

Weak Ties at Play: Social Networks and Ghanaian Entrepreneurs in Columbus, Ohio

A thesis presented to  
the faculty of  
the College of Arts and Sciences of Ohio University

In partial fulfillment  
of the requirements for the degree  
Master of Arts

David A. Adjuik

August 2012

© 2012 David A. Adjuik. All Rights Reserved.

This thesis titled  
Weak Ties at Play: Social Networks and Ghanaian Entrepreneurs in Columbus, Ohio

by  
DAVID A. ADJUIK

has been approved for  
the Department of Geography  
and the College of Arts and Sciences by

---

Brad D. Jokisch  
Associate Professor of Geography

---

Howard Dewald  
Interim Dean, College of Arts and Sciences

## ABSTRACT

ADJUIK, DAVID A., M.A., August 2012, Geography

Weak Ties at Play: Social Networks and Ghanaian Entrepreneurs in Columbus, Ohio

Director of Thesis: Brad D. Jokisch

Referring to solidarity among immigrant communities, scholars have argued that ethnic entrepreneurs are able to form business associations which ensure members access to valued business resources. Through a case study of Ghanaian entrepreneurs in Columbus, Ohio, the forms of social networks that immigrant entrepreneurs exploit in setting up and running their businesses are examined. Using semi-structured questionnaires, 20 face-to-face interviews were conducted with Ghanaian business owners/managers, followed by qualitative analysis of their responses. Ghanaian entrepreneurs do not belong to ‘networks of closures’, but rather rely on their loose acquaintances, attend ethnic churches and other community events and promote their businesses through these avenues. Co-ethnics will relate to you because they see you at church and get closer to you because they see you at community events. Through these relationships, entrepreneurs are able to access goods on credit from each other, recruit ethnic employees, attract potential customers and exchange business information. Entrepreneurs must, however, be established already in order to enjoy these benefits.

Approved: \_\_\_\_\_

Brad D. Jokisch

Associate Professor of Geography

## ACKNOWLEDGMENTS

I am most grateful to the Lord God Almighty for bringing me this far. It has been his guidance and protection that helped me succeed in completing this study. My sincere thanks and appreciation goes to my adviser, Dr. Brad Jokisch. His constant suggestions and insights have helped to direct and shape this study to become a valuable piece. I also wish to thank my committee members, Dr. Risa Whitson and Dr. Yeong-Hyun Kim, for their valuable contributions and comments during this study. I am also grateful to the Department of Geography of Ohio University for awarding me the “Isaac Sindiga Memorial Fund” which supported me in conducting my field work.

Sincere thanks are also extended to the Ghanaian entrepreneurs in Columbus especially those who participated in the study. Mr. Ernest Opuni and Pastor Bismark Akomeah were most helpful in introducing me to the Ghanaian community in Columbus and participating in the study.

My heartfelt gratitude further goes to my family and good friends who supported and made suggestions to this study. I am most grateful to my mother, Akategralie R. Adjuik, and siblings whose support and prayers have brought me this far. Thanks also to my very good friend, Queen B. Usi, who has been very supportive and encouraging anytime I faced problems in the field.

## TABLE OF CONTENTS

	Page
Abstract.....	3
Acknowledgments.....	4
List of Tables .....	8
List of Figures .....	9
Chapter 1: Introduction .....	10
1.1 Introduction and Problem Statement .....	10
1.2 Research Questions.....	14
1.3 Outline of the Study.....	15
Chapter 2: Ghanaian Immigrants in the United States.....	16
2.1 Ghanaian Migration Trends to the United States.....	16
2.2 Geographical Distribution of Ghanaians in the U.S. ....	17
2.3 Educational Attainment of Ghanaian-Born in the U.S. ....	19
2.4 Occupation and Income Statistics of Ghanaian-Born in the U.S.....	20
2.5 Study Area .....	22
2.6 Ghanaians Presence on the Landscape of Columbus.....	25
Chapter 3: Theoretical Framework .....	29
3.1 Immigrants and Self-Employment.....	29
3.1.1 The Origin Effects Approach.....	30
3.1.2 The Destination Effects Approach.....	32
3.1.3 The Setting Effects Approach.....	33

	6
3.2 Social Networks .....	34
3.2.1 Benefits of Social Networks .....	36
3.2.2 Costs of Social Networks .....	40
3.3 Strong Social Networks versus Weak Social Networks .....	44
3.4 Transnational Entrepreneurship .....	48
3.5 Summing Up the Debates .....	50
Chapter 4: Methodology .....	51
4.1 Research Methods .....	51
4.2 Sampling and Data Collection Process .....	53
4.3 Accessing the Respondents and the Researcher's Role .....	56
4.4 Data Analysis .....	58
4.5 Methodological Shortcomings .....	59
Chapter 5: Data Presentation and Discussion .....	61
5.1 Profile of Participants .....	61
5.2 Reasons for Starting Own Business .....	69
5.3 Forms of Social Networking .....	76
5.3.1 How Then Do Ghanaian Entrepreneurs In Columbus Network? .....	78
5.3.2 Exchange Sale .....	79
5.3.3 Contributory Purchase .....	79
5.3.4 Church .....	80
5.3.5 Tribal or Home Associations .....	81
5.3.6 Naming and Out-dooring Ceremonies .....	83

5.3.7 Word of Mouth .....	84
5.3.8 OneGoal Family Picnic.....	84
5.3.9 Internet .....	86
5.4 The Effects of Social Networking .....	89
5.4.1 Access to Financial Resources.....	89
5.4.2 Access to Informational Resources.....	94
5.4.3 Ethnic Employees .....	96
5.4.4 Ghanaian enterprises and their Clientele .....	100
5.5 The Scale of their networks .....	106
5.5.1 Networks with Other Immigrant Groups or Natives.....	107
5.5.2 Networks Beyond State and National Borders .....	110
5.5.2.1 National Networks .....	110
5.5.2.2 Networks beyond National Borders .....	113
Chapter 6: Conclusion.....	116
References.....	121
Appendix A: Questionnaire .....	127
Appendix B: 2011 African Business Almanac (Calendar).....	130

