the elements embody the same level of detail. The elements at the external core can also be completed with minimal detail, thus making it a simpler canvas for users to focus on specific levels to ensure they provide the value proposition that is required for business success.

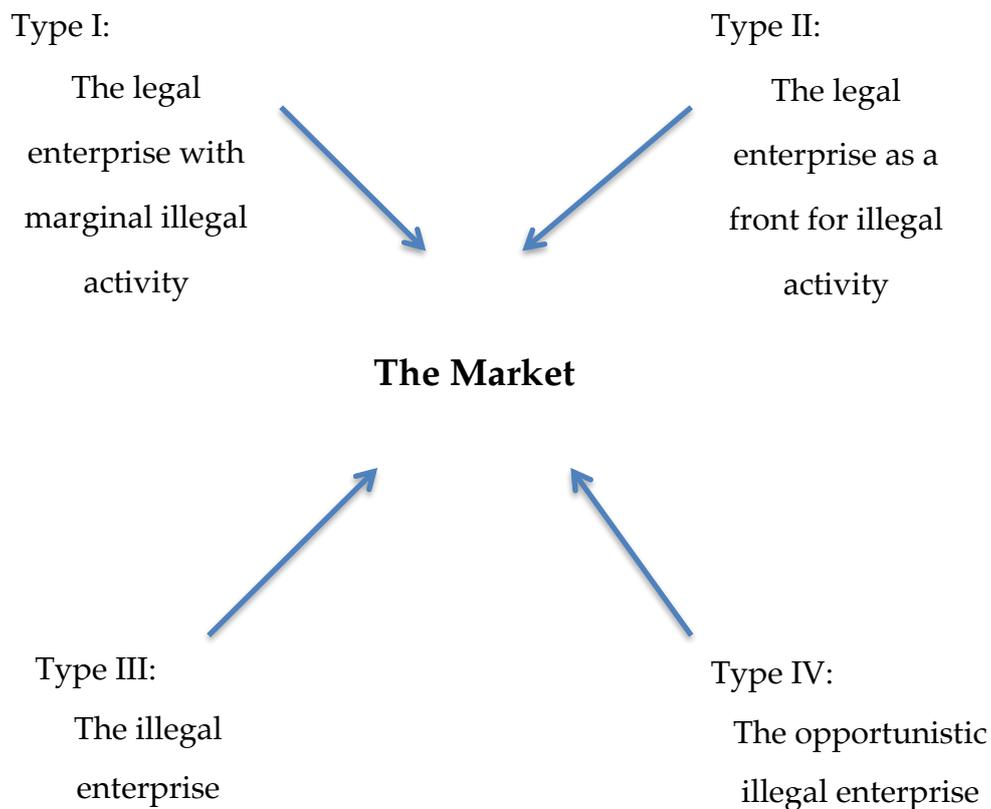
3.4 Theories and Frameworks of Illegality

There are many theories of illegality that have developed through entrepreneurship research. For example, Barth (1967) developed theory on spheres of value i.e. the identification and exploitation of new business opportunities, which was drawn upon the research of Bohannan (1955) who illustrates the circulation of valuables in separate economic spheres, Baumol (1990) established a theory of productive,

unproductive, and destructive entrepreneurship. Various theories of illegality have been outlined previously in order to grasp the differences of entrepreneurial activity. However, this literature review begins to discuss a specific framework that can be used as a base in various areas in entrepreneurship research.

McElwee et al (2011) developed a framework on illegal rural enterprises from their study on the nature of illegal entrepreneurship in rural areas. They state that the framework created is intended to stimulate discussion and further research entrepreneurship.

Figure 3.4 Framework of Illegal Rural Enterprises from McElwee et al (2011)



3.4.1 The Legal Enterprise with Marginal Illegal Activity

These types of enterprises are registered however will be involved in semi-legal activities whenever possible. Entrepreneurs of this type may not perceive such activities as a problem. These activities could include the use of one's expertise and equipment, i.e. using a legal business premises for undeclared business ventures such as servicing cars on a cash basis, and can also possibly involve accepting cash for the use of equipment or premises.

3.4.2 The Legal Activity as a Front for Illegal Activity

This involves an entrepreneur allowing their business to be used for an illegal activity such as money laundering. From the face of it, any enterprise can be seen to be legitimate, however an entrepreneurs' main activities are hidden from view. In this type of an enterprise it is possible that those hidden activities are more lucrative than the frontal legal enterprise, hence justifying an entrepreneur's engagement in these types of business activities.

3.4.3 The Illegal Enterprise

McElwee et al (2011: 55) state that this type of an enterprise is likely to be 'structurally efficient', i.e. that the entrepreneur would have clear knowledge of his or her customers, markets, and supply networks. An example of this is drug dealing. Hyder (1999) refers to criminals that rent or acquire property for storing drugs or cannabis factories as 'greenbelt bandits'.

3.4.4 The Opportunistic Illegal Enterprise

Activities here are loosely configured. Individuals engage in activities that are presented as an opportunity that cannot be missed. Such activities may require enterprising skill sets. An example of this is renting out premises for illegal use. Smith and McElwee (2013) suggest that illegal entrepreneurs identify opportunities

of their interest, for example drug dealers may be able to identify a location that is suitable for their enterprise. However, this is not to say that legal entrepreneurs are not able to identify illegal opportunities. Whilst Smith and McElwee (2013) are correct, the view here is that entrepreneurs are able to identify opportunities that are based around their interest and do not have to be legitimate, yet what differentiates these entrepreneurs is their willingness to engage in illegal forms of entrepreneurial activity.

3.4.5 Significance of Utilising the Illegal Rural Enterprise Framework

McElwee et al (2011) state that the creation of this framework is to stimulate discussion. The research conducted by McElwee et al (2011) focuses on enterprises within a rural location and specifically the farming community. In comparison, this research considers enterprises within an urban location, thus differences arise in the form of start-up support, growth and development, and access to labour markets (McElwee, 2006). Consequently, a very significant question arises when considering such a framework with regards to the experiences and perceptions of South Asian entrepreneurs, i.e. would the enterprises proposed by McElwee et al (2011) exist in the context of this research? (RQ5). In addition to this geographical difference, McElwee et al (2011) specifically concentrate on activities that surpass the boundaries of legality. However, this research primarily focuses on informality with emphasis on the boundaries and overlaps between informality and illegality. To that end, the illegal rural enterprise framework can be utilised to determine not only if these enterprises exist in the context of this research but also if additional enterprises are found to exist (RQ7).

3.5 Research Questions

Based on the literature that has been discussed within chapter 2 and chapter 3, the following research questions have been developed.

1. When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?
2. What are the experiences of South Asian entrepreneurs with regards to informal activities?
3. Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs?
4. Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?
5. Does the framework of illegal rural enterprises developed by that of McElwee et al (2011) also apply to South Asians entrepreneurs that operate micro sized enterprises? If not, what types of enterprises exist?
6. The terms 'informal trader' and 'criminal trader' can be considered as broad terms. How are these reflected in the understanding of South Asian entrepreneurs?
7. Can additional terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?

3.6 Summary

This chapter discusses the concept of a business model, and the relevance of a business model in this research, i.e. it can assist in describing how enterprises operate (Magretta, 2002). The business model canvas (Osterwalder and Pigneur, 2010) is highlighted as a management tool that enables business owners to create, deliver, and capture value. This chapter discusses the business model canvas in detail by determining how each element of the canvas assists in providing a pictorial

representation of one's enterprise. The purpose of the business model canvas is to demonstrate the context and background of the entrepreneurs incorporated in this study. However, criticisms of the canvas enabled me to highlight elements that are not in the canvas yet are essential for this type of research and the given industry sectors such entrepreneurs reside in. This resulted in the development of the Hexagon canvas that refers to an internal and external core in order to create value proposition. The chapter then discusses an illegal rural enterprise framework that highlights four types of enterprises and the relevance of incorporating a relatively recent enterprise framework in this research study. The chapter then concludes with research questions formulated based on previous chapters.

The next chapter discusses various philosophical schools of thought, and my thought process that led to a suitable position for this research.

Chapter 4 Philosophical Underpinnings

Previous chapters have discussed and defined ethnic entrepreneurs, informal entrepreneurship, business models, and an illegality framework. Consequently, a number of research questions have emerged which are concerned with informal working practices of ethnic entrepreneurs in micro sized enterprises in Yorkshire. The purpose of this chapter is to discuss philosophical aspects that underpin this research and the thought processes I have been through leading to the philosophical school of engagement that was adopted.

The chapter is structured as follows. First, an overview of the available philosophical schools of engagement are discussed, highlighting ontological and epistemological positions in order to fully grasp philosophical positions. Whilst exploring objective and subjective ontology and epistemology, two influential concepts are highlighted, *Erklären* and *Verstehen*. Second, the origins and significance of *Erklären* and *Verstehen* are then explored due to their influence on philosophical stances. Third, the philosophical mode of engagement which I believe is not only appropriate for this research but also similar to my train of thought is explored in depth, which demonstrates a picturesque thought process that reveals how my thoughts have altered when exposed to the various philosophical modes of engagement.

4.1 Philosophical Modes of Engagement

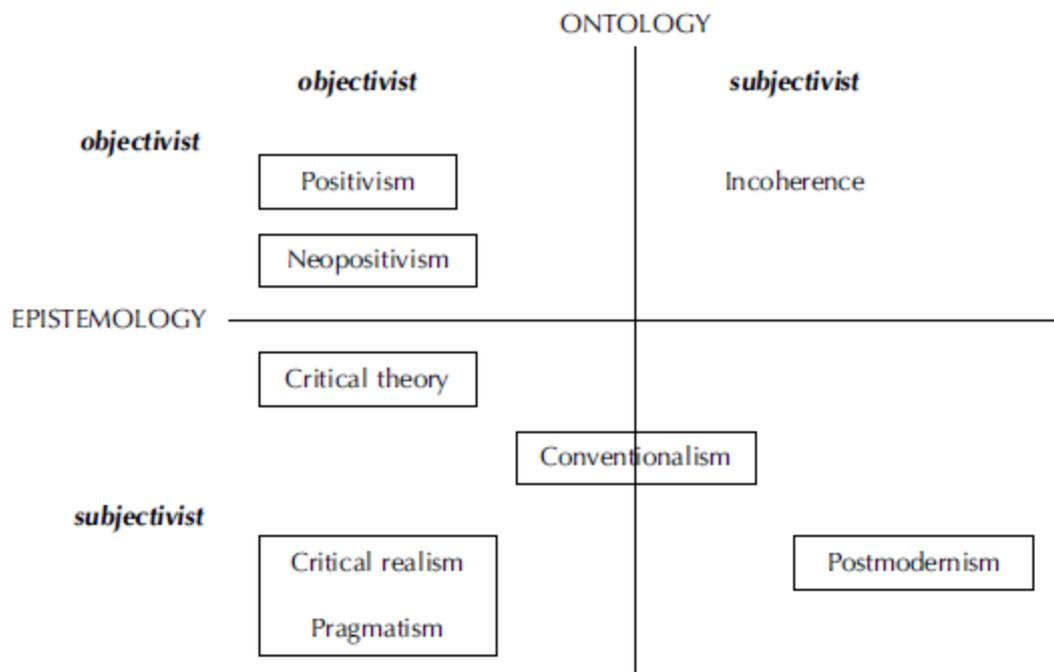
Research can be undertaken through various schools of thought that can shape one's research design. For example, various schools of thought such as empiricism, post-positivism/ neo-empiricism, interpretivism, critical theory, critical realism, pragmatism, and postmodernism are discussed by influential scholars within the research of philosophy (Burrell and Morgan, 1979; Denzin and Lincoln, 2000; Lincoln and Guba, 2000; Johnson and Duberley, 2000; Corbin and Strauss, 2008; Gill and Johnson, 2010). For Prasad and Prasad (2002), positivism has been the main

philosophical position within social science research over the past decades. However interpretive research has come forth with researchers adopting different schools of thought including critical theory, critical realism, pragmatism, and postmodernism. Scholars attempt to compartmentalise these schools of thought to show their ontological and epistemological positions.

Ontology is a branch of philosophy that deals with the essence of the phenomena at hand in terms of its existence. Therefore, ontology is defined as the nature of reality (Hudson and Ozanne, 1988). An objective state of social reality assumes and views the research phenomena as it exists; it is among us independently of our rational structures, and therefore potentially awaits discovery by us (Gill and Johnson, 2010). A subjective state of social reality assumes and views the research phenomena as a creation or possibly a projection of our consciousness (Gill and Johnson, 2010). Epistemology is about how a claim made about a research phenomenon is warranted, i.e. how do we know any claim made is true or false? Epistemology is thus defined as how the reality can be known or the relationship the researcher has with the reality (Carson et al, 2001). An objective epistemology assumes that a theory-neutral observational language ('possible to test precisely a theory through observation of empirical reality which is readily open to neutral inspection by the observer' (Gill and Johnson, 2010: 242)) in which sensory experience of the 'facts' of reality prove to be the only foundation for scientific knowledge (Ayer, 1971). Observers here are able to 'picture' the external world objectively that enables them to deductively test or inductively generate theory in an objective manner (Wittgenstein, 2014). A subjectivist epistemology assumes that the outcome of how people interact with the world and the conceptual baggage they bring to make sense of their experiences informs perceptions of reality. However, the origin of this conceptual baggage is assumed to be social and therefore is confined to the idea that we socially construct versions of reality or possibly reality itself (Burr, 1995). Figure 4.1 shows where the previously mentioned philosophical schools of thought have

been placed in a matrix that displays the objective and subjective assumptions of ontology and epistemology.

Figure 4.1 Philosophical Modes of Engagement from Johnson and Duberley (2000: 180)



It is necessary to note that whilst figure 4.1 appears to be straight forward in the sense that the philosophical schools of thought displayed are compartmentalised and appear to have their own place within the matrix, this is not the case. These philosophical modes of engagement cannot be compartmentalised as there remains a 'blur' between the lines where the criteria for each stance begins and ends. Thus, it is necessary to note that the positions these modes of engagement are placed in, may not be the case in the views of different scholars. Therefore, the purpose of figure 4.1 is to provide an indication to which region each philosophical mode of engagement potentially lies.

Positivism is associated with a quantitative research approach whilst the remaining schools of thought are associated with a qualitative research approach. Positivism objectively emphasises the explanation of human behaviour through the statistical measurement of a phenomenon (Bryman and Bell, 2011). Despite neo-empiricism also being ontologically and epistemologically objective, it believes research can be conducted objectively and qualitatively analysed. Critical theory has a subjective epistemology and is based on emancipation, i.e. research conducted attempts to transform systems and practices to liberate individuals from legal, social, and political restrictions (Johnson and Duberley, 2000). Critical realism is based on identifying causation of events and mechanisms through the employment of retrodiction (Bhaskar, 1978), i.e. identify regularity, a scheme that would explain it, then a way of testing this to determine if it matches the real structure. However, critical realism states structures cannot be obtained through sensory experience, therefore how can this last step be completed? Sayer (1992) addresses this issue by establishing casual explanations and descriptions through accessing the social and natural world, which has been phrased as pragmatism. Pragmatism believes concepts and beliefs are best viewed for their practicality. Conventionalists oscillate between an objective and subjective ontological position, i.e. they drift from a supportive commensurable view of philosophical paradigms to a position that justifies incommensurability i.e. processes with no common standards of measurement. Postmodernism consists of a magnified view of this incommensurability and is based on the denial of a theory-neutral observational language (Johnson and Duberley, 2000). Postmodernism allows multiple versions of reality; thus, researchers must be humble regarding claims made to represent reality.

A philosophical school of thought that has not been mentioned, nor displayed in figure 4.1, is interpretivism. Interpretivism has an objective ontology with a subjective epistemology. Interpretivism believes that knowledge and meaningful realities are created through interactions with humans and their world, which are

then developed and communicated in a social context (Crotty, 1998). Interpretivism aims to bring forth hidden forces and social structures, however the social world can solely be understood from the perspective of individuals participating in it (Cohen et al, 2000). Interpretivism almost acts as an umbrella as there are many interpretivist approaches that are available to adopt. However, these will be discussed in depth further on within the chapter.

There are two concepts that have underlying influences on the aforementioned philosophical schools of thought. In order to fully understand their influences, the exploration of these concepts deems to be necessary.

4.2 Erklären and Verstehen

Outhwaite (1975) outlines *Erklären* to be 'responses to empirically observable, measureable and manipulable casual variables and antecedent conditions' (Johnson et al, 2006: 132). Scientists who engage in *Erklären* attempt to make sense of a phenomenon through finding the laws that govern it (Smelser and Baltes, 2001). *Erklären* is argued to be associated with making explanatory sense of natural events by citing the causes, thus the purpose of *Erklären* is to focus on the cause of an effect. *Erklären* is one of the methodological commitments of positivism in that quantitative methods are used in order to enable *Erklären* i.e. explanatory sense of natural causes. In contradiction to *Erklären* is *Verstehen*, whilst *Erklären* has been associated with the natural sciences, *Verstehen* has been perceived to be more closely associated with the social sciences, and there have been many philosophical and methodological debates between *Erklären* and *Verstehen* over the past century. In accordance to Outhwaite (1975) *Verstehen* entails 'capturing the actual meanings and interpretations that actors subjectively ascribe to phenomena in order to describe and explain their behaviour through investigating how they experience, sustain, articulate and share with others these socially constituted everyday realities' (Johnson et al, 2006: 132).

Verstehen originally popularised by Max Weber, was used by the German philosopher Dilthey (Makkreel, 1993) to describe participatory perspectives that individuals have on their experience. Dilthey, a philosopher and sociologist, argued that psychology and sociology should be considered with '*Geisteswissenschaft*' meaning the social sciences rather than '*Naturwissenschaft*' meaning the natural sciences, and one's methodology should reflect this classification. It became common to speak of *Geisteswissenschaft* and *Naturwissenschaft* since the time of Dilthey, in which there became a distinction in academic institutions. The underlying meaning of mental perspective such as texts is primarily important to identity, which motivated Dilthey to argue the two different classes of empirical objects i.e. the natural and the mental phenomena. In accordance to Dilthey, due to this dualism within the empirical realm scientific methods require justification. The natural sciences proved to be successful in making sense of natural phenomena via *Erklären*.

Yet the social sciences could not make sense of a mental phenomenon such as that of thoughts and ideas via *Erklären*, thus Dilthey argued that looking for explanations in terms of covering laws is incorrect, concentration should be on an attempt to make empathetic sense of mental phenomena via *Verstehen*. Gaining insight into the importance of the essence of the phenomenon is the only way to obtain scientifically respectable knowledge of a phenomenon, which in this case would be grasping their meaning. *Erklären* makes sense of natural events by citing their causes, yet making sense of actions requires rationalising them i.e. by citing their reason for action. The argument that has been put forth by Dilthey was very influential in the theories of Max Weber, who introduced the interpretive understanding that is *Verstehen* in the social sciences (Wieczorek, 2008). *Verstehen* has resulted in an interpretive process that involves an observer relating to indigenous people on their terms and point of view. *Verstehen* can thus mean empathic or participatory understanding of a social phenomenon. Weber believed that *Verstehen* enabled us to 'accomplish something which is never attainable in the natural sciences, namely the subjective

understanding of the action of the component individuals' (Weber, 1978: 15). This demonstrates that *Verstehen* can be adopted to conduct subjective research.

4.3 My Thoughts

Upon researching and understanding the positivist philosophical paradigm through the influence of Karl Popper, I felt that the deductive nature of falsification may possibly enable sensitive research to be conducted successfully. However, the influence of *Erklären* did not make this research feasible in my perspective. It soon became apparent that I was not attempting to falsify theory but to achieve a deeper understanding on a sensitive topic area. When considering the theoretical lens of this research study, Giddens (1984) rejects positivism as this entails a mistaken search for laws of social life, thus eliminating this mode of engagement.

Continuing in pursuit of the stance that best fits this research, it was highlighted that due to the limitations of conventional quantitative research (Prasad and Prasad, 2002), qualitative positivists labelled as neo-empiricists/ post-positivists incorporate non-quantitative methods using traditional positivistic assumptions. Neo-empiricism/ post-positivism enables a researcher to gain meaningful subjective information in an objective manner and allows qualitative methods to enable *Verstehen*. This philosophical stance rejects the falsification associated with positivism and favours induction (Johnson et al, 2006). As previously mentioned, despite neo-empiricists/ post-positivists sharing the objective ontological and epistemological position with positivism, it has methodological commitments to *Verstehen*, thus the assumption here is that reality is concrete and separate from the researcher, therefore cognisable through the use of objective methods of data collection. Whilst *Verstehen* entails capturing meaning and interpretations that actors ascribe to, which explains their behaviour, there have been debates whether this is possible in an objective manner (Seale, 1999).

I agree with the objective ontological assumptions of that of positivism and neo-empiricism, in that a research phenomenon exists independently of our rational structures, and therefore potentially awaits discovery by us (Gill and Johnson, 2010). However, I felt greater affinity to a subjective epistemology rather than an objective epistemology, which assumes that the outcome of how we interact with the world and the conceptual baggage we bring in order to make sense of our experiences is our perception of reality. With the realisation that an objective ontology and subjective epistemology would best suit this research, it soon became apparent that interpretivism best suited my intended approach and coincides with my own philosophical views. Interpretivist research is dedicated to the wide philosophy of social construction (Berger and Luckman, 1967), 'which sees social reality as a constructed world built in and through meaningful interpretations' (Prasad and Prasad, 2002). The goal here is not to capture a pre-existing ready-made world that is presumed to be available, but rather to understand this process of symbolic 'world making' (Schwandt, 1994) which the social world is ongoingly accomplished.

The interpretivist approach is aimed at understanding how individuals make sense of their worlds, i.e. *Verstehen*. It is argued that the social phenomena of a study requires an understanding of the social world that individuals construct that is reproduced through their activities (Blaikie, 2007). Individuals are involved with interpreting and re-interpreting their world i.e. social situations that involve their actions and the actions of others, which clearly links to structuration theory, indicating my progression in the correct direction in terms of the most suitable paradigm for this research. This thesis looks at the notion of the interpretation of South Asian entrepreneurs operating micro enterprises. It focuses on the notion of gaining a greater understanding of human behaviour in business and their strategic decisions that bears light on informal aspects. I agree with Mead (1934) in that, as individuals, we have a sense of self that is developed through interactions with others, and it is through these senses that we construct the actions we take. Thus,

from the researchers' point of view, the phenomenon under investigation is socially constructed by people. When considering the argument put forth by Walsham (1995), it is stated that interpretive methods of research begin with the notion that knowledge of reality, which includes human action, is socially constructed by humans, in which the same applies to researchers. Thus, in opposition to positivistic assumptions, there is no objective reality that can be discovered in the research. As meanings arise from social interactions (Blumer, 1969), reality can be different from each individual. Therefore, the point of this research is to highlight the views of South Asian entrepreneurs that provides us with an understanding of a specific group of entrepreneurs and how they behave in relation to informal practices.

Researchers within interpretivism enter the field with prior insight of the research topic however; this is insufficient for a fixed research design due to the nature of reality. Researchers are open to new ideas that develop through the input from respondents, therefore rather than predicting causes and effects, interpretivists attempt to interpret human behaviour to understand reasons, meanings, motives and subjective experiences (Hudson and Ozanne, 1998). I believe that the nature of exploring the construction of individuals' reality is required for this research, and many scholars that have contributed to gaining a greater understanding in this topic area have also adopted this philosophical school of thought (Collins and Low, 2010; Dhaliwal, 2008; Fadahunsi et al, 2000; McElwee, et al, 2011; Ojo et al, 2013). In my belief that interpretivism is the most suited philosophical mode of engagement, I began to dig deeper to fully grasp the essence of this philosophical stance. It soon became apparent that there are various approaches to interpretivism i.e. symbolic interactionism, naturalistic inquiry, realism, hermeneutics, and phenomenology (Gray, 2004), with Giddens (1984) particularly emphasising hermeneutical and phenomenological aspects in relation to the methodological approach for structuration theory.

Symbolic interactionism entails the interpretation of meaning i.e. that people interpret meaning of actions and objects then act upon interpretations, yet meanings are not fixed but are revised based on experience. Therefore, symbolic interactionism requires the studying of an actor's actions from their perspective, thus often requires participant observation. In accordance with Lincoln and Guba (1994), naturalistic inquiry involves multiple constructed realities which can only be studied holistically. However multiple realities have the possibility of raising more questions than answers thus control and prediction of outcomes is a relatively futile expectation, yet some understanding can be achieved. The inquiry itself cannot be detached and is value bounded by the perspectives of the researcher.

Within realism, the beginning assumption is that the picture that science paints of the world is not true but accurate, thus a realist researcher focussing on objects such as 'culture' or 'an organisation' assumes it is in existence and acts independently from the observer. These therefore are available for systematic analysis as a natural phenomenon. There is the possibility that a phenomenon exists but cannot be observed. In general, realism assumes that there is an external reality that can be measured yet achieving this may be very difficult. The hermeneutic tradition is associated with nineteenth-century German philosophy but has had connections with an interpretivist perspective (Gray, 2004). From a hermeneutic perspective, reality is seen as socially constructed rather than rooted in objective fact. A hermeneutical perspective would argue that interpretation should be given greater importance than description and explanation, as reality is too complex to be understood through observation. Phenomenology holds that reality lies in the people's experiences of social reality. Phenomenology claims that current understandings have to be almost set aside to allow phenomena to 'speak it itself'. This would result in new meanings or renewed meanings. The key here is gaining subject experience of a subject, thus phenomenology becomes an exploration through personal experience. The unit of analysis, which is explored in the next

chapter, is often the individual. I also had the opportunity to explore what was believed to be at the more extreme side of constructionism i.e. postmodernism. Postmodernism is far from being any form of a unified system of thought and is also referred to as deconstructionism (Gray, 2004). Postmodernism emphasises ambiguity and multiplicity, and largely focuses on themes such as lifestyles, gender, and sub-cultures. The task in this school of thought is the deconstruction of texts with focus not on how these texts describe reality but how the world is presented. Therefore, texts are presented to the reader and they come to their own conclusions. It quickly became apparent postmodernism was not a suitable philosophical mode of engagement as it would not enable this thesis to arrive to conclusions, which I believed to be necessary in order to make academic contributions.

After great deliberation and reflection on the methodological aspects of structuration theory, I felt greater affinity to phenomenological interpretivism, particularly for this research. Phenomenological interpretivism is an approach that studies the consciousness and conscious experience i.e. the judgements and perceptions of actors. Whilst being objective and scientific, phenomenology seeks the study of consciousness through systematic reflection to determine structures of experience (Giorgi and Giorgi, 2008). Phenomenology differs from other interpretive approaches, as it believes it is possible to arrive to a genuine and reliable meaning about a phenomenon via one's consciousness and is free of cultural bias (Crotty, 1998). Phenomenological interpretivism supports the theoretical lens, i.e. structuration theory, and enables the exploration of one's practical consciousness, thus making this research feasible. Phenomenological interpretivism usually incorporates interviews to study individual real life worlds and incorporates between 5 - 15 participants in a study, and reliability comes from the confirmation by participants (Gray, 2004).

In the case of this research, the experiences and perceptions of actors display reality, thus this research uses phenomenological interpretivism to understand how a specific ethnic group does business in relation to informality. I was in a privileged position as this interpretive research entailed listening to actors' perceptions of South Asian entrepreneurs regarding business strategies and operations in relation to informality. Therefore, in this case, the knower and the known are separate (Johnson and Duberley, 2000), and as a result I am detached from the investigative phenomena, thus there was no researcher bias and respondent views and perceptions were not influenced.

4.4 Summary

This chapter discusses the schools of thought available that influence and shape research designs, i.e. ontological and epistemological positions of philosophical paradigms. *Erklären* and *Verstehen* are underlying concepts that influence two major philosophical schools of thought, positivism and interpretivism. This chapter discusses the influences of *Erklären* and *Verstehen*, and the concept that is more relevant to this research. My thought process when considering each philosophical stance is presented, which demonstrates how I reached the phenomenological interpretivism mode of engagement. The chapter provides an insight into phenomenological interpretivism, i.e. studying one's consciousness and conscious experience; these are the judgements and perceptions of actors.

The next chapter discusses the research approach and methodological issues involved with collecting empirical data, i.e. sampling technique, data collection instruments and tools, access to respondents, and ethical issues.

Chapter 5 Research Methodology

The purpose of this chapter is to present the methodological design adopted for this research and discuss access and ethical issues that were overcome in this research.

The chapter is structured as follows. First, the chapter discusses the research approach that is adopted, i.e. qualitative, and the research inference, i.e. induction, making this research viable that allows the collection of data in the most practical sense to enable the achievement of the research aims and objectives. Secondly, there is an in-depth discussion of the various levels of analysis that are outlined in entrepreneurship literature, and a discussion of the rationale based on the choice of units of analysis for this research. In order to demonstrate the ethnic focus this research takes, I provide some demographic and statistical information regarding the population of South Asian entrepreneurs in the UK and the region this research focuses on. Sampling is important when considering a research design for a study that requires sensitive information, i.e. entrepreneurs' perceptions on informality, therefore the sampling techniques adopted are discussed. Thirdly, as alluded in chapter 4, phenomenological interpretivism makes use of interviews as a data collection instrument due to its merits (Gray, 2004). Therefore, interviewing structures and techniques are discussed, however justification is provided for a semi-structured interview style and a face-to-face interview technique. Pilot studies of interviews are able to test the practicality and feasibility of a data collection instrument (Baker, 1994). Thus, pilot studies of interviews conducted are discussed in which the emergence of a new data collection instrument is highlighted, i.e. conversations. Field notes are a data collection tool that can support the data collection process, in this case support conversations. Two phases of data collection were integrated into this study to gain the trust of employees and focus on the units of analysis i.e. the entrepreneur and the enterprise. Access is an essential aspect in any research study, therefore access issues regarding this research are discussed

with issues related to confidentiality to ensure respondents are completely anonymised. Lastly, the Hexagon canvas, discussed in-depth in chapter 3 that has been derived from Osterwalder and Pigneur's (2010) business model canvas, is highlighted to demonstrate how the canvas provided structure to the data collection stage. The information gathered is presented in the form of case stories, in which the benefits of adopting this form of presentation are discussed. The chapter concludes with discussing ethical issues associated with this research and precautions taken.

5.1 Qualitative Research Approach

There are two research approaches available in order to explore research issues i.e. quantitative and qualitative research approaches. Both, quantitative and qualitative, are related to the philosophical position taken, and the type of methodology that is adopted for data collection and data analysis. As alluded in chapter 4, quantitative research is centred in the positivistic school of thought that has an objective ontological and epistemological position and makes use of numbers (Bryman and Bell, 2011). Researchers that incorporate quantitative research approaches are interested in discovering the cause and effect relationship with a phenomenon (Bryman, 2001). The purpose of this research is not to quantify the view and perceptions of South Asian entrepreneurs, therefore quantitative research proved unsuitable.

Opposite to quantitative research, a qualitative research approach focuses on the use of words to understand an investigative phenomenon. As discussed in chapter 4, the influence of *Verstehen* enables qualitative research to understand experiences through accessing the meanings and interpretations of actors and how they make sense of the world. (Gill and Johnson, 2010). Qualitative research enables researchers to obtain information on 'the perception of respondents in the context of their setting, through a process of attentiveness and empathetic understanding' (Miles and

Huberman, 1994: 6). The philosophical school of thought adopted was phenomenological interpretivism. This philosophical stance entails taking a qualitative research approach. Thus, a qualitative research approach was adopted that allowed me to gain a deeper understanding of personal views and opinions concerning strategic informal entrepreneurship within micro sized enterprises. This enabled the obtained information to be conveyed to the reader in the form of a narrative.

5.2 Induction as Opposed to Deduction, Abduction, or Retroduction

The longstanding debate of considering induction or deduction frequently entails whether the research involves testing theory through observations, or to create or modify theory through observations (Gill and Johnson, 2010). Deduction involves the development of a theoretical structure prior to testing through observations that come from data collection (Gill and Johnson, 2010). A significant characteristic with deduction is the development of a hypothesis based on casual relationships between concepts that undergo extensive tests to falsify rather than prove theories (Popper, 2002). On the other hand, induction begins with an experience of an idea that comes from the external world. Rather than beginning with the premise of testing a particular phenomenon as with deduction, induction has a design that captures a phenomenon where a given situation can be explored for theory generation through data collection. However, both induction and deduction have been criticised in terms of applicability (Blaikie, 2007).

The integral process of hypothesis development in deduction raises issues regarding operationalising variables, and the logic involved that narrows progress. Induction on the other hand allows researchers within the social science to interpret the social world of participants (Saunders et al, 2012) and provides flexibility of the research methodology. A criticism with induction is that arguments can take a limited

amount of observations to create conclusions, yet there remains the possibility of conclusions being false. Two other scientific approaches have emerged due to these limitations of induction and deduction, i.e. abduction and retroduction. Abduction focuses on the meanings and intentions of individuals that direct behaviour (Blaikie, 2007), and unlike the linear process of learning like induction and deduction, abduction is cyclic i.e. begins with observation with an unusual fact or situation to explore the occurrence or existence of the fact (Suddaby, 2006). Retroduction is a process that involves the researcher working back from data obtained to develop an explanation through creative imagination, which is an approach used to find solutions for 'why' questions (Blaikie, 2007).

Due to the nature of the aims and objectives and the research topic in general, induction is the most suitable research inference. Despite the limitations of induction that have been highlighted, it is argued that explanations of a social phenomenon that is inductively grounded in empirical research is more likely to fit data as theory building and data collection are closely linked (Wiseman, 2010) and thus is more credible and accessible (Glaser and Strauss, 2012). Also, this research entails the exploration of South Asian entrepreneurs' perceptions and searches for casual explanations, which may lead to theory generation.

5.3 Unit of Analysis

As alluded in chapter 2 of this thesis, the unit of analysis for this research played a vital role in determining the perspective and focus of interpretation. However, in order to understand the main unit of analysis this research adopts, it is necessary to examine the units of analysis identified in entrepreneurship research. Low and MacMillan (1988) identify five levels of analysis that can be used to examine the phenomena of entrepreneurship. The levels of analysis identified are the individual; the group; the industry; the organisation; and society. However, when considering

ethnic entrepreneurship, Low and MacMillan's (1988) levels do not consider a more abstract phenomenon such as 'culture'.

Table 5.1 Units of Analysis for the Study of Informal or Illegal Enterprise

Units of Analysis	The individual	The Group	The industry	The Organisation	Society
	The Entrepreneur	Stakeholders Organised or ad hoc	The sector they operate in	The Enterprise	Dominant mores and culture

Low and MacMillan (1988) argue that what can be observed from the relationship within and between the different levels of analysis is of great importance to all those interested and involved in entrepreneurship i.e. academics, practitioners and policy makers. To neglect any units of analysis discussed increases the probability that key factors can go unnoticed; hence each unit of analysis provides a unique insight, in which these insights bring forth a richer understanding than that of a single level of analysis.

Low and MacMillan (1988) discuss that the majority of research in the era of the 1980s and 1990s focussed on a single unit of analysis from table 5.1. Of course, there have been studies that incorporate a more difficult multi-level research design, in which various levels of analysis have been used, i.e. characteristics of an individual, development of the organisation, and impact in the industry as a whole (Van de Ven, Hudson, and Schroeder, 1984). The rationale behind Low and MacMillan's (1988) argument is to increase the levels of analysis to incorporate multi-level research designs into future research. However, I disagree with this indication as my view is that it is simply not possible, nor desirable, to engage in meaningful research using a plethora of units of analysis. Furthermore, when considering studies within informal

and illegal entrepreneurship, many studies involve only one single level of analysis i.e. the entrepreneur (Williams et al, 2012; Williams and Nadin, 2012; Ojo et al, 2013; Smith and McElwee, 2013). Davidson et al (2001) also demonstrate that there has been a decline in the number of multi-level approaches within entrepreneurship studies, whilst Chandler and Lyon (2001) establish that 90% of studies focus on only one level of analysis. The majority of unit of analysis was at firm level whilst only slightly over a third of their sample was at the individual level of analysis. However, scholars such as Smallbone and Welter (2006) discuss that in any context, entrepreneurial activities need to be analysed as a process between an entrepreneur, the enterprise, and the environment as these levels of analysis all influence each other. There are scholars, such as Webb et al (2009), who adopt multi-level research approaches that focussed on the entrepreneur, enterprise, and economy in order to identify the exploitation of opportunities in the informal economy.

There have been issues raised regarding a multi-level research approach to study entrepreneurship. This type of an approach can be very demanding in terms of the requirement of data, i.e. developing a reliable research design and collecting the required data, thus justifies the decline in multi-level research designs. It is argued that each unit of analysis provides insights to obtain a richer understanding (Low and MacMillan, 1998), however due to its complexity such a process has the potential to result in increased errors, hence could question the validity of any research study. I partially agree with the arguments put forth by Low and MacMillan (1998) in that future research should include more than one level of analysis due to the influential nature of the levels. However, including more than two levels of analysis would result in this research not being viable. In my view, an enterprise is seen as a structure, and the central component of this structure is an entrepreneur. A structure cannot function without its central component, therefore, to develop a more nuanced understanding of entrepreneurs and their perceptions in informality, the entrepreneur and the enterprise are required to be integrated as

levels of analysis in this research. However as previously conveyed, incorporating more than one unit of analysis can be problematic, thus the intention in this research is to place greater focus on the entrepreneur, yet provide background regarding the enterprise as this delivers context behind an entrepreneurs' perceptions.

5.4 Ethnic Focus

This research focuses on a specific ethnic sector, which is a South Asian ethnic group that resides within Britain, and places emphasis on the first and second generation of individuals from this ethnic group. A South Asian ethnic group comprises of individuals that originate from Afghanistan, Pakistan, India, Bangladesh, Nepal, and Sri Lanka. However, this research focuses on individuals from India, Pakistan, and Bangladesh as, in accordance to ONS (2014) (illustrated in table 5.2), these are the most prominent groups within the UK. Individuals that have relocated directly from these areas in their lifetime are first generation, whilst second generation South Asian entrepreneurs will be their offspring that possess similar attitudes. Whilst this research focuses on an ethnic group, it also focusses on a region within the UK, thus making the research generalisable to ethnic groups that originate from a South Asian region that reside within that region of the UK. Table 5.2 presents the population of South Asians that reside within several regions of the UK.

Table 5.2 Population of South Asians within the Regions of the UK (ONS, 2014)

Region	Population of South Asians (Indian, Pakistani, Bangladeshi) with percentage of the UK total	
<i>London</i>	988,781	32.1%
<i>West Midlands</i>	498,164	16.2%
<i>Northwest</i>	342,686	11.1%

<i>Yorkshire and the Humber</i>	317,568	10.3%
<i>South East</i>	279,329	9.1%
<i>East Midlands</i>	231,126	7.5%
<i>East</i>	185,998	6.0%
<i>Scotland</i>	85, 875	2.8%
<i>South West</i>	54,226	1.8%
<i>North East</i>	46,620	1.5%
<i>Wales</i>	40,172	1.3%
<i>Northern Ireland</i>	<u>7,829</u>	0.3%
	3,078,374	100%

As can be seen from table 5.2, Yorkshire and the Humber is a densely populated area in terms of South Asians. This research focuses on a specific area within Yorkshire and the Humber i.e. South Yorkshire. Many scholars (Dhaliwal and Amin, 1995; Fadahunsi, et al, 2000; Ojo et al, 2013; Dhaliwal, 2008) focus research on the London region, however focussing on another area enables the consideration of business practices in different regions within the UK.

5.5 Sampling

This research incorporated two specific sampling methods that are commonly used within qualitative research, i.e. convenience sampling and purposeful sampling (Marshall, 1996).

5.5.1 Convenience Sampling

Convenience sampling is a very simple technique in the sense that it is the least rigorous technique that entails the researcher incorporating a sample that is most accessible to themselves. However, this sampling technique is not without its limitations, as results have the possibility to be of poor quality and lack intellectual

credibility (Marshall, 1996). This convenience sampling technique enabled the incorporation of South Asian entrepreneurs that are most accessible to me. As convenience sampling is not the only sampling technique that was incorporated in this study, the issue of poor quality and credibility discussed can be justified through the use of multiple sampling techniques.

5.5.2 Purposeful Sampling

Purposeful sampling is referred to in many different ways, for example judgemental, selective, subjective, however the most common is purposive sampling (Teddlie and Yu, 2007), and is the communal sampling method in qualitative research (Marshall, 1996). Purposeful/purposive sampling entails the researcher selecting a sample that would be the most productive in answering research questions. The goal of this sampling method is to focus on particular characteristics of a population that are of interest, thus enabling the researcher to answer research questions. Purposeful/purposive sampling can be classed as a category as there are many techniques that lie within this sampling method, for example:

- Maximum variation/ heterogeneous sampling
- Homogeneous sampling
- Typical case sampling
- Extreme/ deviant sampling
- Critical case sampling
- Total population sampling
- Expert sampling
- Proportional quota sampling
- Non-proportional quota sampling
- Snowball sampling

5.5.2.1 Snowball Sampling Technique

This research incorporates a snowballing sampling technique that entails me beginning by identifying an individual that meets the criteria for the research study. Once I obtained the required information from that specific respondent, I then ask them to recommend other individuals who they may know that also meet the criteria for this research study. Due to the nature of this research, locating South Asians entrepreneurs that operate micro sized enterprises is very problematic. Therefore, a snowballing sampling technique allowed me to locate suitable actors through the recommendation of respondents that accepted to partake in this research study.