## LIST OF TABLES

	Page
Table 1: Ghanaian-Born Population in the U.S .....	17
Table 2: Geographic Distribution of Ghanaians in the U.S .....	18
Table 3: Personal Income of 2004 U.S Ghanaian-Born Population .....	21
Table 4: Profile of Participants .....	63
Table 5: Characteristics of Participants .....	66
Table 6: Types of Ghanaian Businesses in Columbus.....	67
Table 7: Sources of Labor.....	97



## LIST OF FIGURES

	Page
Figure 1: Location of Ghanaian-Owned Businesses in Columbus .....	24
Figure 2: Identifiable Ghanaian Grocery Shop Signage .....	26
Figure 3: Identifiable Ghanaian Restaurant Signage .....	26
Figure 4: Ghanaian Flag Hanging on a Car .....	27
Figure 5: A Ghanaian Business Facebook Account .....	87
Figure 6: Ghanaians in Columbus Facebook Account .....	88

## CHAPTER 1: INTRODUCTION

### 1.1 Introduction and Problem Statement

The concept of social networks is a promising area for theory-building to explain immigrant entrepreneurship<sup>1</sup>. It is assumed that there is a positive relationship between social networks and immigrant entrepreneurial success. If this is true, it implies that social networks – no matter their cultural origin or make-up – are critical to understanding immigrant entrepreneurship. Such an assertion is of great interest to human geographers, who seek to understand how immigrant groups' livelihoods shape urban geographies and landscapes. Through a case study of Ghanaian entrepreneurs in Columbus, Ohio, I will identify the nature and forms of social networks in order to examine how they facilitate and possibly hinder their entrepreneurial activities.

Studies of ethnic entrepreneurship in both the United States and Europe have largely recognized the self-employment activities of Latin American and East Asian immigrants. For example, in a study of the social structures of South Korean immigrants in Los Angeles, Light and his colleagues (1990) learned that Korean credit associations (referred to as *kyes* in Korean) were urgent sources of financial support for Korean entrepreneurs. They went on to argue that these credit associations strengthen co-ethnic network ties. In the same vein, Light and Gold (2000) assert that Latino entrepreneurs in traditional destinations in the United States are able to raise capital to finance their businesses by relying mainly on co-ethnic networks.

---

<sup>1</sup> The term immigrant entrepreneurship (or immigrant entrepreneur) will be used interchangeably in this research with ethnic entrepreneurship or minority entrepreneurship to mean the same thing.

Despite the prevalence of such literature on East Asian and Latin American immigrant groups, little exists by way of empirical accounts of comparable experiences of African immigrants. Yet, there is a growing African population and economic activities in the United States, including in Columbus, that is little understood. The minimal research on African economic activities often focuses on North Africans rather than Sub-Saharan African immigrants. In a study of Moroccan entrepreneurs in the Netherlands, Kloosterman and his associates (1999) noted that most of them were concentrated in the butchering business. They went on to conclude that their concentration in informal activities like self-employment is due to the lack of human capital among this immigrant group.

Compared to other African immigrants, Ghanaians rank among those who have the highest level of educational attainment (Dixon, 2006). On the global level, African immigrants, and for that matter Ghanaian immigrants, generally have higher educational levels. For instance, 49.3% of African-born in the U.S. have a bachelor degree or more, compared to 32.9% of European-born, 44.9% of Asian-born, 11.2% of Latin American-born, and 4.2% of Mexican-born (U.S. Census Bureau, 2001). Unlike immigrants from countries such as Somalia and Eritrea who are usually political refugees or immigrants from Latin American who sometimes cross the U.S. border illegally, the U.S. is selective in admitting Ghanaian immigrants. Yet, Ghanaians in the United States also engage in informal activities such as self-employment. This may not necessarily mean the lack the human capital to compete in the formal job market. In the same vein, differences in the cultural traditions of Ghanaian immigrants direct us to anticipate differences in social network structures and their effects on businesses.

Other studies on African immigrants generalize their economic activities. In 2011, Tengeh and his associates (2011) carried out a study in South Africa on how immigrants from Cameroon, Ghana, Ethiopia, Senegal and Somalia network among themselves in the setting up and running of their own businesses. Even though this is a diverse group of immigrants, the results from the data collected led the researchers to propose a framework for self-evaluation of all African immigrants wishing to emigrate to South Africa and subsequently start a business. The social networks among African immigrants are culture-specific, but the literature usually lumps them together into a generic “African” category as evidenced from the conclusions above.

Many scholars have also acknowledged the fact that foreign born populations are more inclined towards self-employment than the native-born. However, the basic explanation for what causes this high self-employment among immigrants remains elusive and beset with controversy. Again, based on studies of Asian and Latin American immigrants, scholars assert that origin country effects or host country effects or a combination of these two account for the high level of self-employment among immigrant groups and their tendency to exploit ethnic ties for resources (Tubergen, 2005; Model and Lin, 2002; Hout and Rosen, 2000).

The ongoing discussion about the factors accounting for high immigrant entrepreneurship and their utilization of social networks belie the heterogeneity of immigrant groups in general and of ethnic enterprises in particular. However, we live in a world where differences in cultural structures influence the propensity to self-employment and determine whether or not informal ties are effectively exploited in the development of small businesses. It is still unclear as to whether or not the nature and extents to which these groups of immigrants explore social networks is applicable to

immigrants from other parts of the globe such as Africa, Ghana in particular, where little has been written to explain their experiences. Fadahunsi *et al* (2000, pg229) argue that although minority ethnic communities rely heavily upon informal ties, “differences in community structures and cultural traditions lead us to expect differences in network intensity between different ethnic communities” and further, that based upon evidence from the literature, we might “expect to find differences between ethnic minority groups in relation to the nature and extent of network activity and its role in supporting small business development.” Thus, there is lack of empirical research on the entrepreneurial activities of Ghanaian immigrants to determine whether their activities conform to or provides evidence against these models developed to explain immigrant enterprises and their utilization of social networks.

Like with many other nationalities, the number of Ghanaian immigrants in Columbus has been increasing noticeably during the past two decades. The number of Ghanaians in Columbus reached an estimated 2,037 in 2009 (American Community Survey, 2009). They are concentrated in the northern part of the city, within an African community dominated by Somalis. The increase in the Ghanaian-born population in Columbus presents a business opportunity that Ghanaian entrepreneurs have identified. They have established businesses that cater to the needs of the Ghanaian population and likely other African populations there.

As a means of coping with difficult economic and socio-cultural circumstances, Ghanaian communities in the United States try to replicate the strong family and community networks that they left in their home country. According to Opoku-Dapaah (2006a), Ghanaians in the U.S. belong to social networks such as religious sects and depend on spiritual leaders of these sects for solutions to a wide range of problems

including employment/unemployment, illness and immigration issues. Ghanaian entrepreneurs also belong to business and ethnic associations. Evidence from a study of Ghanaians in Cincinnati, Ohio, reveals that they develop cohesive ethnic communities as a survival strategy (Yeboah, 2008). Within these cohesive communities, it is also to be expected that valuable business resources is likely to arise. This study will, therefore, attempt to identify the nature and forms of social networks among Ghanaian entrepreneurs in Columbus in order to examine how they facilitate and possibly hinder their entrepreneurial activities. By understanding these networks, and the geography of these networks, we will have a better understanding of how Ghanaian immigrants are creating livelihoods and shaping the urban geography and ethnic landscape of Columbus.

## 1.2 Research Questions

The aim of this research is to study Ghanaian enterprises and their utilization of various ethnic community resources. Specifically, the study seeks to answer the following questions:

- What forms of social networks do Ghanaian entrepreneurs in Columbus exploit in the setting up and running of their businesses?
- How have social or community networks benefited or limited their businesses?
- What is the ethnic and geographical scale of their networks?

While the first and second questions constitute the core of the thesis, the third is to examine whether they are tapping into other African communities like the Somali and/or American community and whether they have networks outside Columbus and the United

States. It will be argued that Ghanaian entrepreneurs network by relying heavily on the loose acquaintances that they have developed in their community. It will further be argued that even though social networks are crucial to the survival of Ghanaian enterprises, the extent to which entrepreneurs benefit from them is limited to other business resources other than monetary assistance, and assistance at business start-ups is abysmal (due partly to competition) as opposed to established enterprises. It will further be shown that transnational networks is limited to entrepreneurs who export highly valued products like cars and that what one might think is transnational networks is actually national relations with Ghanaian importers in other parts of the U.S.

### 1.3 Outline of the Study

This study is structured into 6 chapters. Following the introduction, the study is divided into 5 chapters. Chapter 2 discusses the background of the study where there will be an overview of Ghanaian immigrants in the United States and the Columbus Area and their influence on the cultural landscape of the city. Chapter 3 outlines the main arguments relating to the concept of immigrant entrepreneurship and social networks. Theoretical views of these concepts will be presented in this chapter. The research methods used in the investigation are explained in Chapter 4. The interviews or data from the fieldwork are presented and analyzed in Chapter 5. Chapter 6 concludes the study.

## CHAPTER 2: GHANAIAAN IMMIGRANTS IN THE UNITED STATES

This chapter provides a description of Ghanaian immigrants in the United States and particularly in Columbus. It looks at the number of Ghanaians in the U.S. and their spatial distribution in the country as well as their activities. The Ghanaians in Columbus have a presence on the landscape as well. A brief description of the feature elements linked to Ghanaian culture is also presented here.

### 2.1 Ghanaian Migration Trends to the United States

The number of Ghanaian-born immigrants in the United States has recently begun to rise. During the first half of the 20<sup>th</sup> Century, a few people migrated from Ghana or the African continent in general. After World War II, this number began to rise quickly. In 1990, the number of Ghanaians in the U.S was 20,889 (U.S. Census Bureau). By the year 2004, this number had risen to 101,169, up from 65,570 in 2000. This represents a 54 per cent increase in the number of Ghanaians in the U.S within the four years period of 2000 to 2004. The Ghanaian born population in the U.S further increased to 101,800 in 2009, representing only a 0.6 per cent increase from 2004<sup>2</sup>.

The table below shows that between 1990 and 2004, there was an influx of Ghanaians into the U.S, but it slowed down between 2004 and 2009.

---

<sup>2</sup> This is based on the American Community Survey (ACS) and there is a significant margin of error. This is the best figures we have but it is unsure whether or not these figures are accurate.



**Table 1: Ghanaian-Born Population in the U.S.**

<b>Year</b>	<b>Ghanaian-Born Population</b>
1990	20,889
2000	65,570
2004	101,169
2009	101,800

Source: U.S. Census Bureau, ACS 2009

The rapid increase in the number of Ghanaian-born in the U.S between 1990 and 2004 may have been due to the fact that the performance of the Ghanaian economy deteriorated after 1991 as asserted by Hutchful (2002) and others. He is convinced that although the IMF World Bank Structural Adjustment Programs (SAPs)<sup>3</sup> adopted by Ghana brought about some positive macroeconomic results, it did not reflect in the lives of Ghanaians. This all goes a long way to increase people's tendency to migrate outside the country.

## 2.2 Geographical Distribution of Ghanaians in the U.S.

As of 2009, almost 60% of all the Ghanaian-born population in the U.S resided in just 5 states including New York, New Jersey, Virginia, Maryland and Massachusetts (see Table 2).