5.6 Interviews

Interviews are a systematic method of discussing specific topics and issues with people. They can be defined as a formal conversation where an individual, the interviewer, questions another individual, the respondent, regarding their views on certain topic areas (Frey and Oishi, 1995). Interviews are a data collection method that allows the researcher to gather in depth information 'between two or more people on a topic of mutual interest' (Kvale, 1996: 14; Neelankavil, 2007). Whilst interviewing is a very effective method of data collection it 'has its own issues and complexities and demands its own type of rigour' (O'Leary, 2004: 162), yet interviews can be expressed as being more than simply a method of data collection. Cohen, Manion, and Morrison (2000: 267) explain that an 'interview is not simply concerned with collecting data about life: it is part of life itself, its human embeddedness is inescapable'.

There are many reasons behind using interviews as a data collection instrument, which are as follows (Gray, 2004):

- The need to attain personalised information

- Opportunities for probing
- Respondents may not be fluent in the native language, or may have difficulties with written language

Due to the information that is required, in-depth interviews proved to be the most suitable data collection instrument for this specific research. When considering the data collection instruments that were adopted in many of the research studies discussed within the literature review, interviews appear to be the most common data collection instrument adopted by scholars (Anderson and Smith, 2007; Deakins, Majmudar, and Paddison, 1997; Dhaliwal, 2008; Fadahunsi et al, 2000; Jones, Ram, and Edwards, 2006; Ojo et al, 2013). Recalling the philosophical school of engagement adopted, phenomenological interpretivism, this stance alludes that interviews are an approach that should be adopted to collect primary data. There are many different interview techniques available for researchers to adopt.

- Face-to-face interviews – this interview technique has been the most dominant interviewing technique within qualitative research (Opdenakker, 2006).
- Telephone interviews – this technique is becoming more common as it eliminates the fact that interviewers and interviewees have to meet at a convenient time and place to conduct the interview.
- Focus groups – this technique involves interviewing a group of individuals about their views and beliefs on certain aspects. Focus groups have re-emerged as a popular technique for gathering qualitative data over the past decade (Morgan, 1996), thus indicating focus groups are a common technique.
- E-mail interviews – this asynchronous form of interviewing is most suited to research that involves limited access and requires responses from different continents (Opdenakker, 2006).

In terms of the interview technique, face-to-face interviews were conducted as this allowed me to observe gestures and facial expressions that can be beneficial to understanding individuals' perceptions and thus can support arguments put forth. Many of the scholars previously mentioned also adopted face-to-face interviews as their data collection instrument (Deakins, Majmudar, and Paddison, 1997; Dhaliwal, 2008; Fadahunsi et al, 2000; Ram et al, 2003). There are three basic types of interviewing structures. Structured, semi-structured, and unstructured interviews. In order to establish and justify the structure that was taken, each interview structure was examined for suitability.

5.6.1 Structured Interviews

Structured interviews are a very formal and standardised form of interviewing. A Structured interview involves all respondents being asked the 'same questions with the same wording and in the same sequence' (Corbetta, 2003: 269). Structured interviews entail the researcher providing usually very specific questions wherein the interviewee has a fixed range of answers, which is commonly referred to as a closed interview (Bryman, 2001). Such a process involves a great deal of rigidity that can have a negative impact on the interviewee, i.e. respondents may not be able to understand the questions, thus unable to answer. The main strength of structured interviews is that a detailed interview guide is used, thus has a common format, and as a result makes it easier to analyse, code and compare information. Other strengths of interviews such as non-verbal cues i.e. gestures and facial expressions can be recorded to support arguments (David and Sutton, 2004).

5.6.2 Semi-Structured Interviews

Unlike structured interviews, semi-structured interviews are non-standardised and more frequently used in qualitative research approaches (David and Sutton, 2004). In this type of an interview, a researcher will have a list of the key issues and themes

that need to be covered, and the order of questions can change during the interview. As Corbetta (2003) explains, the direction and conversation style is left to the interviewers' discretion. The interviewers can also ask for clarification and prompt respondents to elucidate further if their answer is not clear.

Semi-structured interviews provide the researcher with the opportunity to probe for views and opinions, which allows for new paths to be explored (Gray, 2004). As a detailed interview guide is not required, Patton (2000) recommends that these interviews entail building conversations around particular areas with wording questions spontaneously and establishing conversational styles. The greatest strength of semi-structured interviews is that a researcher has the ability to prompt and probe in order to gain a deeper understanding in any given situation. However, the inability of the interviewer to prompt and probe correctly can be the greatest downfall with this type interviewing.

5.6.3 Unstructured Interviews

This type of an interview is non-direct and is flexible, therefore is more casual than the previously discussed types of interviews. Interviewees are encouraged to speak freely and provide as much detail as possible therefore there is no need for the interviewer to follow a detailed interview guide, and thus each interview is different. In this case the interviewer would ask questions and the respondents are able to express their opinions, knowledge and experiences.

There are problems that can arise with the interviewer and the direction of the interview. As there is no detailed interview guide in place, there remains the possibility of the researcher obtaining irrelevant information. The researcher here must phrase questions very carefully and have the ability to know when to probe and prompt during an interview. The main strengths of unstructured interviews are

that there are no restrictions on the questions that can be asked. Such interviews can shed light on a topic area with little knowledge available, and the flexibility these interviews have enable the researcher to highlight underlying motives.

5.7 Pilot Studies

Pilot studies are also referred to as feasibility studies that are a small-scale version or trail runs that form part of preparing for a major study. However, pilot studies can be included as "trying out" or pre-testing a particular research instrument (Baker, 1994: 182-3). There are many advantages of conducting pilot studies (van Teijlingen and Hundley, 2001). Researchers are able to:

- Assess the feasibility of a research study
- Establish whether techniques and sampling frames are effective
- Identify logical problems that may occur using proposed methods
- Estimate variability in outcomes to determine a sample size
- Determine resources required
- Access proposed analysis techniques to discover potential problems

Pilot studies proved to be an essential aspect of this research as they were conducted to test the research instrument adopted. Initially, semi-structured interviews were adopted as it is believed that this interview structure would be the most suitable due to the direction of this structure and the information that was required. Three pilot studies were conducted to test whether semi-structured interviews were most suited to this research. Semi-structured interviews proved to be a very effective data collection instrument, i.e. the structure of the interviews ensured the correct direction was taken and respondents had the opportunity to raise different aspects. During all three of the pilot interviews, respondents highlighted an aspect that had previously not been considered, i.e. health and safety. Health and safety were raised to be an opinion of how informal activity could be manifested. Thus, the opinions of

these respondents warranted further research into aspects such as health and safety within small businesses.

However, there appeared to be moments in the semi-structured interviews when respondents became slightly uncomfortable. To a certain extent, it felt like respondents were answering questions in a half-hearted sense. It was felt that this was due to the partially direct nature of semi-structured interviews, for example, during the interview process respondents were asked questions regarding informality and prior to their response, hesitation could be detected through the slight change of the tone of their voice, the stuttering of words, and the time taken for respondents to answer questions.

As it was believed that the partially direct nature of semi-structured interviews impacted responses in a negative sense, an unstructured style with the use of probes was effective with entrepreneurs that displayed expressions of restraint when asking to be part of this research. Unstructured interviews allowed for respondents to be more open as there was no direct interview guide. However, another element of interviews that came into consideration was the formality involved in an interview process. As interviews are recorded, they can be classed as being a formal method of data collection, and the concern that arises here is that this process may deter respondents to partake in this study as they are reluctant to be involved in an interview process. Small business owners are also extremely busy individuals (Dennis, 2003) therefore there is the possibility that they may reject being part of an interview process. Due to this, conversations as a data collection instrument were considered and proved to become an essential instrument to the data collection stage.

5.8 Conversations

Conversations can be seen as an informal exchange of information that encourages free expressions yet there remains a specific purpose to the conversations (Silverman, 2011). A conversation as a data collection instrument involves listening, responding, and reflecting. Reflections on conversations allow individuals to form greater insights as they question a reality that they unconsciously subscribe to (Feldman, 1999). During conversations, one specific message can result in various responses from individuals that have different life experiences and the identification of different perspectives is able to challenge existing assumptions (Kuhn and Woog, 2005). Engaging in conversations is an accepted method of research (Putnam, 1995), which is also referred to as an oral inquiry process (Cochrane-Smith and Lytle, 1993). When considering perceptions of informality, which is based on one's view of morality, South Asian entrepreneurs' responses may differ due to their past experiences, thus this aspect of conversations proves to be beneficial for this research as it allows respondents to discuss specific topics and aspects that are related in a non-directive manner.

Conversations allow respondents to talk in a free manner thus allowing the possibility of raising aspects that the researcher had not previously realised that may need to be addressed. Whilst there is the possibility of this occurring, there is the disadvantage that respondents begin to discuss aspects that may be irrelevant to the research. However, such a situation can be avoided with the simplest of probes to guide the conversations.

In the area of informality, few scholars have made use of conversations as a data collection tool (Ojo et al, 2013). However, an influential scholar in the area of informal and illegal entrepreneurship i.e. Davey et al (2015), took a methodological approach that involved the use of conversations as a data collection instrument.

Specifically, for this research, sensitivity of information is a vital factor and the greatest limitation with interviews is that it involves the assumption of being a formal method, and thus has a negative effect on the willingness of respondents, regardless of the structure of the interviews. In order to avoid this, conversations were incorporated as a secondary and precautionary data collection instrument. In order to ensure conversations followed a direction that was relevant to the research, key themes of informal and ethnic entrepreneurship were identified that acted as an agenda during conversations.

There proved to be a necessity for conversations as respondents were more inclined to talk freely and thus provide the information required for this research. As this research is very sensitive due to its nature, many respondents conveyed they were uncomfortable with interviews and conversations being recorded, therefore field notes were taken when respondents refused the recording of information. Whilst many individuals were fine with interviews or conversations being recorded, those respondents that objected the recording of interviews or conversations were able to convey their thoughts and opinions freely without there being a sense of trepidation on their behalf.

5.9 Field Notes

Field notes are essentially descriptions with regards to respondents or specific situations that researchers take during their time within the field i.e. during data collection. However, field notes can be an essential aspect of a research study, yet this is dependent on the researcher. Many researchers may consider field notes to be the very essence of the study therefore would emphasise writing detailed field notes (Emerson et al, 2001). Whilst other researchers feel that field notes are not required and have minimal impact due to time consumption, field notes being messy, and

could result in loose texts i.e. that research statements cannot be made, thus notes are only comprehensible to the author.

A debatable aspect that arises with field notes is when they should actually be recorded. For example, many researchers feel that field notes should be taken as events occur, e.g. notes would be taken during interviews or conversations. Others believe that field notes should be taken following an event, e.g. notes being taken after interviews or conversations. The necessity for field notes for this specific research stems from the need to record expressions of respondents during interviews or conversations, as specific facial expressions or gestures could be indicators to the extent of their honesty.

When respondents agreed to interviews or conversations being recorded, field notes were recorded after the interview in terms of their expressions and gestures from certain themes. In the event that respondents requested that interviews or conversations not be recorded, field notes had to be taken to record their responses whilst also recording expressions and gestures that provided an indication of their honesty. In order to avoid the limitations previously outlined, a strategy was adopted to how field notes were recorded. Field notes were recorded in the following way.

- Firstly, information on the background of respondents i.e. how long they have been in business were recorded.
- Secondly, notes were taken on the enterprise of respondents to ensure the Hexagon canvas could be completed. This did not result in large amounts of detailed notes being required, only a sufficient amount to present an outline of their business.
- Thirdly, notes were taken on the views of respondents in terms of informality that involved their moral perspective. It was necessary to note their view on

the difference between informal and illegal, and their view on South Asian entrepreneurs.

- Fourth, notes were taken on the experience of respondents as this demonstrates the interaction they have with not only South Asian entrepreneurs but also entrepreneurs of various cultures. Thus, they may be able to shed light on the issue that currently lies within ethnic entrepreneurship literature, i.e. ethnic entrepreneurs being associated with informality.

There remained the possibility to take further notes during the data collection process, yet an issue that occurred towards the final stages of interviews or conversations with respondents was that they became slightly uncomfortable, which could be noticed. However, it is vital to note that this was only a few of the respondents within this research study that acted in this manner. Despite this minor issue, field notes proved to be an essential aspect of this research as it entailed the recording of specific expressions and actions of respondents.

5.10 Collecting the Data

In this research study, data was collected in a two-phase process. Implementing a two-phase data collection process allowed me to develop a connection with the respondents that enabled them to gain a deeper understanding of this research study. The first phase of data collection enabled me to 'break the ice' with my respondents by discussing generic aspects such as the amount of experience they possess, and the length of time they have been operating their current enterprise. Once respondents felt more comfortable, we began to discuss more interesting aspects such as employment, understanding and knowledgeability of informality, and entrepreneurial concepts. Six interviews and three conversations were conducted in

the first phase of data collection. Due to the sensitivity of this research, there proved to be certain access issues, which are further discussed in section 5.11.

Once establishing a connection with my respondents, the second phase of data collection enabled me to discuss issues that related to enterprise and illegality without respondents feeling uncomfortable. This second phase of data collection began with a brief explanation of agency and structure to provide a background to respondents of the theoretical lens that underpins this research study. This provided an opportunity to discuss the actions of entrepreneurs that could be linked to informal or illegal aspects, thus allowing me to dig deeper in order to provide a greater insight into the actions of South Asian entrepreneurs. This phase also involved discussing the types of enterprises that exist in order to fulfil the research question based on the illegal rural enterprise framework. Throughout this phase of the data collection, respondents were found to be more open as they began to understand the purpose and nature of this research study. Interviews or conversations were conducted for each respondent for both the first and second phase of data collection. In order to provide greater convenience to the respondents, I offered to conduct the interview or conversations wherever they felt most comfortable, which is further discussed in the next section. Table 5.3 succinctly outlines the main aspects of both phases of data collection.

Table 5.3 Outline of Data Collection Process

Data Collection Phase	Purpose of Data Collection Phase	Number of Interviews and Conversations	Average Length of Interview or Conversation	Length of Data Collection Phase
Phase 1	Break the ice	6 Interviews	32 minutes	5 months

	with respondents, obtaining background information, knowledge on informality, and terms for traders	(including 3 pilot studies) 3 Conversations		(December 2015 – April 2016)
Phase 2	Discussing more complex issues related to agency and structure, identifying enterprises that exist, and exploiting opportunities	6 Interviews 3 Conversations	44 minutes	4 months (January 2017 – May 2017)

5.11 Access

Access to the information required in all research studies can prove to be very problematic. Access for this research in particular was an issue due its sensitivity. When approaching not only a South Asian entrepreneur but also any entrepreneur in general and attempting to strike a conversation regarding research that involves perceptions of informality and to persuade them to partake in such a research study is extremely challenging. This is due to entrepreneurs not being open to discuss this as informality remains on the fine line between legal and illegal. There are specific

reasons behind why this research was feasible. As an individual that is involved within a community that comprises of many South Asian entrepreneurs, it became less daunting to approach these entrepreneurs to discuss moral perspectives on business experience due to the lengthy time I have known these individuals. As individuals interact, over time they develop a relationship that is based on trust. I have known South Asian entrepreneurs within my community for over a decade therefore the trust factor has grown over time. However, there were not enough South Asian entrepreneurs within my local community for this research; therefore, a snowballing sampling technique was incorporated to locate further suitable respondents. Despite the time I had known the South Asian entrepreneurs, there still remained a sense of trepidation on the behalf of respondents in terms of accepting to be part of this research study. Once interviews or conversations had been conducted with the entrepreneurs that I had built a trust relationship with, these respondents discussed that they have met other individuals that would 'fit the bill' for this research, suggestions on how to contact these entrepreneurs were also provided. Needless to say, many South Asian entrepreneurs denied being part of this study.

As previously discussed, small business owners are extremely busy individuals (Dennis, 2003). Therefore, in order to avoid them rejecting being part of this study, I suggested that they are able to meet wherever convenient for them. For example, many South Asian entrepreneurs spend the majority of their time at their business. Those South Asian entrepreneurs that are in the retailing sector had areas to store their paperwork that is associated with this line of work i.e. modern integrated offices. Thus, there remained plenty of space for interviews or conversations to take place without interruptions or distractions. Three entrepreneurs did not want to conduct the interview at their business premises. Interviews or conversations were conducted where they felt most comfortable.

5.12 Confidentiality and Anonymity

Within qualitative research, confidentiality is a vital aspect that enables the presentation of detailed accounts (Kaiser, 2009). When considering the sensitivity of this research topic, the confidentiality of respondents in this research is vital in order to ensure that the trust factor between the respondents and myself remained strong. To ensure this, each respondent was given a participant information and consent form prior to the interview or conversation. Each respondent had the opportunity to read through the participant information form to understand the purpose of this research, and gave consent based on their comfortability and provided the information required in order to meet the aims and objectives.

In order to ensure that personal information such as the names of respondents were kept completely anonymous, each respondent was given a code name that was assigned during the data collection stage. These code names, given to respondents by me, were completely random and bears no resemblance to any personal information of the respondents. Not all of the information related to their business is required nor highlighted, thus for simplicity their business is conveyed as the type of enterprise they operate. Therefore, it is impossible for anyone to identify who the respondents are within this research study. Despite this research focussing on the type of enterprises that my respondents operate, many of the entrepreneurs included operate in different industry sectors, thus allowing this research to consider informal aspects in multiple industry sectors. The table below identifies the code name given to respondents, the type of micro enterprise they operate, and also highlighting additional industry sectors, which was utilised during the data collection as this assists in developing a greater understanding of the nature of informality in business.

Table 5.4 Respondent Information

Respondent Code Name	Gender	Generation	Ethnicity and Nationality	Type of Enterprise	Enterprise Formation	Industry Sector(s)
Amber	Female	Second Generation	British Indian	Convenience Store	Sole Trader	Retailing
Berkeley	Male	Second Generation	British Indian	Convenience Store	Sole Trader	Retailing, Property
Caesar	Male	First Generation	British Indian	Convenience Store	Sole Trader	Retailing, Catering, Property
Dunhill	Male	First Generation	British Indian	Convenience Store	Sole Trader	Retailing
Echo	Male	First Generation	British Indian	Convenience Store	Limited Company	Retailing, Property
Felix	Male	First Generation	Indian	Convenience Store	Sole Trader	Retailing, Property
Gomez	Male	First Generation	British Pakistani	Accounting Firm	Sole Trader	Accounting
Harrison	Male	Second Generation	British Pakistani	Accounting Firm	Sole Trader	Accounting, Property
Isaac	Male	First Generation	British Indian	Accounting Firm	Partnership	Accounting

The philosophical mode of engagement adopted, phenomenological interpretivism, allows the reflection of the experiences of the respondents included in this study. The following section considers how this gathered information is presented.

5.13 Story Based Narrative Inquiry Technique

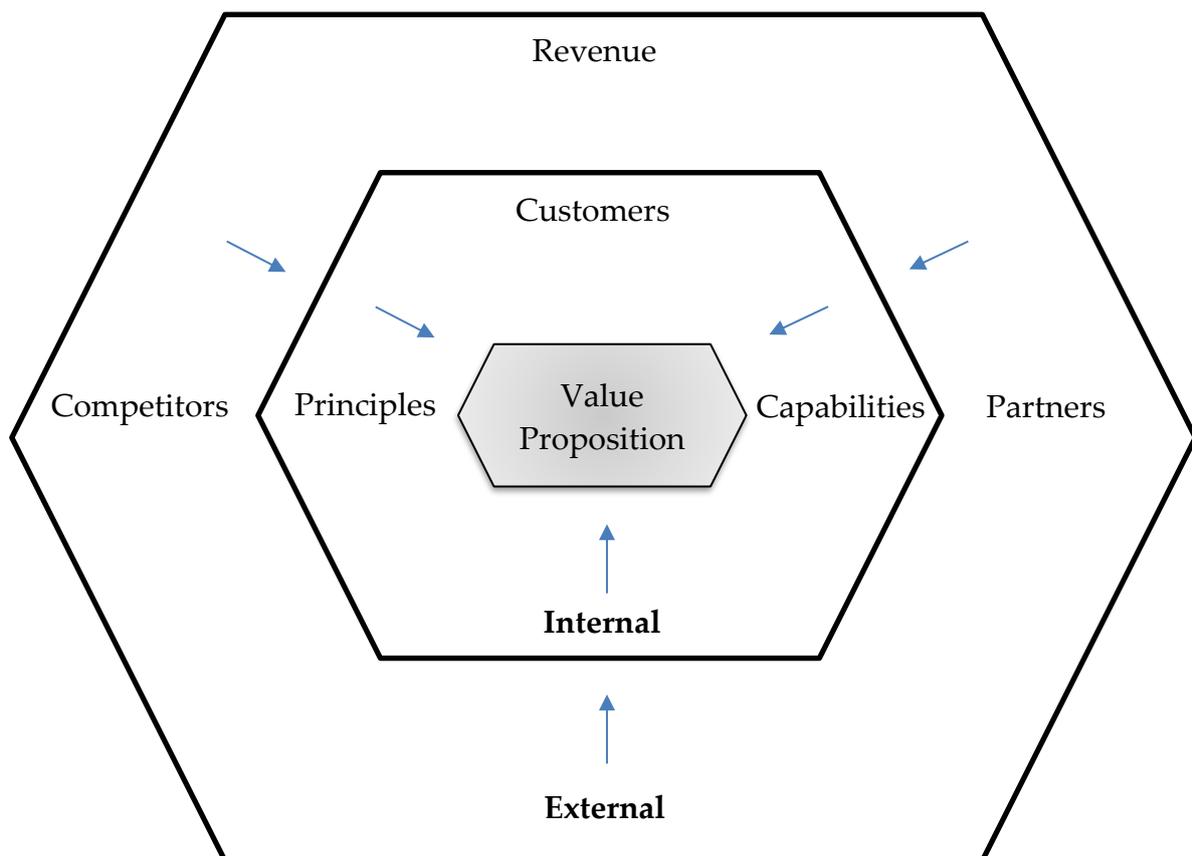
The sensitivity of this research results in researchers struggling to finding solutions to collect and present data. Denzin and Lincoln (2000) argue that individuals can give full explanations of their actions, and therefore offer stories of what they did and why. Thus, scholars within informal and illegal entrepreneurship utilise a case story approach that enables the representation of entrepreneurs in the form of stories (Smith, 2004; Davey et al, 2015). This case story approach allows researchers to integrate knowledge from everyday experiences, which would be obtained from sources that do not wish be officially acknowledged (Yin, 2014).

Once the information had been gathered it was presented using a story based narrative inquiry technique (Hunter et al, 2011) which enabled the presentation of case stories. Interesting case stories provide readers with a sense of engagement, therefore information presented is easily understood whilst also ensuring readers have a sense of interest. Hunter et al (2011) discusses various benefits associated with a story based narrative inquiry technique. Narrative inquiry is the form of investigative journalism, yet despite this being academic research, there are aspects that benefit the research. A story is aimed at penetrating or possibly exposing a situation to understand and thus to reform worldviews. As stories require a great level of detail, maximum information must be obtained thus giving researchers an incentive to remain persistent during the data collection phase in order to collect as much information as possible. Smith and McElwee (2015) reflect on suitable qualitative research methods at the margins of entrepreneurship research. Smith and McElwee (2015) indicate that case stories enable a research focus that allows typologies and theories to emerge. Providing further clarity on current typologies and theories or creating new typologies and theories contributes to the enhancement of academic knowledge.

5.14 The Hexagon Canvas

Once case stories had been written, the collected information was also plotted onto the hexagon canvas that was originally derived from Osterwalder and Pigneur's (2010) business model canvas that has been previously discussed in chapter 2.

Figure 5.1 The Hexagon Canvas (Source: Author)



The rationale behind presenting each case within the Hexagon canvas is to provide the reader with a background of each business. The Hexagon canvas begins to paint a picture of how an entrepreneur operates as the canvas highlights essential elements. The Hexagon canvas, similar to the business model canvas, can be used to analyse business models. The purpose of incorporating this canvas is to describe the business models of the South Asian entrepreneurs in this study. The Hexagon canvas also served as a tool that provided guidance in terms of the information that

was required for this research. Thus, the Hexagon canvas proved to be an essential element of not only data presentation but also data collection and data analysis. After the Hexagon canvas provides background on the businesses of South Asian entrepreneurs, further information is presented in the form of case stories.

5.15 Ethical Issues

When conducting interviews or conversations ethical issues are one of the main concerns. Gray (2004) notes that respondents should not be harmed by the research and that interviews are not used as a means of selling something to respondents. When dealing with sensitive research topics, there remains the possibility that respondents can become upset, and in this case it is the responsibility of the interviewer to cancel or postpone the interview until respondents are comfortable. However, there are specific issues suggested with ethical solutions that can encourage and ensure respondents are comfortable and willing to convey the information that is required (Gray, 2004; Patton, 2000).

- Purpose of research – explain the purpose of inquiry to each respondent, i.e. the reason behind the research and what it intends to do.
- Assessing potential risks – it is necessary for the researcher to consider how the respondent may be affected or in risk of stress or legal liabilities.
- Informed consent – ensure respondents have given consent to ensure the information obtained can be analysed and presented.
- Confidentiality – the researcher needs to reflect on the promises they will be able to keep with regards to confidentiality.
- Accessing confidential information – it is the responsibility of the researcher to ensure that confidential information is stored in a place that is only accessible to the researcher.

- Mental health - the research needs to take into account the possible mental strain respondents will have that may affect their health.
- Data collection boundaries – researchers must recognise the boundaries of data collection, i.e. the research being able to identify when respondents are displaying signs of discomfort, thus do not push further to collect information.

I ensured the above points were adhered to and that respondents were comfortable with the information given. The ethics process in accordance to the university were followed with approval granted to conduct the research prior to the data collection process. Before each interview or conversation took place, respondents were informed about the research, aspects regarding confidentiality, and consent was also obtained. During the interviews or conversations, respondents were given the opportunity to speak freely therefore were not pushed for further information or insight into areas they felt uncomfortable with. Once interviews or conversations concluded respondents had the opportunity to raise any objections and had ample opportunities to object to the use of provided information.

5.16 Summary

This chapter has discussed the approach using an inductive research inference that enables theory building. The unit of analysis for any research is key, therefore this chapter discusses that the main unit of analysis is the entrepreneur and highlights a specific ethnic focus as well as the sampling technique that was integrated into the data collection process. This research made use of interviews as the data collection instrument, however it is discussed that the type of interviews were altered from semi-structured to unstructured as it felt like respondents were uncomfortable with a semi-structured format, which was determined from the pilot studies conducted. Conversations were also an effective data collection instrument that entailed to use of field notes to gather information on respondents and their businesses. Data was

collected through the implementation of a two-phase process based on the units of analysis. Due to the nature of this research, emphasis is placed on confidentiality, access, and ethics. This chapter considered how trust was developed that allowed access to the information required for this thesis, and that respondents were not pressured and provided responses they were comfortable with. The chapter also presents a story based narrative inquiry technique that is incorporated to present a background of respondents and uses a Hexagon canvas to present a pictorial representation of respondents' enterprises.

This next chapter discusses how the information obtained through the data collection process was analysed.

Chapter 6 Data Analysis Procedure

The purpose of this chapter is to provide an outline of the type of data analysis approach undertaken in this research that led to the development of specific themes and perspectives.

The chapter is structured as follows. First, drawing on previous studies within the area of informal and illegal entrepreneurship, thematic analysis is highlighted as a suitable approach due to its use in prior studies that have provided academic contributions. Whilst various forms that underpin thematic analysis are explored, specific forms of thematic analysis are reviewed as this assisted in analysing certain elements of the data collected. There are several phases associated with the process of thematic data analysis. These phases are discussed that leads to the exploration of each phase in relation to this research. Secondly, the first phase of familiarisation is discussed in the form of transcription. This section explored how the information collected was transcribed manually. Despite this process being time consuming, it proved to be vital in familiarising myself with the collected data that enabled the identification of certain patterns. The chapter then proceeds to explore the coding process of this research, i.e. coding was first conducted manually however NVivo software was then utilised due to its data management capabilities. This section also considers Creswell's (2013) spiral as the coding process was not straightforward but rather more akin to that highlighted by Creswell (2013). Thirdly, the coding process in NVivo is discussed that entailed the creation of the codes to the formulation of two distinct perspectives. The chapter also displays the structure of these perspectives that highlights the themes and categorisations and concludes with presenting how these perspectives assist in achieving the objectives of this research.

6.1 Data Analysis

When considering the sensitivity of this research, it is necessary to draw upon past studies that bear such sensitivity in order to identify successful analysis approaches that provide contributable conclusions. Ojo et al (2013) adopted a thematic data analysis approach through the identification of various themes that have emerged from their research, and concepts identified through informal and ethnic entrepreneurship. In a similar sense, Davey et al (2015) focuses on a conversation with a small-town criminal entrepreneur and conducted thematic coding to identify “a set of substantive themes around the entrepreneurship and entrepreneurial strategy-making literature” (Davey et al, 2015: 238). Scholars that focus on ethnic entrepreneurship and aspects of informality (Deakins et al, 1997; Nwankwo, 2005; Dhaliwal, 2007), and aspects of illegal entrepreneurship (Jones et al, 2006; McElwee et al, 2011; Smith and McElwee, 2013) conduct a thematic data analysis in order to identify themes. Therefore, it deems necessary to explore this approach.

Thematic analysis is referred to as a method for analysing concepts of scientific knowledge (Holton, 1973), a quantitative measure of cognitive complexity (Winter and McClelland, 1978), and describes methods for analysing qualitative data. Therefore, thematic analysis is a poorly defined and rarely acknowledged method for analysis (Braun and Clarke, 2006). However thematic analysis has become a widely used recognised method within psychology and the social and health sciences (Clarke et al, 2015), with interpretive forms of analysis that are based on identifying themes and patterns in data (Dapkus, 1985; Baxter, 1991). Thematic analysis can be utilised to address most types of research questions i.e. people’s lived experiences, people’s perspectives, factors that underpin particular phenomena, people’s practices, representations of subjects and objects in particular contexts, social construction of issues and so on (Clarke et al, 2015). This research, based on phenomenological interpretivism, considers the lived experiences of respondents in

order to gain a better understanding of reality. Thematic analysis can take different forms, such as inductive, deductive, semantic, latent, descriptive, and interpretive thematic analysis. Inductive thematic analysis is grounded in data rather than theories and concepts. Whilst pure induction may be not possible, this type of analysis is formed by the researcher's knowledge, research experiences, and theoretical assumptions. Deductive thematic analysis is based on viewing data from a theoretical lens; thus concepts inform the coding process and theme development. Therefore, theoretical concepts provide researchers with an interpretive frame to guide data analysis and the interpretation of data. Semantic thematic analysis is based on the surface meaning of data, i.e. information that is explicitly identified. This notion of semantic meanings revolves around the meanings that respondents communicate to researchers. Coding and analysing semantically, researchers seek participant meanings yet are aware that such meanings are viewed through their interpretive lens (Smith et al, 2009). Latent thematic analysis is based on meanings that are under the surface of data, such as participant assumptions or world-views that underpin meanings. Analysing such meanings requires researchers to be interpretive with their work, and therefore entails questions based on making sense of particular situations or aspects. Descriptive thematic analysis primarily summarises and describes patterns in the data, and interpretative thematic analysis goes further in order to decipher deeper meanings and realise their importance. Combination of these forms of thematic analysis are possible, with two commonly combined versions, which are an inductive, semantic and descriptive approach, and a deductive, latent and interpretative approach (Clarke et al, 2015).

This research incorporated the form of a semantic thematic analysis. Due to the sensitivity of this research, the surface meanings in data provided by respondents are obvious ideas and concepts that can relate to or build upon existing understanding based on ethnic entrepreneurs in the informal economy. For example, many respondents communicated and discussed basic concepts in relation to their

experience in their industry sector, i.e. emphasise whether entrepreneurs are necessity driven or opportunity driven with regards to their activities that push the boundaries of legality. In research such as this, respondents conceal surface information out of fear as it revolves around research based on activities that push the boundaries and result in enterprises that are not entirely legitimate. Therefore, a semantic thematic analysis approach enabled the categorisation of specific information in order to refine and develop current understandings of ethnic entrepreneurs, more specifically South Asian entrepreneurs. As this research considers the perspective of South Asian entrepreneurs, a latent thematic analysis enables the exploration of underlying aspects conveyed by respondents. For example, during the data collection stage, certain information regarding respondents' tones of voices and facial expressions that indicated frustration and possible discomfort were noted in specific topic areas that assist in analysing their views and therefore types of South Asian entrepreneurs that exist. This latent thematic analysis approach also enabled greater emphasis to be placed on certain areas related to activities of South Asian entrepreneurs such as health and safety. Semantic thematic analysis enabled aspects such as health and safety to be highlighted as surface information that was conveyed during data collection. However, latent thematic analysis enabled the interpretation of health and safety aspects in relation to South Asian entrepreneurs. Whilst this research does consider a theoretical framework and draws upon a revised version of the business model canvas, the thematic analysis conducted is grounded in the data rather than drawing on theories and concepts that inform the analysis process. For example, codes that developed were based on the information that respondents were providing and specific expressive responses that related to topic areas that acted as subtle indicators and thus supportive information to key areas. Therefore, this research involved an inductive, semantic, and latent thematic analysis to arrive to findings.

Braun and Clarke (2006) identify a six-phase process of thematic data analysis. The first phase is familiarisation. This involves reading through data or listening to recordings time after time. This process assists in making notes regarding observations. Manual transcribing can be of great benefit during this stage as familiarisation of data can occur during the transcription process. The second phase is coding. This involves a process of identifying certain features in the data and patterns that emerge, which can assist in theme development. Coding can be valuable in terms of identifying interests in the data that directly relate to the research questions. Coding can be done in many forms and different techniques, with specialist software available to code electronically (Silver and Fielding, 2008). The third phase is searching for themes. This phase involves the clustering of codes to create a coherent map of the data. The fourth phase is reviewing themes. This entails the researcher checking whether generated themes are suitable in terms of the coded data. The fifth phase is defining and naming themes. This phase involves writing a brief summary of the themes and selecting a name that provides clarity on the theme discussion. The sixth phase is writing the report. This entails the researcher identifying points to present and discuss that may require greater depth. There is no actual separation of the analysis stage and writing stage, writing up can begin as the researcher sees fit.

These phases are now explored in relation to this research, i.e. how each phase was completed that led to the generation of particular themes.

6.2 Transcription

Once the data collection stages were completed, the interviews were transcribed manually. Manual transcription is a time-consuming exercise part of the data analysis process, therefore the data collected could have been transcribed using transcription software; however, there are many merits to manual transcription.

Despite the fact that it can be frustrating and a time-consuming process, it enabled me to begin with familiarising myself with the data (Riessman, 1993) and as a result, this became a 'key phase of data analysis' (Bird, 2005: 227). This process assisted in determining the importance of various concepts as respondents would emphasise concepts by the tone of their voice and the type of responses provided. Therefore, rather than this process simply being a mechanical act, meanings could be created (Lapadat and Lindsey, 1999). This research is based on the exploration of ethnic entrepreneurs and their enterprises, and voice recognition software may provide to be inaccurate due to the accents of respondents, therefore voice recognition software may fail to detect specific information that could be key to this research. Manual transcription enabled me identify information bounded by my respondents rapid or slurred speech, and thick accents. Due to the sensitivity of this research topic, accuracy of the information collected is a fundamental aspect that cannot be compromised, in which only manual transcription can provide 100% accuracy when translating naturally occurring speech and punctuation (Bryman and Bell, 2015).

Transcribing manually assisted in identifying patterns and emerging topics of interests from the responses of respondents. Throughout the transcribing process, I identified patterns of informal activity and the extent to which specific entrepreneurial concepts existed within the ethnic group and enterprise focus of this research. This then made the coding process slightly simpler as certain patterns were emerging, therefore relevant codes were allocated as an initial phase. In addition, concepts such as opportunity driven and necessity driven entrepreneurs can be categorised in relation to South Asian entrepreneurs, yet this requires in depth knowledge to understand how opportunity presents itself and the situations that compel South Asian entrepreneurs to engage in informal or possible illegal aspects.

6.3 Coding

Initially, certain codes were developing due to patterns that were highlighted during the transcription phase. I then inserted these codes into Microsoft excel and I began constructing an excel template for categorisation purposes. For example, respondents would discuss whether they thought South Asian entrepreneurs were opportunity driven or necessity driven, and their responses could be categorised. However dependent on the depth, participant responses could be linked to other aspects i.e. opportunity driven may be related to property management and/or legislation avoidance. After attempting to code the first transcript, it soon became apparent that all 18 transcripts would prove to be a very time-consuming process and managing the data would be a challenge. This initial stage proved to be extremely valuable in the sense that the data collected could be broken down into manageable information (Welsh, 2002).

NVivo is data analysis software that assists in organising and analysing qualitative data. NVivo was developed by researchers to support researchers and the varied ways they work with data to increase effectiveness and efficiency in the data analysis process (Bazeley and Jackson, 2015). The efficiency of such software enables a simple management of data and an increased focus on examining the meanings of collected data, thus NVivo is an excellent data management tool that can be utilised to code and categorise the collected data. This is due to NVivo's capacity to record, sort, match, and link data that enables researchers to answer research questions. Using such computer software ensures rigour in the data analysis process, as users are able to work more methodically and more thoroughly due to the type of software, i.e. procedures to check for completeness or tests to determine where concepts are not related (Bazeley and Jackson, 2015). Despite the discussed merits of NVivo data analysis software, critics argue there are disadvantages associated with using this software. For example, full transcripts can result in users getting caught in 'the

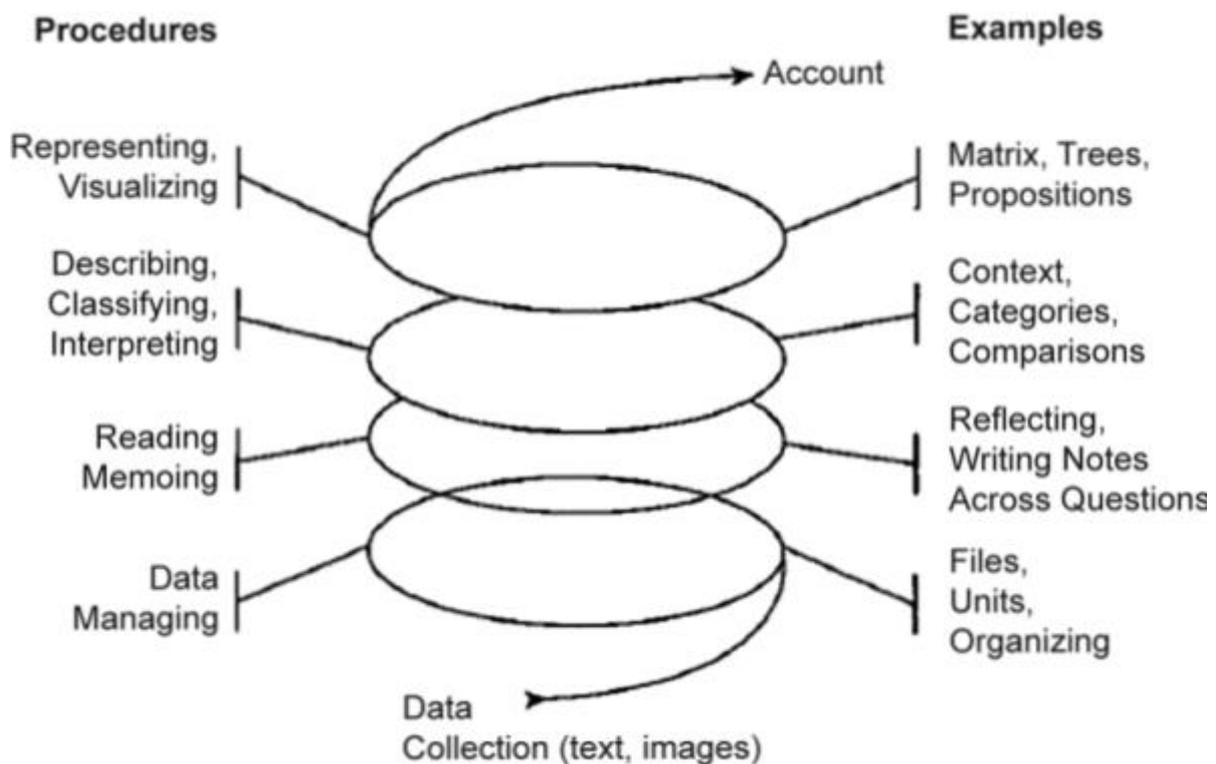
coding trap' as they become 'bogged down' in their data and are unable to see the bigger picture (Gilbert, 2002; Johnston, 2006). Qualitative data analysis software was designed for both closeness and distance as a requirement for researchers (Richards, 1998), i.e. closeness for familiarity and noticeability to recognise subtle differences, and distance for abstraction and synthesis.