---

<sup>3</sup> The SAPs was aimed to enhance economic growth by encouraging privatization of public enterprises, promoting export, financial reforms, reducing government expenditure on education and health as well as reducing inflation.

**Table 2: Geographic Distribution of Ghanaians in the U.S**

<b>State</b>	<b>Population</b>	<b>Rank</b>
New York	23,780	1
New Jersey	10,534	2
Virginia	10,267	3
Maryland	8,850	4
Massachusetts	5,379	5
<b>Ohio</b>	<b>3,641</b>	<b>10</b>

Source: U.S Census Bureau (American Community Survey 2009)

From the table above, New York had the largest number of Ghanaian-born (23%), followed by adjacent state New Jersey (10.3%), Virginia (10%), Maryland (8%) and Massachusetts (5%). The state of Ohio had the tenth largest number of Ghanaians in the U.S representing about 3.6% of all Ghanaians in the United States. Within the state of Ohio, the largest number of Ghanaians is concentrated in Columbus with a population of 2,195 representing 60% of all the Ghanaian-born population in Ohio.

Social ties play an important role in the continuous concentration of Ghanaians in these parts of the United States. Gateway states such as New York are popular sites of early Ghanaian immigrants. The attraction of Ghanaians to these states was mainly due to the high demand for manual and industrial workers usually provided by new immigrants (Opoku-Dapaah, 2006b). These early Ghanaian immigrants then provide prospective

immigrants with social and economic conditions in those places. They usually help potential immigrants from the visa application stage through the purchase of air ticket to offering new arrivals a temporary place to stay. In addition, new arrivals get assistance from relatives and friends in finding their first jobs. These networks help explain the concentration of the Ghanaian born population in few metropolitan areas of the U.S.

### 2.3 Educational Attainment of Ghanaian-Born in the U.S.

The percentage of Ghanaian-born population in the U.S with a high school diploma was 23 per cent in 2004, and 27 per cent held a bachelor or higher degree (Orozco, 2005). Although about 8 per cent of Ghanaians in the U.S do not have a high school diploma, the percentage that have attained at least this level is high indicating that the majority of Ghanaians in the U.S are fairly well educated.

Compared to other African immigrants, Ghanaians rank among those who have the highest level of educational attainment alongside Nigerians, Egyptians and Cameroonians (Dixon, 2006). For these countries, the U.S. is selective in admitting immigrants with high levels of education. Cape Verdeans, Somalis and Eritreans are the least educated among African immigrants in the U.S. Immigrants from these countries usually come to the United States on humanitarian grounds or asylum rather than positive selection and this obviously explains why they have the lowest levels of education in the country.

On the global level, of all the foreign-born U.S. residents, those who migrated from Africa have the highest level of educational attainment. The 2000 U.S. Census

collected data on the educational attainment of foreign-born U.S. residents and this data shows that 49.3% of African-born in the U.S. have a bachelor degree or more, compared to 32.9% of European-born, 44.9% of Asian-born, 11.2% of Latin American-born, and 4.2% of Mexican-born (U.S. Census Bureau, 2001). African immigrants, and therefore Ghanaians, in the United States therefore tend to be as well educated than immigrants from Europe, Asia and Mexico.

#### 2.4 Occupation and Income Statistics of Ghanaian-Born in the U.S.

The majority of Ghanaian immigrants in the U.S are employed in the retail sector constituting 23.5% (U.S. Census Bureau, ACS 2004). This retail sector includes, among other things, Ghanaian-owned businesses such as grocery stores, clothing sales and catering. 21.8 per cent of Ghanaians in the U.S are employed in the medical field. This high percentage is not surprising given the fact that about 56 per cent of doctors trained in Ghana are working abroad (Clemens and Pettersson, 2006). Similarly, 24 per cent of nurses trained in Ghana are working abroad. Out of a total of 1,639 Ghanaian-born doctors working abroad as of 2000, it was found out that 850 of them were residing in the United States, the highest receiving country (Clemens and Pettersson, 2006). Only 2.4 per cent of Ghanaians work in the Information Services sector, constituting the least employment field for Ghanaians in the States.

Table 3 shows the personal income of 2004 Ghanaians-born population in the U.S. In 2004, 24.1 per cent of the U.S Ghanaian-born population made less than \$10,000. This puts the percentage of Ghanaians living in the U.S below the poverty level of \$9,310

at the time at about 20 per cent or so. From wages \$0 up to \$24,999, it can be observed that the female population dominated this income range. These are likely menial jobs and so it is reasonable to conclude that most Ghanaian-born women in the U.S do menial jobs.

**Table 3: Personal Income of 2004 U.S. Ghanaian Born Population**

Personal Earnings	Male (%)	Female (%)	Total (%)
Less than \$10,000	10.8	13.3	24.1
\$10,000 to \$14,999	3.3	6.0	9.3
\$15,000 TO \$24,999	11.2	11.8	23.0
\$25,000 to \$34,999	13.6	4.5	18.1
\$35,000 to \$49,999	9.6	3.7	13.3
\$50,000 to \$74,999	5.8	3.0	8.8
\$75,000 to \$99,999	1.2	0.9	2.1
\$100,000 to \$149,999	0.0	0.2	0.2
\$150,000 to \$199,999	0.0	0.1	0.1
\$200,000 or more	0.6	0.4	1.0
Total	56	44	100

Source: U.S. Census Bureau, ACS 2004, PUMS, Cited in Orozco (2005)

The male population, however, dominate jobs with wages ranging from \$25,000 to \$99,000. It is clear that women tend to be concentrated in the lower incomes.

Although immigrants from Ghana generally hold higher educational qualifications as discussed earlier on in this chapter, most of them are still confined to entry level and low paying jobs as manifested in their incomes with only about 25.5 per cent of them earning above \$35,000. It is the view of Peil (1995) that many of the Ghanaians abroad are in jobs that do not use their educational qualifications. These jobs, according to her, provide better income to them in the U.S than working with their qualifications in Ghana. Most Ghanaians in these kinds of jobs in the U.S, however, do not intend of working in these jobs forever, but their main aim usually is to save their earnings for a better life when they eventually return to Ghana.