During the coding process, I went through the first transcript searching for codes which Corbin and Strauss (2008) refer to as free coding. As well as finding codes that were new, there were many codes that bore relevance to aspects highlighted in the literature review chapter. For example, informal entrepreneurship literature highlights that ethnic entrepreneurs are necessity driven or opportunity driven, therefore codes were found relating to such concepts. Codes were then developed for each sentence and/or paragraph in the transcripts. However, in some instances, multiple codes had the potential to be extracted as the information provided by respondents could be linked to different aspects, for example responses based on employees resulted in codes that relate to networking in terms of recruitment and regulation avoidance in terms of not declaring or under declaring an entrepreneur's workforce.

Upon completing the coding process for the second transcript, I reverted back to the previous transcript in order to determine whether there were any additional codes that could be extracted that had not been detected during the initial coding process. This is consistent with the data analysis spiral presented by Creswell (2013). Creswell (2013) discusses that the process of collecting data, analysing data, and writing stages are not distinctive stages but are interrelated and therefore multiple stages are conducted simultaneously. In the case of this research, I began to analyse data through the coding process prior to completing the data collection stage. Dey (1993: 6) indicate that qualitative researchers "learn by doing" data analysis and therefore qualitative research is relativistic, i.e. soft and instinctive based on the

researcher’s interpretive understanding. As can be seen in figure 6.1, Creswell (2013) indicates that researchers go back and forth between procedures and thus data analysis is not a straightforward process. In the context of this research, all the transcripts were reviewed several times in the coding process, which was intertwined with the writing up process. Reviewing transcripts several times led to the interpretation of certain data in which concepts were created, for example the type of communication and emphasis interpreted led to the understanding of entrepreneurs being driven to informal aspects due to the manifestation of such activities in society.

Figure 6.1 The Data Analysis Spiral from Creswell (2013: 183)



The reviewing of transcripts multiple times also allowed patterns of specific concepts to be established in relation to South Asian entrepreneurs. For example, patterns emerged in accordance to participant responses regarding value adding and

value extracting entrepreneurs. The coding phase was very time consuming as I moved back and forth from the different procedures in order to fully understand and compare the data. During the coding stage, I also considered the emotions of respondents on certain topics that assisted in providing further depth in specific areas. The recording of respondent emotions was done in a very simplistic sense. If respondents did not agree to the recording of an interview or conversation during the data collection stage, then certain emotions were recorded based on their expressions and tone of voice when discussing South Asian entrepreneurs and enterprises in relation to informal aspects. For example, shifts in the tones of voices or long pauses of respondents could be interpreted as signs of frustration or discomfort with topics such as health and safety within enterprises operated by South Asian entrepreneurs. If respondents consented to the recording of interviews or conversations during the data collection stage, the recordings of each transcript was played several times in order to determine if there were areas where respondents displayed various sound related emotions that had the potential to provide indicators on certain topic areas. For example, many respondents had relatively swift responses on aspects that relate to the honesty of entrepreneurs. Their responses were prompt and of similar nature i.e. that their experience indicated dishonesty is common in entrepreneurship, yet such swift responses provide clarity in terms of the legitimacy of the information communicated.

As discussed in chapter 5 Research Methodology, data collection was split into two phases. Through the use of NVivo, codes were extracted from respondent transcripts during the first phase of data collection, which are displayed in figure 6.2.

Figure 6.2 Codes of First Phase of Data Collection

Nodes			
Name	Sources	References	
Abusing Regulations		1	1
Area of Business Operation		4	5
Below Minimum Wage		2	4
British Employees		8	11
Business Experience		9	11
Cash in Hand		8	17
Concealing Identity		1	2
Cost Reduction		9	24
Criminal Traders		6	13
Cultural Attitudes in Business		7	10
Cultural Tradition		5	5
Declaring Employees		2	2
Difficulty Recruiting		1	1
Duty Free Goods		1	2
Employee Contracts		5	10
Employee Duties		3	4
Employee Pension		1	2
Employee Training		3	3
Ethnic Employees		8	19
Family Orientated		1	2
Family With Businesses		3	3
First Generation South Asains		3	5
Formal Traders		5	7
Highly Competitive		7	14
Honest Businessman		1	1
Industry Sector		8	16
Informal Traders		8	18
Informality in Business		9	22
Lack of Education		1	1
Modernised Equipment		1	1
Moral Standards		9	16
Morals in Business		8	9
Multinational Enterprises		3	4
Necessity Driven		7	9
Opportunity Driven		9	27
Previous Experience		2	3
Proof of Earnings		1	1
Quality of Goods.Services		6	10
Relatively Competitive		3	6
Second Generation South Asians		1	1
Semi-Criminal Traders		1	6
Societal Influence		2	2
South Asian Businesses		7	18
South Asians Knowledge on Health & Safety		3	7
South Asians Knowledge on Regulations		8	24
South Asians Views on Health & Safety		7	20
South Asians Views on Regulations		4	8
Standard of Awareness		1	1
Taxi Trade		1	3
Trust in Employees		1	2
Type of Enterprise		7	8
Value Adding		8	13
Value Extracting		5	8
Workplace Safety		4	5

Prior to moving forwarding to coding the second phase of data collection, there were many codes that were similar and could be grouped together to create a category. Figure 6.3 displays the various categories that were formed. For example, employee contracts and being paid below minimum wage were grouped to employee payment, which can be considered as the categorisation stage.

Figure 6.3 Categorisation of First Phase

Nodes			
Name	Sources	References	
Aspects of Informality and Illegality		0	0
Illegality in Business		0	0
Informality in Business		9	22
Motivating Factors		0	0
Background		0	0
Business Experience		0	0
Generation		0	0
Competition		0	0
Area of Business Operation		4	5
Business Focus		0	0
Highly Competitive		7	14
Relatively Competitive		3	6
Culture and Morality		0	0
Cultural Attitudes in Business		7	10
Cultural Tradition		5	5
Moral Standards		9	16
Morals in Business		8	9
Employment		0	0
Difficulty Recruiting		1	1
Employee Duties		3	4
Employee Payment		0	0
Employee Training		3	3
Ethnicity of Employees		0	0
Entrepreneurial Concepts		0	0
Necessity Driven		7	9
Opportunity Driven		9	27
Societal Influence		2	2
Value Adding		8	13
Value Extracting		5	8
Entrepreneurial Traders		0	0
Criminal Traders		6	13
Formal Traders		5	7
Informal Traders		8	18
Semi-Criminal Traders		1	6
Health and Safety		0	0
South Asians Knowledge on Health & Safety		3	7
South Asians Views on Health & Safety		7	20
Regulations in Business		0	0
South Asians Knowledge on Regulations		8	24
South Asians Views on Regulations		4	8
South Asian Enterprises		0	0
Family Orientated		4	5
Industry Sector		8	16
Predominancy of South Asian Enterprises		7	18
Type of Enterprise		7	8

During this categorisation stage, vital patterns began to emerge such as health and safety and the perspectives on the types of traders that exist, which became essential to fulfilling the objectives of this research. I then coded and categorised the second phase of data collection using and developing the structure shown in figure 6.3. During this process many of the codes within the previously formulated categories were reviewed and some were altered due to their importance. Additional categories were also created during the coding and categorisation of the second phase of collected data, such as the types of enterprises that exist. The final stage within NVivo involved reviewing and structuring the categories that were formed to become themes. Five themes were created based on the categories formed during the coding process. These five themes were then grouped in two distinct perspectives that enabled the fulfilment of research questions. Figure 6.4 demonstrates the various stages involved in the coding process that resulted in the creation of specific perspectives.

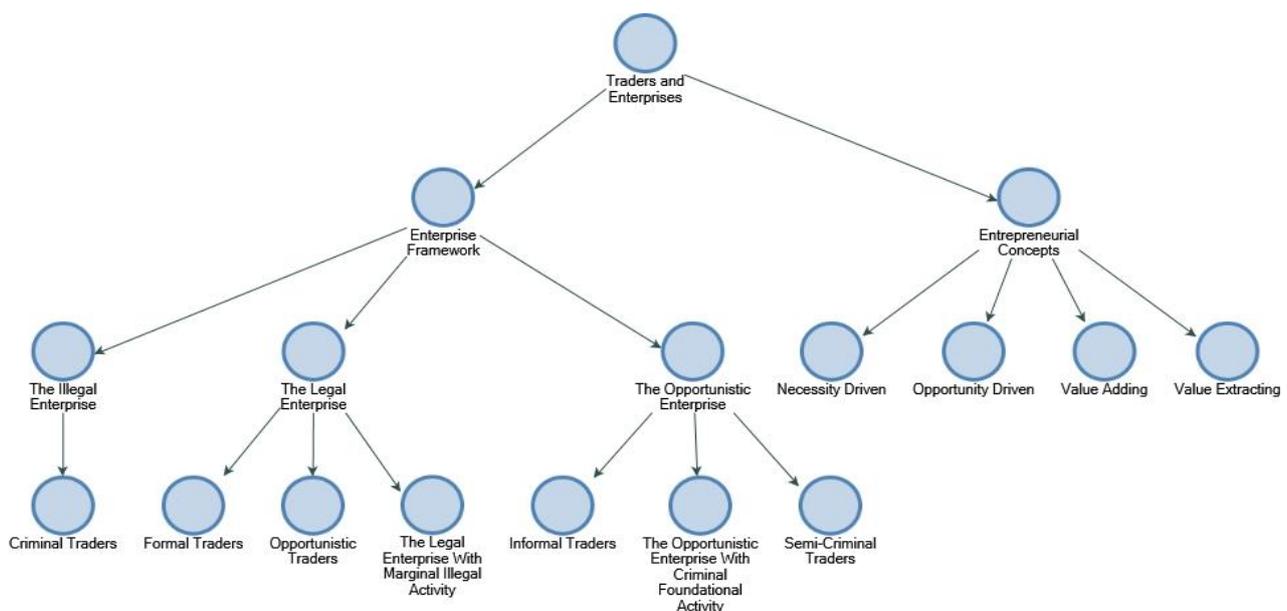
Figure 6.4 Stages of the Coding Process



The first created perspective, traders and enterprises, consists of two themes that are interlinked, which is presented in figure 6.5. The first theme is considered one of the most crucial as it poses as one of the most significant aspects in terms of contribution to knowledge for this research. The enterprise framework theme reflects on the illegal rural enterprise framework (McElwee et al, 2011) within a South Asian

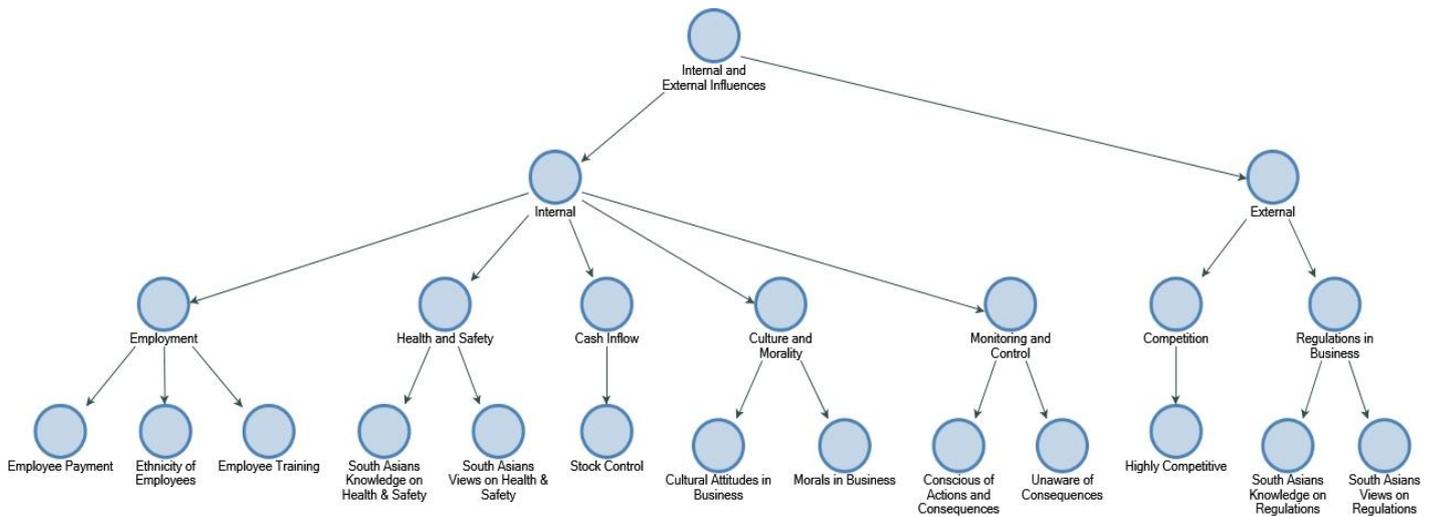
context in terms of micro enterprises. Once evaluating the existence of such enterprises, a new framework is proposed that highlights the overlap between the different enterprises. This enterprise framework is further discussed in chapter 7 Findings.

Figure 6.5 Structure of Traders and Enterprises Perspective



The second created perspective, internal and external influences, consists of two themes that correspond with the theoretical lens of this research study, structuration theory, and the Hexagon canvas, that is discussed in chapter 2 Literature Review and chapter 3 Business Model and Theoretical Framework. Figure 6.6 presents the categorisations under the themes of internal influences and external influences. However, the internal influences theme considers various categories that emphasise aspects that relate to the basic concepts of structuration theory discussed in section 2.9.1. For example, health and safety can be viewed as an emergent categorisation due to the emphasis placed on this by respondents, thus proves to be a significant characteristic within the internal influence theme.

Figure 6.6 Structure of Internal and External Influences Perspective



When considering the various stages of the coding process that led to the perspectives achieved, bias and data contamination was a vital issue in order to uphold the integrity of this research. The element of trustworthiness within qualitative research assists with the aspect of validity. Lincoln and Guba (1985) identifies different types of trustworthiness i.e. credibility, transferability, dependability, and confirmability. There are various procedures that can be performed, however the most applicable with regards to data analysis is conducting peer debriefing and stakeholder checks that form part of credibility, and comparing data to the findings of the research as dependability (Thomas, 2006). Another procedure to assess trustworthiness, and the procedure integrated in this research, is consistency checks i.e. presenting descriptions with categories to a coder to determine whether the coding process within this research was conducted in a logical manner. Such checks allow an external coder to comment on the categorisations or the interpretations made. Once the coding process was complete, a set of descriptions, categories, and themes were given to an individual coder who was given the task to link the descriptions to categories, and categories to themes. This procedure was conducted once for the first phase of data collected, and once for the second phase of data collected. The individual coder was external to this research

yet had an interest in the research at hand and was conducting their own research, thus possessed a sound understanding of this procedure. As a result, all the stages within the coding process were scrutinised. The external coder searched for inconsistencies in relation to the generation of codes, categorisations of codes, and the formation of themes. Thus, this process could be reviewed based on the recommendations provided by the external coder ensuring the robustness of findings. Therefore, the validity of data analysis in this research is based on the examination of the external coder (Ryan and Bernard, 2003). Jehn and Doucet (1997) argue that a researcher can achieve different themes with useable findings from a particular data set, as there are various ways in viewing data therefore there are no themes for discovery (Dey, 1993). To ensure findings are reliable, the consistency checks through an external coder ensured that findings are not a figment of imagination (Sandelowski, 1995) as an external coder viewed the coding process and themes that surfaced from data analysis as valid. Table 6.1 demonstrates how each perspective assists in answering the research questions, thus in turn achieving the objectives of this research.

Table 6.1 Achieving the Objectives

Objectives of Research	Research Questions	Reflected in Chapter
To explore the nature of entrepreneurship to determine how it manifests itself within micro sized enterprises in relation to informality and illegality.	RQ1: When considering the views of South Asian entrepreneurs, have informal or illegal practices manifested themselves in business operations from an internal and external point of view?	Internal and External Influences

	RQ4: Do the experiences of South Asian entrepreneurs indicate that informality is predominant in micro enterprises only?	
To explore the association of informality with regards to ethnic entrepreneurs, and particularly South Asian entrepreneurs in a specific region of England.	RQ2: What are the experiences of South Asian entrepreneurs with regards to informal activities? RQ3: Do South Asian entrepreneurs believe that informality is associated with ethnic entrepreneurs?	Internal and External Influences
To develop a typology of traders and enterprises that exist within a South Asian ethnic group.	RQ5: Does the framework of illegal rural enterprises developed by that of McElwee et al (2011) also apply to South Asians entrepreneurs that operate micro sized enterprises? If not, what types of enterprises exist? RQ6: The terms 'informal trader' and 'criminal trader' can be considered as broad terms. How are these reflected in the understanding of South	Traders and Enterprises

	<p>Asian entrepreneurs?</p> <p>RQ7: Can additional terms be introduced to develop a more succinct understanding in relation to the types of traders that exist?</p>	
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6.4 Summary

This chapter presents the different forms of thematic data analysis, and discusses the form incorporated in this research i.e. semantic data analysis. A six-phase data analysis process identified by Braun and Clarke (2006) demonstrates the data analysis process from transcription to the generation of themes. Transcription was conducted manually in this research to enhance familiarity with the data collected. The chapter then considers the use of NVivo to manage and code the data collected throughout the first and second phase of data collection. Various figures are presented that demonstrate the coding and categorisation created, and the stages of the coding process in this research. Certain categories were merged to create themes, and themes were merged to create perspectives, which are presented in figures 6.5 and figure 6.6. The chapter concludes with identifying how the formulated perspectives assist in achieving the research questions, and in turn the objectives of this research.

As discussed in chapter 5 Research Methodology, the units of analysis within this research are based on the entrepreneur and the enterprise, therefore these elements are utilised to convey findings of the research. The next chapter discusses the entrepreneur in the form of case stories and the enterprise they operate through the use of the Hexagon canvas.

Chapter 7 Findings

The purpose of this chapter is to report the information obtained from respondents included within this research study.

The chapter is structured in two distinct parts that relates to the units of analysis within this research, the entrepreneur and the enterprise. In the first part of this chapter, I present a mini case of each of the nine respondents by providing the background and experiences of the entrepreneur, then present the enterprise of the entrepreneur through the use of the Hexagon canvas. A story based narrative inquiry technique is presented in the form of the background and experiences of respondents that provides a detailed insight into the South Asian entrepreneurs included in this research. Whilst the enterprises of the respondents appear to be very similar in terms of structure, the Hexagon canvas highlights specific areas that differentiate the enterprises of respondents, reinforcing the themes generated in the previous chapter.

The second part (section 7.10) considers the views of South Asian entrepreneurs and presents some key responses of respondents. The framework of illegal rural enterprises (McElwee et al, 2011) is utilised as a foundation point, in which the views of respondents guide the existence of several types of enterprises. Thus, a framework of micro enterprises that South Asian entrepreneurs operate is presented.

7.1 Amber

7.1.1 Background

Amber is a female South Asian entrepreneur who operates a convenience store as a sole trader. Amber is a second-generation South Asian entrepreneur and has been working within the convenience trade for the past 5 years. Amber possess limited experience operating her enterprise in comparison to the business experience of

other entrepreneurs included within this study. Nonetheless, she possesses a very positive attitude and presents herself in such a manner that demonstrates her knowledge of business operations. Amber's previous experience is within the pension's industry sector, approximately four years. Despite her indications that she did not encounter any issues within her job role, it appears as if a hierarchical aspect within her previous position has motivated her into operating her own enterprise. Amber suggests that regardless of where an individual works, they have people in higher positions in which they must answer to. In this sense, Amber indicated that she would rather work for herself than work for another company and have to answer for her actions to individuals that are more elevated within the employment hierarchy. Amber's train of thought may be influenced by that of her family as individuals within her family are self-employed and operate their own businesses, therefore she emphasised that operating her own enterprise was a suitable career option. In this case, Amber has the experience of her family members at her disposal therefore vastly increasing her awareness and understanding of traders and enterprises.

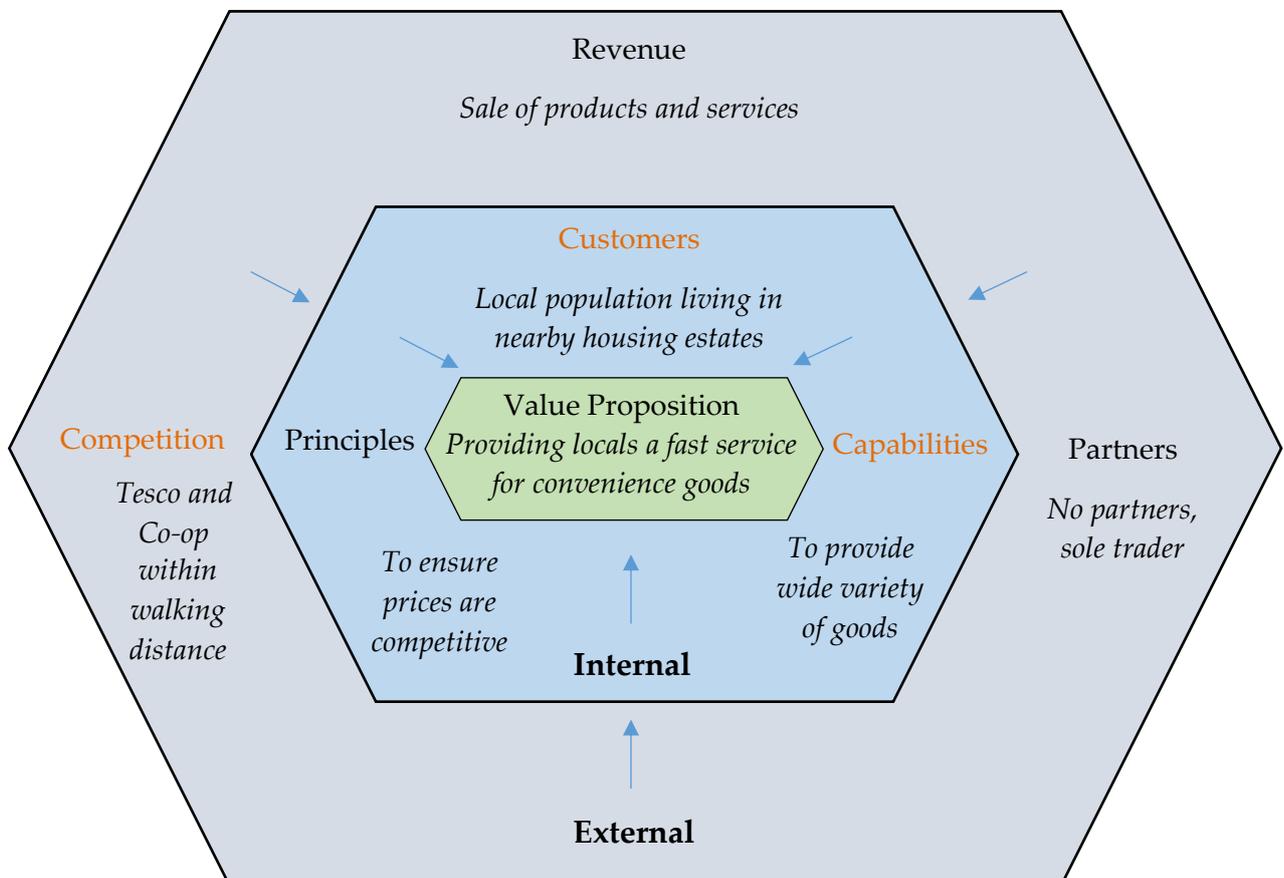
7.1.2 Experiences in Business

Amber appears to be very passionate about her business, almost as if the business was part and parcel of her very nature. Amber emphasises that due to the extent of competition within close proximity to her store, she has no option but to focus on providing low prices for goods that require her to "shop around". During this process, Amber expressed that she came across a small-time wholesaler, located in a small industrial estate that sold various goods ranging from chocolates through to beer. However, Amber suggests that this was not a traditional wholesale set up. She mentions that one gets the impression that this is not a legitimate business. Amber discusses the purchasing process and indicates that it is very simple; one selects their goods, purchases their goods with cash payment and receives something similar to a

receipt. However, this 'receipt' would only contain what is bought and an indicated purchase price, therefore one gets the impression that such goods are duty free. Yet this type of an enterprise becomes more interesting when Amber states that no customers actually know who the owners are, thus suggesting that this individual has kept their identity to a minimum to avoid risks as some of the activities within this enterprise are not legitimate. Consequently, Amber indicates that she tends to avoid such enterprises as she "likes to sleep at night". The impression obtained from Amber during the data collection process is that she is the type of individual that maintains her reputation as a respectful entrepreneur, not only due to her responses during interviews but also due to her relaxed nature and willingness to discuss her business. Amber's business model canvas is presented below in figure 7.1.

7.1.3 Structure of Enterprise

Figure 7.1 Amber's Hexagon Canvas



As previously mentioned, and highlighted in figure 7.1, competition is a significant external aspect for Amber that influences her capabilities. Due to the fact that Amber's enterprise caters for customers within a working-class area, prices have to be low in order to act as an incentive for individuals to purchase from her business. She emphasises that not only prices but a diverse range of goods, such as household products, confectionary, alcohol, and PayPoint services, are essential to Amber maintaining her customer base. Amber also suggests that she plays a vital role in the operation of her enterprise due to the extent of work she does, thus restricting the number of employees required.

7.2 Berkeley

7.2.1 Background

Berkeley is a male South Asian entrepreneur that operates a small convenience store as a sole trader. Berkeley is a second-generation South Asian entrepreneur and has been within this industry sector for the majority of his life. From a very young age, he has been helping his father within their family business. Berkeley did not possess the motivation to study; therefore, he did not pursue a route of education but rather had the desire to run his own business in his teenage years. Berkeley has been operating his current store for approximately 30 years. By nature, it appears as if Berkeley is a very laid-back individual yet enjoyed the intensiveness that comes with working in this type of an industry sector. Berkeley's convenience store is not the conventional type of store as many of the other entrepreneurs included within this study. Berkeley has a focus of volume therefore bulk buys many large packs of essential ingredients for households that are required on a daily basis such as rice, flour, potatoes, onions, garlic, and various other types of ethnic spices. Due to his focus on bulk buying such goods, Berkeley's prices are very competitive and thus has a high volume of sales. However, selling these large packs of goods demanded a

significant amount of manual labour that Berkeley suggests is a problematic aspect with regards to employees. This is further discussed in the next section.

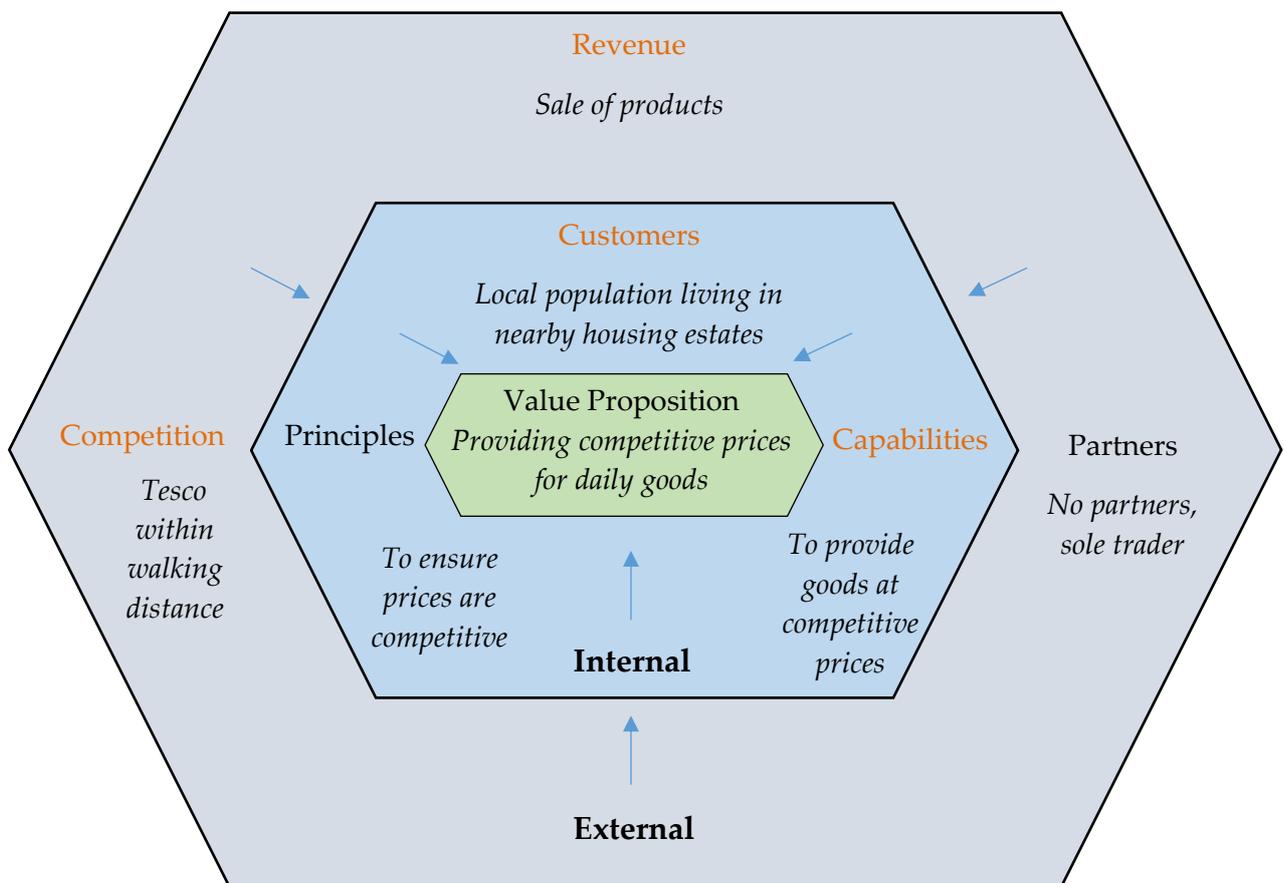
7.2.2 Experiences in Business

Berkeley emphasises that it is difficult to work within his line of business as it is necessary for him and his employees to lift big bags weighing around 5-7kg frequently throughout a working day. Berkeley suggests that he needs to employ full-time and part-time workers as he is not able to complete his work without assistance. Berkeley indicates that on average his sales range from 16-20 big packs and 12-15 small packs of rice, flour, potatoes, and various ethnic spices. Berkeley has various employees to assist him in transferring the big packs of products when he purchases the goods himself or has deliveries. However, Berkeley suggests that he was not aware that he has to train his employees on how to lift heavy bags regularly. One of his employees developed a back injury and accused Berkeley of his injuries due to his job of lifting heavy bags of goods. Berkeley indicates that this worker is of Pakistani origin and attempted to take Berkeley to court for his back injury. However, Berkeley emphasised that everything was done verbally, and it was just his word against the employees, yet it was Berkeley's firm belief that there was "nothing wrong with him". Whilst this proceeded down a legal route, Berkeley obviously continued to operate his business. During his normal routine, Berkeley visited the wholesalers to purchase stock and met a friend who also owned a convenience store similar to Berkeley. After a brief discussion regarding his issue, his friend suggested that all the worker wants is money. Therefore, Berkeley then approached his worker and asked why the worker was "messaging him about", Berkeley then insisted "just take some money off me and call it a day", to which the worker agreed. The employee accepted money from Berkeley and ceased pursuing a court case. It is Berkeley's strong belief that only a specific type of individual would have done this and insisted that there are many individuals that take advantage of

their positions by attempting to find such situations where compensations can be made.

7.2.3 Structure of Enterprise

Figure 7.2 Berkeley's Hexagon Canvas



Similarly to Amber, Berkeley's business caters for its local population. However, this population consists of various ethnic individuals, therefore Berkeley focuses on selling specific ethnic groceries in order to meet their needs. Unlike Amber, Berkeley does not seek increased revenue through providing additional services such as mobile top-up as this amplifies his workload, yet he receives minimal gains. Berkeley's focus of selling specific ethnic goods also stems from the extent of competition he faces. Berkeley purchases in bulk to decrease his cost per unit

allowing him to sell his goods at very competitive prices, thus promoting not only locals but also individuals that are within relatively close proximity to his enterprise i.e. a five-minute driving distance. Whilst Berkeley emphasises the control of employees within the organisation, he also highlights stock control, i.e. manipulating inventory in order to influence official sales, which is further explored in chapter 9 as an internal aspect.

7.3 Caesar

7.3.1 Background

Caesar is a first-generation male South Asian entrepreneur who operates one of the smallest convenience stores compared to the size of stores of other respondents within this study. Despite operating his current business for the past 15 years, Caesar is contemplating whether to sell his convenience store as he also has a fish and chips takeaway, which he indicates is generating a higher income. Caesar portrays himself as being a South Asian entrepreneur that understands business within his trade yet appears to be a very cautious individual. This cautiousness transpired during conversations with Caesar as his responses were swift yet concise. In certain instances, Caesar would provide very little information however it felt as if his depth of knowledge is vast as he only elaborated on aspects that he deemed necessary. Caesar appears to be a shrewd entrepreneur as he possesses much experience within various industry sectors (retailing, catering, and property management) however felt the need to display a limited understanding.

7.3.2 Experiences in Business

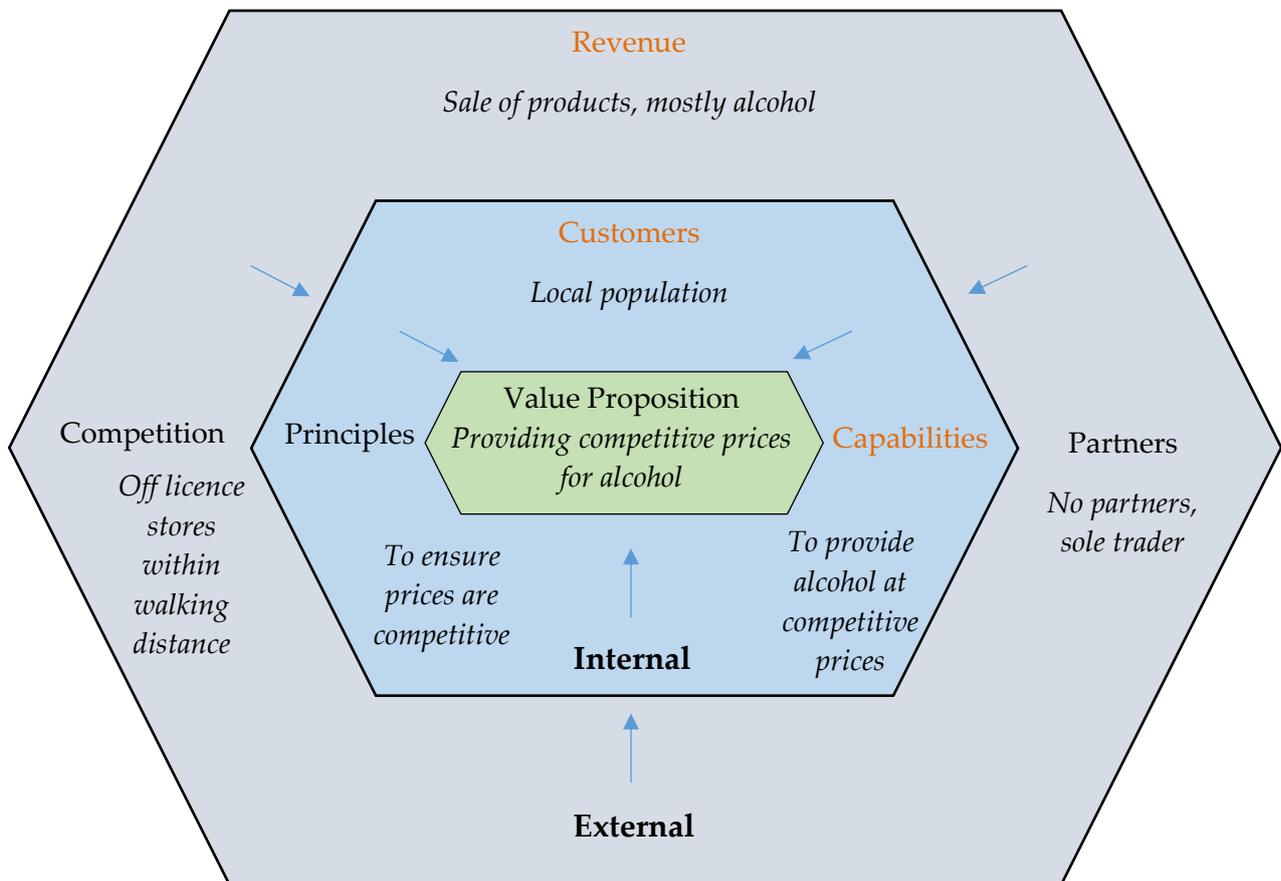
During both phases of the data collection process, Caesar emphasises that only family can be trusted with regards to handling payments, and only employs two individuals that assist with manual labour tasks such as shelf-filling. Caesar indicated that only immediate family i.e. his wife, his mother, and his son, were able

to serve customers. This distrustful nature surfaced several times during conversations, however Caesar indicates that the nature of certain individuals leads to activities that can be quite shocking in terms of regulation violations. Caesar knows an individual (hereafter referred to as Mason) within his community who he thought was humble, however Caesar believed that one's nature and principles are compromised when it comes to business. Mason was essentially attempting to obtain financial wealth using methods very similar to a Ponzi¹ scheme. He set-up a business, secured investment and loans for the benefits of the organisation, and shortly after declared the business bankrupt. However, he did this on multiple occasions using the names of various individuals, including his family, and obviously different company names. The money obtained was not used for the organisation, Mason actually "stashed the money" in a safe location that only he was aware of. Eventually Mason was captured by authorities as they followed his trail of tactics and his ruse came to an end. He was sentenced 12 months in jail however was released in 3 months due to good behaviour. Caesar indicated Mason managed to save £2 million and now operates his own construction company. Whilst distrust amongst employees and networks resonated during conversations with Caesar, he also emphasised the type of stock that is required to operate his enterprise, which is further elaborated in relation to his business model canvas.

¹ A Ponzi scheme is a form of fraud that attracts new investors and pays profits to previous investors from funds obtained by new investors. Essentially victims believe an organisation is making profit however investors are the source of income.

7.3.3 Structure of Enterprise

Figure 7.3 Caesar's Hexagon Canvas



Like Amber and Berkeley, Caesar caters to its local population however Caesar's enterprise is located on a main road that has easy access from various areas, therefore has the potential to attract individuals from several areas within driving distance. In order to ensure that Caesar's business is competitive, he expresses his focus is on alcoholic drinks, which occupy just over half of the space within his store. Consequently, most of his revenue is generated from the sale of alcohol, therefore stocks a wide range of alcohol drinks such as beer, cider, ales, spirits, wine, vodka, gin, whisky, brandy, and so on. In order to ensure his alcohol prices are competitive, Caesar purchases his goods from various places including wholesalers however his

responses considering this aspect of stock purchasing were vague, indicating that some of the purchases made were not fully legitimate.

7.4 Dunhill

7.4.1 Background

Dunhill is a male South Asian entrepreneur that operates a relatively large convenience store. Dunhill is a first-generation South Asian who has been in business for approximately 18 years. Dunhill relocated to this country with his family at a young age from Africa. He finished his high school education in the UK and then progressed straight into self-employment. Dunhill indicated that during his first years in the UK, there was much racial discrimination in employment. Dunhill also had a family that required support and he stated that he could not rely on the instability of employment for immigrants during the 1970s. Therefore, he suggested that self-employment appeared to be the best option for himself and his family's future. Dunhill's store is one of the largest compared to the convenience stores of other respondents within this research. Therefore, the range of products and services that Dunhill provides is vast and diverse such as household goods, confectionary, beverages, alcohol, non-prescription medical items, and cigarettes to name a few. Dunhill's frustration in relation to the competition he faces was easily sensed during the data collection process, which is reflected in his Hexagon canvas, presented in figure 7.4.