## 2.5 Study Area

The City of Columbus has seen both a rapid population growth and immigrant influx since the 1990s. In 2000, the city had a population of 711,470, up from 630,362, in 1990 (US Census Bureau). Out of the total population in 2000, 47,712 were immigrants, up from 23,471 in 1990. The current immigrant population of Columbus is estimated to be about 71,796 (ACS, 2009).

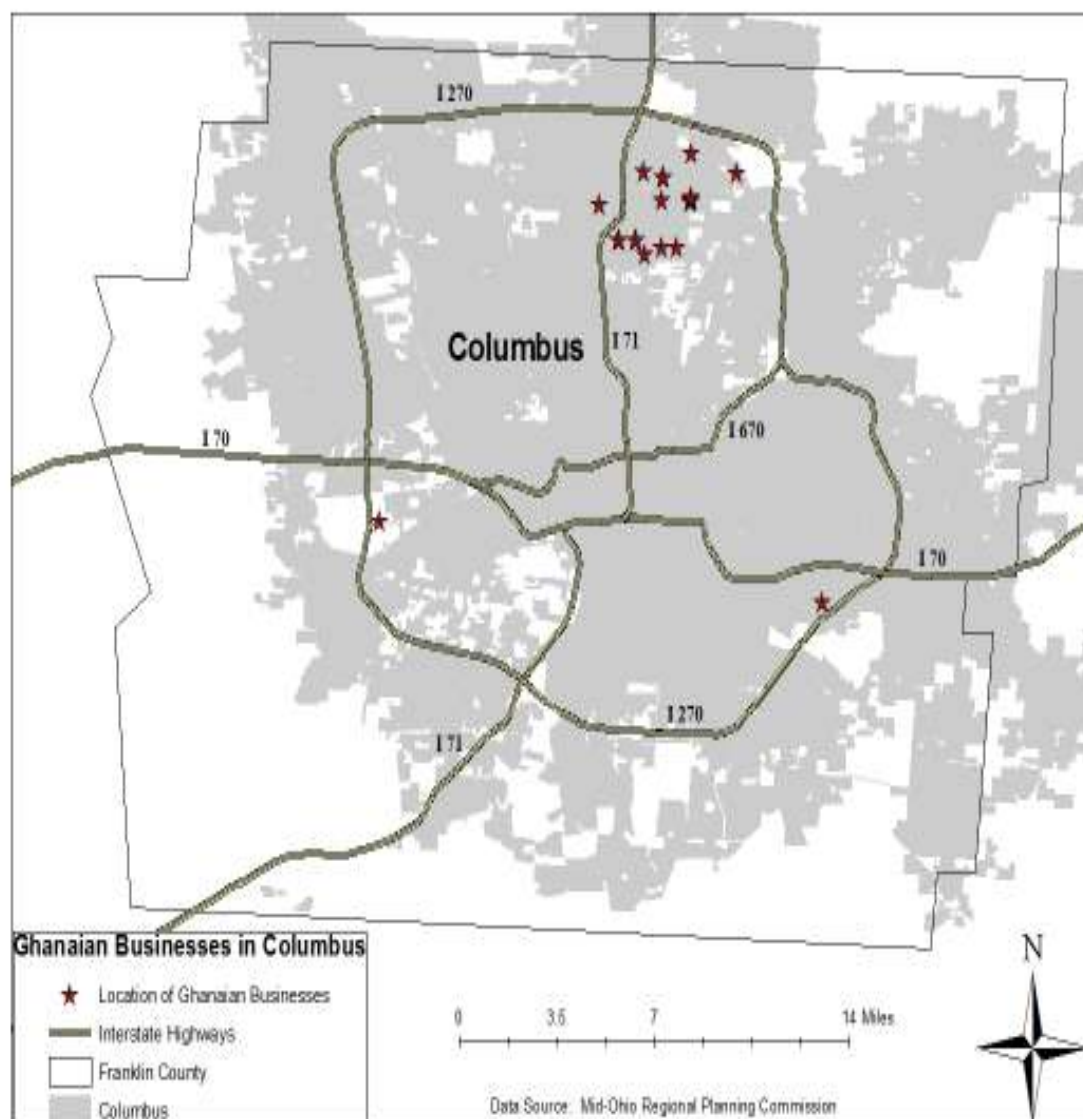
The total Ghanaian-born population in Columbus is estimated to be 2,037 (ACS, 2009). An observation of the north side of the city by the author during a visit in December 2010 and in April 2011 revealed that a considerable number of Ghanaians live in this area apparently making it a small ethnic enclave<sup>4</sup>. Furthermore, it is important to

---

<sup>4</sup> An ethnic enclave means a territorial or geographical area where there is a high co-ethnic population concentration.

know that the Ghanaians are a minority within a larger Somali enclave, comprising both Somali-born and American-born Somalis.

As the Ghanaian population in Columbus has grown, so has the number of Ghanaian-owned enterprises in the city. In the year 2002, Yeboah (2008) estimated about nineteen (19) Ghanaian businesses in Columbus. This research estimates about thirty (30) of such businesses in the Columbus area. Not surprisingly, these businesses are located close to the Ghanaian ethnic enclave. These businesses are mainly located along Morse, Cleveland and Westerville Roads. Figure 2 is a map of Columbus showing locations of the Ghanaian-owned enterprises that participated in the study.