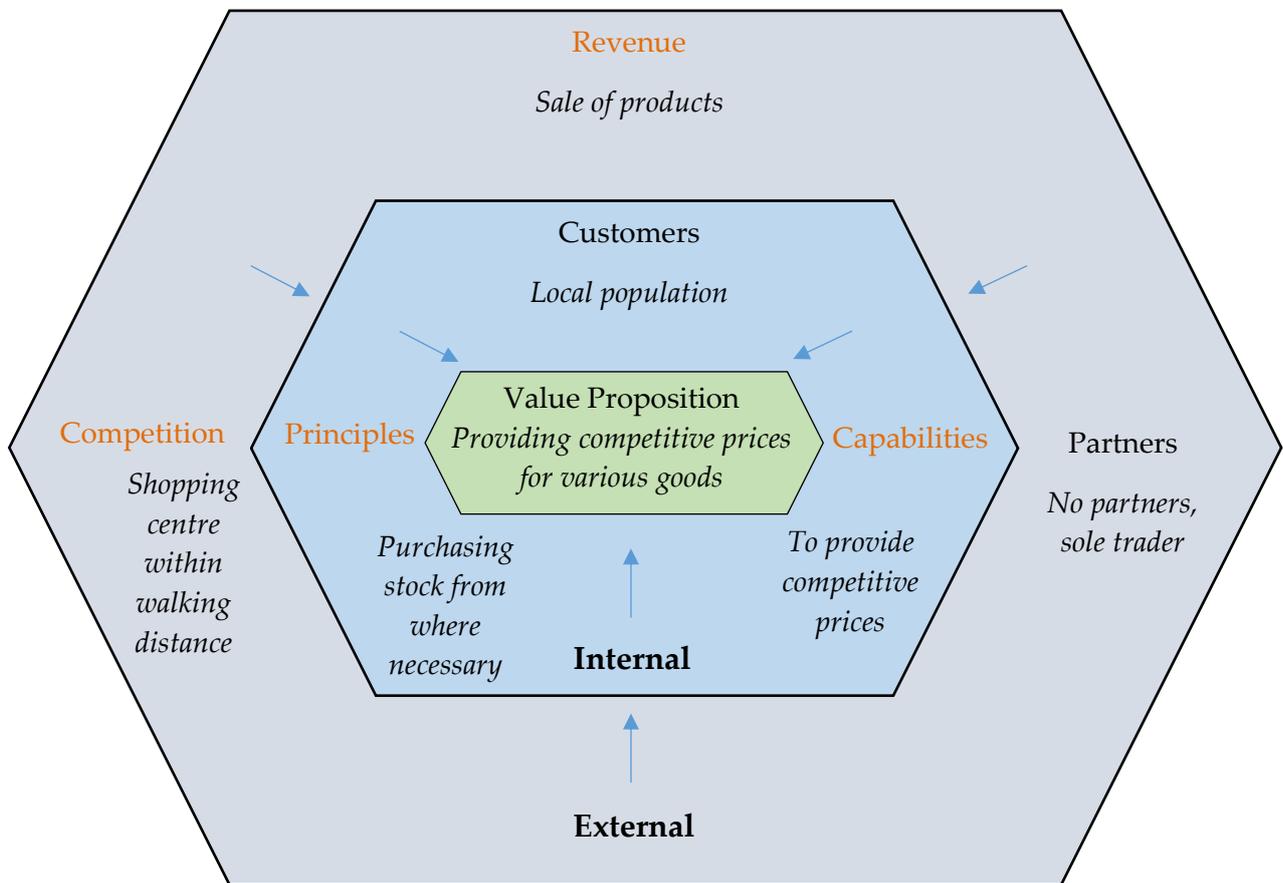
7.4.2 Experiences in Business

Whilst Dunhill has two employees with shelf-filling duties, they are of white British ethnicity and he indicates his distrust with ethnic individuals. This aspect of distrust appears to stem from the actions and behaviours that Dunhill has witnessed of individuals within his community. Dunhill suggests that he observed a specific individual that (hereafter referred to as Troy), despite being part of a reputable

family, was involved in a criminal activity. Troy was part of a drug gang that was importing and exporting drugs. Dunhill indicates that Troy's activities must have been very lucrative as they appeared to be a wealthy family when considering the types of vehicles they drive and their attire during community functions. Troy was the only one within the whole community that has been involved in illegal dealings, and was part of a drug gang that consisted of only five members who were a tightly knit group that were very cautious about their actions. The drugs were sourced from the Netherlands, which is a prominent export point for the majority of drug supplies for the UK. Troy's role within this process consisted of mixing drugs within his garage, a personal space where he could work without the intrusion or suspicion of any external individuals. Troy then gave these drugs to other members within the team who utilised their connections to export or sell their goods. Dunhill suggests that even members within their community were suspicious when considering how Troy was obtaining his financial wealth, thus he was not an inconspicuous individual, which may have played a part in the demise of his gangs' illegal operations. Despite his lucrative illegal enterprise, this drug gang were eventually discovered by authorities and all members involved were sentenced to approximately 10-15 years in prison. Similarly to Caesar, Dunhill emphasises the fact that anyone's principles can be compromised when it comes to business aspects, which includes foundational facets of culture that can be compromised due to the essence of business i.e. the generation of money and growth.

7.4.3 Structure of Enterprise

Figure 7.4 Dunhill's Hexagon Canvas



Dunhill's Hexagon canvas is very similar to that of Amber. They both have quite large stores and emphasise that they need to be competitive in order to survive. However, the extent of competition for Dunhill is very high when considering that his store is located within a 12-15 minute walking distance to a large shopping centre. Therefore, Dunhill concentrates on providing a variety of products such as alcohol, confectionary, specific household items, and cigarettes as they are profitable and does not offer services such as mobile top-up due to the limited revenue this generates. Since his customers can quite easily walk to the nearby shopping centre, Dunhill emphasises the need for competitive prices, the need to reduce expenditure as much as possible for the business to generate a sufficient amount of income. The

element of principles begins to surface when Dunhill indicates the necessity for low prices, so he purchases stock from wherever necessary and keeps additional assistance only when required. The aspect of employees is discussed in depth within chapter 9 as an internal influence.

7.5 Echo

7.5.1 Background

Echo is a first-generation South Asian that has been operating his current convenience store for approximately 15 years however possesses over 40 years of experience within the retailing industry. Echo's background is very similar to that of Dunhill, in that Echo relocated from Africa with his family to the United Kingdom and went straight into self-employment upon the completion of his high school education. However, whilst Dunhill has always been within the same industry sector, Echo indicates that he had the intention to diversify his portfolio during the earlier stages of his time within the retailing industry. Subsequently, Echo diversified into the domestic property sector to increase not only his portfolio of assets but his knowledge base as the property market can act as a foundation in understanding the operations of several industry sectors as his main focus is on commercial real estate. This focus provides Echo with a greater potential of opportunities to diversify in different commercial sectors based on the knowledge and connections acquired during his experiences within the property sector. Echo still remained firmly aligned to the continued operation of his convenience store, despite his diversification into another industry sector and future intentions.

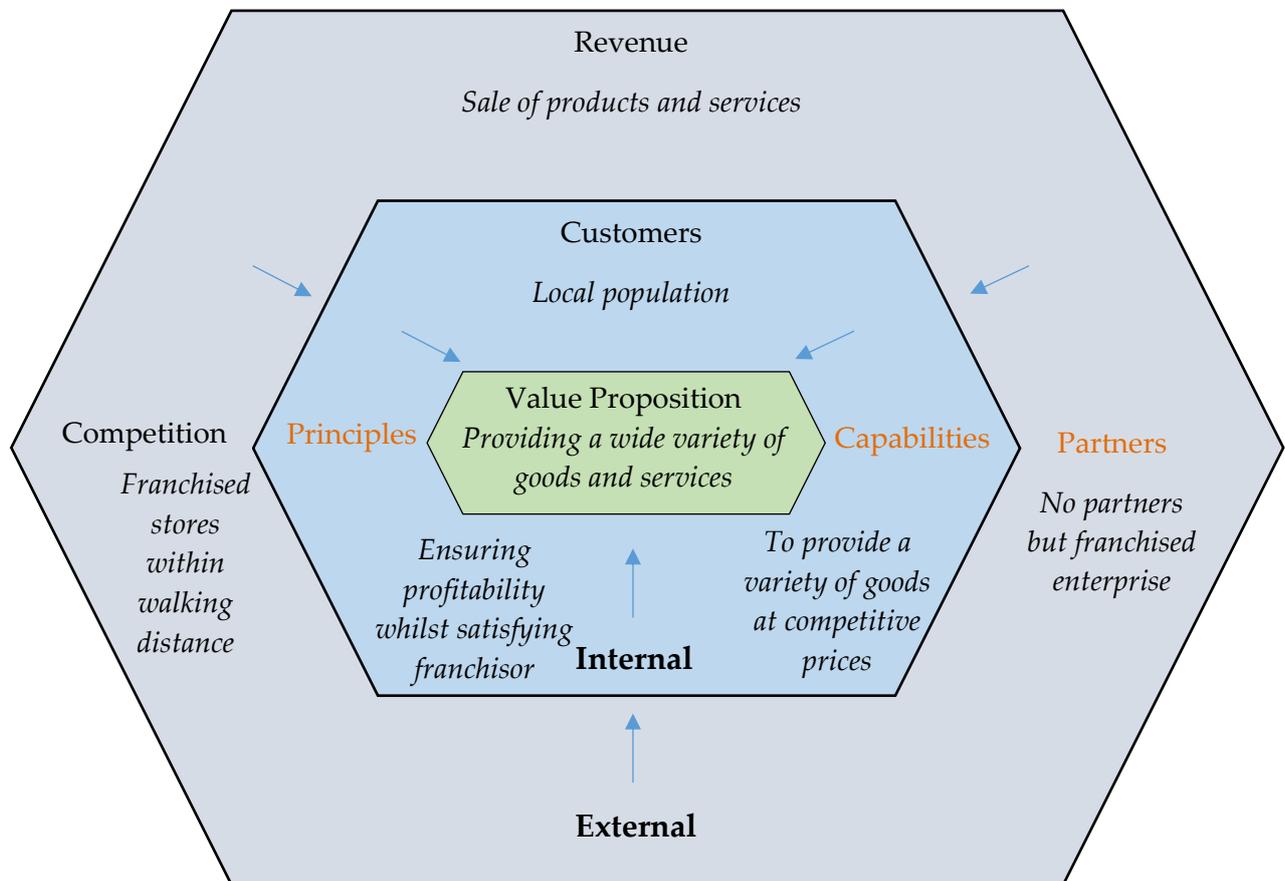
7.5.2 Experiences in Business

Echo began diversifying into the property sector after successfully operating his convenience store for approximately 5 years. Echo has substantial experience within the property sector, approximately 10 years. The majority of his activities within this

sector are domestic based, i.e. obtaining rental income for residential properties. As previously mentioned, Echo had the intention to diversify into commercial aspects. During this period, Echo came across an entrepreneur (hereafter referred to as Sebastian) that currently has a head lease with a large company for a small section of land. Sebastian then rented this small piece of land to a group of Arabs that currently operate a car wash. Dunhill suggests that Sebastian receives a good income due to the way he has set-up the lease to this tenant. The lease in place with the Arabs is the same amount as the head lease, that way the large organisation that provides the head lease can see that Sebastian has an underlease but is not generating additional income, or the large organisation would simply provide a new lease to the Arabs and eliminate the middle man Sebastian. In order to prevent this, Sebastian has a clause within the underlease with the Arabs indicating that he is charging a management fee. However, Sebastian informed Dunhill that he plays no part in the operation of this enterprise. Therefore, the management fee in place serves as a method to play by the rules and fool the large organisation providing the head lease to generate income. Thus, Sebastian has a lucrative asset by understanding and manipulating structure i.e. regulations enforced by governing bodies.

7.5.3 Structure of Enterprise

Figure 7.5 Echo's Hexagon Canvas



Whilst Echo's Hexagon canvas is very similar to that of Dunhill, there were various aspects that led his enterprise into a different direction. Echo indicates that competition for his enterprise is fierce, consequently he is part of a franchising group. This requires following certain rules imposed by the franchisor. For example, franchisees must purchase the majority of their stock from the franchisor, although Echo does indicate that his franchising group is lenient therefore, he is able to purchase some stock from different sources such as wholesalers however ensures he keeps the franchisor satisfied by purchasing the majority of stock from them. He not only provides a wide variety of products, but also provides various services such as mobile top-up, PayPoint to pay bills, and various types of international calling cards.

Being part of a franchising group assists Echo in providing certain services as the equipment, i.e. tills, for the franchisee possess mobile network service options. He indicates that whilst being part of a franchising group there are many regulations that the franchisee has to follow, such as health and safety. The franchisor does monitor health and safety aspects of their franchisees, therefore Echo states that he does incur expenditure that he believes is not necessary and could be avoided if he was not with such a group. In certain cases, he takes the necessary actions to ensure that his enterprise operates as efficiently as possible, suggesting that principles fluctuate and that measures are taken in relation to health and safety to ensure the reduction of costs thus increasing the profitability of the enterprise. Aspects of health and safety are further discussed in chapter 9 as an internal influence.

7.6 Felix

7.6.1 Background

Felix is a first-generation male South Asian entrepreneur who operates the smallest convenience store compared to the other respondents within this study. Felix and his wife relocated from India to the UK approximately 8 years ago as he emphasised a better quality of life for their offspring. Upon arriving in the UK, Felix stated that he wanted to go into self-employment due to the fact that he had family that were also self-employed in the retailing industry sector, thus this proved to be a logical path to pursue. Felix first worked in a company within the retailing trade for 4 years where he learnt the 'tricks of the trade' in order to successfully operate his own business. During Felix's time working for his previous company, he met another South Asian employee that was in a similar situation as they too were considering opening or purchasing their own enterprise in the retailing trade. As they both possessed the same intention, Felix suggested they go into partnership wherein they both became working partners to operate the business to reduce risks. After 2 years of trading, Felix bought out his partner and has been successfully operating the business as a

sole trader for the past year. He emphasises that they encountered no issues during his buyout process and both parties agreed on the terms without much negotiation. Due to this, Felix and his partner maintained a good working relationship, therefore he presented his previous partner with an opportunity to become an employee within the business. This demonstrates a foundation of trust amongst such individuals within this group, however his previous partner also understood the operations of the business that provides Felix with the opportunity to consider expansion into different industry sectors.

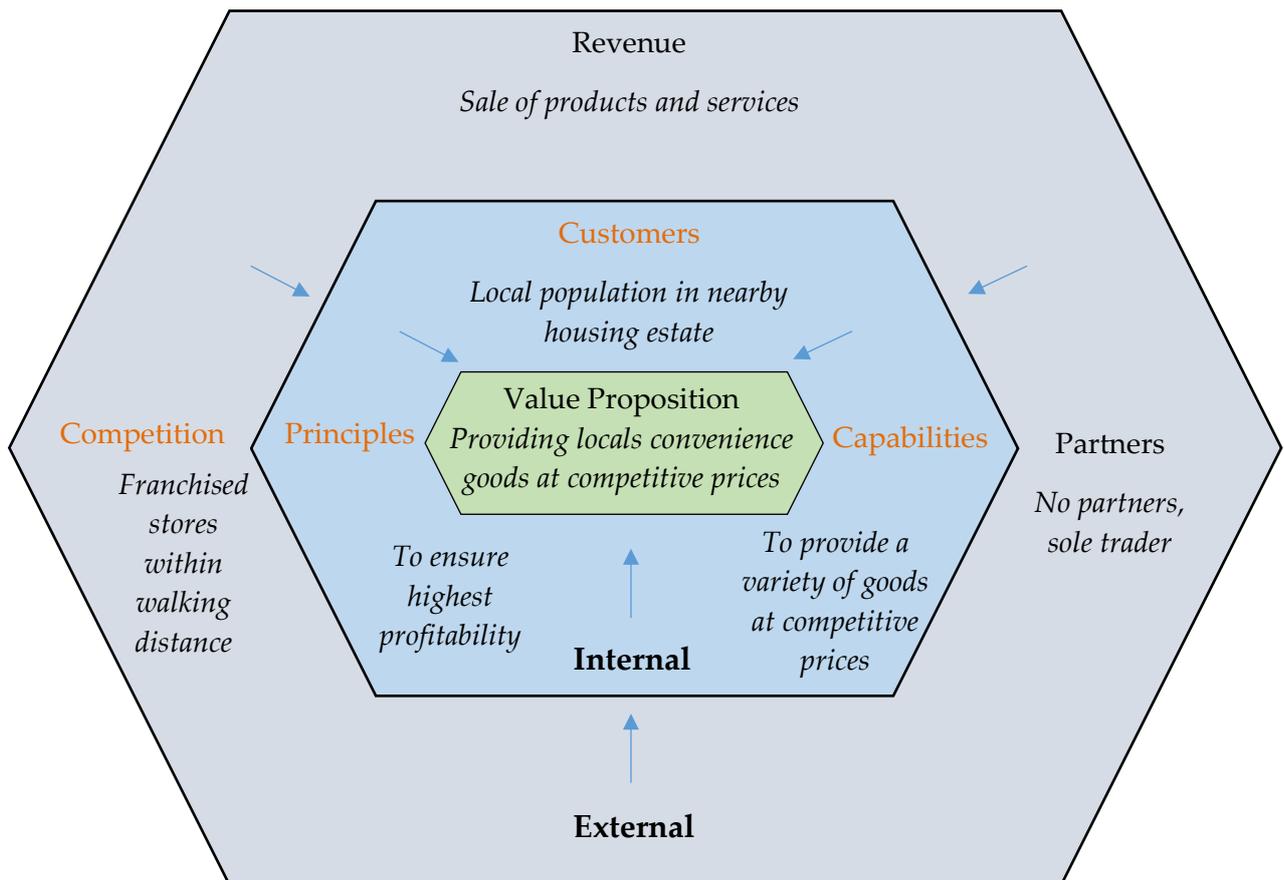
7.6.2 Experiences in Business

Felix expresses his desire to expand into the property sector based on the fact that he has experience within this sector prior to relocating to the UK. There are many individuals within this industry sector that he has met, with individuals (hereafter referred to as Benjamin and Ava) within the same community as him who have substantial experience within the property sector, approximately 30 years. Benjamin and Ava are landlords that have a considerable amount of properties they rent out in various areas in the country. Felix suggests that Benjamin and Ava tend not to keep up with maintenance regulations such as blocked drains and rising damp, consequently their tenants suffer due to issues with their properties. Obviously maintaining their properties would incur a substantial amount of costs, thus they avoid costly repairs and only deal with minor inexpensive issues. In one particular case, Benjamin and Ava did not maintain legal living standards in one of their properties despite their tenant informing them of numerous electrical issues at the property. The tenant became very frustrated with the lack of action by Benjamin and Ava, as a result the tenant reported them to the local government, who were then issued several improvement notices. They carried out no improvements to their property, which resulted in them pleading guilty in court. Benjamin and Ava were fined £1300 each for non-compliance that included payment to the tenant as they

were the victim in this situation. Despite this ignorance of rules and regulations, Felix suggests that Benjamin and Ava have similar issues with several of their other properties, indicating this is an approach to property management. Felix indicates that rules and regulations make profitability immensely difficult in any industry sector, thus demonstrating that he was not surprised at the actions of Benjamin and Ava. The operation of Felix’s enterprise also highlights a moral compass, which is discussed below.

7.6.3 Structure of Enterprise

Figure 7.6 Felix’s Hexagon Canvas



Felix's enterprise is similar to that of Caesar when considering the size of the enterprise. However, the competition for Felix is more fierce as his business has to compete with reputable stores such as Cost Cutter and Premier, which influences individuals to shop at these franchised stores. These stores are within a 10-minute walking distance; therefore, Felix keeps his prices competitive by purchasing from wherever the cheapest stock can be obtained. He only offers lottery services in order to encourage customers to come into his store, despite that fact that such services have low profit margins. As Felix's enterprise is small, he concentrates on daily goods required for locals and provides alcohol as his enterprise is located in a working class area where locals desire alcoholic beverages. Felix indicates that he focuses on short dated goods, as they can be obtained at a cheaper rate. However, he does not charge a reduced price for these products, he charges full price but has the inconvenience of a multitude of weekly visits to various suppliers to obtain these goods. Such products involve essential daily items such as bread and milk. This can be viewed as a principle aspect as Felix is clearly charging similar prices to his competitors for daily goods yet with short dates that he is able to obtain at significantly cheaper costs. Felix heavily emphasised that competition dictates the need for such action within his business.

7.7 Gomez

7.7.1 Background

Gomez is a first-generation male South Asian entrepreneur that operates an accountancy practice. Gomez is originally from Kashmir, Pakistan. He first came to the UK as a student in the year 2000. Upon the completion of his academic studies, Gomez began working as an accountant for a company in 2002. He worked within a relatively large organisation as an accountant for approximately 12 years prior to having the desire to become self-employed and open his own accountancy firm that he has been operating for the past 3 years. Thus, Gomez possesses substantial

experience within the accountancy industry sector that can be easily distinguished by his positive attitude when discussing his views and opinions during the data collection stage. The services that Gomez provides mostly consists of bookkeeping and taxation as he states that taxation is a vast and diverse area i.e. capital gains tax, income tax, value added tax, corporation tax and so on. In order to offer such services, Gomez has three employees to assist him in the operation of his enterprise. Two employees are ethnic workers originally from Pakistan and the last one is a white British worker. Gomez indicates that the majority of his clients are within the catering industry and taxi service sector, thus is very knowledgeable with operations within these sectors.

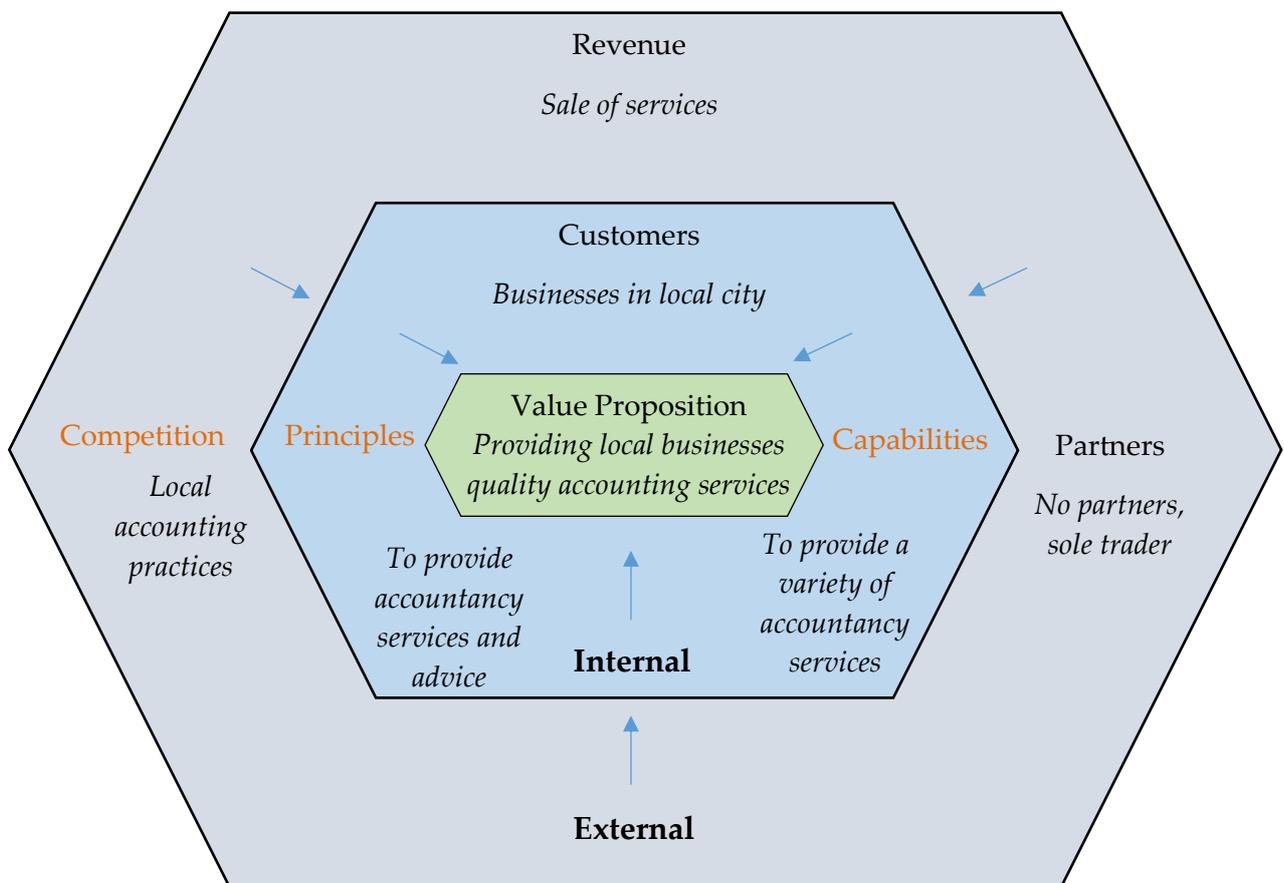
7.7.2 Experiences in Business

Gomez expressed particularly strong views when reflecting on aspects of informality and possibly illegality, with the suggestion that some activities are done unintentionally as many individuals are not aware of specific regulations that are applicable to the operations of their business. For example, Gomez had a client (hereafter referred to as Jeffrey) that operated a small takeaway. Jeffrey had employees working for him, in which there was one specific employee who had an unfortunate incident whilst using a frying machine. The employee accidentally spilt burning hot oil on his arm whilst using the cooking machinery. The issue in this situation was that Jeffrey did not have employers' liability insurance. It is necessary to note that it is illegal for employers to operate a business without employers' liability insurance when they have employees working within their business. Jeffrey stated that he was not aware of this insurance liability, consequently he went through a lengthy court case that left him with no option but to compensate the employee for costs and damages incurred. At the final stages of this process it was highlighted that liability insurance for Jeffrey would have cost £600 per annum.

Gomez indicated that such naivety in business can cost people dearly in relation to health and safety aspects, both in physical and financial forms.

7.7.3 Structure of Enterprise

Figure 7.7 Gomez’s Hexagon Canvas



Accountancy services are an essential aspect to the successful operation of all types of businesses; therefore, Gomez indicates that competition is very high and there are many accounting practices within his area of operation. As previously mentioned, the majority of his clients are within the taxi service sector and catering industry, thus provides sufficient services for his clients. However, Gomez indicates that several of his clients are unaware of a considerable number of regulations that are applicable to the operations of their enterprise. He states that there are a growing

and extensive amount of regulations therefore it can prove to be difficult to comply with all regulations. Consequently, he provides a certain amount of advice to his client without charging them. Whilst it is not only competitive aspects that compel Gomez to provide free advice, he feels that providing such advice and spending time with clients benefits his enterprise by building a relationship in which clients believe that they are getting value for money.

7.8 Harrison

7.8.1 Background

Harrison is a second-generation male South Asian entrepreneur. His parents were originally from Kashmir, Pakistan and relocated to the UK. Harrison has been operating a small accountancy practice for the past 2 years, however, he has been in the accountancy trade for approximately 10 years. Thus, despite the short operation of his own enterprise, Harrison's knowledge and experience within the accountancy trade is significant, which was apparent during the data collection stage. Harrison currently employs three individuals within his organisation, two full-time accountants that are originally from Pakistan, and one part-time worker that is white British, and Harrison indicates that he is in the process of recruiting another part-time individual. As Harrison is one of the youngest South Asian entrepreneurs in this research study, he was very intrigued and enthusiastic with regards to the consideration of the generations of South Asians. From his experience, Harrison suggests that whilst first generation South Asian entrepreneurs are predominantly within the retailing sector i.e. grocery and corner shops, and the post office trade, the second and third generation of South Asians entrepreneurs are moving into more professional practices such as accountancy, law, and dentistry. He indicates that the majority of his clients are first generation South Asians that are within the catering industry.

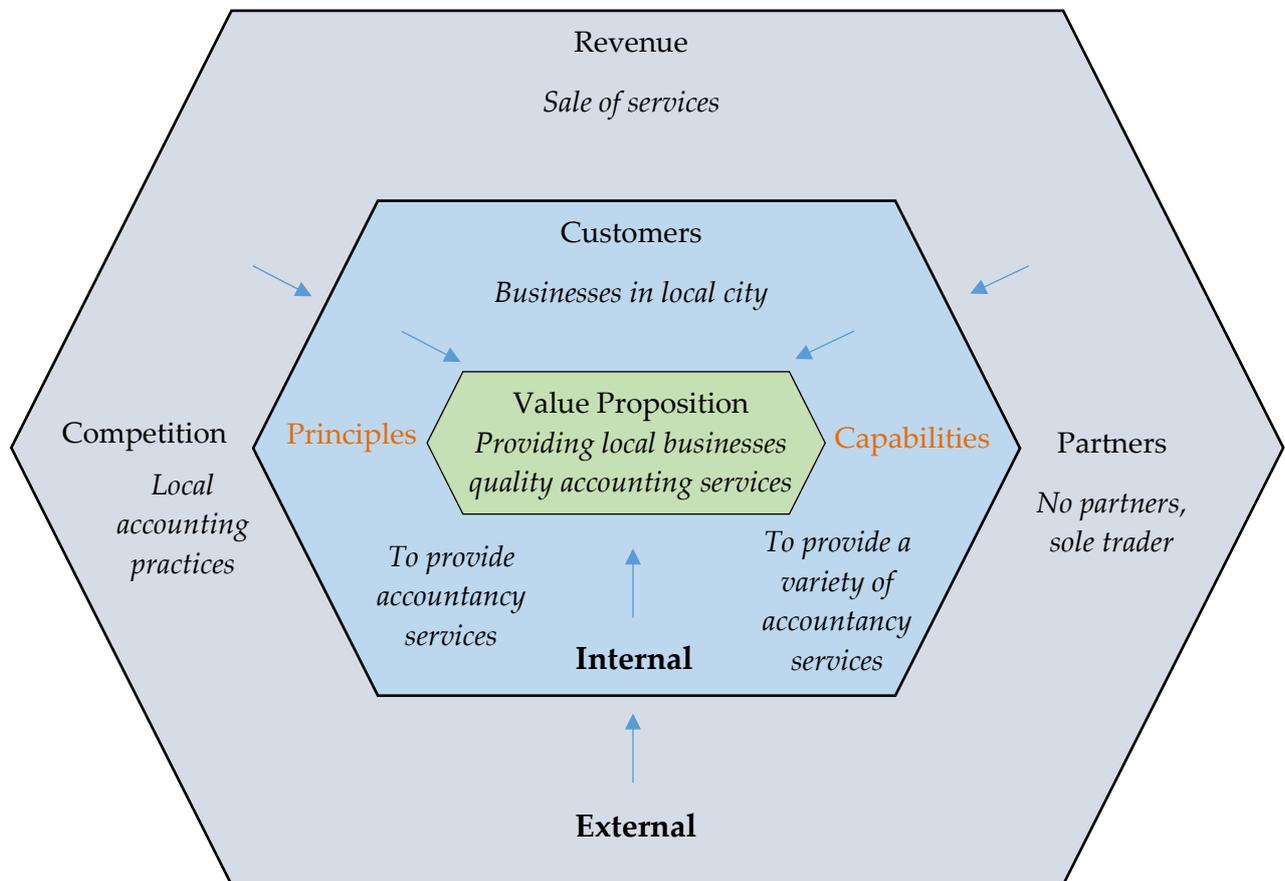
7.8.2 Experiences in Business

Throughout the data collection process, Harrison's responses were relatively sharp, and he did not hesitate when conversing about informal aspects. He heavily emphasises that individuals within the catering sector go to great lengths in order to ensure they are eliminating unnecessary expenditure within their business. For example, Harrison has met an individual within his community (hereafter referred to as Tommy) who operated a local takeaway that was generating a high turnover and had eleven employees in the business. During the recruitment process, Tommy questioned his employees of how they would like to be paid, to which all employees responded that they would like to be paid in cash, he therefore had no employees on PAYE. Tommy began to receive a few letters from the HMRC which he ignored. Shortly after, tax officers contacted Tommy as they felt the need to understand how he ran his takeaway. Tommy spent a significant amount of money to modernise his enterprise. This modernisation process included the purchasing and installation of new tills, additional screens were fitted towards the rear of the store for employees that are preparing different cuisines, and he had new fridges fitted. Tommy had a reasonably large walk-in cupboard as storage space for ingredients. Tommy arranged for tax officers to come and inspect his business as per their request, however prior to their arrival Tommy removed the newly installed screens and put them in his vehicle, and he installed a temporary board to hide the walk-in storage space, and just placed some ingredients within the fridges. When the tax officers arrived, he insisted that his business was struggling. Tommy fooled them as they were not aware of the storage area, and when the tax officers asked who assists him in running the business, he stated that his family i.e. his son, his brother, and his nephew help him operate the business. The tax officers did not believe Tommy, therefore they insisted he write down who was working in the business every day for the next month.

One month later he went to meet the tax officers and provided a list of employees that had been working within the business each day throughout the month. Upon inspection of the list provided, the tax officers stated that Tommy was not being completely truthful in terms of the number of employees that were working at peak trading times. The tax officers informed Tommy that they have been observing the operations of his enterprise during certain periods and informed him that they have witnessed five individuals working on various occasions when he has identified only three individuals. In such instances, Tommy suggested that he had only three workers in addition to his brother and son who assist in running his business. He failed to convince the tax officers; thus they began digging deeper in the organisation to determine the profitability of the business. The tax officers soon discovered customer information such as addresses and previous order history thanks to the modernised equipment Tommy previously installed. They were then able to estimate sales based on the information of customers stored on his tills. Eventually Tommy had to sell his vehicle in order to pay for the tax bill demanded by the tax officers.

7.8.3 Structure of Enterprise

Figure 7.8 Harrison's Hexagon Canvas



From the surface, Harrison's enterprise appears to be very similar to that of Gomez. However, there are minor variances that differentiate not only the enterprise but also the entrepreneur. Similarly to Gomez, Harrison faces competition from various accounting practices that are located within the same area. Thus, Gomez provides a certain amount of advice free of charge for customer retention. In comparison, Harrison provides advice that is in line with his charges to clients consequently appears to possess a different mindset. Harrison suggests that there are many ethnic start-up businesses within his locale, he therefore focuses on start-up services consider aspects such as regulation standards. This is then convenient for a new business owner to use Harrison's services for bookkeeping. Whilst Harrison has two

full-time accountants working within his practice, he emphasised that part-time employees request sick pay, pension, and training to develop skills and progress in accountancy. Harrison suggests that they need only part-time workers for admin tasks, thus he indicates that he 'lets them go' when they begin to make such requests as this proves to be additional issues that incur unnecessary expenditure.

7.9 Isaac

7.9.1 Background

Isaac is a first-generation male South Asian entrepreneur who relocated to the United Kingdom in the 1970s and currently operates a small accountancy practice. He is in partnership with a white British male entrepreneur wherein they are both working partners. Isaac and his partner were colleagues that previously worked in the same company; however, they began to do accounts privately 12 years ago. They both then left that organisation 5 years ago and purchased an operating accountancy practice. Their current business has been in operation for the past 6 years, yet their experience within the accountancy trade spans over the past 15 years. Despite the fact that Isaac and his partner both work on a full-time basis within the business, they also employ individuals to assist in the operation of the enterprise. Neither Isaac nor his partner are chartered accountants, therefore they employ a part-time chartered accountant to advise clients. They also employ two additional part-time workers, one part-time elderly accountant that assists with the paperwork side and the other part-time individual fulfilling a receptionist role. Whilst both of these part-time accountants are South Asian, the receptionist is a white British female. Isaac indicates that the majority of his clients are local builders, taxi drivers, takeaways and restaurants owners, and entrepreneurs that are building property portfolios. Three quarters of their clients are South Asians, demonstrating the amount of enterprises in operation by such ethnic individuals. Due to the diverse range of

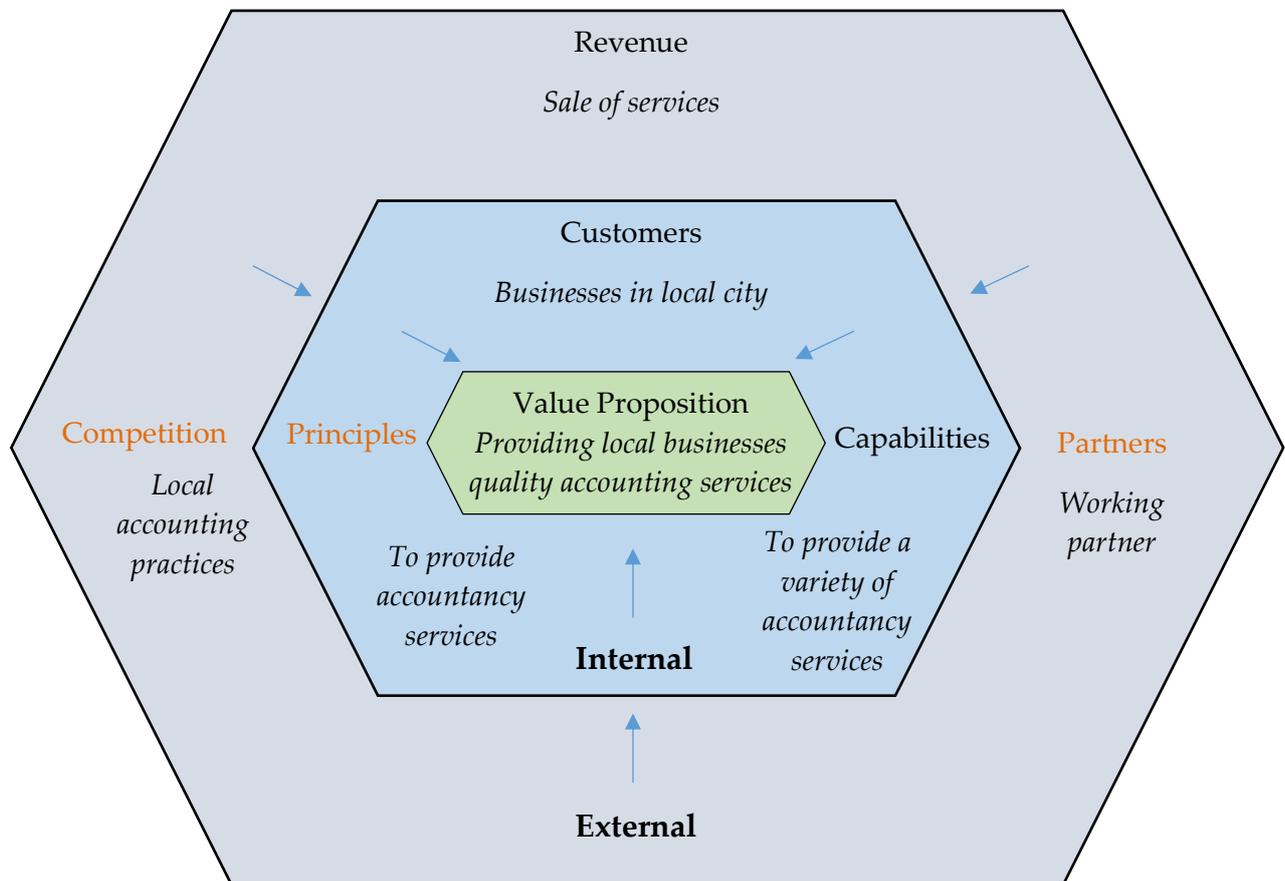
clients, Isaac has developed insights in various industry sectors thus possesses considerable knowledge on how individuals operate their enterprises.

7.9.2 Experiences in Business

Isaac indicates that there are many individuals who work as taxi drivers and go to certain measures in order to display lower annual mileage in their vehicles to conceal the number of hours they work and thus the income they generate. Isaac has been informed by various individuals within the trade that many taxi drivers go to the extent of “clocking their mileage” i.e. tampering with the mileage odometer displayed within their vehicles to highlight lower business miles than they have actually covered. There are individuals with garages that will charge taxi drivers a minimal amount to reverse their mileage to any point the taxi driver wishes. This is an illegal activity however garages providing such a service are not only increasing their profits and attracting customers, they are also encouraging taxi drivers down this route of falsifying their actual business miles. Isaac indicates that a specific client has his odometer set back by 20,000 miles for a payment of only £30, which he does on a yearly basis prior to MOT testing and servicing, thus ensuring his business mileage is realistic and possesses a record history in the event that authorities investigate this type of an issue. Whilst doing this they also claim tax credits. Therefore, taxi drivers are receiving income in the form of benefits and paying reduced tax due to an under declaration of business miles. Isaac indicates that there are greater loopholes for taxi drivers to exploit rather than individuals within the corner shop, restaurant, and takeaway businesses as the use of credit and debit cards are rapidly expanding, that leaves a trail of the amount of income a business generates.

7.9.3 Structure of Enterprise

Figure 7.9 Isaac's Hexagon Canvas



From face value, Isaac's enterprise is very similar to that of Harrison and Gomez, and whilst they have the same value proposition there are subtle variations within the external and internal cores that differentiate how they create their value proposition. Whilst Isaac, Harrison, and Gomez all have accounting practices with competition, Isaac faces severe competition as there are several accounting firms in very close proximity i.e. only a five-minute walking distance and states that their prices are also marginally cheaper. Although, Isaac indicates that clients will only switch to another accountancy practice if they are not satisfied with the services they receive, as this can be a time-consuming process. However, Isaac confidently indicates that many of his clients lack an understanding of the regulations in this

country and despite such individuals not being fully educated, they desire advice from individuals at the top of their professionalism, hence the need to employ a chartered accountant. Unlike Gomez, he does not provide advice free of charge, but charges clients to fill out simple forms as he indicates that various clients are not capable of completing forms, which is also an effortless method to generate income. Isaac's partner is white British and appears to be a shrewd individual as he encourages such actions to generate maximum profit.

7.10 Framework of Types of Enterprises

The enterprises previously highlighted through the incorporation of the Hexagon canvas assist in indicating specific internal and external aspects. This research study also focuses on providing further clarification on the types of enterprises that are of informal or illegal nature in relation to South Asian entrepreneurs. As discussed in chapter 3, figure 3.4 the illegal rural enterprise framework developed by McElwee et al (2011) is incorporated in order to determine whether the enterprises highlighted within this framework exist in the context of South Asian entrepreneurs.

Many of the respondents within this study indicate that whilst there are legal enterprises in existence, this is limited due to the fact that the entrepreneurs themselves are not honest businessmen. Echo states that *"...some people are very conservative and go by the book and being part of a franchising group means you have to go down that route"*. Therefore, in relation to South Asian entrepreneurs, *"There is a legal enterprise, but they're pushed into the border of going into illegal activity"* (Echo), which is based on the concepts of an entrepreneur being necessity driven and/or opportunity driven. Amber indicates that enterprises will be legal however *"...they would be doing marginal illegal activity, they wouldn't need to cover their tracks because its that marginal...they just do it and that's how it is"*. Caesar suggests that there are many legal enterprises that incorporate *"...marginally illegal activity, things they can get away with*

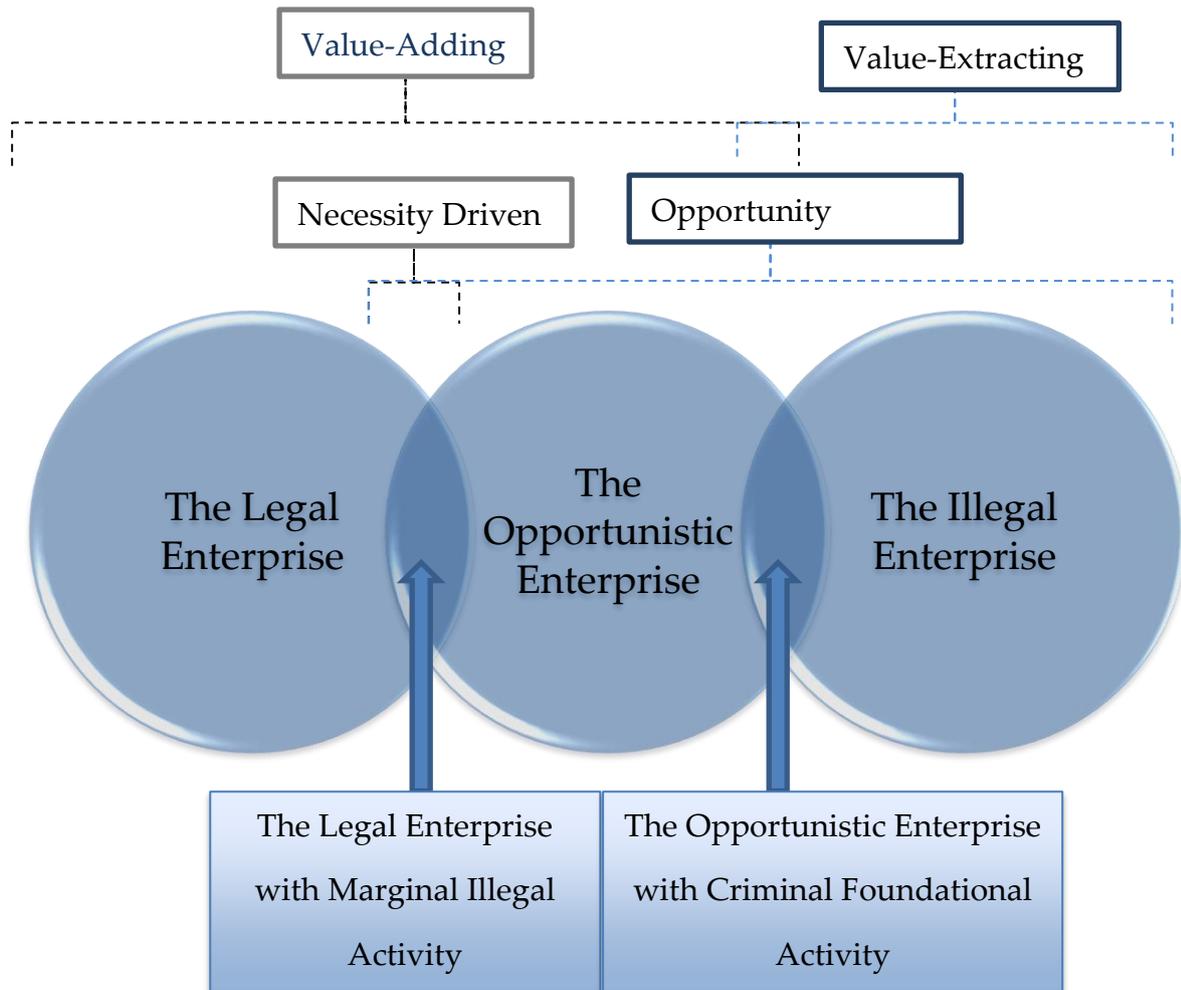
because its common...", thus indicating that marginal illegal activity is a widespread normality with the operation of enterprises. Felix proposes that various South Asian entrepreneurs *"...do little things they can get away with...some like to take more risks and push the boundaries to illegal..."*. Various respondents such as Isaac clearly state that he has not witnessed a legal enterprise as a front for illegal activity, as identified within the framework of illegal rural enterprises (McElwee et al, 2011) presented in figure 3.4 within chapter 3. Echo suggests that such an enterprise *"...doesn't exist..."* in relation to South Asian entrepreneurs.

Dunhill emphasises that from his experience *"Most businesses don't follow regulations, so they can't be legal"*, whilst Felix suggests that *"With South Asian businesses they are never fully legal, but they're not criminal..."*, thus indicating that there appears to be *"...quite a few that push the boundaries you know, test the waters..."* (Berkeley). Berkeley goes on to state that *"Most might be doing something that is not legal in terms of the law"*, therefore another enterprise arises in which entrepreneurs attempt to push the boundaries. Dunhill emphasises the fact that *"...some people take more risks and are quite bad with stuff, pushing everything to the limit..."*. Caesar highlights that *"Business owners are opportunistic because they want more..."* therefore the activities involved in their business are *"...more towards the illegal side"* (Caesar). This demonstrates that the span of activities within this enterprise is quite vast, i.e. this can include very marginal activity to the complete opposite where the foundations of an enterprise can be of illegal nature. Dunhill claims that *"...most small businesses are in the same boat..."* in the sense that *"South Asian businesses are half legal and illegal..."*. Yet there are particular types of entrepreneurs that *"...go further...and sell illegal goods..."* (Felix). This is due to the fact that *"...they have the opportunity so at the end of the day some people do take advantage..."* (Harrison). Upon taking advantage of opportunities that are of illegal nature, South Asian entrepreneurs operating micro enterprises can soon become illegal due to the types of goods being sold. All respondents within this research study indicate that illegal enterprises do exist, such as *"...drug dealings but*

this is very rare." (Berkeley). Felix suggests that whilst specific entrepreneurs have a greater risk-taking propensity that encourages their desire to push the boundaries, it is *"Very rare criminal businesses..."* (Felix) are operated by South Asian entrepreneurs, nonetheless this is an enterprise that exists. During discussions with respondents regarding illegal enterprises, many indicate activities that damage their local economies. There remains the possibility that whilst certain activities within the enterprise are illegal, other aspects are above board. Therefore, when considering such enterprises from a bird's-eye view, they can be both assisting and harming the economy. The aspect of criminality now comes to surface in relation to illegal enterprises. Caesar suggests that if the activities involved within enterprises are *"...criminal and break many regulations"*, they cannot be assisting or influencing their economy in a positive manner. Thus, the view of criminal activity appears to surface in illegal enterprises with activities that are value-extracting.

The above discussion demonstrates that there are various types of enterprises that exist in the ethnic context of South Asians entrepreneurs operating micro enterprises. However, additional entrepreneurial concepts intertwine with the enterprises that exist. Consequently, figure 7.10 succinctly presents three major enterprises with two overlapping distinctions, and also demonstrates where specific recently debated entrepreneurial concepts are positioned in relation to the proposed enterprises.

Figure 7.10 Framework of South Asian Entrepreneurs Operating Micro Enterprises



7.11 Summary

As discussed in chapter 5, a story based narrative inquiry technique and Hexagon model canvas is incorporated in order to convey the types of entrepreneurs and their enterprises within this research study. The background, experiences, and structure of the enterprise is conveyed for each respondent to provide a detailed understanding of the units of analysis within this research, i.e. the entrepreneur and the enterprise. A background of each respondent is presented that provides the reader with a sound understanding of the South Asian entrepreneur. The experiences in business of each of the respondents is articulated with emphasis on specific aspects of informality and/or illegality, which provides an insight into the types of activities that lie in a variety of industry sectors. The Hexagon canvas illustrates the enterprises of the respondents within this research. The Hexagon canvas also highlights different aspects of the internal and external core when compared to other enterprises, as an in-depth consideration of the enterprises demonstrates that certain aspects differ. A framework based on the types of enterprises that exist within a South Asian context is presented that is based on the views and experiences of respondents within this study.

The next chapter further discusses the framework of South Asian entrepreneurs operating micro enterprises, and also considers specific entrepreneurial concepts and the types of traders within this context.

Chapter 8 Traders and Enterprises

The purpose of this chapter is to explore the enterprise framework presented in the previous chapter, the types of traders that exist within a South Asian ethnic group, and discuss how specific entrepreneurial concepts can be utilised to explain where informal practices lie in relation to those proposed to exist.

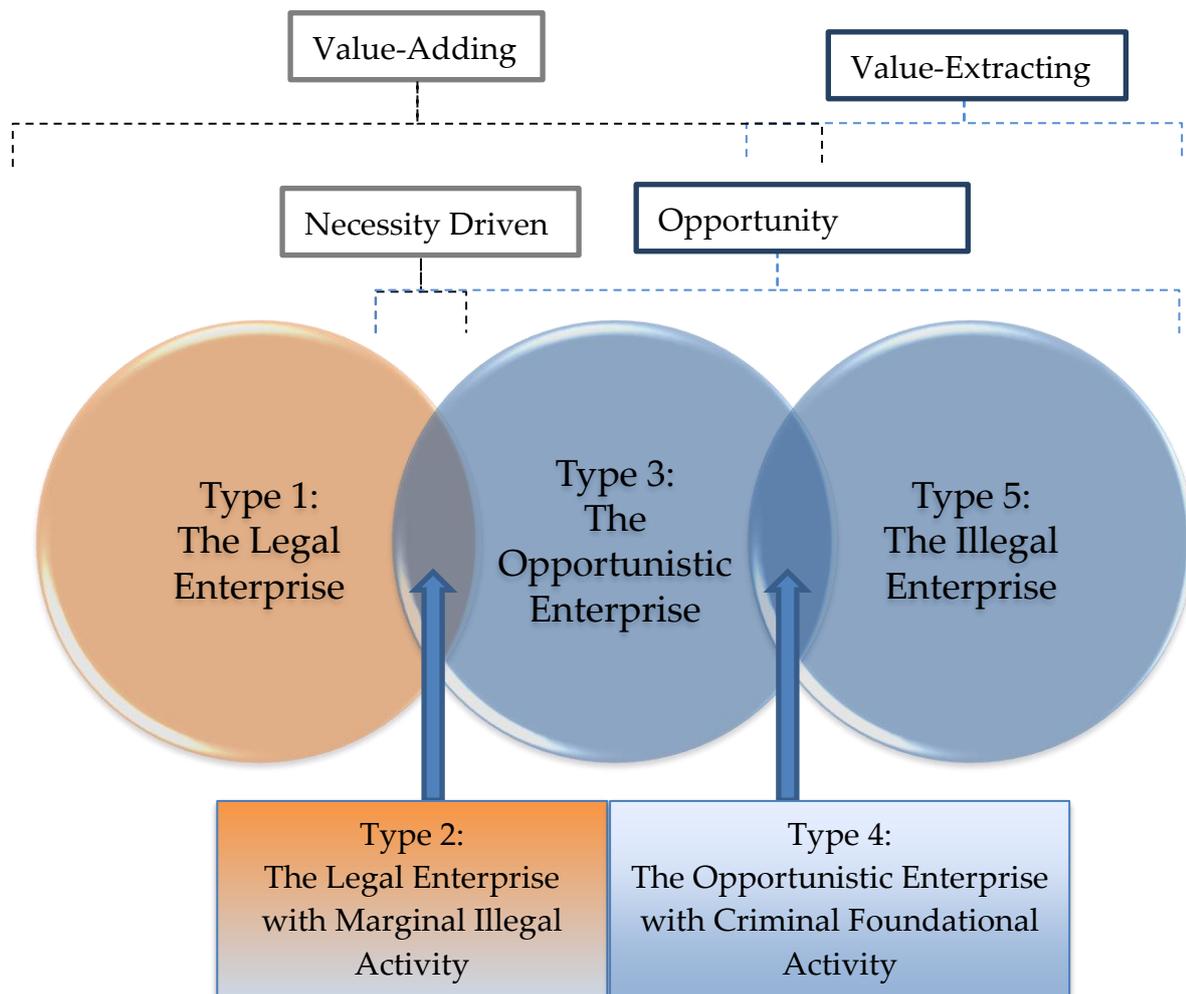
This chapter is divided into two distinct sections. The first section considers the enterprise framework initially highlighted within the previous chapter and discusses the different types of micro sized enterprises that South Asian entrepreneurs operate that exist in South Yorkshire. The views and perceptions of respondents within this research are utilised to determine the characteristics and boundaries of each enterprise. To ensure clarity, the enterprise framework is presented on multiple occasions yet emphasises specific enterprises that are discussed. Each enterprise discussed also reflects on the types of South Asian traders that exist with the enterprise in question i.e. five enterprises are proposed to exist, in which there are five distinct traders that operate each enterprise based on the views of respondents. The second section considers specific concepts highlighted within chapter 2 i.e. necessity driven, opportunity driven, value-adding, and value-extracting entrepreneurs. These concepts are an integral aspect of the proposed enterprise framework in chapter 7, consequently the above concepts are discussed in terms of the enterprises they influence and provides clarification on the overlap of necessity driven with opportunity driven entrepreneurs, and value-adding and value-extracting entrepreneurs that is based on the perceptions of respondents.

8.1 Enterprise Framework

Figure 8.1 identifies the three main enterprise classifications that have surfaced from the views and experiences of respondents within this research study. However, the overlap of the enterprises creates two additional enterprises. This section first considers Type 1 The Legal Enterprise.

8.1.1 Type 1 The Legal Enterprise

Figure 8.1 Framework of South Asian Entrepreneurs Operating Micro Enterprises (Emphasis on Type 1 and Type 2)



This section focuses on the characteristics of Type 1 and Type 2 enterprises, as demonstrated in figure 8.1. The framework of illegal rural enterprises identified by McElwee et al (2011) maintains a focus on illegal entrepreneurial aspects and is not concerned with enterprises or practices that are legal. However, during interviews or conversations with respondents in relation to informal and illegal aspects, many entrepreneurs highlight the fact that legal enterprises do exist, yet this is indicated to be a small sample of South Asian entrepreneurs that operate completely legal enterprises. Echo suggests that “...some people are very conservative and go by the book...”, and as Echo has substantial experience within the retailing trade, he highlights that “...being part of a franchising group means you have to go down that route...”. Thus, indicating that some South Asian entrepreneurs operating micro enterprises are legal due to the influence of external individuals, i.e. authorities and franchisors, in their business.

Whilst respondents indicate that there are a small number of South Asian entrepreneurs that are operating Type 1 enterprises, it is likely that they are operating only one enterprise rather than multiple enterprises. The types of South Asian traders within this enterprise are highlighted to be formal traders, which is discussed in the next section.

8.1.1.1 Formal Traders

Whilst various scholars question informality thus the existence of the informal sector (Pradhan and van Soest, 1995; Cohen and House, 1996; Maloney, 1999, 2004; Saavedra and Chong, 1999), they highlight aspects of the formal sector that assist in distinguishing formal traders. For example, Henley et al (2006) indicate that formal traders tend to follow regulatory procedures in terms of labour contracts, i.e. registered employment relationships. Consequently, regardless of an employee’s perception of complying with regulatory procedures that relate to employment,

formal traders will declare the employees within their business. In this essence, formal traders are those that ensure their activities are in line with regulatory processes, thus ensuring their enterprise is fully legitimate.

The perceptions of respondents based on their experience corresponds to that outlined within entrepreneurship literature regarding formal traders. Amber suggests that a formal trader “...sells without any violation...”, “...someone who follows the regulations for businesses...” (Caesar). Gomez suggests that “...people tend to register for VAT, they register for PAYE, they register for insurance you know employee liability and premises insurance.” However, whilst Felix states that “...formal would be doing things right...”, he goes on to specify that he doesn’t “...think business owners do everything right...” and indicates that traders in business do “...something that is illegal in the eyes of the law, but people think it’s okay.” Considering such a response, the aspect of honesty with traders begins to surface.

The general consensus of respondents within this research is that, as traders operate enterprises for profitability, it is human nature for individuals to be dishonest with regards to their activities when operating their businesses. Several respondents such as Amber, Caesar, Echo, and Gomez, suggest that not only South Asian traders, but all traders in general that operate micro enterprises are not honest. This aspect of dishonesty indicates that whilst respondents suggest formal traders exist, this is relatively rare. For example, Dunhill states that he has “...never met an honest businessman...” and goes on to suggest that trader’s activities revolve around “...some sort of lying and getting around expenses to make more money” which is further discussed in the next section.

The indications by respondents regarding formal traders appears to differ with the literature highlighted within chapter 2. For example, Thomas (1995) specifies that informal traders produce legal products and/or services without violating rules and

regulations. It is necessary to highlight the aspect of production within the definition proposed by Thomas (1995) i.e. the production of legal products and/or services. However, as previously stated, respondents highlight selling products and/or services without violation as formal traders. Hence, the view of respondents is more in line with that of Portes and Sassen-Knoob (1987) in relation to informality, which will be further discussed when exploring informal traders (section 8.1.2.1). Yet the production of legal goods by following regulations is not constituted as rule breaking. Consequently, the definition proposed by Thomas (1995) can be adapted as the perspectives of respondents suggest that South Asian formal traders produce and sell legal products and/or services without violating rules and regulations. However, respondents indicate that formal traders are not prominent in relation to South Asian entrepreneurs and emphasise illegal activities within their businesses. Hence, the next section considers enterprises that incorporate a minimal number of illegal activities within the operations of the enterprise.

8.1.1.2 The Legal Enterprise with Marginal Illegal Activity

Many respondents such as Felix indicate that it is human nature to “...*do little things they can get away with...*”. Consequently, all respondents possess similar views and state that South Asian entrepreneurs operating micro enterprises are legal “...*but do marginal activity...*” (Felix) that is not legal. The majority of respondents highlight that it is human nature to seek for further profitability or growth of their enterprise. The overlap between Type 1 The Legal Enterprise and Type 3 The Opportunistic Enterprise creates Type 2 The Legal Enterprise with Marginal Illegal Activity, as presented in figure 8.1.

The aspect of ‘liability of newness’ (Stinchombe, 1965) also comes into play within Type 2 enterprises as entrepreneurs may turn to informal practices due to their lack of understanding in terms of the operation of their enterprise. Therefore,

entrepreneurs can engage in informal aspects unintentionally as they are newly operating a business. On the other hand, entrepreneurs knowingly engage in informal aspects as their newly formed enterprise may not be able to sustain operations without this engagement. In the latter scenario, entrepreneurs are seeking opportunities. During interviews with Amber, she suggests that entrepreneurs within this enterprise will be “...*seeking opportunities...*”, which have the potential to be an illegal activity. The framework of illegal rural enterprises (McElwee et al, 2011) that indicates the existence of this enterprise also applies to South Asian entrepreneurs who operate micro sized enterprises. McElwee et al (2011) suggest that entrepreneurs within this enterprise are involved with semi-legal activities whenever possible, with respondents perceiving this as not a problem. Responses are aligned with this aspect of perception highlighted by McElwee et al (2011). For example, Caesar emphasises that as illegal activities are marginal, South Asian entrepreneurs conduct activities “...*they can get away with because its common...*”. Amber responded swiftly when discussing marginal illegal activities as this is a commonality in business, yet she indicates that this is not only South Asian entrepreneurs but any micro sized enterprise irrespective of ethnicity.

Isaac, an experienced South Asian accountant who operates a small accounting practice, states that in terms of his cliental “...*I would say that seventy-five to eighty percent are in that category...*” i.e. include marginal illegal activity. Amber indicates that the severity of these activities despite their illegal disposition has a minimal negative impact on the economy. In this respect, the manifestation of illegal activities is common to the extent that many South Asian entrepreneurs are aware that authorities do not possess the resources to capture all entrepreneurs that conduct illegal activity, consequently entrepreneurs concentrate on untraceable aspects. Thus, when considering the types of marginal illegal activities South Asian entrepreneurs conduct, McElwee et al (2011) place much emphasis on cash dealings. They suggest that marginal aspects are transactions that are cash based, with scholars such as

Portes and Sassen-Knoob (1987: 30) stating that activities which 'escape official record keeping' are within the informal economy. Thus, demonstrating the need to identify the overlapping of enterprises in order to provide further clarification on the boundaries of the informal economy in relation to the types of enterprises that exist in the context of this research. Responses are aligned with these indications as various respondents state that South Asian entrepreneurs operating micro enterprises include limited cash dealings in relation to inventory and employment. However, Amber, Berkeley, Felix, and Gomez highlight activities related to taxation, i.e. under declaring their sales hence manipulating their income tax charges. Under-declaring one's income is an illegal activity, yet Amber emphasises that South Asian entrepreneurs minimally manipulate sales to ensure that their actions do not warrant an investigation by authorities.

In relation to the above activities of South Asian entrepreneurs, Williams (2006) indicates that entrepreneurs who operate at this margin, i.e. the overlap from Type 1 The Legal Enterprise to Type 3 The Opportunistic Enterprise, are perceived to be at boundaries of the informal economy. Due to the consideration of the types of traders within the context of this research, Type 2 of the enterprise framework, The Legal Enterprise with Marginal Illegal Activity considers South Asian entrepreneurs as opportunistic traders.

8.1.1.3 Opportunistic Traders

The concept of an opportunistic trader begins to surface due to the responses within this research. Respondents emphasise the fact that South Asian entrepreneurs take advantage of opportunities, which "...would probably be classed as illegal activities" (Amber). However, Ambers goes on to suggest that the illegal activity they conduct is marginal, thus traders are associated with Type 2 enterprises. Berkeley suggests that opportunistic traders operate legal enterprises "...but they have dodgy dealings like with

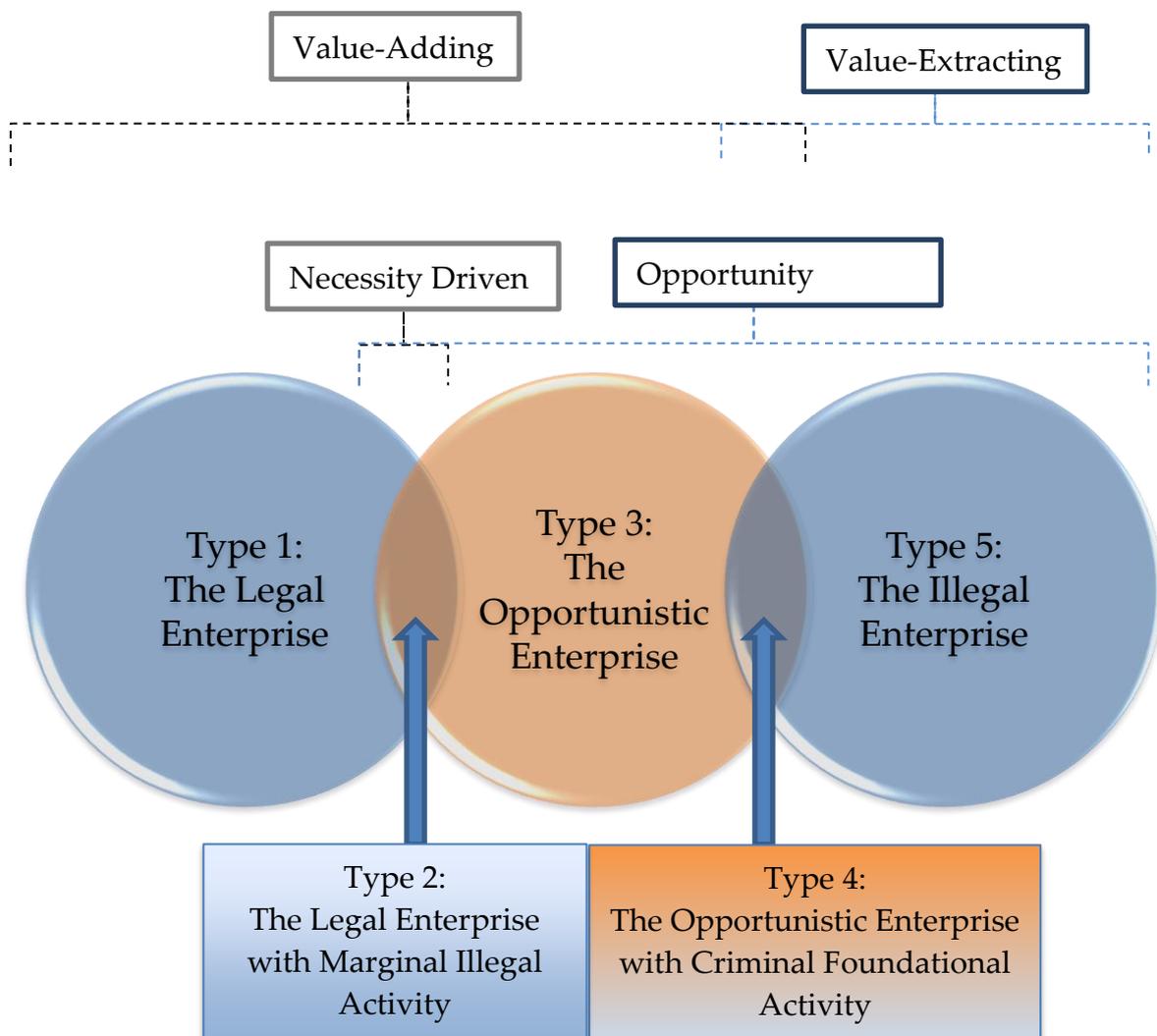
cash...”, and Caesar emphasising that they engage in activities “...*they can get away with...*” such as regulation violation in terms of employee contracts. As a result, it is important to note that opportunistic traders reside at the forefront of the boundary between the formal and informal economy i.e. the beginning of the informal economy, which will be elaborated further when discussing the different types of enterprises that South Asian entrepreneurs operate, as presented in figure 8.1. Respondents essentially highlight that opportunistic traders are seeking opportunities to not only ensure the prosperity of their enterprise but also the survival of the enterprise. To that end, the aspect of a trader being necessity driven surfaces, with this concept being further discussed in section 8.2.1.

A central debate within entrepreneurship literature is the differentiation between small business owners and entrepreneurs. Whilst Carland et al (1984) state that there is an overlap between both these identities, they also suggest that their goals are different, i.e. personal based for small business owners and profit based for entrepreneurs. Several respondents suggest that many South Asian entrepreneurs could be classed as opportunistic traders. Respondents refer to the fact that the majority of South Asian individuals operate multiple enterprise, however those that possess and operate one enterprise can be classed as formal traders or opportunistic traders as the actions of such traders ensure the successful operation of their enterprise for personal reasons. Carland et al (1984) essentially identify that small business owners solely depend on their business as a source of income i.e. earn a living, thus personal based. Small business owners do obviously pursue profit (Martain, 1982), however respondents indicate that South Asian formal traders and opportunistic traders are cautious individuals, thus indicating that their risk-taking propensity (Hufeland, 1807; Thünen, 1875 cited by Knight, 1964) of small business owners is lower than entrepreneurs. In the case of Dunhill as an example, he operates one enterprise yet emphasises the impact of competition on his enterprise that is an external aspect that influences entrepreneurs to engage in informal

practices. Thus, considering the theoretical lens of this research i.e. agency and structure, small business owners encounter very similar internal and external influences, which will be discussed in the next chapter. As opportunistic traders begin to embrace informal activities within their enterprises, this forms part of the boundaries of Type 3 The Opportunistic Enterprise. Hence, the next section considers Type 3 enterprises.

8.1.2 Type 3 The Opportunistic Enterprise

Figure 8.2 Framework of South Asian Entrepreneurs Operating Micro Enterprises (Emphasis on Type 3 and Type 4)



Whilst this research utilises the framework of illegal rural enterprises (McElwee et al, 2011) and applies this to a context based on South Asian entrepreneurs that operate micro sized enterprises, the primary focus of this framework is on illegal entrepreneurship. However, this research focuses on activities that are of an informal nature, yet entrepreneurship literature emphasises that distinctions between informal and illegal aspects can be problematic. Figure 8.2 demonstrates the existence of Type 3 The Opportunistic Enterprise, which displays the categorisation that consists of informal to illegal facets. One of the contributions of this research is to provide clarity on informal activities that manifest themselves in the daily operations of micro sized enterprises. Consequently, Type 3 The Opportunistic Enterprise acts as a foundation to further understand the actions and activities within the informal economy.

Respondents state that South Asian entrepreneurs operating micro sized enterprises reside within Type 2 The Legal Enterprise with Marginal Illegal Activity and Type 3 The Opportunistic Enterprise. However, experienced South Asian entrepreneurs such as Berkeley indicate that many entrepreneurs “...push the boundaries you know, test the waters as they say...”, thus the majority of entrepreneurs will include activities that are not legal in relation to institutional frameworks. Caesar suggests that whilst entrepreneurs are constantly seeking for opportunities in the pursuit of profit, they eventually come across opportunities that are illegal. Respondents propose that society, based on their multicultural customer base, does not view such activities as problematic, for example not fully declaring employees within their business. To that end, it is not only the entrepreneurs that operate micro enterprises, it is also the general public that perceive informal and illegal actions as a norm. As previously mentioned, respondents emphasise minimal cash manipulations with inventory, employees, and taxation in relation to Type 2 The Legal Enterprise with Marginal Illegal Activity. For example, the use of cash enables South Asian entrepreneurs to

conceal the amount of stock they purchase and sell for cash, whilst some employees may also be paid in cash. For Type 3, The Opportunistic Enterprise, the above activities are spread across the enterprise, hence making their business more susceptible to an investigation by authorities as their operations are of a higher risk. Consequently, respondents emphasise that South Asian entrepreneurs have a need to monitor and remain in control of those operations within their enterprise that take an informal disposition. As discussed in section 8.1.1.2, South Asian entrepreneurs do not monitor their actions in relation to marginal illegal activities as this is common in almost all micro sized enterprises. However, as more illegal activity is incorporated into the operations of their enterprises, they “...monitor... regularly...to cover your tracks to make sure you don't get caught...” (Amber). This aspect of monitoring and control is discussed in greater detail in chapter 9 as an internal influence.

In relation to Type 3 The Opportunistic Enterprise, aspects of employees and inventory have the potential to be manifested as an illegal measure to a greater extent for profitability. The amount of payment to employees is indicated to be below minimum wage, and a larger amount of stock is purchased from unauthorised suppliers to generate a greater turnover. However, an essential and emergent aspect is health and safety in the operations of enterprises. Respondents indicate that South Asian entrepreneurs overlook many of the protocols required in relation to safety of employees within their business. This is partially identified in the views of Gomez. He suggests that one of his clients were not aware of the legality requirement of employers' liability insurance. Nevertheless, Gomez indicates that are entrepreneurs who are aware of such regulations yet intentionally chose to neglect health and safety aspects in the operations of their enterprise. The ignorance of health and safety regulations, in accordance to the indications of respondents, surfaces in Type 3 The Opportunistic Enterprise. The enterprises of South Asian entrepreneurs that fall within Type 2 The Legal Enterprise with

Marginal Illegal Activity comprise of minimal illegal activities based on employees and inventory. This is due to the suggestions that entrepreneurs are more cautious, thus abiding by health and safety regulations ensures they do not have to constantly worry about the legitimacy of their activities. As health and safety is an emergent issue, it is discussed in further depth as an internal influence within the next chapter.

As previously mentioned, respondents indicate that South Asian entrepreneurs operating micro enterprises reside within Type 2 The Legal Enterprise with Marginal Illegal Activity and Type 3 The Opportunistic Enterprise. However, several respondents such as Amber and Berkeley indicate that there are a greater number of South Asian entrepreneurs that operate Type 3 enterprises. It is vital to highlight the fact that, Type 3 enterprises are not illegal enterprises. They are legal enterprises, however, there appears to be a greater manifestation of illegal activities in the operations of the enterprise. Respondents suggest that the type of activities within Type 3 enterprises are not of a strict criminal nature. Gomez states that *“the penalties aren’t actually of criminal nature, they just impose a financial penalty for not disclosing their affairs properly, so you can understand there’s a huge difference”*. There remains the possibility that if South Asian entrepreneurs can escape a number of financial penalties, this could result in certain enterprises ceasing opportunities that could be of criminal nature, which is further discussed when considering Type 4 The Opportunistic Enterprise with Criminal Foundational Activity.

As discussed within chapter 2, research within ethnic entrepreneurship is prevalent in various industry sectors, i.e. catering, retailing including the wholesaling, and clothing sectors (Rath, 1999; Basu and Altinay, 2002). Type 3 The Opportunistic Enterprise is prevalent in many different sectors in accordance to the experiences of respondents. Type 3 enterprises are indicated to be present within the property, taxi, catering, and retailing trades. Whilst findings agree with the industry sectors discussed within ethnic entrepreneurship, additional trades have surfaced with

South Asian entrepreneurs operating micro sized enterprises i.e. property, taxi, and construction sectors. Several respondents suggest that there are South Asian entrepreneurs involved in the property trade that engage in regular informal practices that enable them to purchase properties for investment purposes. For example, Amber, Berkeley, Echo, and Harrison indicate that South Asian entrepreneurs have 'under the table' activities with estate agents in order to obtain properties at reduced prices. In this sense, South Asian entrepreneurs are in regular contact with specific estate agents. Such entrepreneurs will provide a cash incentive for estate agents to work around the process of advertising properties for a shorter period of time. They will then sell a property to an entrepreneur by accepting their cash offer, thereby increasing the commission an estate agent can obtain from the sale of a property. In such a scenario, it is not only specific South Asian entrepreneurs that are manipulating the system, certain estate agents play a vital role. This process benefits both parties as they take advantage of the opportunity, regardless of its informal nature. Despite the fact that these activities can be illegal, they are not of criminal nature, hence enterprises that encompass such activities within the property trade are not at the boundary but can be perceived to be centrally located as Type 3 The Opportunistic Enterprise. When reflecting on the business experience of Felix (section 7.6.2), there are South Asian entrepreneurs that push boundaries within the property sector. However, even in such scenarios the enterprises themselves are legal enterprises.

In a similar sense, several respondents indicate that there are many South Asian entrepreneurs that operate micro sized enterprises within the taxi trade. Many respondents indicate that individuals become taxi drivers as a default option as their family members are also within this industry sector. Consequently, individuals draw on the experiences of their family members to ensure they obtain the highest possible income. Many taxi drivers have the option to sign up with agencies, however these "...cab companies have got set tariffs..." therefore taxi traders "...cannot

actually increase or decrease their profits margins” (Gomez). In this case the only way they can earn more money is if they increase their working hours. However, as an alternative route, rather than signing up with an organisation such as ‘City Taxis’, several taxi drivers obtain a taxi license and operate on a cash only basis. Isaac suggests that the weekly income of a taxi driver operating on a cash only basis would be approximately £400 – £500. In addition, they also claim tax credits thus have a combined weekly income of approximately £1000 if they have 3 – 4 children. As discussed within the experiences of Isaac (section 7.9.2), taxi drivers do not provide the correct information to authorities and go to great lengths to conceal their actual business miles by reducing their vehicles odometer readings prior to annual Ministry of Transport² (MOT) tests.

Many respondents refer to specific regulations i.e. income tax as motivating factors to conduct such activities. However, there are certain actions policy makers can take in order to prevent taxi drivers trailing down this route of concealing actual business miles. Taxi drivers at this current time are required to complete MOT tests on a yearly basis, which is identical to the general public. Thus, a viable option for ministers in the government would be to have mandatory MOT testing for taxi drivers specifically. In this case, they will have additional tests in order to determine their mileage. Authorities can establish business mileage more accurately by deducting private usage, therefore they will obtain a more precise amount of tax, as taxi drivers are taking advantage of loopholes within this sector.

The next section considers traders that are present within Type 3 The Opportunistic Enterprise.

² This is an annual test of a vehicle’s safety that assesses the exhaust emissions and roadworthiness for a vehicle that is over three years old. This test is required by law, driving a vehicle without a valid MOT may result in the driver being issued a fine.

8.1.2.1 Informal Traders

The previous sections have identified the existence of formal traders and opportunistic traders in relation to South Asian entrepreneurs. However, there are various types of micro enterprises that comprise of different types of traders due to the position of the enterprise with regards to informal practices. As alluded when discussing opportunistic traders, there are a relatively high number of South Asian entrepreneurs that push the boundaries. Echo suggests that countless traders are extremely opportunistic in terms of the activities within the operations of their enterprise. For example, health and safety procedures in the workplace are virtually non-existent and all respondents emphasise non-traceable income i.e. cash payments. Gomez emphasises that many traders go great lengths in order to reduce their proof of earnings. For example, certain South Asian entrepreneurs only accept cash, they will not accept any other form of payments as this enables them to alter the amount of sales they declare. There are also additional factors such as employment that are taken to the boundaries of legality when considering informal traders i.e. declaring no employees that work within an enterprise. These aspects will be further discussed in chapter 9 as internal influences. However, respondents identify that informal traders appear to be accepted as there is a significant number of South Asian entrepreneurs that include such activities in the operations of their enterprises. Consequently, this determines that there is a substantial number of South Asian individuals that are informal traders in the views and experiences of respondents.

The aspect of small business owners and entrepreneurs as separate entities (Schumpeter, 1934) has been previously discussed. Opportunistic traders (section 8.1.1.3) highlight that small business owners fall into this category. Respondents suggest that small business owners typically operate one enterprise. Amber suggests that entrepreneurs are traders that operate more than one enterprise. Respondents indicate that informal traders possess a sound understanding of their trade due to

their experiences, hence know the tips and tricks of the trade to be successful. As a result, they are able to expand to operate multiple enterprises within their trade. When considering this perspective, there is a distinction between small business owners and entrepreneurs in relation to informal practices. Entrepreneurs can be classified as informal traders who push the boundaries further in terms of the operations of their enterprise to include activities that encompass a greater degree of risk in relation to rules and regulations.

Schumpeter refers to the function of entrepreneurs in the form of *combinations* that relate to production. However, the application of such a concept within this context suggests that it is not the production but the operations of South Asian entrepreneurs operating micro sized enterprises that take an informal disposition. Various activities have been identified within enterprises that entrepreneurs manipulate, such as the control of inventory with emphasis on health and safety, which is a phenomenon further discussed in chapter 9. Respondents agree with the views of Carland et al (1984) and Martin (1982) that small business owners and entrepreneurs are separate entities. An additional aspect to raise is that small business owners have the potential to be entrepreneurs, as entrepreneurs begin as small business owners i.e. opportunistic traders. However, the differentiation is found to be based on a trader's risk-taking propensity as informal traders go to further lengths to take advantage of opportunities presented to them. Several respondents indicate that South Asian entrepreneurs operate enterprises within the construction industry yet are a 'one-man band' scenario. As a result, traders are far more flexible to take advantage of certain situations in the pursuit of profit. For example, Dunhill indicates that there is a builder within this community who conducted some housework for a small family that had recently moved to the country. The builder first requested partial payment when he began working, then required full payment when halfway through the job. However, once he received the full payment, he never completed the job. Dunhill suggests that whilst this builder

has done this with several families, there are additional builders he comes across who conduct poor quality work using very poor-quality materials without consulting their clients. Considering these types of scenarios, it is not unreasonable to highlight the possibility that the materials used for such jobs may be sourced from illegal suppliers.

The possibility of sourcing materials and goods from illegal suppliers resonates through all the industry sectors previously discussed in relation to South Asian entrepreneurs. Therefore, the foundations of their business stem from transactions that are not legitimate, and thus run high risks of their enterprises being forced to close if caught by authorities. This leads us to the consideration of Type 4 The Opportunistic Enterprise with Criminal Foundational Activity.