**Figure 1: Locations of Ghanaian-Owned Businesses in Columbus**

Source: Field Survey (2011)



## 2.6 Ghanaians Presence on the Landscape of Columbus

In his book *The Meaning of the Built Environment*, Rapoport (1982) asserted that fix feature elements can be used to determine the cultural landscape of an area. Examples of this type of feature elements may include the architectural style of buildings. This includes the way the floors are designed, the walls and roofs are constructed and the material used for the construction of the building. During visits to Columbus, I came across these fixed Ghanaian grocery shops and restaurants, but the question is whether their external structure and design was enough to show that these are Ghanaian premises. An examination of these restaurant buildings reveal that they look like any other fixed feature elements in the area. However, some elements make them stand out as Ghanaian grocery shops or restaurants. One feature element was the building signages which identify such premises as a Ghanaian neighborhood. Some signage clearly displaced on Ghanaian shops and restaurants read ‘African Market’ and “African and Continental Restaurant & Carry Out” (See Figures 3 and 4). This building signage is enough to tell that this is a Ghanaian or African shop or restaurant.



**Figure 2: Identifiable Ghanaian Grocery Shop Signage**

Source: Field Survey (2011)



**Figure 3: Identifiable Ghanaian Restaurant Signage**

Source: Field Survey (2011)

Language and flags have also represented key elements in the establishment of the Ghanaian community in Columbus. The Twi language – the most widely spoken Ghanaian language both within and outside Ghana – is being spoken in shops, restaurants, churches and even at the local Burger King. It is also not uncommon to see Ghanaian flags hanging on cars parked at Ghanaian shops, restaurants, churches and residence (See figure 5). The existence of all these feature elements as well as other discourses suggests the presence of a Ghanaian community or landscape in Columbus that needs studying.



**Figure 4: Ghanaian Flag Hanging on a Car**

Source: Field Survey (2011)

Studies of West African communities in North America indicate that they try to replicate the strong communities that they left in their home countries as a means of coping. The issue here is whether or not these networks are replicated in the business field and if yes, whether they promote Ghanaian enterprises or hinders their progress. This study seeks to investigate some of these questions.

## CHAPTER 3: THEORETICAL FRAMEWORK

The main theoretical focus of this research is on social networks and immigrant entrepreneurship. However, the entrepreneurship needs to be understood within the context of self-employment among immigrants. Therefore, the causes of self-employment will be reviewed briefly before focusing on understanding how immigrant entrepreneurs are able to exploit social networks in the setting up and running of their businesses. The role of social networks and the contribution of the different forms of social networks to the success or failure of small business will be reviewed. In recent years, literature has been produced on transnational entrepreneurship including issues of cross-border social networks. The final part of the chapter will therefore briefly review the concept of transnational entrepreneurship.

### 3.1 Immigrants and Self-Employment

According to the U.S. Census Bureau (2000), self-employment is defined as the state where an individual or group of individuals are employed in their own unincorporated business and own their own incorporated business. Where the individual is an immigrant owning his/her own unincorporated business, it is referred to as immigrant (or ethnic) self-employment or entrepreneurship. Immigrant or ethnic self-employment is not a new phenomenon; it has existed almost as long as there has been migration (Hiebert, 2003). The past few decades, however, have witnessed both an explosion in the number of self-employed immigrants around the world as well as their increasing recognition by academics and policy-makers, which is essential for the

development of appropriate policies to enable these self-employed immigrants be successful in their host countries (Deakins et al, 2009).

Scholars in migration studies largely agree that the foreign-born population is more inclined towards self-employment than the native-born population. For instance, in 1980 in the United States, 16.5 per cent of foreign-born white males were self-employed, compared to 11.7 per cent of white males who were native-born (Borjas, 1986). While it is generally agreed that the rate of self-employment is higher among immigrants than among the native-born population, the explanations for what accounts for this are varied and sometimes conflicting. Van Tubergen (2005) notes three broad approaches to explaining immigrant entrepreneurship: *Origin Effects* approach, *Destination Effects* approach and the *Setting Effects* approach.

### 3.1.1 The Origin Effects Approach

The *Origin Effects* approach stresses the cultural background of immigrants which are believed is transferable to any foreign country that these immigrants find themselves. This approach emphasizes the self-employment rate in the country of origin of immigrants which predispose them to entrepreneurship across multiple destinations (Sowell, 1996). According to Sowell, self-employment is a cultural trait, just like any other cultural trait, that can be transmitted to another country. Using Japanese immigrants as an example, he noted that “Japan had a long tradition of entrepreneurship... This economic initiative also became apparent in the histories of Japanese emigrants who settled overseas” (Sowell, 1996, pg. 112 – 113).

Immigrants from such countries with high rates of self-employment, therefore, usually socialize into practices that facilitate self-employment in their countries of destination (Sowell, 1996). Examples of such practices may include joining ethnic associations such as home associations, credit associations and ethnic churches. Essential to this approach is also the specific experiences of immigrant entrepreneurs in their countries of origin. According to Hout and Rosen (2000), the parents of immigrant entrepreneurs were once (or are still) self-employed and this tendency increases if these immigrants had earlier experiences or formal training of self-employment.

Unlike Waldinger (1989) who asserts that the self-employment culture need not originate from their home countries but could be developed in the host country, scholars like Sowell (1996), on the other hand, argue that these traits are usually transmitted from the country of origin. It is my assertion that Sowell's argument is weak because he fails to acknowledge the fact that culture is dynamic not only in new countries (due to assimilation into the host country's culture), but also in their countries of origin. An analysis that views cultural traits as unchanging cannot, therefore, be valid.

Other authors have arrived at the conclusion that the religious characteristics of the country of origin could be an important determinant or reason why some group of immigrants are more inclined to self-employment. Model and Lin (2002) assert that the host country is more likely to feel more distant towards some immigrant groups than others thereby discriminating against the former group. This is because such immigrant groups may have religious backgrounds that are less similar to the host country. It is therefore not surprising that in his study of Western countries (which were mostly

Christian), Van Tubergen (2005) noticed that immigrants from non-Christian origins faced more discrimination in the labor market, leading him to conclude that immigrants from non-Christian countries usually go into self-employment because they are discriminated against in the formal job market.