8.1.2.2 Type 4 The Opportunistic Enterprise with Criminal Foundational Activity

As mentioned in the previous sections, South Asian entrepreneurs have the potential to encompass illegitimate activities as the distinctions between informal and illegal aspects is not fully clear. The enterprise framework (figure 8.2) considers this in the form of the overlap between Type 3 The Opportunistic Enterprise and Type 4 The Illegal Enterprise. The majority of respondents indicate that there are South Asian entrepreneurs that go the extra mile in the pursuit of profit to incorporate activities that are on the edge of criminality. For example, Felix discusses enterprises within the retailing trade that focus on selling duty free goods i.e. goods that are exempt from local and national taxes, therefore can be obtained at a cheaper price. Felix suggests that the main city where duty free goods are most prominent is Birmingham, yet duty free goods are also sold by traders within various cities within the country i.e. London, Leeds, Manchester, Sheffield, and Leicester. Felix indicates that there are enterprises that mainly stock such goods with several respondents

highlighting the fact that enterprises within this category are ambiguous regarding their operations in relation to authorities, hence are prone to a potential investigation. In this case, fines are issued and paid by the traders, however this does not set them back as they have generated a substantial amount of profit. To that end, they simply open a new business and continue with their operations of purchasing and selling duty free goods.

These types of enterprises also encompass high risk operations in relation to employment. For example, in order to reduce the expenditure of their operations, entrepreneurs within this enterprise resort to employing individuals that are not permitted to legally work in the country, which is further discussed as an internal influence within the forthcoming chapter. This overlap also encompasses enterprises that are not registered as entrepreneurs are attempting to reduce their costs as much as possible. However, this does not entail that the enterprise itself is of illegal nature; the enterprise can be legal, but traders opt not to register their businesses. This leads to the consideration of the types of traders that reside within this enterprise.

8.1.2.3 Semi-criminal Traders

South Asian entrepreneurs that form part of this category are similar to informal traders. As with informal traders, semi-criminal traders are required to pay fines when they are investigated and caught by authorities, yet it is necessary to note that activities with semi-criminal traders can be viewed as a far more serious offence, e.g. the employment of illegitimate workers. As previously mentioned, these types of traders will simply pay the fines that are imposed and continue with their operations. However, with authorities imposing penalties, there is the possibility that semi-criminal traders can end up with a record on their name if they continue with the same operations and are investigated on several occasions. Yet Felix suggests that

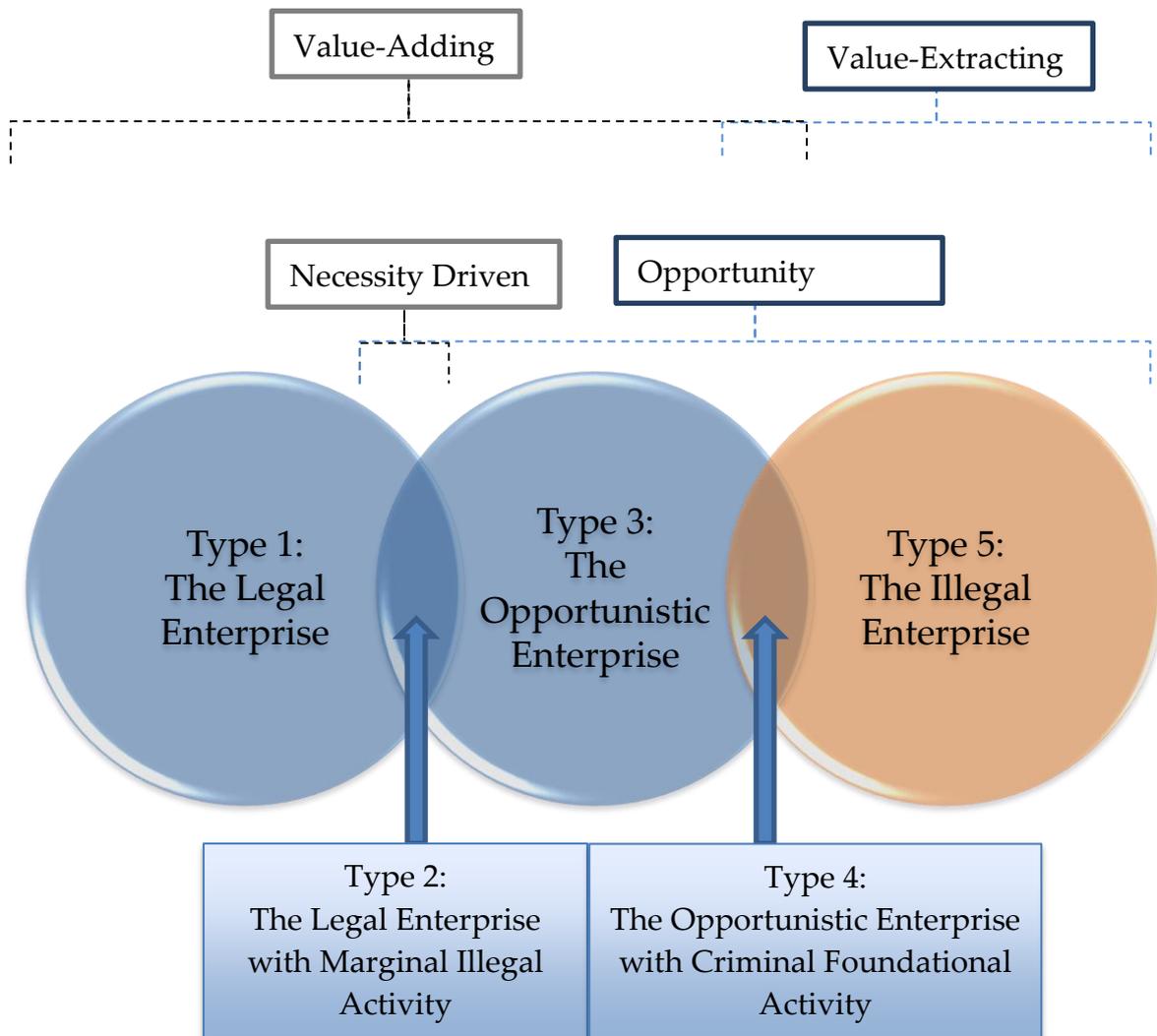
traders in this case have a casual attitude and are not concerned, they simply continue with their operations.

Entrepreneurship literature identifies the lack of distinctions between the formal and informal sector. Identifying the types of traders within specific enterprises meets the objectives of this research and provides a more nuanced understanding of the boundaries and the individuals that operate at these boundaries. The definitions of traders identified by Thomas (1995) does not go into further depth to consider differences between informal and illegal. The overlap between informal entrepreneurship and illegal entrepreneurship dictates that this requires consideration and reflection on definitions at the boundaries. Hence the definition of semi-criminal traders can be seen similar to irregular traders as highlighted by Thomas with regards to avoiding registering their business. To that end, a semi-criminal South Asian trader avoids registering their enterprise and includes illegal foundational operations.

Several respondents indicate that there are few South Asian traders that fall into this category, as such activities can promote traders to go to extreme lengths. The next section considers Type 5 The Illegal Enterprise.

8.1.3 Type 5 The Illegal Enterprise

Figure 8.3 Framework of South Asian Entrepreneurs Operating Micro Enterprises (Emphasis on Type 5)



Whilst this research focuses on informal aspects of South Asian entrepreneurs operating micro sized enterprises, informality overlaps illegality and therefore requires consideration in order to grasp the boundaries of the informal economy, as displayed in figure 8.3. The previous section discussed activities and the type of traders in relation to this overlapping, however respondents indicate that despite the lack of illegal enterprises in relation to South Asian entrepreneurs, such enterprises

do exist. The experiences of Caesar highlights that there are individuals who abuse regulations to the extent that their actions are criminal i.e. manipulating regulations that enables them to trick individuals and essentially steal an excessive amount of money. Amber identifies traders that sell duty free goods and do not register their enterprise and thus conceal their identity from customers to reduce the risk of being caught by authorities. Despite Amber and Echo highlighting duty free goods, Amber also indicates that the sale of stolen goods to be within this enterprise. Dunhill's experience emphasises that dealings within the drug trade do exist. However, Dunhill emphasises that he has met only one individual involved in such activities, with the remaining respondents only highlighting the existence of illegal enterprises and do not emphasise the drug trade.

These responses are in line with that discussed by McElwee et al (2011) in relation to the illegal enterprise within their framework of illegal rural enterprises. Whilst McElwee et al (2011: 55) highlight drug dealings of activities within Type 5 The Illegal Enterprise, they also state that these types of enterprises are 'structurally efficient' as such individuals understand their markets and their suppliers. In Dunhill's business experience, the enterprise he discusses comprises of entrepreneurial activity. Looking past the nature of the enterprise, the operational activities are the same as a legal enterprise, i.e. efficient operation of the enterprise through managing tasks, and meeting the needs of their clients. McElwee et al (2011) also identify the opportunistic illegal enterprise, in which individuals are able to identify and engage in opportunities of their interest such as locating a suitable premise for their illegitimate operations. Respondents within this research agree with the view that entrepreneurs within this enterprise are opportunistic. However, several respondents such as Amber suggest that this type of activity is within Type 5 The Illegal Enterprise, i.e. illegal enterprises encompass opportunistic activity as entrepreneurs are meticulous about the operations of their enterprise due to the fact that it is an illegal enterprise. To that end, the opportunistic illegal enterprise is not

required to be separate however can be considered to exist within the latter part of Type 5 The Illegal Enterprise.

Respondents suggest that individuals within this enterprise are considered to be criminal traders. Thus, the next section considers criminal traders.

8.1.3.1 Criminal Traders

As previously discussed, semi-criminal traders have been stated to not only be issued penalties but are likely to receive records due to their continuous activities that are perceived by South Asian entrepreneurs to be on the edge of criminality. Traders within Type 5 enterprises are perceived to be criminal traders as upon discovery of their dealings, prison sentences are not uncommon. Respondents indicate that traders here are essentially abusing regulations in the pursuit of profit with activities that do not assist the growth and development of society. For example, Harrison states that entrepreneurs do rent out properties for illegitimate uses, in which the entrepreneur is aware and hence contributes to the operations of such enterprises. Drawing on Caesar's business experience (section 7.3.2), he identifies the existence of a South Asian entrepreneur, who can be classified as a criminal trader that does not just manipulate regulations, as within Type 3 The Opportunistic Enterprise, but proceeds steps further to abuse regulations i.e. repetitively exploit institutional frameworks and deceive fellow entrepreneurs to attain financial wealth. Respondents agree with the definition by Thomas (1995), criminal traders operate illegally and produce illegal products and/or services. However, when taking into account all the information obtained from respondents, this definition can be revised to add clarity i.e. criminal traders operate illegally and produce illegal products and/or services through abusing institutional frameworks in the pursuit of profit.

The previous sections have considered the types of enterprises and traders that exist in the context of South Asian entrepreneurs operating micro sized enterprises. The enterprise framework proposed also takes into consideration specific concepts that have been discussed within entrepreneurship literature and directly relate to the enterprises and traders within the context of this research. Consequently, the next section discusses these concepts.

8.2 Entrepreneurial Concepts

Figure 8.4 Framework of South Asian Entrepreneurs Operating Micro Enterprises (Emphasis on Necessity Driven and Opportunity Driven)

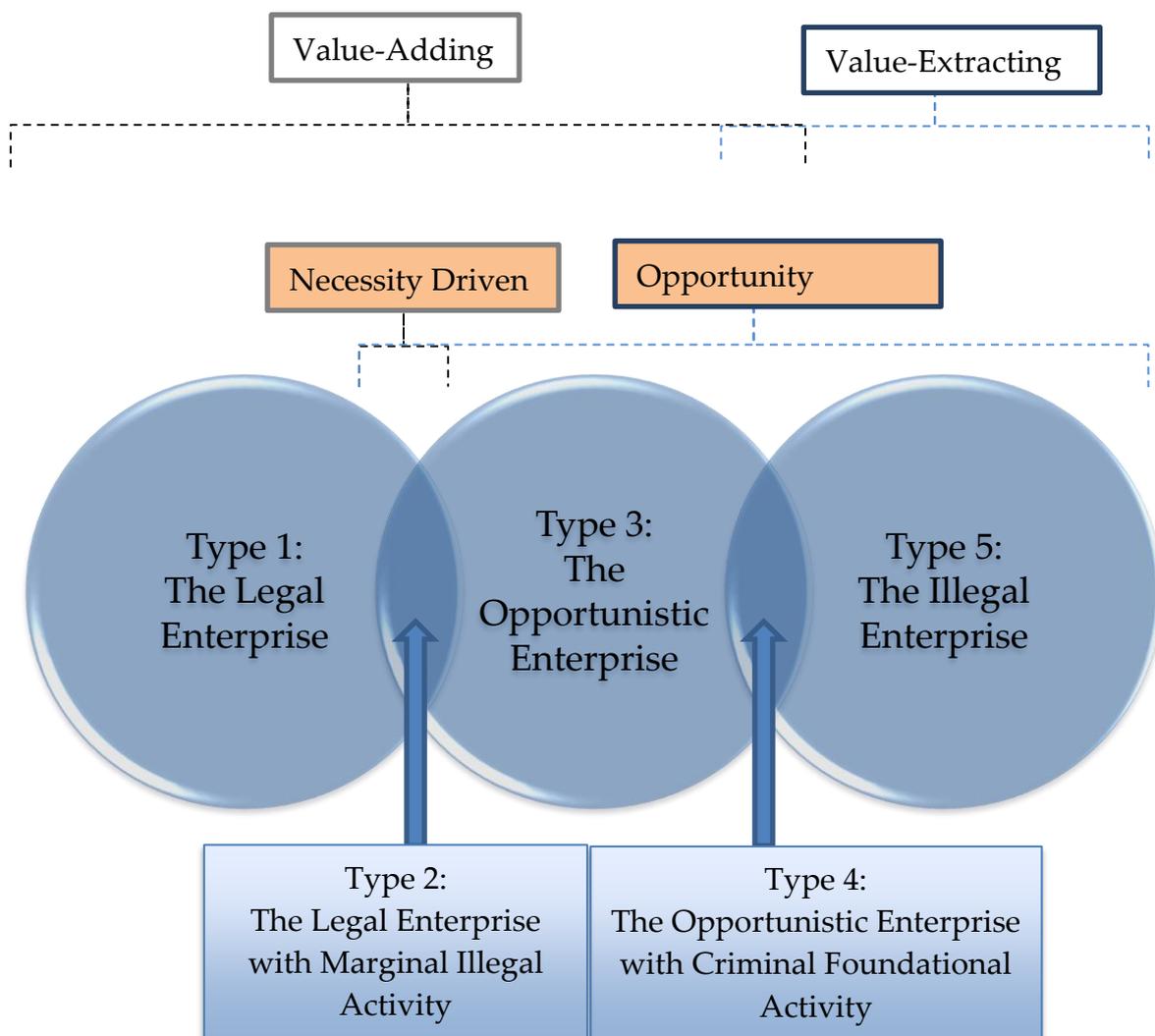


Figure 8.4 presents how the concepts of necessity driven and opportunity driven overlap in relation to the types of enterprises that are proposed. Whilst the concept of entrepreneurs being opportunity driven forms part of various enterprises, the aspect of South Asian entrepreneurs being necessity driven occupies a small specific portion in the enterprise framework, which is discussed in the next section.

8.2.1 Necessity Driven

The concept of necessity driven entails that entrepreneurs engage in informal activities as a last resort option, thus are essentially forced into such a position in order to ensure the survival of their enterprise, which has been emphasised by a variety of scholars within entrepreneurship literature (Castells and Portes, 1989; Boyle, 1994; Sassen, 1997; Gallin, 2001; Travers, 2002; Singh and De Noble, 2003; Hughes, 2006). Responses are aligned with the indications of these scholars in relation to the survivalist perspective. Gomez in particular possessed strong views indicating that South Asian entrepreneurs with large families are exposed to a high amount of pressure as they have the responsibility of their family on their shoulders. Gomez emphasises that such pressure results in South Asian entrepreneurs engaging in informal activities out of necessity as their survival depends on the survival of their enterprise. The majority of respondents indicate that small enterprises are faced with severe competition, therefore are coerced to manipulate regulations out of necessity to make sure their enterprise is profitable. These aspects of competition and regulations are external factors that are out of the entrepreneur's control, which is further discussed within chapter 9. Harrison specifically emphasises that small enterprises are necessity driven as they do not have "*...the necessary resources or they don't have the necessary income or revenues or budget to pay for training...for their employees*". To that end, such businesses possess different methods of operations that may be of informal nature that ensures the survival of their enterprise. Gomez suggests that South Asian entrepreneurs that are necessity driven

only do what they need to do to ensure their enterprise is successfully operating. Hence, necessity driven enterprises reside between the overlap of Type 1 The Legal Enterprise and Type 3 The Opportunistic Enterprise i.e. Type 2 The Legal Enterprise with Marginal Illegal Activity. Respondents such as Harrison and Isaac indicate that South Asian entrepreneurs are more opportunity driven than necessity driven. Thus, the next section discusses the concept of opportunity driven entrepreneurs.

8.2.2 Opportunity Driven vs Necessity Driven

The concept of opportunity driven entails that entrepreneurs engage in informal activities due to opportunities that are available whilst operating their enterprises. Synder (2004) finds that entrepreneurs engage in informal aspects due to personal goals or to transform one's career identity. This appears to be the situation for Amber. She ventured into self-employment and operates a convenience store as she suggests that room for progression within her previous job role was limited. Amber, as well as the remaining respondents, indicate that the majority of South Asian entrepreneurs are opportunity driven rather than necessity driven. Research conducted by Cross (1997; 2000) indicates that entrepreneurs engage in informal activities out of choice. The views of Felix agree with Cross as he suggests that most South Asian entrepreneurs not only take advantage of the opportunities that are presented to them, they also actively look for opportunities and loopholes within government systems to increase their income.

Williams (2007, 2008, 2009b, 2009c) finds that entrepreneurs are necessity driven in deprived areas and opportunity driven in affluent areas. However, Isaac suggests that entrepreneurs operating within affluent areas may also be necessity driven due to competitive factors. Despite the fact that individuals will have greater disposable income within affluent areas, they still consider 'bang for buck'. As entry barriers for the industry sectors where South Asians entrepreneurs operate their businesses is

relatively low (Rath and Kloosterman, 2000), South Asian entrepreneurs may well encounter competition even within affluent areas. The concept of South Asian entrepreneurs being opportunity driven begins at Type 2 The Legal Enterprise with Marginal Illegal Activity. Necessity driven entrepreneurs are also highlighted to be within this enterprise. South Asian entrepreneurs may begin to engage in informal activities out of necessity that can form part of their operations. Gomez stresses that many of his clients within the catering sector have no choice but to manipulate regulations, particularly taxation, in order to make their business profitable. Necessity driven South Asian entrepreneurs will not engage in all illegitimate activities available to them. However, several respondents indicate that those South Asian entrepreneurs who venture further to integrate various informal practices within their enterprise shift to become opportunity driven. Thus, necessity driven entrepreneurs have the potential to become opportunity driven entrepreneurs. This position is similar to the views of Williams (2010) who argues that the aspect of necessity and opportunity are found to be present. Figure 8.4 clearly highlights this overlap between the concepts, with opportunity driven spanning from Type 2 The Legal Enterprise with Marginal Illegal Activity to Type 5 The Illegal Enterprise.

Williams also identified that entrepreneurs within the United Kingdom are three times more likely to be opportunity driven than necessity driven. Many respondents within this research study emphasise that there are necessity driven South Asian entrepreneurs due to the industry sector they operate in, the location of their enterprise, and the resources at their disposal. However, all respondents indicate that there are more South Asian entrepreneurs that are opportunity driven than necessity driven. Gomez expressed strong views stating that *"...when an opportunity is there, they say an open door tempts even a saint"*, whilst Amber not only considers South Asian entrepreneurs but all entrepreneurs regardless of ethnicity from her experience as she states that *"...all entrepreneurs will get involved in informal activities if they're given an unmissable opportunity"*. Respondents agree with the arguments by

Williams (2010) as Amber suggests that South Asian entrepreneurs are “...*twice as likely or more to be driven by opportunities they have*”. The next section considers the opportunities that South Asian entrepreneurs will exploit.

8.2.2.1 Opportunity Exploitation

When exploring further into this concept of opportunity driven entrepreneurs, the aspect of opportunity recognition and opportunity exploitation arises (Hajizadesh and Zali, 2016; Jarvis, 2016; Kuckertza et al, 2017). Kuckertza et al (2017) argues that whilst opportunity recognition and opportunity exploitation are distinctive, they form part of a wider entrepreneurial process. Kuckertza et al (2017) highlights the formation of new ideas for opportunity recognition and acquiring appropriate resources for opportunity exploitation. The latter aspect is given greater emphasis in this research as respondents operate enterprises and specify potential avenues for exploitation. Kloosterman and Rath (2001) argue that there is a need to consider resources to access markets and Lassale and McElwee (2016) highlight community support at a local level. The aspect of networking is heavily emphasised by several respondents; however, they indicate that South Asian entrepreneurs turn to their local communities not only for support but also to exploit any opportunities available. For example, Felix suggests that South Asian entrepreneurs exploit their connections within their communities in order to locate workers. Responses suggest that this is not just at a local level, but also at a national level. Caesar identifies the exploitation of their social networks and community networks to reduce purchasing costs.

Discussions with Caesar suggest that South Asian entrepreneurs that fall within Type 3 The Opportunistic Enterprise will turn to individuals within their community. For example, Felix states that there is an individual who sells goods in a parking lot to various South Asian entrepreneurs when they gather for community

functions. Dunhill suggests that taking advantage of networks appears to be the norm as he indicates that an individual within his community conducted building work for various families that needed work done even though he was not a builder, which is previously discussed in section 8.1.2.1. This individual essentially saw an opportunity to exploit individuals within his community, which leads to the right side of Type 3 The Opportunistic Enterprise that is presented in figure 8.4.

The majority of respondents within this research appear to possess a broad understanding of the exploitation that occurs within the purchasing and selling side of the property sector. As previously discussed, when considering Type 3 The Opportunistic Enterprise, South Asian entrepreneurs utilise their social and community networks in order to strike deals with estate agents within the property sector to obtain properties at a cheaper price. Such dealings involve cash transactions, and Isaac suggests that this is the norm within most trades. Isaac indicates that there are South Asian entrepreneurs operating takeaways who accept cash only. In this situation, they have far greater control over the factors that are contributing to their expenditure, that are highlighted to be in the form of employment and regulations revolving around taxation and health and safety, which is further discussed within chapter 9. Despite the various forms of opportunity exploitation discussed, Berkeley indicates that this is “...not a one’s to blame type of case”. Reflecting on Berkeley’s business experience (section 7.2.2), it is not the South Asian entrepreneur but the employee that appears to actively seek for opportunities to exploit in order to obtain financial wealth. In this case, respondents emphasise societal influences that manifest as an incentive to engage in informal aspects, and thus shift from Type 1 The Legal Enterprise to Type 3 The Opportunistic Enterprise.

Amber, Caesar, Dunhill, Echo, Harrison, and Isaac suggest that entrepreneurs are influenced by their networks and surroundings. Amber indicates that entrepreneurs tend to replicate the activities of similar entrepreneurs within their social and

community networks, even if these take an informal disposition. Echo suggests that the activities one does within their enterprise rapidly spreads through the community, therefore the manifestation of informal practices within micro enterprises can be viewed as community driven. However, this is not to say that all entrepreneurs have the desire to engage in all informal aspects as Gomez highlights that they are driven to engage in certain informal practices relating to the manipulation of institutional frameworks due to the imposition of wealth from peers. However, Gomez and Harrison indicate that this is not only confined to their community, there are additional aspects of society that promote their engagement in informal aspects such as the activities of Multi-National Enterprises (MNEs). For example, global MNEs such as Google, Starbucks, Amazon, and Vodafone have come into the limelight as they have been avoiding payment of their taxation on British sales (Barford and Holt, 2013). Such organisations have long complicated tax structures. Google have recently been transferring billions of pounds to their subsidiary within Bermuda to minimise their taxes (Kahn, 2018).

Many MNEs such as the likes of Apple and Google pay a portion of their profits to their Irish affiliates as royalties that are taxed at a lower rate. To further avoid taxation, Google transfers profits to their subsidiaries in the Netherlands, which is eventually transferred to their Irish subsidiary based in the tax haven of Bermuda. These tax structures are referred to as the 'Double Irish – Dutch Sandwich' (Gravelle, 2018: 11). The double Irish – Dutch sandwich was discovered in 2010 (Drahos, 2017), with various technology-based organisations such as Facebook and Twitter have utilised this loophole. Taxation avoidance may not be considered to be an illegal activity as this can be perceived as human nature to reduce expenditure, however this can rapidly escalate to tax evasion and come under the classification as a criminal activity. Google have had to pay £259 million in order to settle not only tax disputes but also a criminal investigation to determine whether Google have avoided paying the correct amount of tax for its revenues in Italy for more than a

decade (McGoogan, 2017). Not only MNEs but also world leaders, Donald Trump has participated in tax fraud to secure his father's real estate empire (Barstow et al, 2018). To that end, Gomez indicates that not only South Asian entrepreneurs, all entrepreneurs are influenced by these MNE's and world leaders to replicate the manipulation of regulations for their benefit. Harrison states that whilst authorities must ensure the compliance of regulations *"they need to catch the big fishes first"*. However, these organisations are legally successful with not paying the correct amount of taxes, thus Gomez suggests that this promotes a mindset of *"...my small tax here and there is not going to make any difference...so why should I?"*. Such societal influences play a vital role in South Asian entrepreneurs operating at the boundaries of informality or illegality.

When considering this aspect of opportunity driven entrepreneurs, the impact of their operations on local economies arises. Therefore, the next section considers entrepreneurial concepts that assist in determining their impacts on society.

8.3 Value-Adding

Frith and McElwee (2009) highlight the dualism of value-adding and value-extracting entrepreneurs. These categorisations shed light on the economic activity of entrepreneurs that are operating at the boundaries of informality and illegality (McElwee et al, 2011; 2014). As this research provides further clarity on the types of enterprises and traders that exist within the context of South Asian entrepreneurs operating micro sized enterprises, the utilisation of these categorisations can assist in providing a deeper understanding of how South Asian entrepreneurs impact their local economies.

Figure 8.5 Framework of South Asian Entrepreneurs Operating Micro Enterprises (Emphasis on Value-Adding and Value-Extracting)

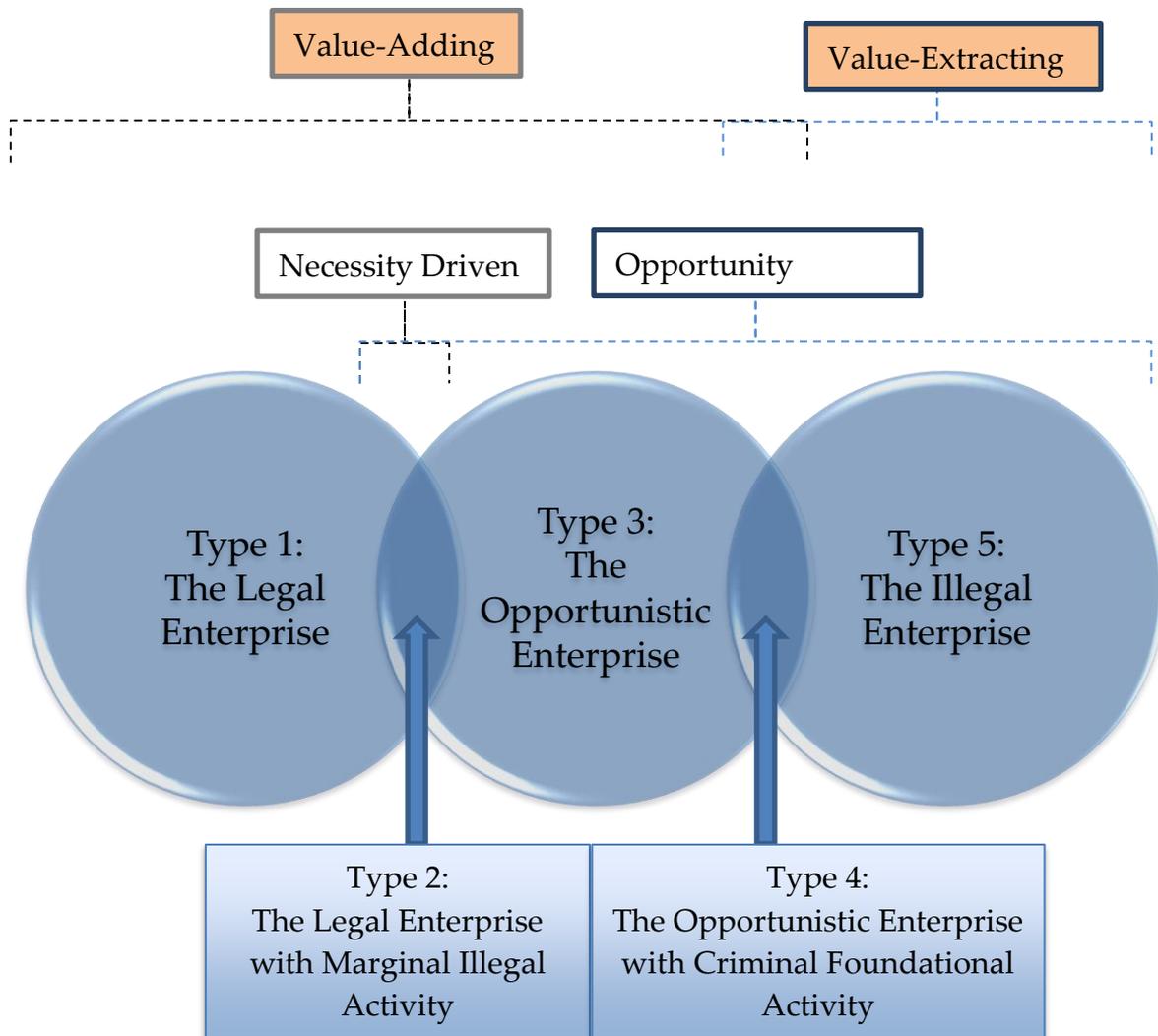


Figure 8.5 demonstrates that specific enterprises can encompass either value-adding and/or value-extracting activities.

8.3.1 Value-Adding

Value-adding entrepreneurs maximise their resources effectively and productively for profit however have a minimal impact within the societies they operate (Frith and McElwee, 2009). Value-adding activities are legitimate and have positive impacts on society therefore entrepreneurs in this case can be categorised as positive

by nature. To that end, Type 1 The Legal Enterprise comprises of value-adding activities yet despite the fact that Type 2 The Legal Enterprise with Marginal Illegal Activity have been discussed to incorporate informal activity, this is not to suggest that all informal activity has a drastic negative impact on the development of local economies. Respondents indicate that certain informal activities form part of the survival of the enterprises that South Asian entrepreneurs operate, which is accepted by entrepreneurs within their industry sectors. Thus, as displayed in figure 8.5, value-adding includes those South Asian entrepreneurs who engage in informal activities as a means to an end.

Responses within this research suggest that the majority of South Asian entrepreneurs are opportunity driven rather than necessity driven. Yet respondents also suggest that opportunity driven South Asian entrepreneurs within Type 3 The Opportunistic Enterprise comprise of value-adding activities. Despite entrepreneurs dodging employment and health and safety regulations, it is indicated to be the norm that is accepted by entrepreneurs within the trade, and they do not escape all regulations and make contributions to society i.e. taxation. Amber states that South Asian entrepreneurs help their local economies as their enterprises provide goods and/or services to their local communities that contributes to the GDP of the UK to increase economic performance. Gomez suggests that South Asian entrepreneurs are not a burden on society as they provide jobs within their communities. Their engagement in informal aspects is beginning to alter as the next generation of South Asian entrepreneurs understand “...it is *very important actually to be a contributor in society...*”. All respondents heavily emphasise that South Asian entrepreneurs are value-adding, however despite the rarity, there are value-extracting entrepreneurs, which is considered in the next section.

8.2.2 Value-Extracting

In contrast to value-adding, value-extracting entrepreneurs comprise of entrepreneurial activities that damage their local communities (Frith and McElwee, 2009). These types of activities could comprise of prostitution and drug dealing that form part of illegitimate enterprises, and therefore value-extracting activities can be viewed as negative by nature. The activities of entrepreneurs have the potential to be value-adding and value-extracting. Thus, figure 8.5 presents an overlap of these categorisations with entrepreneurs who operate Type 4 The Opportunistic Enterprise with Criminal Foundational Activity. Several respondents such as Echo and Isaac indicate that there is a large number of South Asian entrepreneurs involved in the property sector, mostly for investment purposes who are obviously seeking high returns on their investments. South Asian entrepreneurs within this industry sector demonstrate that their activities can be value-adding and value-extracting simultaneously. For example, a South Asian entrepreneur may rent out their properties to locals within the community. Dependent on the type of property, this could be rented out for commercial use or residential purposes. From this point of view activities are value-adding, however the way these entrepreneurs manage their properties can be viewed as value-extracting as they do not maintain their properties to meet regulations and only carry out minor maintenance. In this case, South Asian entrepreneurs can be classed as damaging society as their properties are not fully up to standard, in which individuals within the society can suffer due to poor quality maintenance.

As a result, entrepreneurs can be both value-adding and value-extracting. However, Felix indicates that there are individuals who push the boundaries to conduct completely illegal activities and their enterprises are illegal. Reflecting on Dunhill's business experience (section 7.4.2), he emphasises there are criminal activities and enterprises at play, in which Dunhill refers to as a drug dealing enterprise. Such

activities result in damaging the welfare of their locales due to the promotion of criminal behaviour that can lead youths down a path that may not provide them with an opportunity of redemption. Thus, as Gomez suggests, value-extracting activities are a burden on society as this limits their prosperity in terms of job creation, competition, and economic stability. Whilst such South Asian entrepreneurs and enterprises are found to be very rare, it is necessary to take this into account in order to provide clarity in terms of the traders and enterprises that exist within this context, therefore achieving the objectives of this research study.

8.4 Summary

This chapter has discussed the framework of South Asian entrepreneurs operating micro enterprises. It begins with Type 1 The Legal Enterprise and considers all the enterprises highlighted in the framework and the types of traders that form part and parcel of these enterprises. Whilst three main enterprises are highlighted to exist, the overlaps between two enterprises creates a new enterprise that is discussed in relation to the views and perceptions of respondents. Specific entrepreneurial concepts intertwine with the enterprises that are presented, thus form an integral aspect of the framework proposed. These entrepreneurial concepts are discussed to demonstrate their presence within the different enterprises. Whilst discussing these enterprises, specific activities are highlighted to be prominent with regards to informal practices. Thus, the next chapter discusses these activities from an internal and external perspective.

Chapter 9 Internal and External Influences

The purpose of this chapter is to report on factors that respondents have identified that encourage the manifestation of informal practices that is presented through the perspective of internal and external influences, with the aims of highlighting how informal activities differ in relation to the enterprise framework outlined in chapter 8. To recap, nine South Asian entrepreneurs were interviewed: Amber, Berkeley, Caesar, Dunhill, Echo, Felix, Gomez, Harrison, and Isaac, all of whom are aliases. The chapter is structured as follows.

It is divided into two distinct sections. The first section discusses internal influences on the entrepreneur i.e. factors that an entrepreneur can control that form part of the operational processes of their enterprise. The second section discusses external aspects which can impact on an entrepreneur i.e. factors that an entrepreneur is not able to control yet influences them to engage in informal aspects.

Four internal influences are discussed: employment; health and safety; cash transactions; and culture. Employment is concerned with three key factors highlighted by respondents i.e. employee payment, ethnicity of employees, and training of employees. Each of the above factors reflects areas which were discussed both in the literature review and in the views of respondents. I then link factors back to the enterprise framework discussed in chapter 8. Health and safety is an emergent aspect and consequently literature on health and safety is reviewed prior to highlighting the knowledge and views of respondents that considers aspects such as workplace safety. Cash transactions have become an integral part of how entrepreneurs operate their enterprises. This influence is discussed as it intertwines with employment and health and safety processes. The final influence is culture. Responses from respondents are reviewed in order to determine the extent of culture as an underlying influence in the operations of South Asian entrepreneurs operating

micro enterprises. However, this is given limited emphasis as culture as an issue is not an integral aspect or focus of this thesis. The chapter then reflects on specific aspects of structuration theory in order to gain a deeper understanding of how entrepreneurs monitor and control informal practices within their enterprises.

Two external influences are discussed: competition and regulations in business. The increasing amount of competition entrepreneurs face is emphasised during the data collection stage. Therefore, competition is considered to determine how this pressurises South Asian entrepreneurs to integrate informal practices into their operations. As there are various types of regulations that are highlighted whilst considering the internal influences, the chapter focuses on regulations that are emphasised by respondents i.e. various forms of taxation and pension contributions that act as incentives to engage in informal practices.

9.1 Internal Influences

Respondents within this research study emphasise three prominent influences in relation to South Asian entrepreneurs operating micro enterprises i.e. employment, health and safety, and the inflow of cash. The next section considers employment as an influence for entrepreneurs to engage in informal practices.

9.1.1 Employment

Ethnic entrepreneurship highlights employment as a significant issue with regards to the potential of informality within business (Williams and Windebank, 1998; Light and Gold, 2000; Jones et al, 2006). Respondents identify three key areas within employment that South Asian entrepreneurs implement or have the potential to implement i.e. the payment, the ethnicity, and the training of their employees. This chapter considers each of these elements by drawing on the views of respondents.

9.1.1.1 Employee Payment

When considering the internal influence of employment, entrepreneurship literature suggests that ethnic entrepreneurs firstly look to family members to assist with the operations of their enterprises (Iyer and Shapiro, 1999; Light and Gold, 2000; European Commission, 2008). Respondents indicate that this is the case, especially those enterprises with relatively large families. For example, when drawing on Harrison's business experience (section 7.8.2), he indicates a South Asian entrepreneur (hereafter referred to as Tommy) who has several family members working in his enterprise i.e. his son and his brother. Seeking assistance from family members enables Tommy to keep his employment expenditure to a minimum. However, all respondents indicate that South Asian entrepreneurs do pay their employees in cash. Caesar states that *"most employees are paid in cash, people want to be paid in cash..."*, and goes on to suggest that *"...employees are not stupid, they are aware of the national insurance and tax they have to pay too, so you will be surprised how many people ask for cash"*. Despite small business owners being able to claim up to £3000 of their employer's national insurance contributions (GOV, 2019e), paying employees in cash enables entrepreneurs to escape some expenditure in relation to employer's national insurance contributions.

Whilst there are benefits for employers to pay cash to employees, there appears to be greater benefit for employees. In such a situation, employees have the opportunity to escape income tax and national insurance, in addition to this, respondents suggest that employees also claim benefits i.e. housing benefits and child benefits. Felix suggests that even though employees are *"...all claiming benefits, this is a normal accepted thing"*, therefore individuals do not question why such activities are conducted but rather replicate these practices so they too can reap the rewards. Respondents emphasise that competition encourages such actions, which is an external influence that will be discussed in the latter part of this chapter. Amber

indicates that as South Asian entrepreneurs replicate the processes of other entrepreneurs in terms of employment, many entrepreneurs will not be aware of employment regulations that apply to their business. This area within employment enables entrepreneurs to control expenditure through controlling “...*how many hours they work etc and that could actually be within the limits of taxation...*” (Echo). In order to remain in full control of the working hours for employees and reduce expenditure, respondents emphasise the lack of employment contracts in place within micro enterprises operated by South Asian entrepreneurs.

McDonald (1994) explores the aspect of ‘fiddly work’ and highlights that cash-in-hand payments and the absence of written contracts are present within the operations of enterprises. Respondents indicate various factors that encourage them to not have formal employment contracts in place. In addition to national insurance contributions, entrepreneurs also have to provide “...*holiday pay, maternity leave, paternity leave, sick leave...*” (Echo) to their employees. Berkeley emphasises that these regulations are fine for large SMEs but prove to be problematic for smaller enterprises due to their lack of high turnover and profit. Despite the imposition of regulations associated with employment, the situation with employee pensions is not assisting the survival of micro enterprises as “...*what recently has happened is that the government has introduced the pension regulation*” (Echo). Revisions to the Pensions Act 2008 (GOV, 2018b) now stipulate that employers have to enrol workers into a pension scheme and make contributions to their pension. The viewpoints of respondents with regards to the pension scheme indicate that this is not appropriate for micro enterprises as pension contributions substantially increase costs that cannot be sustained. Expenditure in relation to employment is one of the most significant overheads within the operations of micro enterprises and is the cause of many enterprises not being able to survive. Consequently, all respondents indicate that workers within their micro enterprises are paid at a lower rate than workers within medium or large enterprises.

Caesar, Echo, and Felix emphasise the continual increase in the minimum wage. *"The minimum wage for employees is ridiculous, the government keeps putting the minimum wage up so people working in big companies get a good wage, but small businesses can't afford that"* (Felix). Thus, the majority of South Asian entrepreneurs in this sample, pay their employees at a rate below the minimum wage. This aspect manifests itself as an incentive to escape employment contracts as entrepreneurs would have no choice to but pay their employees the minimum wage if formal employment contracts were in place. It is *"...not uncommon for entrepreneurs to pay something like between 25-30% less than what actually the minimum wage is..."* (Echo). In this case, South Asian entrepreneurs offer what their enterprise can sustain. Isaac states that many entrepreneurs streamline employees i.e. have a profile of various individuals that are called upon dependent on the workload within their enterprises. In reference to enterprises such as restaurants and takeaways, Dunhill indicates that this is very prominent as additional employees are only required during peak demand. Jones et al (2004) finds that 'ghost' workers i.e. illegal workers are widespread within the informal economy. The views from Dunhill agree with this as entrepreneurs are able to exploit workers dependent on their eligibility to work. There are different visa classifications for immigrants that dictate their ability to work within the UK (GOV, 2019d). For example, immigrants with student visas are only permitted to work 20 hours a week yet could do additional work if they have an informal agreement with their employer. Thus, South Asian entrepreneurs within the catering sector pay below the legal minimum wage and only call their full workforce when required.