### *3.1.2 The Destination Effects Approach*

This approach pays more attention to the characteristics of the host country that encourage immigrants to become self-employed. Conditions or policies in the host country set the framework within which immigrants can carry out economic activities. Where there is a high rate of self-employment among the native-born population, it implies there are ample small-business opportunities to induce immigrants to also go into self-employment (van Tubergen, 2005). Such an opportunity may include the market size available to native entrepreneurs and hence, to immigrant businesses.

In addition, conditions such as unemployment rate among natives (or unemployment rate in general) also have the tendency to push immigrants out of the formal job market into self-employment (Model and Lapido, 1996). According to Model and Lapido (1996), employers usually give priority to natives as employees. This is particularly true in times of high unemployment rates in the host country because in such times, immigrants are the first to get laid-off or experience wage declines.



### *3.1.3 The Setting Effects Approach*

The third approach has paid more attention to the combination of both the origin and destination effects that drive immigrants into self-employment. Their arguments are focused on the educational qualifications of immigrants, their language skills, and the size of the immigrant group compared with the native population (van Tubergen, 2005; Yuengert, 1995; Aldrich and Waldinger, 1990; Evans, 1989). These scholars maintain that immigrants from developing countries usually have skills, especially educational qualifications that are less valued by their host countries. This point has been taken up by Herbert et al (2008) who argued that highly skilled immigrants are often unable to work in areas of their expertise despite anti-discriminatory laws in the host countries. The implication is that most of these highly qualified immigrants are pushed out of the formal labor market and therefore resort to self-employment as a means of survival.

Some writers point to the language skills of immigrants that influence them to go into self-employment. Evans (1989), for instance, asserts that there is a direct relationship between the language skills of immigrants and self-employment, stating that the lower the language skills of an immigrant, the higher the tendency to become an entrepreneur, and the vice versa. Agreeing with scholars like Evans, van Tubergen (2005) concluded that “[immigrant] groups with the same official language in both countries are less likely to be self-employed” (pg.713)

It is contended here that van Tubergen’s (2005) conclusion is not far-reaching because through personal experience, it is seen that some immigrant groups with the same official language as their host countries are still concentrated in the small-business

sector. Despite the fact that Nigeria and the United Kingdom both have English as their official language, Herbert and his colleagues found that most Nigerian immigrants in London are confined to menial jobs and often resort to self-employment as a means of survival (Herbert et al, 2008).

In addition, the size of the immigrant group has been noted to be a setting factor. For example, ethnic entrepreneurs know the consumption preferences of their co-ethnics and are therefore likely to become self-employed when they have a large co-ethnic group (Evans, 1989). The view that the size of the ethnic population, which determines the size of the market that immigrant entrepreneurs have for their ethnic goods, is an incentive for self-employment may not hold for all immigrant groups as some groups may prefer to purchase foreign products (because of quality, for instance) rather than domesticate. In this case, the market base can be small even for larger immigrant groups. In order for ethnic businesses to be viable, therefore, they must reach out to the non-ethnic market as well (Dyer and Ross, 2000).

### 3.2 Social Networks

“It’s not what you know, it’s who you know.” This is a common saying that summarizes our traditional understanding regarding social networks. Walker et al (1977, pg. 35) defines a social network as the “set of personal contacts through which [an] individual maintains his social identity and receives emotional supports, material aid and services, information and new social contacts”. It is wisdom born of our experience that a person’s social networks comprise his/her friends, family members and acquaintances.

Allen (2000) identified two types of social support that social networks can generate, differentiating between emotional support (in the form of resources which can help people 'get by' negative effects of stressful situations) from material support, often associated with objective benefits capable of helping a person find solutions to specific problems. Using the case of divorce, he elaborated that material support could be a newly divorced woman getting a loan from friends within her network, while emotional support could involve verbal encouragement. Extending this to immigrant entrepreneurship, Basu and Goswami (1999) identified two forms of support that social networks can provide. According to them, social network support can either be in the form of tangibles (such as loans) or intangibles such as information about self-employment prospects or customer base.

The concept of social networks has been applied to quite a number of social issues ranging from social control to family support (see for example Zhou and Bankston, 1994; McLanahan and Sandefur, 1994). However, for this research its application to immigrant entrepreneurial activities is most relevant. The social networks within ethnic communities have been said to be vital elements affecting immigrant businesses (Portes, 1998). Within these networks, individuals have access to certain benefits, such as increased access to valued resources, by virtue of their membership. Also, the same networks yielding benefits to individuals in a socially embedded situation could as well be the source of negative effects. Below, I discuss both the positive aspects as well as the disadvantages associated with social networks.

### *3.2.1 Benefits of Social Networks*

The first advantage associated with social networks is access to information.

Access to information is very crucial in every aspect of life and Coleman (1988) illustrates its importance to research. According to him, social scientists are able to learn about the latest findings in related fields through everyday interaction with their colleagues. In the case of immigrant entrepreneurship, it is argued that "...the information provided by community ties is critical for the mobility opportunities of newly arrived immigrants" (Adler and Kwon, 2002, pg.29). By being part of a social network, entrepreneurs have access to information shared among members of that group. Through these networks or business groups, new members can actually learn about what kind of business is good to start with, how to start the business, where to locate the business as well as best marketing strategies (Portes, 1995). This is a valuable resource that can actually be of more use to the success of a business than the physical resources.

In a study of African immigrant entrepreneurs in South Africa, Tengeh et al (2011) noted that information was an important resource for the starting up and running of their businesses. According to them, the African immigrants in South Africa make use of two main sources of information; ethnic networks and friends from elsewhere. However, they noted that such "...information shared was more accurate and easily available only in circumstances where a conflict of interest was not the norm" (pg.376). This means that immigrant entrepreneurs are more willing to exchange meaningful information with other entrepreneurs who are not in the same line of business.