The extent to which paying employees cash below minimum wage and escaping employment contracts is estimated to be prevalent within ethnic entrepreneurship (Rath and Kloosterman, 2002). However, there lacks clarity in terms of where these activities lie due to the lack of clarity in terms of boundaries between the formal, informal, and illegal sector. This is related to the enterprise framework discussed in

the previous chapter. To recap, it is proposed that there are five types of enterprise: Type 1 The Legal Enterprise, Type 2 The Legal Enterprise with Marginal Illegal Activity, Type 3 The Opportunistic Enterprise, Type 4 The Opportunistic Enterprise with Criminal Foundational Activity, and Type 5 The Illegal Enterprise. As Type 1 comprises of fully legitimate activities, the types of activities discussed above start in Type 2, The Legal Enterprise with Marginal Illegal Activity. South Asian entrepreneurs within this enterprise will pay some but not all of their employees in cash. Those employees that work regularly within the business have employment contracts, and individuals that work less frequently are paid in cash with all employees having their status to work within the country. When considering Type 3, The Opportunistic Enterprise, the lack of employment contracts and payment of cash is far more prominent. Berkeley suggests that “...you have to declare some employees or people start to get suspicious”. As a result, South Asian entrepreneurs within Type 3 The Opportunistic Enterprise will only declare a minimal number of employees and the remainder will be paid in cash. However, entrepreneurs are not concerned with the status of their employees i.e. regardless of whether they are eligible to work within the country or not. Entrepreneurs employ them based on their own needs. Entrepreneurs within Type 4, The Opportunistic Enterprise with Criminal Foundational Activity go one step further to specifically seek employees that are not eligible to work within the country so that they can exploit them in terms of long working hours and paying far below the minimum wage. Entrepreneurs within Type 5, The Illegal Enterprise may avoid employing individuals to avoid the risk of exposing business operations, as demonstrated when reflecting on Dunhill’s business experience (section 7.4.2), who indicates that Troy was part of a tightly knit criminal organisation consisting of only five individuals.

The ethnicity of employees is highlighted to be an aspect that impacts employment; therefore, the next section considers the perspectives of respondents on this issue.

9.1.1.2 Ethnicity of Employees

As previously highlighted, ethnic entrepreneurs primarily seek family (Iyer and Shapiro, 1999; Light and Gold, 2000; European Commission, 2008) and members of their own community to work within their businesses. Respondents agree with this as they state that ethnic entrepreneurs will attempt to “...employ people that are of their kind ethnically...but that doesn't mean that they wouldn't employ other ethnicities...it's just as they are from the same background they have a better understanding” (Berkeley). When considering the employees of respondents within this research, several of them state that one or more of their employees are ethnic individuals. However, most of the ethnic employees are the same ethnicity as the entrepreneur i.e. South Asian. The aspect that ethnic minorities in employment have unfair treatment such as underpaid work (Modood, 1992; Ram, 1994; Kloosterman, 2000) and are paid minimum wage (Jones et al, 1992; Ram, 1994) has been discussed, however Echo indicates not only an aspect of control over ethnic employees but their ability to work. Whilst South Asian entrepreneurs can have greater control over ethnic employees due to their status within the country i.e. ethnic employees maybe vulnerable if they are not permitted or are limited to work, Echo indicates that this aspect of vulnerability makes them hard workers.

The types of job roles within South Asian enterprises involve a significant amount of manual labour and ethnic employees in such circumstances of vulnerability will fulfil all their duties. Several respondents indicate that employing individuals that are the same ethnicity has its benefits as employees will possess the same traditions. For example, South Asian entrepreneurs may wish to open or close their enterprise dependent on religious events which would not need to be justified to employees of the same or similar ethnicity. This viewpoint brings into question the trust entrepreneurs have on ethnic employees. Upon reflection of Berkeley's business experience (section 7.2.2), he encountered an incident in which a Pakistani employee

who actively sought out an opportunity to exploit his employer for capital wealth. When considering Caesars business experience (section 7.3.2), he states that no employees are permitted to conduct any sales transactions. This is restricted to immediate family members only. Berkeley states that “...I have found white people to be more trusting...you can trust them more”. However, Felix indicates that the ethnicity of employees does not matter, “...anyone and everyone can steal if they want to...” as this is “...based on the persons nature and not ethnic background”. Several respondents employ white British workers within their enterprises, yet Harrison indicates South Asian entrepreneurs operate within industry sectors that do not have sociable hours i.e. many restaurants and takeaways operate late at night and early hours in the morning. Due to these unsociable hours, Harrison suggests that it is difficult for South Asian entrepreneurs to recruit white British workers, and thus employ ethnic individuals who are not negatively influenced by unsociable working hours.

When relating the ethnicity of employees to the enterprise framework discussed in chapter 8, Type 1 The Legal Enterprise and Type 2 The Legal Enterprise with Marginal Illegal Activity comprises of a mixture of ethnicities. Respondents indicate that it is easier to take advantage of workers that are within the same community as they are more lenient and have a greater foundation of trust for their employer due to their ethnicity. Thus, Type 3 The Opportunistic Enterprise mostly comprises of ethnic employees as well as Type 4 The Opportunistic Enterprise with Criminal Foundational Activity, as many entrepreneurs with such enterprises employ illegal workers to reduce expenditure. Entrepreneurs that operate Type 5 The Illegal Enterprises require workers that are loyal and trustworthy due to the sensitivity of their operations, however employees could be of any ethnicity. To that end, Type 5 enterprises comprise of employees with varied ethnicities.

Whilst considering the ethnicity of employees within the enterprises that South Asian entrepreneurs operate, respondents highlight an aspect of training. Therefore, the next section considers employee training.

9.1.1.3 Employee Training

When considering aspects of control, respondents highlight the training they provide to their employees. Amber suggests that entrepreneurs must provide some sort of training to their employees to ensure their standard of work is as required. Harrison states that his clients do provide training to their employees however this *"...all comes down to a resources budget, they don't have the budget for training and development..."*. The experiences in business of Berkeley (section 7.2.2) suggest that South Asian entrepreneurs do not train their employees, moreover they also do not appear to be aware of the training they are legally required to provide their employees. Several respondents indicate that the responsibilities of employees can be minimal in order to avoid or minimise employee training. Consequently, entrepreneurs emphasise they do not give employees a vast amount of duties. For example, Caesar states that he has only two employees within his enterprise who solely have shelf-filling duties. South Asian entrepreneurs with restaurants and takeaways ensure family members prepare food whilst employees do simple tasks such as taking and delivering orders. Despite such aspects being based on trust, Amber indicates that if entrepreneurs would like to conduct any 'fiddly work' (Macdonald, 1994), they will conduct a high number of activities and work longer hours to ensure they are concealing their underhand activities not only from individuals external to the organisation but also their employees. This arises from the viewpoint that if employees possess an in-depth understanding of operations within their enterprises, they may stumble across simple opportunities to steal from the entrepreneurs. As a result, South Asian entrepreneurs are found to place very little emphasis on the training and development of their employees.

When relating employee training to the enterprise framework, Type 1 The Legal Enterprise consists of South Asian entrepreneurs that provide a sufficient amount of training to their employees. However, as previously discussed, respondents indicate that South Asian entrepreneurs operating micro enterprises do not fall within this category. Within Type 2 The Legal Enterprise with Marginal Illegal Activity, there are two possible scenarios. Entrepreneurs attempt to avoid training all their employees or do not fully train each employee; additionally, there are entrepreneurs who are not aware they are required to train their employees therefore do not. Within Type 3 The Opportunistic Enterprise and Type 4 The Opportunistic Enterprise with Criminal Foundational Activity entrepreneurs do not train their employees not only due to the expenditure it creates but due to the fact that entrepreneurs need to remain in control of their enterprise to manipulate regulations. Despite the fact that activities will be illegal within Type 5 The Illegal Enterprise, entrepreneurs must ensure that their operations remain tight to avoid suspicion. Therefore, entrepreneurs have no option but to train certain individuals working within their enterprise, however as Dunhill indicates, key activities are conducted by those operating the enterprise.

The aspect of health and safety begins to arise when considering the training of employees. Therefore, the next section considers health and safety.

9.1.2 Health and Safety

The aspect of health and safety resonated through both phases of the data collection process with respondents emphasising the significance of health and safety in relation to the operations of their enterprises. As previously mentioned within the data analysis chapter, health and safety is an emergent aspect hence has not been discussed within the literature review chapter. Consequently, this chapter first

provides a review of literature with regards to health and safety, then considers the perspectives of respondents.

9.1.2.1 Literature Review of Health and Safety

Evidence in literature among small firms and health and safety regulations indicates that the safety performance of small firms is quite poor (Hasle and Limborg, 2005; Vickers et al, 2006). Many British studies, such as that of Stevens (1999), Cully et al (1999), Nichols et al (1995), have found that fatal and major injury accidents are more common in workplaces that are small. The data from Eurostat (2002) also states that the average serious injury rates for workers within micro and small enterprises were approximately double that of larger enterprises. A combination of structural and cultural factors has been identified as contributing to poor performance within small firms (Baldock et al, 2006). Structural factors arise in the form of limited expertise and resources that influence health and safety risks and their ability to effectively manage risks. With regards to cultural factors, it is suggested that gender and ethnicity of owners play a crucial role in attitudes and behaviours of health and safety. It is the general lack of resources that allow structures of vulnerability to rise in small firms (Nichols, 1997). Vickers et al (2006) similarly suggest that whilst poor performance that exists against health and safety frameworks applies equally to all firm sizes; it is health and safety frameworks that can create particular difficulties for employers of small businesses due to a combination of resource constraints and behavioural characteristics.

British health and safety legislations are characterised by an approach that seeks to promote self-regulation on part of businesses i.e. setting goal-orientated businesses, which is achieved through trade unions. However, it is argued that the emphasis on self-regulation is a disadvantage to small businesses as they prefer a prescriptive approach, i.e. clearer guidance involved with prescriptive standards (Wright, 1998).

The owner of a small business is the dominant actor in relation to changes within the business, thus is the primary unit of analysis within this research. Whilst emphasis has been placed on small businesses as firms that have to fight for survival i.e. necessity driven, the owner of the business has to handle various issues simultaneously, hence it comes as no surprise that health and safety issues are not their greatest concern (Halse and Limborg, 2005). Small business owners also view health and safety standards as a financial burden, and due to the limited amount of profitability from their enterprises there is a restriction in the improvement of health and safety measures, thus suggesting they attempt to escape health and safety regulations. The positive impact SME's provide on local economies has been discussed in chapter 2, however it is due to this positive impact that attempts have been made to make it easier for entrepreneurs to ensure health and safety regulations are implemented. For example, HSE (2014) and Simply Business (2014) have produced a guide that makes it simple for employers of specifically SMEs to understand the basics of health and safety in the workplace i.e. health and safety policies for their businesses, controlling risks, consulting and providing training for employees, ensuring the correct workplace facilities are available, and so on. Thus, allowing entrepreneurs regardless of their ethnicity to be aware and implement health and safety in the workplace. Scholars such as Baldock et al (2006), Hanson et al (1998), and Vickers et al (2006) find that small businesses are less aware of laws and regulations than larger organisations. Hasle and Limborg (2005) also claim that small businesses have problems in a work environment with there being higher risk and a lower ability to control risk. Small businesses may not necessarily have higher risk within the workplace if operations are efficient with control measures implemented, and in the context of this research, this is based on the knowledge that South Asian entrepreneurs possess on health and safety regulations.

Empirical studies suggest that the impact of small firms on regulatory compliance is less common. Arrowsmith et al (2003) states that employee regulations that comprise

of health and safety aspects do not have impacts on small firms. This could be due to the fact that small firms experience a lower frequency of inspections than larger firms, and they have less fear of losing business as they have low profiles and demonstrate a preference for informal approaches with regards to management than larger businesses (Walters, 2001). The approach small business owners have to the management of health and safety is influenced by the nature of employer - employee relationships (Rigby and Lawlor, 2001) i.e. attitudes and traits, which are seen to include preferences for autonomy, and a more informal management approach to health and safety than larger firms. Small businesses also adopt a common approach whereby health and safety are largely viewed as the responsibility of workers (Baldock, et al, 2006). However, the nature of close relationships in small businesses has a positive outcome as employees are able to use their close proximity to owners to negotiate labour processes to accommodate employee preferences (Ram, 1994; Moule, 1998; Marlow, 2003).

There are influential gender differences that have been identified when considering management approaches to health and safety. It is commonly accepted that men have a tendency to judge risks as less problematic than women (Baldock et al, 2006), indicating that health and safety procedures maybe given higher priority with female management. Whilst it is argued that women have a more nurturing and rational orientated management style (Cooper and Lewis, 1999), research conducted by Mukhtar (2002) suggest that female owners within the small manufacturing and service sectors challenges this common assumption on gender differences with regards to management styles indicating this is not the case.. Therefore, it cannot be assumed that female owners will be more likely to place greater priority on health and safety than male owners. The enforcement of health and safety actions through inspections can influence the behaviour of business owners (Wright et al, 2004; Wright and Marsden, 2005). This enforcement of regulatory authorities has been identified as a key driver for managerial action (Gunningham, 1999), suggesting that

entrepreneurs are forced to consider health and safety aspects within their enterprises. In accordance to that of Hampton (2005), enforcement activity is based on the assessment of risk where higher risk firms have frequent inspections i.e. annually. Small enterprises in general, dependent on the industry sector they operate in appear low risk enterprises; therefore, have greater manageability with regards to health and safety. The ability of entrepreneurs to comply with health and safety legal requirements is dependent on their ability to interpret their duties, i.e. what requirements are in force and the actions they need to take to comply with them. Scholars such as Fairman and Yapp (2005) found that the owners of small firms found it difficult to translate legislation requirements to their business environment and that these owners had a different conception of what compliance entails than regulatory officials. This then obviously leads to firms having poor levels of health and safety knowledge, thus resulting in a weaker approach to health and safety management. However, health and safety approaches are also dependent on the propensity of owners to take advantage of external sources for information and advice. As previously highlighted, there is now much material available to assist and guide small firms with issues surrounding health and safety.

Individuals who operate small enterprises are frequently identified as people who engage in informality (Vickers et al, 2006). In general, the extent of illegal work and workers in small firms contributes further to the likely absence of risk awareness and health and safety (Walters, 2002). It is accepted, generally, that those firms which least comply with health and safety regulations and have harsh working conditions are likely to be engaging in informal or even illegal activities (Vickers et al, 2006). It is suggested that ethnic minority enterprises often lack knowledge of relevant regulations and are 'difficult to reach' as a group by regulatory bodies (Baldock et al, 2006). Scholars such as Vickers et al (2006) also found that ethnic minority business owners are less likely to identify relevant legislation than businesses that have white owners. It has been suggested that due to a lack of understanding of regulations and

requirements of ethnic minority businesses, regulators find it more difficult to access and influence (Breakwell and Petts, 2001). Emphasis has been placed on the smallest of firms to have poor safety awareness, and that ethnic minority firms in the food industry are in need of assistance to meet food safety regulations. Social ties also assist in responding to relevant statutory requirements, however, are far from perfect (Ram et al, 2001). Thus, suggesting that this group of individuals are in general more likely to be involved with informality. These findings suggest that this group of individuals are involved in informal activities specific to health and safety due to their lack of knowledge regarding regulations in their industry sectors.

Ethnic minority businesses also have different attitudes to the extent of health and safety regulations in force. Vickers et al (2006) found that individuals who are of Pakistani, Bangladeshi, and Indian origin, felt over-regulated and reported the highest over-regulation in their businesses as opposed to white business owners. This suggests that whilst this group of individuals have a lack of knowledge on health and safety laws they also feel that these regulations are intrusive in their business operations. The attitude that can be gained from ethnic owned small businesses, especially Asian owned, is that healthy and safety is only attended to when a problem occurs in the workplace. However, when issues of implementing healthy and safety measures arise, Baldock et al (2006) suggests that ethnic minority businesses are less likely to implement healthy and safety improvements i.e. regulatory training and enforcement, compared to their white-owned counterparts. Baldock et al (2006) then argues that there is a need to reduce regulation on firms and therefore calls for greater emphasis on education, information dissemination, and other measures to encourage greater self-regulation on the part of businesses.

It is not inappropriate here to suggest that small firms in general avoid health and safety, have less awareness of regulation, and ethnic minority businesses only seem to attend to health and safety issues when they occur. What can be gathered from the

literature on the perception of ethnic small business owners is that whilst these owners may not fully understand health and safety procedures in their corresponding industry sectors, they do not view health and safety as a factor that needs to be addressed to operate their business successfully. Also, if they feel that health and safety is a financial burden, small business owners may turn to informal activities in order to maximise profits. The next section considers the knowledge and views of South Asian entrepreneurs in relation to the literature outlined here.

9.1.2.2 South Asian Entrepreneurs Knowledge and Views on Health and Safety

The responses from respondents indicate that South Asian entrepreneurs have limited knowledge on the aspect of health and safety within the operations of their enterprises. The safety performance of small firms is indicated to be relatively poor (Hasle and Limborg, 2005; Vickers et al, 2006). Echo states that a rather high number of South Asian entrepreneurs are “...not clued up...”, indicating they are not fully aware of the significance of health and safety. A prime example of this arises in Gomez’s business experience (section 7.7.2) who discusses a South Asian entrepreneur who was not aware of the requirement of employer’s liability insurance. Echo suggests that “...I don’t think anybody has health and safety policies for a start...”. Upon reflection of Berkeley’s business experience (section 7.2.2), he indicates that he is not fully aware of health and safety procedures that relate to his enterprise. When considering the Hexagon canvas for all the respondents within this research, health and safety does not appear to be an integral aspect in terms of the operations of their enterprises. Echo suggests that it is “...a very similar situation across the board...” as those entrepreneurs who are aware of health and safety procedures do not follow them due to the additional time that is required in order to correctly implement procedures. However, Felix highlights a different angle in that customers manipulate health and safety regulations i.e. fake injuries in order to

make claims. Consequently, entrepreneurs require health and safety insurance for protection of their employees and customers. Scholars highlight that major injuries occur within small workplaces (Nichols et al, 1995; Cully et al, 1999; Stevens, 1999), and whilst Harrison states that entrepreneurs attempt to cut corners with health and safety regulations, they do consider this to be a serious issue when it could significantly affect an individual's health.

Hasle and Limborg (2005) highlight that health and safety is not the greatest concern of entrepreneurs operating small businesses. This applies to South Asian entrepreneurs as Isaac states that *"we do the bear minimum basically, we have a first aid box...I mean ours is basically an office so there is not much we need to follow..."* but *"...in terms of restaurants and takeaways...I have not heard any clients tell me they are taking an active role in making sure they follow health and safety regulations"*. Harrison discusses health and safety compliance within the catering industry and indicates that entrepreneurs consider safety of employees in terms of equipment within the workplace, and safety of customers in terms of hygiene, cooking standards, and highlighting ingredients used to create meals for allergy purposes. Due to this, South Asian entrepreneurs are found to take into account health and safety aspects within industry sectors where this plays a vital role in the profitability and survival of the enterprise. However, Harrison states that entrepreneurs *"...will not go into the nitty gritty..."* as *"...it is expensive to keep up with all these regulations, so they don't"*. All respondents raise the financial side of health and safety and indicate that entrepreneurs do view this as a burden within the operations of micro enterprises. Therefore, South Asian entrepreneurs do not prioritise health and safety issues yet ensure their operations, from a birds-eye view, comply with health and safety standards. Whilst various scholars (Walters, 2001; Arrowsmith et al, 2003) highlight employment and management within small enterprises such as employee – employer relationships (Rigby and Lawlor, 2001), this is linked to the ethnicity of employees.

It has been discussed (refer to section 9.1.1.2) that South Asian entrepreneurs are more likely to employ ethnic individuals, and the aspect of health and safety potentially promotes this as respondents suggest such individuals have a relatively carefree attitude towards health and safety. South Asian entrepreneurs can therefore have greater control over ethnic employees and not be concerned with backlash from employees regarding the implementation of health and safety procedures when operating their enterprises. In this case South Asian entrepreneurs can adopt a more simple and common approach that involves employees taking some initiative in relation to health and safety (Baldock et al, 2006). For example, when reflecting on Berkeley's business experience (section 7.2.2), South Asian entrepreneurs expect employees to integrate logical actions that consider basic health and safety procedures when working. In Berkeley's case this proved to be very disadvantageous as one of his employees took legal action as he obtained an injury whilst working for Berkeley. This appears to confirm the arguments by Wright (1998) in that self-regulation is a disadvantage to small enterprises thus clearer guidance with prescriptive standards is required.

However, this appears only to be true for South Asian entrepreneurs that arrive from outside the country and promptly begin operating their enterprises, as Gomez suggests "*...the main reason is people coming from the other side of the world, they don't know the rules to run the business in this country, mostly learn it with time*". Yet when considering the remaining cases and responses of respondents, self-regulation of health and safety is far more appealing to South Asian entrepreneurs as there are "*lots of rigid regulations...for small timers that's the problem...*" (Berkeley) therefore South Asian entrepreneurs "*only do the basic stuff, what is required, nothing more and nothing else*" (Caesar). It is not only down to the additional financial aspect but also the time consumption element that is required to maintain health and safety procedures, with Caesar stating that "*...most small business owners not just South Asians ignore safety laws...*". The experiences of Isaac suggest that South Asian

entrepreneurs “...are getting the message...because of the risk of being shut down if they don't abide by health and safety”. Scholars suggest that ethnic minority enterprises lack knowledge on health and safety regulations (Vickers et al, 2006) and are difficult to reach by regulatory bodies (Baldock et al, 2006). Consequently, it is problematic for regulators to influence such a group (Breakwell and Petts, 2001). This research identifies which industry sectors South Asian entrepreneurs operate micro enterprises, thus regulators are able to focus on the sectors highlighted within chapter 7 in order to disseminate health and safety procedures.

Scholars highlight that due to the management style of female entrepreneurs (Cooper and Lewis, 1999), differences in the approach to health and safety procedures arise due to the gender of entrepreneurs (Baldock et al, 2006). Reflecting on the management style of Amber, she presented herself as a cautious and informed female South Asian entrepreneur who demonstrates a sound understanding of how to operate her enterprise whilst complying with regulations. Ambers responses indicates that she is a vigilant individual who places emphasis on health and safety aspects within her enterprise, in agreement with the views of Cooper and Lewis (1999) and Baldock et al (2006). However, all the respondents indicate that South Asian entrepreneurs attempt to cut corners in relation to health and safety procedures within their enterprises. As there is only one female South Asian entrepreneur included within this research sample, further research needs to be conducted in order to clarify whether the health and safety procedures of male South Asian entrepreneurs substantially differ to those of female South Asian entrepreneurs.

It is highlighted that ethnic minority enterprises are less likely to implement regulatory training and enforcement than their white-owned counterparts (Baldock et al, 2006). Respondents indicate that South Asian entrepreneurs “...will barely meet the minimum requirements...” (Caesar), however all respondents state that this is all

small businesses regardless of an entrepreneur's ethnicity. Consequently, further research needs to be conducted in terms of health and safety within micro enterprises in order to establish whether ignorance of health and safety is based on one's ethnicity. Respondents concur with the views of Walters (2002), in that enterprises which comprise of illegal activities are more likely to not comply with health and safety regulations and have a greater absence of awareness.

In reference to the enterprise framework, Type 1 The Legal Enterprise would follow all health and safety procedures that are required. However, as discussed in chapter 8 that is underpinned by the information obtained from respondents, and the number of legal enterprises is very minimal, with the majority of South Asian entrepreneurs indicated to be within Type 2 The Legal Enterprise with Marginal Illegal Activity and Type 3 The Opportunistic Enterprise. Thus, in relation to the Type 2, health and safety procedures are in place yet entrepreneurs will only barely be meeting the requirements for their enterprise regardless of the industry sector within which they operate. Whilst such enterprises may not have health and safety policies in place, health and safety for employees and smooth operation of the enterprise is taken into consideration in order to ensure continued operations. Type 3 The Opportunistic Enterprise and Type 4 The Opportunistic Enterprise with Criminal Foundational Activity is far less cautious with health and safety regulations as entrepreneurs are seeking to reduce expenditure as much as possible. To that end, whilst health and safety procedures are given very low priority, only health and safety procedures that could have life threatening effects are taken into account with regular operations only being legitimate from the perspective of consumers, hence not having a negative impact on their sales. In relation to Type 5 The Illegal Enterprise, respondents indicate that even though health and safety regulations are not considered directly, it still forms part of their operations indirectly as respondents indicate that South Asian entrepreneurs must ensure that their products and/or services do not cause damage to themselves, their employees, or their

customers. All respondents indicate that Type 5 enterprises are extremely rare from a South Asian operational viewpoint, thus further research is required in order to obtain a greater understanding of health and safety issues in illegal enterprises.

The next section considers the aspect of cash transactions within the operations of South Asian entrepreneurs operating micro enterprises.

9.1.3 Cash Transactions

Throughout the data collection stage, cash transactions have surfaced on numerous occasions that intertwine with the discussions of employment and health and safety. As previously mentioned, employees and health and safety create large expenditure in which entrepreneurs attempt to reduce through cash payments to their employees and to maintain their health and safety standards. Amber indicates that the benefits of cash transactions encourage entrepreneurs to limit the number of employees within their enterprise. Respondents suggest this is not only due to employees having the opportunity to steal cash on their shifts, but *"...if you were on your shift you would choose what you put through the till and what you don't put through the till"* (Amber). In this sense, Amber implies that entrepreneurs do not put all sales through their till systems and simply pocket the cash as a method of under declaring their turnover. Echo indicates that this is a tool adopted by entrepreneurs who essentially blame their reduction of turnover on competition, if authorities inquire about their fluctuations in sales turnover. Berkeley suggests that everybody is aware of such tactics, *"...it's like an open secret"*. This is reinforced when reflecting on the responses of Felix. Whilst Felix was locating a suitable enterprise to purchase, he suggests that he came across a South Asian entrepreneur selling his business with out-dated tills and kept weekly receipts that demonstrate the turnover of his business. Felix indicates that this individual was also fiddling with the accounts of the business, therefore there is no real way of determining the profits of the enterprise without

physically working within the business to see actual sales. Consequently, Felix states that the majority of businesses are not fully legitimate, and cash transactions are at the base of this illegitimacy. Isaac discusses this aspect of cash transactions and indicates that he has seen many entrepreneurs operating on a cash only basis. In this case, entrepreneurs have full control over what they declare in terms of the turnover of the enterprise. This is aligned with the view of Portes and Sasses-Knoob (1987) in terms of escaping official records and MacDonald (1994) who emphasise cash-in-hand payments to employees. As previously highlighted, maintaining health and safety regulations is simple for entrepreneurs if they pay cash as they can reduce expenditure i.e. value added tax on any payments made in relation to health and safety. Despite such motivators, respondents indicate the control of stock as a key factor in relation to cash payments.

Several respondents highlight that a relatively large amount of stock is purchased with cash. This can remain a traceable transaction if entrepreneurs purchase from wholesalers that are fully legitimate and provide invoices to their customers. Felix suggests that in an attempt to hide their purchases, entrepreneurs destroy their invoices, however wholesalers have their sales recorded within their systems. Consequently, entrepreneurs have to purchase their stock from suppliers who also do not fully record their sales, which tend to be small wholesalers that cater for small businesses within their local areas. When reflecting on Amber's business experience (section 7.1.2), she indicates that some wholesalers that are not legitimate and do not really provide proof of purchase. When considering the views of Echo, he states that entrepreneurs purchase from illegitimate wholesalers that are relatively small so that authorities cannot trace some of the stock they purchase and sell within their business. The responses of Dunhill indicate that such transactions do not necessarily occur within the traditional wholesale setup. Dunhill highlights an individual that sells "*...goods like sweets, he keeps them in the boot of his car and tries to sell the goods, can be quite cheap sometimes...*". Such enterprises require cash payments in order to

conceal their sales, thus entrepreneurs have to purchase using cash. To that end, cash transactions resonate through the process of purchasing stock.

In relation to the enterprise framework, Type 1 The Legal Enterprise would not include cash transactions to purchase stock from wholesalers who operate illegitimately. Type 2 The Legal Enterprise with Marginal Illegal Activity and Type 3 The Opportunistic Enterprise comprises of entrepreneurs that have a greater focus on cash transactions to pay cash to their employees, tackle significant health and safety issues without incurring high costs, and conceal the extent of their sales through purchasing stock from illegitimate wholesalers. As indicated by several respondents such as Isaac, the Type 4 The Opportunistic Enterprise with Criminal Foundational Activity and Type 5 The Illegal Enterprise operate on a cash only basis not only to take full advantage of the opportunity at their disposal in terms of profitability, but also to conceal their operations as their enterprise and operations will not be fully legitimate.

The next section considers the aspect of culture as an internal influence.

9.1.4 Culture

Scholars such as Lee and Peterson (2000) suggest that it is appropriate to consider elements of culture in studies of entrepreneurship as culture intertwines with an individual's personality and behaviours. However, the majority of respondents in this research did not place great emphasis on culture in relation to informality in the operations of micro sized enterprises. Gomez was the only respondent who possessed interesting and relatively strong views of culture that has the potential to act as an incentive to engage in informal activities to increase their profitability. Gomez states that there are individuals within communities who view the tax system as non-religious as they have "*...a different tax system for their religion...*". Thus,

he indicates that this is a clash for them in terms of their religious beliefs and the law of the land. Considering this aspect from the perspective of South Asian entrepreneurs, after paying taxation and commitments related to their religious beliefs, entrepreneurs are left with a significantly reduced income. Gomez suggests that South Asian entrepreneurs that form part of this category have relatively high moral standards. Consequently, such entrepreneurs are referred to as being necessity driven i.e. engaging in informal activities as a means to an end, hence only exist in Type 2 The Legal Enterprise with Marginal Illegal Activity. However, it is vital to highlight that only one of nine respondents emphasised this viewpoint of culture. As a result, this aspect of culture requires further research in order to determine whether religious financial commitments manifest as a motivating factor to engage in informal activity.

The majority of respondents indicate that culture has a minimal impact in influencing South Asian entrepreneurs. Amber states that “...people are influenced by other people, so even if they have moral values that are based on someone’s culture...it can change when it comes to running a business and making money.” Respondents such as Amber, Berkeley, Gomez, and Harrison suggest that culture within the South Asian ethnic group is based on moral values in relation to not causing harm to individuals i.e. a business that could cause damage to others. When reflecting on Dunhill’s business experience (section 7.4.2), he describes an individual referred to as Troy who is a South Asian entrepreneur involved in the illegal operations of importing and exporting drugs. However, the majority of respondents including Dunhill state that it is rare for South Asian entrepreneurs to become involved with criminal enterprise, but not impossible as in accordance to Felix. Consequently, this indicates that culture does not influence activities when considering Type 4 The Opportunistic Enterprise with Criminal Foundational Activity and Type 5 The Illegal Enterprise.

Several respondents within this research such as Amber and Felix ventured into self-employment as they have family with businesses of their own, which is aligned to that highlighted by Tsui-Auch (2005). Tsui-Auch (2005) as well as Redding et al (1994) and Aycan et al (2000) highlight paternalism as being a prevalent protectiveness with a South Asian ethnic group i.e. a relationship between the South Asian entrepreneur and their subordinate that involves a role of nurturing and care to provide protection and support. Echo indirectly indicates the presence of this aspect of paternalism whilst discussing one of the employees within his business and he emphasises his trust and the growth of this employee as he originates from a different country to Echo, i.e. Iraq. The aspect of power highlighted by Giddens (1984) (see section 2.9.1) potentially arises here as South Asian entrepreneurs may adopt a paternalistic management style that is authoritative to guide their employees to ensure their business processes are conducted in accordance to an entrepreneur's desire. This could be possible as they may be able to integrate informal practices in their operations with an authoritative management style in relation to employees. However, as culture is not the main focus of this research, further research that considers cultural aspects of South Asian entrepreneurs is required in order to validate a paternalistic management style in enterprises that compromise of informal activities.

Aycan et al (2000) highlight that loyalty to one's community is a significant dimension that is relatively high within South Asian culture, with Kim et al (1994) suggesting that individuals are compelled to fulfil community mores such as obligation to relatives. Several respondents indicate the support of relatives within their business operations, for example Harrison refers to a South Asian individual who turns to family to assist him in the operations of his enterprise. When reflecting Felix's business experience (section 7.6.2), he highlights individuals within his community who are landlords that conduct immoral activities, i.e. not complying with maintenance standards at the expense of tenants in the pursuit of profit

regardless of who their tenants are. Dunhill states that an individual working within the building trade easily exploited members within his community. Thus, one's loyalty to individuals within their community appears to be limited as the concept of South Asian entrepreneurs being opportunity driven becomes prominent within Type 3 The Opportunistic Enterprise. Whilst culture may influence South Asian entrepreneurs to engage in informal activities, the majority of respondents do not emphasise this as being a prominent contributing factor when discussing their views and opinions. Consequently, culture does not appear to be an underlying factor when considering Type 3 The Opportunistic Enterprise, Type 4 The Opportunistic Enterprise with Criminal Foundational Activity, and Type 5 The Illegal Enterprise. This is due to the fact that culture did not arise when respondents were discussing these enterprises, therefore limited emphasis has been placed on cultural aspects in this research to ensure that the focus remains on informal practices within the operations of South Asian entrepreneurs operating micro sized enterprises.

The next section considers the aspect of control and how South Asian entrepreneurs monitor their actions in relation to the informal activities discussed in the previous sections.

9.1.5 Monitoring and Control

This research is underpinned by structuration theory, as discussed in section 2.9. When considering the perspective of the agent, Giddens (1984) proposes the stratification model (see section 2.9.1) reflects on monitoring of the actions of the agent. Giddens states that structures can be both enabling and constraining, suggesting there are areas that are less restrictive enabling South Asian entrepreneurs to include informal practices within the operations of their enterprises. Chapter 8 identifies the types of enterprises and traders that exist within a South Asian context with regards to informal and illegal practices, with the former part of

this chapter discussing the main forms of how such activities are manifested i.e. employment, health and safety, and cash transactions that revolve around inventory purchases that is linked to the enterprise framework proposed in order to develop a deeper understanding of the activities that lie within the types of enterprises identified. Several respondents suggest there are many South Asian entrepreneurs who unintentionally engage in informal activities. Gomez states that he comes across *"A variety of people...every other day, they are not aware of the consequences of what can happen"*. As previously discussed, Gomez is an accountant who operates a small accountancy practices who states that *"...sometimes you just get things which are told to you and there are things which are provided as documents..."*. Therefore, Gomez states he can clearly see discrepancies, and despite the advice he provides clients to correct their documentation, no changes are made as they will suffer from a reduction in income.

Several respondents such as Gomez and Isaac indicate that this is predominantly first generation South Asian entrepreneurs that are unintentionally engaging in informal practices and are not fully aware of the consequences of their actions. In relation to the proposed enterprise framework, these types of entrepreneurs reside within Type 2 The Legal Enterprise with Marginal Illegal Activity. Berkeley indicates that entrepreneurs within this enterprise are typically *"...a one-man band...I don't think they do know the consequences of what they are doing..."*. Whilst Caesar states that understanding the consequences of their actions comes with experience within their industry sectors, individuals tend to imitate the actions of others. Therefore, despite learning by experience that some of their activities are not fully legitimate, they continue, as other entrepreneurs also include informal practices in their operations. For example, the ignorance of employment contracts for those working within their enterprise, reducing costs through illegitimate quick fix solutions, and the reliance on cash transactions to operate the enterprise. Considering the experiences in business of the respondents within this research, there are a high number of

entrepreneurs that are aware of the consequences of their actions and intentionally engage in informal activities. As a result, respondents highlight various aspects of South Asian entrepreneurs' actions in terms of monitoring and controlling their processes to ensure informal activities are hidden from surface view.

Berkeley suggests that those individuals that integrate informal aspects into the operations of their enterprise "*...are always conscious...*" about their actions "*...but then why should we be conscious if everyone is doing the same?*". Respondents such as Amber and Gomez indicate that authorities turn a blind eye as they do not have the resources to track each entrepreneur that conducts an informal activity. Nevertheless, many forms of monitoring and control have arisen during the data collection process. Whilst escaping official records of employment, i.e. under or not declaring workers (MacDonald, 1994) that has been discussed to be a prominent aspect in the operations of South Asian entrepreneurs operating micro enterprises, respondents highlight the need to monitor their employees. Felix states that it is difficult to trust employees with money "*...so you have to be very careful with your employees, because at the end of the day they deal with cash...*". There are many respondents that have employees working on their tills, yet training employees is vital to ensure entrepreneurs are aware and have an accurate figure of their sales. Such monitoring is conducted through the use of CCTV systems and attempt to control their staff with the imposition of shelf-filling responsibilities.

In relation to the proposed enterprise framework, Type 2 The Legal Enterprise with Marginal Illegal Activity consists of employees that handle cash and are authorised to serve customers. Felix indicates that entrepreneurs take an active role in monitoring employees and limiting employees time in serving customers so that entrepreneurs are able to fiddle with their sales and stock figures. However, respondents such as Caesar do not permit employees to serve customers: only immediate family are authorised to serve customers. Caesar's employees are solely

given shelf-filling responsibilities; thus, he is in full control of what he enters in his till systems. It is very difficult for an individual to accurately gauge financial turnover of this enterprise without physically being present during business hours. This provides entrepreneurs with a greater degree of control when reflecting on weekly sales. However, respondents indicate that South Asian entrepreneurs can get investigated as they are unable to successfully convince authorities of the turnover their enterprises generate. Consequently, those South Asian entrepreneurs that do not consider this aspect of control within their enterprise are more likely to be caught by authorities. As a result, respondents suggest that informal practices are associated with ethnic entrepreneurs as they do not place enough emphasis on this aspect. Specific respondents highlight potential avenues to cover their sales turnover. For example, Echo states that one can reduce the financial turnover they present by blaming seasonal periods to produce the most profitability, *“for example during school holidays the business is about 10-15% down...”*. In order to ensure their consistency with the sales and profitability of the business, especially if entrepreneurs have a significant number of underhand activities within the operations of their business, their sales and stock is monitored through bookkeeping. Amber, Echo, and Dunhill emphasise bookkeeping, specifically *“...quarterly bookkeeping as far as VAT is concerned”* (Echo). In this case, South Asian entrepreneurs are opportunistic yet cautious about their actions, thus this type of monitoring and control, in addition to that previously highlighted with regards to employees, is prevalent within Type 3 The Opportunistic Enterprise. This research focuses on the informal practices of South Asian entrepreneurs rather than illegal practices; thus, the majority of respondents do not highlight aspects of monitoring and control in relation to illegal enterprises. Based on the information obtained during the data collection phases, it is not inaccurate to indicate that illegal enterprises will encompass a high degree of monitoring to ensure operations are concealed. However, further research is required to develop a deeper understanding of the extent of monitoring within an illegal enterprise.

The next section considers specific external influences identified by respondents.

9.2 External Influences

Whilst Giddens (1979) states that structure can be both enabling and constraining, structuration theory is concerned with the reproduction of systems based on the analysis of agents i.e. South Asian entrepreneurs. For the purposes of this research, external influences are institutional frameworks that effect entrepreneurs to engage in informal activities. As discussed in chapter 2, the primary focus of this research lies on the aspect of informal practices of South Asian entrepreneurs operating micro sized enterprises. However, the inclusion and application of the Hexagon canvas highlighted competition as an external factor that requires consideration. Thus, the next section considers competition as an external influence.

9.2.1 Competition

When considering the business models of the respondents (see sections 7.1.3 – 7.9.3), several of the enterprises indicate that competition is fierce. Dunhill, for example, states that he faces severe competition from businesses within a shopping centre that is within walking distance from his business. This highly competitive environment results in enterprises having a greater focus on differentiating the goods they sell, the quality of their goods, or how they can reduce costs. Several respondents that operate convenience stores indicate that their enterprises are within working class areas therefore their customers do not require high quality goods. For example, Dunhill states that consumers within working class areas require cheap alcohol prices thus entrepreneurs “...need competitive alcohol prices to attract customers”. Echo highlights that competition has promoted South Asian entrepreneurs to react, which has resulted in them modernising “...their shops internally and externally so that they are deemed to be more professional...”, and indicates that “they can join symbol groups (i.e. Premier, One Stop, GoLocal, Bargain Booze, Thorougoods), which then gives expertise

at their fingertips in terms of merchandising, in terms of buying power, in terms of promotion...". Despite the legitimate alterations that entrepreneurs make to their enterprises, *"...competition forces people to do what they don't normally do..."* such as not fully declaring their sales turnover. Respondents indicate that as competition increases, they are forced to reduce their costs to ensure the survival of their enterprise. This aspect directly reinforces the earlier arguments that such entrepreneurs are necessity driven. This concept is integrated into the enterprise framework (see figure 7.10) which demonstrates that necessity driven South Asian enterprises are Type 2, The Legal Enterprises with Marginal Illegal Activity. Several respondents such as Echo and Harrison state that South Asian entrepreneurs are operating micro enterprises in professional industry sectors i.e. accounting, law, and dentist practices. Gomez operates a small accountancy practice and clearly indicates that he faces high competition and therefore he takes the time to sit with clients and provides some free advice in order to ensure his clients are satisfied with the services he provides. Gomez suggests that the integration of informal practices is perceived to be 'nothing out of the ordinary' and possesses great knowledge on such aspects. Consequently, it is not unreasonable to suggest these types of enterprises also fall within Type 2, The Legal Enterprise with Marginal Illegal Activity.

Whilst Harrison indicates that small enterprises build a rapport with customers that encourages them to purchase from their store, convenience stores have to *"compete with the likes of these supermarkets; Sainsbury's, Tesco, Asda etc where they...can source goods at very reasonable prices in order to compete..."*. As a result, entrepreneurs *"...try to push the boundary lines with regards to complying with the law..."*. In this case, South Asian entrepreneurs are pressurised by their highly competitive environments to take advantage of all opportunities, which reinforces the concept that entrepreneurs are opportunity driven. This concept is integrated into the enterprise framework (see figure 7.10), and whilst this overlaps with necessity driven, opportunity driven entrepreneurs fall into Type 3, The Opportunistic Enterprise. Competition does not

force South Asian entrepreneurs into illegal businesses but does force them to operate opportunistic enterprises. For example, in relation to health and safety Isaac states that *"we do the bare minimum..."* whilst Echo suggests *"I have never heard of a South Asian businessman have a health and safety policy..."* as this *"...creates high expenditure"* (Amber). As well as this, respondents state that the payment of employees is a major expense, thus entrepreneurs do not follow or may not fully follow the regulations associated with employees, which is the case for Type 3 The Opportunistic Enterprise. However, such regulations are also an external influence, therefore the next section considers regulations in business.

9.2.2 Regulations in Business

Respondents within this research emphasise the knowledge of regulations that are applicable for South Asian entrepreneurs operating micro enterprises. The majority of respondents suggest that entrepreneurs do lack knowledge on regulations, particularly those relating to employment such as recruitment, and health and safety measures within the business. This appears to be the case when reflecting on the experiences in business of respondents. For example, Berkeley clearly indicates that he was not aware that he had to train his employees to correctly lift heavy bags (discussed in section 7.2.2). However, respondents such as Caesar, Dunhill, and Gomez state that South Asian entrepreneurs become aware and learn what regulations apply over time whilst operating their enterprises as there are *"...too many regulations for everyone to know straight off..."* (Caesar). Echo suggests that all entrepreneurs do not go to the extent to find out what regulations are in place; thus, is considered to be a *"...trial and error situation..."* (Felix) and has a learning curve. Respondents therefore highlight lack of education to legitimately operate a business. Gomez for example states that he would not be able to operate a convenience store as the knowledge is not readily available. Gomez suggests you cannot get this knowledge *"...through universities, colleges, or education institutions, they don't tell you*

how to open a business, simple as that...". Isaac also highlights that many entrepreneurs are not educated to the extent where they consider all regulatory aspects. This can be linked to liability of newness (Stinchcombe, 1965), in that South Asian entrepreneurs that begin to operate a micro sized enterprise may have a lack of understanding in terms of regulations that apply to them. This aspect relates to entrepreneurs being unaware of consequences, as part of the stratification model within structuration theory (see figure 2.1), with the rationalisation of an entrepreneur's actions based on this being the norm. For example, the manifestation of cash payments to various employees and the neglect of any health and safety measures within their enterprises. This is found to be prominent within Type 2 The Legal Enterprise with Marginal Illegal Activity. However, respondents such as Amber suggest that the majority of entrepreneurs are aware of regulations, which pressurises them to become opportunity driven. Therefore, the next sections consider regulations that force entrepreneurs to operate as Type 3, The Opportunistic Enterprise.

9.2.2.1 Taxation

Respondents indicate that despite their lack of education in relation to operating an enterprise legitimately, they possess a good standard of awareness in terms of loopholes that can be exploited. For example, several respondents highlight taxation that manifests as a significant external factor that influences entrepreneurs to engage in informal practices. There are various forms of taxation including income tax, corporation tax, and value added tax. Various respondents place a great deal of emphasis on value added tax. The majority of entrepreneurs within this research have been operating their enterprises for decades, and during their operations value added tax has significantly increased. *"I remember it being twelve and a half percent not more than a decade ago...then it went up to fifteen, then it went up to seventeen and a half and now its twenty percent...twenty percent is a very high figure for local tax"* (Echo). When considering this from the perspective of the entrepreneur, the periodic

increases of value added tax results in decreased profitability of their enterprises as they have to pay this tax on the profits of those goods that fall under a taxable category. Consequently, Felix states that “...to be honest its expensive to buy from wholesalers so buying duty free looks more appealing”. From this viewpoint, it does not seem so farfetched for entrepreneurs to take advantage of the opportunity to purchase and sell duty free goods in order to boost the profitability of their enterprise as such goods are not declared.

Table 9.1 Formation of Respondent Enterprises

Respondent	Enterprise Formation
Amber	Sole Trader
Berkeley	Sole Trader
Caesar	Sole Trader
Dunhill	Sole Trader
Echo	Limited Company
Felix	Sole Trader
Gomez	Sole Trader
Harrison	Sole Trader
Isaac	Partnership

As presented in table 9.1, the majority of respondents operate as sole traders, therefore they are accountable for the all profits and losses of the business (Bendrey et al, 1996). Income tax applies to sole traders as all profits are exclusively for the owner of the enterprise. Several entrepreneurs appeared to be knowledgeable with regards to the income tax brackets. Basic income tax in the UK is at a rate of 20% and increases to 40% when earnings reach £46,350 (GOV, 2019a). Entrepreneurs operating as sole traders avoid declaring profitability that is above the 20% tax bracket. Thus, income tax acts as an incentive for South Asian entrepreneurs to

become opportunity driven i.e. the integration of cash transactions to conceal sales turnover from authorities. This is similar for Isaac however he has a partner that also needs to be on the same train of thought, to which Isaac suggests that he no issues with his partner. It is necessary to note that his partner is White British, thus indicating that it is not only South Asian entrepreneurs that possess this type of thought process.

Scholars such as Freeman and Ogelman (2000) suggest ethnic entrepreneurs are associated with informal activities. However, several respondents state that this is due to the fact that South Asian entrepreneurs are less aware of how to cover their tracks therefore are caught by authorities. For example, as previously mentioned, Echo states that entrepreneurs must have a response if authorities enquire why there is a decrease in their sales i.e. changes due to seasonal periods or changes in products such as the elimination of 10 pack cigarettes. Echo operates as a limited company; thus, the company first pays corporation tax on its profits that is currently 19% of company profits (GOV, 2019b). If Echo is paid a dividend by the company of anything above £2,000 to £34,500, he is required to pay tax on dividends at a basic rate of 7.5% (GOV, 2019c). Despite the benefits gained by operating as a limited company as opposed to a sole trader such as limited liability (Bendrey et al, 1996), Echo will pay higher tax in that if he receives a dividend from his company over £34,500, he will pay a higher dividends tax rate of 32.5%. As a result, regardless of company formation, various forms of taxation manifest themselves as an incentive to under declare actual sales. However, respondents also emphasise the increasing expenditure associated with employees; therefore, the next section considers employment regulations.

9.2.2.2 Employment

As discussed in section 9.1.1.1, South Asian entrepreneurs have a tendency to pay their employees in cash without the need to provide contracts. Echo states that the rise in minimum wage is not an aspect that all micro enterprises can provide, thus pay cash that is below the minimum wage, as within Type 2 The Legal Enterprise with Marginal Illegal Activity. The majority of respondents highlight employers pension contributions as a major deterrent to issue employment contracts. Employees can opt in or out of their pension which dictates whether employers pay contributions. Isaac indicates that his clients do mention this to employees as some opt out of automatic pension enrolment. Such aspects manifest as an incentive for entrepreneurs to avoid declaring most of their employees to avoid the expenditure and time consumption associated with employees, which is prominent within Type 3 The Opportunistic Enterprise.

9.3 Summary

This chapter is split into two distinct sections that cover internal influences and external influences. The first section discussed various forms of internal influences including employment i.e. paying and training employees, health and safety aspects such as workplace safety, how cash transactions are manifested in the operations of enterprises, the impact of culture in relation to the enterprise framework, and how entrepreneurs monitor and control activities that are outside the boundaries of the law. The second section discussed external factors such as competition and regulations including taxation and pension contributions that promote entrepreneurs to engage in informal practices.

Emerging conclusions highlight prominent informal practices based on employment and health and safety are manifested in the types of enterprises that South Asian entrepreneurs operate, particularly Type 2 The Legal Enterprise with Marginal

Illegal Activity, and Type 3 The Opportunistic Enterprise. Aspects of employment such as not declaring workers and cash payments to employees is prevalent in Type 2 and Type 3, yet there are differences where South Asian entrepreneurs attempt to push the boundaries of legality. For example, whilst entrepreneurs operating Type 2 enterprises comprise of employees that have the right to work and employ mixed ethnicities, entrepreneurs operating Type 3 enterprises are not concerned with an employee's right to work and focuses on employing ethnic workers to exploit. Health and safety in the workplace is a significant contributing factor to expenditure, consequently entrepreneurs operating Type 2 enterprises barely meet minimum health and safety regulations within the workplace through cash transactions. However, entrepreneurs operating Type 3 enterprises only prioritise health and safety aspects that could have life threatening impacts to employees.

The next chapter provides a concluding review of the main aspects of this thesis.

Chapter 10 Conclusion

The purpose of this chapter is to provide an overview of this thesis by reflecting on the main aspects that have been discussed and to present the contribution to knowledge and practice.

The chapter is structured as follows. First, the aims and objectives of this research are highlighted, then a summary of the thesis is presented. This summary reflects on specific areas such as data analysis that had the potential to be conducted differently. Secondly, the contribution of this research is discussed through considering the contribution to both knowledge and practice. Thirdly, the limitations of this research, specifically the method, are highlighted with some discussions of potential areas for future research. Lastly, a reflection of this doctoral journey is discussed emphasising my personal and intellectual growth throughout this research journey.

The aims of this research are to explore the nature of business practices and the opportunities and occurrences of types of informal or possible illegal activity practised by South Asian entrepreneurs who own and manage micro sized enterprises in South Yorkshire. The following three objectives assist in achieving these aims.

1. To explore the nature of entrepreneurship to determine how it manifests itself within micro sized enterprises in relation to informality and illegality.
2. To explore the association of informality with regards to ethnic entrepreneurs, and particularly South Asian entrepreneurs in a specific region of England.
3. To develop a greater understanding of the types of traders and enterprises that exist within a South Asian ethnic group.

10.1 Summary of Previous Chapters

This thesis began by discussing that SMEs are the backbone of local economies. For example, 53% of the working population are employed by SMEs (Eurostat, 2017) therefore create jobs which leads to growth of local economies due to the promotion of innovation. For specificity, this research focuses on micro enterprises i.e. 9 employees or less (European Commission, 2016) due to the economic stability such organisations provide. Ethnic minority enterprises are a rapidly changing group (Carter et al, 2003) with a noticeable growth of Asian enterprises within the UK (Dhaliwal and Amin, 1995; Dhaliwal, 1998), thus this research focuses on South Asian entrepreneurs operating micro sized enterprises within South Yorkshire. Distinctions between small business owners and entrepreneurs (Carland et al, 1984) is discussed with this aspect being integrated to develop a deeper perspective of South Asian traders and their enterprises.

As this research focuses on a specific ethnic group, the thesis considers factors that promote ethnic minorities to go into self-employment. Research into ethnic entrepreneurship is vast and diverse, with a focus on topics such as: gendered ethnic entrepreneurship (Dhaliwal, 2007; Basu and Werber, 2009; Collins and Low, 2010); culture as part of ethnic entrepreneurship (Basu and Altinay, 2002; Volery, 2007; Biradavlou, 2008; Danes et al, 2008; Basu and Werbner, 2009; Yu and Tandon, 2012); success strategies and enterprise development (Deakins et al, 1997; Fadahunsi et al, 2000); business support (Dhaliwal, 2008); and employment (Jones et al, 2006) to name a few. However, research into informal enterprises (MacDonald, 1994; Ojo et al, 2013) has been given significant importance as scholars such as Kloosterman et al (1998) suggest entrepreneurs may take an informal disposition, therefore, this thesis considers the informal practices of ethnic entrepreneurs i.e. entrepreneurs who operate at the margin (Williams, 2006). Whilst considering such entrepreneurs, scholars highlight concepts such as value-adding and value-extracting entrepreneurs

(Frith and McElwee et al, 2009; McElwee et al, 2011/2014), and opportunity driven and necessity driven entrepreneurs (Cross, 1997/2000; Synder, 2004; Williams, 2007, 2008, 2009b, 2009c, 2010). The emergence of recent concepts such as opportunity recognition and opportunity exploitation (Hajizadesh and Zali, 2016; Jarvis, 2016; Kuckertza et al, 2017) is discussed as they relate to the above concepts.

The distinctions between informal and illegal entrepreneurship are not straightforward, and scholars such as Lubell (1991) and Portes (1995) indicate that there lies substantial opportunity for illegality within the informal sector. Consequently, various scholars are focussing on this area to develop a greater understanding within the area of informal and illegal entrepreneurship, for example, cases of ethnic minority entrepreneurs (Galloway, 2007), illegal enterprises (Rehn and Taalas, 2004; Smith, 2007; Williams, 2008a) drug dealing (Frith and McElwee, 2008a, 2009b), and food fraud (McElwee et al, 2017). There have been attempts to make credible distinctions between the informal economy and illegality (Tokman, 1992; Thomas, 1995; Williams and Nadin, 2010), with emphasis placed on the definitions proposed by Thomas (1995) as this is utilised as a foundation point to provide clarity when considering South Asian entrepreneurs operating micro sized enterprises.

This research is underpinned by structuration theory (Giddens, 1984) that argues structure is a set of rules and resources that are recursive. Structuration involves analysing social systems where the activities of actors draw on rules and resources which are produced and reproduced in interaction. Thus, the creation and reproduction of social systems are based on analysing agents and structure. In relation to the perspective of the agents, Giddens stratification model is discussed with specific focus on entrepreneurs being aware or unaware of the consequences of their actions and how entrepreneurs monitor and control their activities in relation to informal practices. Giddens identifies ten concepts when conducting research

within the social sciences that are emphasised and act as a foundation for conducting this research. Whilst structuration theory is the theoretical lens for this research, the business model canvas (Osterwalder and Pigneur, 2010) is a visual tool that is utilised to demonstrate key elements of the enterprises that respondents operate. However, the business model canvas has limitations when applying it to research such as this, for example, it does not consider competition. Thus, I created the Hexagon canvas that takes into account the theoretical lens of this research, which is presented through internal i.e. agency, and external i.e. structure. In addition to the Hexagon canvas providing a pictorial representation that demonstrates the similarities and differences of the enterprises that respondents operate, this research draws on the framework of illegal rural enterprises (McElwee et al, 2011) as a foundation point in order to identify the types of enterprises that exist from an informal and illegal perspective in relation to South Asian entrepreneurs that operate micro sized enterprises.

A qualitative research approach is highlighted as this enabled understanding the experiences of respondents through accessing the interpretations of actors and how they make sense of the world and influences their social construction (Gill and Johnson, 2010). Induction is discussed as the most suitable research inference as this assists in meeting the aims and objectives through developing explanations of a social phenomenon that is grounded in empirical research that leads to the development of a deeper understanding of the research issue. There are various units of analysis within the study of informal and illegal entrepreneurship is highlighted by Low and MacMillan (1988). Many studies within entrepreneurship (Williams et al, 2012; Williams and Nadin, 2012; Ojo et al, 2013; Smith and McElwee, 2013) involve only a single level of analysis. The units of analysis for this research are identified as the entrepreneur and the enterprise, with greater focus lying on the entrepreneur. More specifically, this research focuses on a South Asian ethnic group i.e. individuals that originate from Pakistan, India, or Bangladesh and have

enterprises operating in South Yorkshire. This research concentrates on South Asian entrepreneurs that are both first generation i.e. individuals that have relocated to the UK, and second generation i.e. the offspring of first-generation individuals after relocation to the UK. Multiple sampling techniques were utilised to locate respondents in this research study. Convenience sampling enabled the collection of data from a sample that is most accessible to me, whilst a snowballing sampling technique allowed me to locate potential suitable respondents from the recommendation of first respondents. Interviews and conversations were integrated as data collection instruments, with three interview pilot studies conducted to ensure the interview guide was effective in collecting the data to achieve the aims and objectives. Data was collected in two phases. The first phase entailed breaking the ice with respondents and obtaining data in relation to South Asian entrepreneurs, whilst the second phase entailed developing a deeper understanding of the types of micro enterprises that South Asian entrepreneurs operate. In order to support the above data collection instruments, field notes were also taken to assist in completing the Hexagon business model canvas.

Ethical issues underpin whether respondents participate within research studies, and in the case of this research, a participant information and consent form were integrated into the data collection process to ensure respondents were fully aware of the purpose of this study. As the units of analysis within this research are the entrepreneur and the enterprise, a story based narrative inquiry technique is utilised to present the background of the entrepreneurs, whilst the Hexagon model canvas enabled me to present a pictorial representation of the enterprises of respondents. A thematic data analysis process was utilised to identify key themes and patterns within the data, with emphasis on an inductive, latent, and semantic thematic analysis form that is based on information explicitly identified to explore underlying concepts in relation to their interpretation. During the initial stages of analysis, there are various potential options to analyse data in addition to thematic analysis, such as

Interpretive Phenomenological Analysis (IPA) and grounded theory to name a few. However, grounded theory entails building theory from observations without any prior theoretical assumptions. This research utilises the framework for illegal rural enterprises (McElwee et al, 2011) as a foundational perspective to consider the types of micro enterprises South Asian entrepreneurs operate. Consequently, I felt the prescriptive standards of grounded theory i.e. theoretical sampling and open coding, was not suitable for this research. IPA also is not only a method but also a methodology (Braun and Clarke, 2006) in that it focuses on individuals experiences, comprises of a small sample with very rich detailed transcripts, and has epistemological commitments i.e. subjective epistemology. IPA seeks patterns in data and focuses on the experience of respondents, however this research focused on more than one unit of analysis. Therefore, to ensure focus remained on not only the entrepreneur but also the enterprise, thematic analysis is more flexible as it does not require detailed theoretical knowledge. As a result, thematic analysis allowed a focus on the units of analysis that enabled me to fulfil the objectives of this research.

Interviews were transcribed manually as this enabled me to familiarise myself with the data that assists in identifying patterns and emerging topics. Data was coded through the use of NVivo data analysis software to ensure effectiveness and efficiency in the data analysis process (Bazeley and Jackson, 2015). The coding process was very similar to the data analysis spiral highlighted by Creswell (2013) in that I reverted to going through previous transcripts when completing one transcript to determine whether additional codes could be extracted from previous scripts. Upon completion of the coding process from data collected from the first phase, codes were categorised before coding transcripts for the second phase of data collected. Once coding and categorisation for the second phase completed, categorisations were combined to create themes. These themes were then combined to develop perspectives i.e. Traders and Enterprises, and Internal and External Influences, which fulfil the aims and objectives of this research.

Findings are presented based on the units of analysis within this research i.e. the entrepreneur and the enterprise. In relation to the entrepreneur, the background and experiences in business of each respondents is presented. In relation to the enterprise, the Hexagon model canvas is utilised to highlight key areas of the enterprises of respondents. An enterprise framework is developed based on the findings of this research. There are five enterprise classifications that are proposed to exist in the context of South Asian entrepreneurs operating micro sized enterprises. These are Type 1 The Legal Enterprise, Type 2 The Legal Enterprise With Marginal Illegal Activity, Type 3 The Opportunistic Enterprise, Type 4 The Opportunistic Enterprise With Criminal Foundational Activity, and finally Type 5 The Illegal Enterprise. In addition to considering the types of South Asian traders that could operate these enterprises, four key concepts are integrated into the framework i.e. Value-Adding, Value-Extracting, Necessity Driven, and Opportunity Driven entrepreneurs. Each of these concepts is discussed to demonstrate how they relate to the enterprises and entrepreneurs found to exist.

As the focus of this research is on agency and structure in accordance to the theoretical lens i.e. structuration theory, the above concepts place greater emphasis on the agent i.e. South Asian entrepreneurs. Therefore, to consider the impact of structure, i.e. institutional frameworks, internal and external influences from the perspective of South Asian entrepreneurs are considered. Four internal influences are highlighted, these are employment, health and safety, cash transactions, and culture. The internal influence of employment is substantial as it is found to comprise of multiple facets i.e. employee payment, ethnicity of employees, and training of employees. Health and safety is an emergent aspect within this research, this I first reflect on relevant literature, then the knowledge and views of South Asian entrepreneurs in relation to health and safety within operations of their enterprises. Cash transactions is an internal influence that directly relates to

employment and health and safety as many activities within these internal influences are in the form of cash. Each of the above internal influences is linked back to the enterprise framework proposed in order to demonstrate how each of these influences differ within the various enterprises from the perspective of South Asian entrepreneurs. Whilst respondents highlight culture as an internal influence, this is given limited emphasis to ensure the focus of this research remains on informal practices of South Asian entrepreneurs that operate micro sized enterprises. As respondents indicate different levels of monitoring and control within their enterprises, this aspect is discussed by reflecting on the previous internal influences to demonstrate how monitoring and control differs in the enterprises found to exist.

Two external influences are highlighted, these are competition and regulations in business. The element of increasing competition is a factor that resonated through both phases of data collection that pressurises South Asian entrepreneurs to engage in informal practices. In a similar sense, regulations in business specifically taxation and employee pensions are discussed as these act as incentives for entrepreneurs to engage in informal practices.

10.2 Contribution of Research

Whilst the previous section summaries the types of enterprises found to exist within the context of this research, structuration theory enables the focus of agency, i.e. the entrepreneur, and structure, i.e. institutional frameworks. This research considers this focus through reflecting on internal and external influences that promote South Asian entrepreneurs to engage in informal practices. Whilst entrepreneurship literature highlights various forms of informal practices such as escaping official records (Portes and Sassen-Knoob, 1987; Williams and Windebank, 1998) and the use of ghost workers (Jones et al, 2004; McDonald, 1994), this research provides a deeper understanding of the manifestation of informal practices within micro enterprises.

The contribution to knowledge of this research is presented through the consideration of specific enterprises found to exist to identify prominent forms of informal practices within these enterprises, and the relation of these forms to significant concepts within the research of entrepreneurship.

10.2.1 Contribution to Knowledge

Type 2 The Legal Enterprise with Marginal Illegal Activity is found to be prominent in relation to South Asian entrepreneurs. As the title suggests, such enterprises involve a small number of illegal activities, mainly employment and health and safety. For example, whilst employees that work regularly within the business will have employment contracts in place, those employees that occasionally work within the enterprise when required are not declared and are simply paid cash in hand. Employees within Type 2 enterprises will have status to work within the country without any limitations and South Asian entrepreneurs will employ individuals regardless of their ethnicity. Entrepreneurs will avoid continuous training or will not be aware of the training required therefore do not train their employees. Health and safety procedures are in place, yet these only barely meet the minimum requirements regardless of the industry sector they operate in. However, entrepreneurs consider health and safety in the workplace to ensure there is some sort of employee safety but will not explicitly have policies in place as these are areas that entrepreneurs can exploit opportunities to reduce expenditure. Consequently, opportunistic traders are present within this enterprise as South Asian entrepreneurs are seeking to take advantage of opportunities not only to ensure the prosperity of their enterprise but also the survival of their enterprise.

Specific concepts, discussed below, are integrated into the enterprise framework to demonstrate how such concepts intertwine with enterprises and traders found to

exist. Opportunity driven entrepreneurs begin at this enterprise and continue to be present within the remaining enterprises as they are driven to exploit all opportunities that are available to them in the pursuit of profit. Necessity driven entrepreneurs begin and end at Type 2 enterprises, as they include informal practices related to health and safety and cash transactions only to ensure their enterprises continue to operate and entrepreneurs are able to earn a living. The external influence of competition promotes South Asian entrepreneurs to be necessity driven as entry barriers are low within retailing and catering industry sectors. Due to the integration of marginal illegal activities within their enterprises, entrepreneurs monitor their sales and inventory, and the activities of their employees in order to cover their tracks and conceal their operations from authorities. South Asian entrepreneurs do not go extreme lengths when considering monitoring as activities such as under declaration of sales and employees is perceived as normality. Despite the marginal integration of informal practices, the impact of this enterprise and the entrepreneur on society is value-adding i.e. the utilisation of resources for profit that positively impacts society as their products and/or services provide economic stability and growth.

Type 3 The Opportunistic Enterprise is one of the main contributions to knowledge as it assists in further understanding informal practices within micro sized enterprises. Type 3 enterprises comprise of entrepreneurs that push the boundaries to include a variety of practices that are not legal in relation to institutional frameworks. There are many internal influences that South Asian entrepreneurs manipulate therefore are classed as informal traders within this enterprise. Such traders are extremely opportunistic in that many of their activities are not legal and encompass a greater degree of risk than opportunistic traders. For example, entrepreneurs within Type 3 enterprises minimally declare the number of employees within their business with cash payments being far more prominent i.e. the majority of employees are paid cash in hand along with a significant amount of stock they

purchase in order to conceal their actual purchases and thus their sales. South Asian entrepreneurs are not concerned about an individual's eligibility to work within the country, they will employ individuals based on their needs and will provide minimal training for new employees and will not train existing employees due to the additional expenditure this creates and to ensure entrepreneurs are in full control to manipulate regulations.

Health and safety is given very low priority within Type 3 enterprises to reduce expenditure with only life threatening health and safety procedures in place. From the perspective of consumers, such enterprises have regular health and safety procedures and appear legitimate. Type 3 The Opportunistic Enterprise may operate on a cash only basis to ensure they have optimal control over their declarations to authorities. To support this, entrepreneurs give their employees less financial control within their business, for example, South Asian entrepreneurs operating convenience stores will give employees greater shelf-filling responsibilities. Due to greater underhand activities, entrepreneurs monitor the effects of their activities to a greater extent e.g. taking the time to review sales and stock figures to ensure there are no discrepancies for their quarterly bookkeeping. The external influences of fierce competition and regulations such as the various forms of taxation i.e. income tax, value-added tax, and corporation tax, promote entrepreneurs to integrate the above activities and operate as Type 3 The Opportunistic Enterprise. However, it is not a necessity that entrepreneurs integrate the above informal practices as minimal forms can be integrated, as with the previous type of enterprise, in order to ensure the survival of their enterprise. Consequently, only opportunity driven entrepreneurs are present within Type 3 The Opportunistic Enterprise as entrepreneurs are found to be more opportunity driven rather than necessity driven (Synder, 2004; Williams, 2007, 2008, 2009b, 2009c). This research contributes to existing knowledge by considering this concept in the context of South Asian entrepreneurs. The aspect of opportunity exploitation is explored to find that South

Asian entrepreneurs exploit connections within their communities i.e. locating suitable workers, locating suppliers to reduce purchasing costs, and locating flexible estate agents that are able to assist entrepreneurs in obtaining properties at a reduced rate by providing a cash incentive. Entrepreneurs also exploit individuals within their communities in the pursuit of profit. However, these activities are common despite this falling within the categorisation of opportunity driven entrepreneurs. This is down to an aspect that this research determines as a societal influence. Exploiting networks within communities is a common aspect as once an entrepreneur conducts such activities, entrepreneurs within the community follow suit without questions as they too are able obtain additional financial wealth.

The question then arises of why a South Asian entrepreneur would deem this suitable despite no others within their community conducting the informal practices discussed above. This is due to broader societal factors that drive entrepreneurs as the activities of other organisations are not legitimate themselves. The activities of Multi-National Enterprises with regards to taxation can be considered as operating at the margins of society due to their unlawful nature. For example, respondents claim that various MNEs such as the likes of Google, Amazon, Starbucks, and Facebook have avoided paying their taxes through manipulation of tax structures (Barford and Holt, 2013; McGoogan, 2017; Gravelle, 2018; Kahn, 2018). Respondents such as Gomez highlight that not only MNEs but also influential world leaders such as Donald Trump allegedly engage in tax fraud, which has surfaced in the media (Barstow et al, 2018). To that end, these organisations and individuals form part of a broader societal influence that are at the foundation of the concept of opportunity driven entrepreneurs. This is due to the fact that informal South Asian entrepreneurs engage in informal practices on the basis that manipulating regulations has become the norm and is accepted by entrepreneurs and society. Despite the integration of the above types of practices, Type 3 The Opportunistic Enterprise is similar to Type 2 The Legal Enterprise with Marginal Illegal Activity in that products and/or services

have positive impacts on society due to their contribution to economic growth, thus are value-adding.

Type 4 The Opportunistic Enterprise with Criminal Foundational Activity is operated by entrepreneurs that conduct ambiguous activities, for example, their inventory is sourced from suppliers that sell duty free goods and their enterprise is not registered due to the costs this incurs. Type 4 enterprises comprises of semi-criminal traders who include foundational criminal operations. Such operations are in the form of employing illegal workers in order to fully exploit their employees through working long hours, providing no real training, and cash payment that is far below the minimum wage. A semi-criminal South Asian trader will be more likely to employ ethnic workers as they will be seeking individuals with limited to no working rights in order to exploit. As a result, training employees is minimal to none. The only training that takes place is to bring new employees up to speed with operations and systems, and South Asian entrepreneurs take a carefree attitude to health and safety within the workplace with only life-threatening issues attended to and the viewpoint that employees should use their own initiative in relation to basic health and safety procedures. As the operations of entrepreneurs continuously involve exchanges of illegitimate goods from illegitimate suppliers, Type 4 enterprises operate on a cash only basis to conceal such operations. Entrepreneurs prioritise monitoring their sales and operations due to the manifestation of cash transactions to ensure that they keep their operations hidden from surface view and that their employees are not stealing from them. The products Type 4 enterprises provide, and the activities of entrepreneurs, has the potential to be value-adding or value-extracting i.e. it can have positive or negative impacts on the societies within which they operate. For example, despite entrepreneurs purchasing and selling large volumes of illicit goods such as counterfeit alcohol, they will also be purchasing and selling legitimate goods, thus will be marginally assisting in the growth of their local economy. Whilst Type 4 enterprises involves forms of illegality i.e. not registering

their enterprise and forms that are on the verge of criminality i.e. employing illegal workers and prominently selling illegitimate inventory, entrepreneurs can operate an illegal enterprise.

Type 5 The Illegal Enterprise is operated by entrepreneurs that provide illegal goods or services but is as structurally efficient as a legal enterprise i.e. efficient operation of the enterprise through managing tasks, meeting the needs of their clients, and ensuring networks and stable communications. Type 5 enterprises include criminal traders who operate illegally and produce illegal products and/or services. For example, the production and distribution of drugs, and offering prostitution services. However, it is necessary to highlight that the existence of illegal enterprises within the context of South Asian entrepreneurs operating micro sized enterprises is very rare, therefore limited emphasises is provided on this enterprise. Due to the sensitivity of operations within Type 5 enterprises, entrepreneurs would avoid employing individuals regardless of their ethnicity. If required, individuals will be employed based on whether entrepreneurs feel they are loyal and can be trusted rather than their experience within the field. Consequently, South Asian entrepreneurs provide training to employees to ensure smooth operation of the enterprise, yet key activities are conducted by the entrepreneurs themselves to make certain they remain hidden as it is illegal. Whilst health and safety in the workplace is not directly considered, this does form part of their operations indirectly as entrepreneurs ensure activities are not life threatening to themselves or their employees i.e. the production processes of specific types of drugs. Such enterprises operate on a cash only basis in order to remain hidden with the indication that monitoring the operations of the enterprise and activities of employees are given high priority. The entrepreneurs that operate Type 5 enterprises are solely value-extracting i.e. negatively impacts societies as the products and/or services they produce and provide are damaging to their local economy.

My conceptual framework contributes to knowledge by providing clarity on the types of enterprises South Asian entrepreneurs operate and the manifestation of information practices, with the integration of influential entrepreneurial concepts to highlight their impact on society. In addition to this conceptual framework, I have created a Hexagon canvas that is tailored specifically to this research. This model canvas is a contribution to knowledge as it can be applied to not only micro enterprises but also small and medium sized enterprises to emphasise business processes. Whilst this research focuses on the nature of informal practices, the Hexagon canvas can be utilised in different research contexts to determine how enterprises operate and evaluate their value proposition. To that end, my Hexagon canvas proves to be a contribution to existing knowledge.

10.2.2 Contribution to Practice

Specific areas of this research can be utilised to contribute to professional practice. For example, health and safety within the operations of micro sized enterprises has been given significant emphasis, as this manifests as an informal practice within many of the enterprises found to exist. Despite the promotion of self-regulation of health and safety, policymakers should concentrate on specific aspects such as health and safety in relation to employee training. Prescriptive standards may need to be communicated to entrepreneurs within the retailing and catering industry sectors to promote self-regulation within their enterprises. This can be communicated through local South Asian community networks when they convene for informal meetings. In order to limit the manifestation of informal practices, authorities can send an indirect message to smaller enterprises by ensuring that larger organisations do not escape tax fraud as entrepreneurs operating micro enterprises are largely influenced by such activities. Whilst South Asian entrepreneurs operating micro enterprises may manipulate employment regulations through cash dealings, entrepreneurs within this research indicate society in general appears to be manipulating benefit

systems. To that end, local authorities should review requirements to eliminate exploitation of state benefits.

In relation to the taxi service sector, several entrepreneurs are indicated to conceal their actual mileage by utilising traders who can reverse their vehicles odometer readings to demonstrate a lower level of income to avoid falling into higher tax brackets. This is a prominent practice as the MOT tests that highlight vehicle mileage for taxi drivers are similar to non-taxi drivers within the country i.e. yearly. To reduce or possibly eliminate this common practice, additional MOT tests could be allocated specifically for taxi drivers i.e. every four months that focuses on this issue with reduced charges, thus making it difficult for entrepreneurs to conceal actual mileage on their vehicles and are able to comply with regulations.

The next section considers the limitations of this research and potential areas for future research.

10.3 Limitations and Prospects for Future Research

This research has explored informal practices of South Asian entrepreneurs operating micro sized enterprises within the Yorkshire region of the UK. This is very specific as it concentrates on a particular region within the UK, therefore the findings i.e. types of micro enterprises and South Asian entrepreneurs that exist, are bound to this location. Despite this research focusing on a specific ethnic group, the existence of specific types of traders can be applied to different ethnic groups as respondents indicate that traders and enterprises are not bound to one ethnic group or micro enterprises. To that end, future research could include the consideration of traders and enterprises within the contexts of medium sized enterprises in order to verify that the manifestation of informal practices is prevalent in all sizes of enterprises.

One of the main limitations is access due to the sensitivity of this research. Nevertheless, this was an issue that was overcome due to connections within my community. There are various South Asian entrepreneurs that have been operating micro sized enterprises for long periods of time i.e. two decades. Therefore, I have built a relationship based on trust over these years that has substantially contributed to encourage such entrepreneurs to discuss their business experiences that revolve around informal practices. As previously discussed, a snowball sampling technique assisted in locating suitable respondents, however a large number of entrepreneurs were approached prior to securing respondents for this research. In order to combat such an issue, this research included two phases of data collection to extract as much information as possible from the nine respondents within this research study. The majority of respondents are operating convenience stores, and whilst including enterprises operating in a greater variety of industry sectors may assist in the validity of findings and contributions, the coming generations of South Asian entrepreneurs are shifting to operate professional practices such as law, dentist, and accounting firms. This study has considered such an aspect as many respondents within this research operate small accountancy firms.

Whilst the proposed enterprise framework in relation to South Asian entrepreneurs can be utilised to stimulate future research, this thesis highlights prominent informal practices and perspectives of entrepreneurial concepts that are at the forefront of research within informal and illegal entrepreneurship i.e. opportunity and necessity driven entrepreneurs, and value-adding and value-extracting entrepreneurs. However, there are various areas in relation to internal influences that form part of these concepts. For example, health and safety is a significant emergent aspect yet this is very broad. Future research in relation to health and safety could consider management styles of female ethnic entrepreneurs in order to clarify if there is differentiation of health and safety procedures in terms of one's gender or ethnicity. Type 5 The Illegal Enterprise are found to be rare from a South Asian operational

perspective, therefore future research in terms of health and safety could focus on developing a greater understanding of health and safety procedures within illegal enterprises.

There are specific limitations with this research in terms of the data collected. For example, the scope of this research is quite narrow in that nine cases were included, and future studies can include a larger scope of data for generalisability. However, considering the sensitivity of this research incorporating a large sample is extremely challenging. While this research included one female entrepreneur, future studies may be able to include a larger female sample for representativeness.

Culture has been considered within this research yet is given limited emphasises to ensure this aspect does not steer this research into a different direction. Consequently, future research could focus on determining the extent of culture as a motivating factor to engage in informal activity. More specifically, future research may consider the aspect of power i.e. whether paternalistic management styles promote the integration of informal practices.

The next section considers a reflection of my doctoral journey throughout this research.

10.4 Reflections

In order to provide a self-reflection of this research journey, I will consider the four stages of Kolb's learning cycle (1984) i.e. concrete experience, reflective observation, abstract conceptualisation, and active experimentation, as Kolb indicates that the most effective learning requires considering these four abilities.

The first stage of concrete experience entails a new experience i.e. the experience of my doctoral journey, whilst the second stage of reflective observation involves developing observations based on this experience. Whilst my doctoral journey has been an invaluable experience, there have been many difficulties I have endured. For example, the emotional rollercoaster that one experiences when conducting research of this scale can encompass many positives and negatives such as self-confidence, self-esteem, as well as frustration and anxiety. I believe that the latter were far more prominent during the initial stages of my journey when considering the workload and expectations of conducting doctoral research. There have been many instances where I have felt that frustration has resulted in a lack of progression. However, patience and perseverance eventually led to a boost in morale that enabled me to complete this thesis. The third phase of abstract conceptualisation essentially involves learning from this experience. During various parts of this research, taking an abstract viewpoint enabled me to progress through various stages such as philosophical and data analysis aspects. Such stages enabled me to develop intellectually, particularly the consideration of philosophy within this research. Whilst my thought process is discussed in chapter 4, this process promoted critical thinking that I believe has substantially developed throughout the process of this research. This is not only due to the processes that revolve around conducting doctoral research but also the positive impact and influence of my supervisors that manifested as a significant motivating factor to strengthen my breadth and depth of knowledge. The fourth phase is application of that learned from this experience. I believe that overall this doctoral journey has enabled me to exponentially grow as an individual that now takes a more critical approach to intellectual aspects. I believe that I have matured not only intellectually but also mentally and emotionally due to the pressures encountered from my doctoral journey. Consequently, this growth will enable me to tackle future experiences not only in academia but also in life.

10.5 Concluding Remarks

This chapter reiterates the aims and objectives of this research, then provides a summary of the thesis by reflecting on that discussed within the previous chapters. The contributions to knowledge of this research is discussed to be providing in-depth clarity of the most prominent forms of informal practices within micro sized enterprises operated by South Asian entrepreneurs. Contribution to practice is based on providing policymakers with potential avenues to limit informal practices so that opportunity driven entrepreneurs do not sway past the margins of society to operate illegal enterprises. Limitations are considered with how this research was able to combat issues related to access, and a reflection of this doctoral journey demonstrates my growth as an individual.

This thesis provides an in-depth understanding of the most prominent informal practices that have manifested into the processes of South Asian entrepreneurs operating micro sized enterprises. This thesis focuses on the Yorkshire region of the UK, with a qualitative methodology that entailed drawing of the views and experiences of respondents that revolve around the influences of structure, based on the theoretical lens of structuration theory (Giddens, 1984), in order to address the aims and objectives of the research. In addition to focussing on the entrepreneur, this research also focuses on the enterprise through the use of a revised version of Osterwalder and Pigneur's (2010) business model canvas to suit the purposes of this research. A framework based on the types of micro enterprises that South Asian entrepreneurs operate is developed with the integration of specific concepts that are emphasised within the research of entrepreneurship i.e. opportunity driven and necessity driven entrepreneurs, and value-adding and value-extracting entrepreneurs.

To conclude, South Asian entrepreneurs operating micro sized enterprises within the retailing and catering industry sectors are at the foundation of local economic growth and stability. Despite the integration of informal practices within such enterprises, this research provides depth on the most prominent forms thus indicating potential areas of focus and improvement for policy makers.

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