Through the flow of information between immigrant entrepreneurs and their ethnic community, business owners can easily recruit employees from social networks or ethnic enclaves which will help their businesses to grow. For instance, the expansion of Latin American immigrants' firms have been made possible because they are able to find immigrants from Latin America who take up low-skilled jobs that offer wages lower than the prevailing market wage (Gavosto et al, 1999). Furthermore, in a study of Ghanaians in Columbus, Yeboah (2008) found that some employees in Ghanaian restaurants were family members of the owner. They accepted low wages from their relatives and some even provided free labor. Moreover, these 'ethnic employees' usually have specific knowledge of the ethnic business such as knowledge in ethnic foods which they bring to the business thereby enhancing its success. These employees may in turn learn managerial skills from their employers which may enable them to open their own businesses in the long-run.

Solidarity constitutes a second type of benefit of social networks. It is generally argued that the need for formal controls is greatly reduced where a social network has strong social norms and beliefs (Adler and Kwon, 2002). Through the observation of network norms, rotating-credit associations, for instance, have been very effective among some immigrant groups. This solidarity, therefore, makes it effective for members of a social network to gain access to rotating credit. In their evaluation of Asian immigrants firms, Light and Bonacich (1988) have stressed the significance of Rotating Credit Associations (RCAs) on the success of their businesses. In Rotating Credit Associations, members contribute a set amount to a common pool that is usually received by each

member in turn. In this case, the valuable resource comes from the trust that each member has on the others on the continuing contribution to the pool. If members do not trust each other, no one in the association will contribute and each will be deprived of this valuable means of access to capital for their businesses (Sequeira and Rasheed, 2006).

Nelson (1989) further argues that disputes within an association or group can be quickly resolved if interaction within this group is more frequent. What this implies is that if there is a misunderstanding in the Rotating Credit Association, members will be able to deal with it more effectively and in a timely manner than trying to resolve such a dispute at the law courts which is usually time consuming and may end up creating antagonism between members of the association.

Solidarity therefore leads to the kind of ethnic organization that ensures entrepreneurs' access to capital resources needed for business success. In a study of minority ethnic enterprises in Scotland, Deakins et al (2009) argued that external formal loans was a crucial source of start-up finance for immigrant entrepreneurs. The main source of formal external finance was the commercial banks. Their survey showed that two-thirds of Chinese immigrant entrepreneurs in Scotland accessed formal external finance at start-up. African/Caribbean entrepreneurs were the least successful in obtaining formal external finance to start their businesses. Notwithstanding this, when all minority ethnic enterprises are considered, they show the same propensity to access formal finance as start-up compared to their white counterparts. The implication from this research points to the fact that formal finance is a crucial source of finance for starting up

ethnic enterprises in Scotland and the wider conclusion that most immigrant businesses cannot come to a reality without formal financial support from the host countries.

A previous study in the United Kingdom by Ram et al (2002), however, contradicts the fact that formal financial sources are crucial to ethnic enterprises. According to their study, informal sources of finance (such as personal or family sources) were commonly used by minority ethnic businesses than by their white-owned counterparts. It was further noted that immigrant business owners were able to access formal loans from the banks once a track record of trading was established. However, the Scotland survey concluded that after starting up a business, most immigrant business owners feel reluctant to access formal finance for expansion because they feel the process of obtaining such loans is time consuming (Deakins et al, 2009). Such entrepreneurs, therefore, continue to run their businesses or are able to expand by re-investing the profits that they make.

The third advantage relates to the market base that a social network or ethnic enclave can provide. Ethnic enclaves create community networks which act as a source of valuable resource for ethnic enterprises. Ethnic networks are believed to offer benefits to both owners and workers. For instance, the enhanced community ties within such enclaves can serve as a market base for ethnic firms. A key market condition is the size of the ethnic population, which determines the size of the market that entrepreneurs have for their ethnic goods, although for long-term viability, businesses must ultimately reach out to the wider market or even sometimes engage in export trade (Ruef et al, 2003). Bailey and Waldinger (1991) further describe its benefits to employers suggesting that by

investing in the training of co-ethnic labor-force, these employees will be loyal to their employers.

Strong social networks in the immigrant community may as well be the source of loyalty of co-ethnic customers to ethnic enterprises. Dyer and Ross (2000) noted that the trust within such networks promotes the relationship between ethnic entrepreneurs and their co-ethnics or clients. The implication is that the social networks within an ethnic community can positively impact firm-client relationship and hence, the patronage of immigrant businesses.

From the employees side, Wilson and Portes (1980) points to the fact that co-ethnics may be able to find employment in an enclave despite their lack of skills required in the host country or poor language skills. On the other hand, skilled workers may be able earn more than their colleagues with the same qualifications outside the enclave because they are more likely to find jobs commensurate with their skills within the enclave.

### *3.2.2 Costs of Social Networks*

While a large body of the literature is concentrated on the benefits of social networks, research on its costs or disadvantages is scarce. Scholars seem to have overstated the advantages of social networks. The same mechanisms yielding benefits to individuals in a socially embedded situation could as well be the source of negative effects (Valdez, 2008). In this subsection, the nature of these negatives effects will be explored.



First, the solidarity advantage of social networks may backfire for immigrant entrepreneurs. Strong solidarity with group members may lead to excessive demands by members of the group on businesses that seem to be flourishing (Adler and Kwon, 2002). This argument is reflected in Bevelander and Nielsen's (2001) finding that in overembedded ties, network and family members expect an entrepreneur to 'share the wealth' with them through donations. This could lead to problems for entrepreneurs. For instance, it was found in a study that successful Balinese businesses often faced excessive demands from the community, turning these enterprises into 'welfare hotels' and checking growth and expansion (Geertz's, 1963, cited in Portes 1998, p. 16).

In an ethnic enclave, neighbors know each other and are bonded by strong ties enabling customers to buy goods and services on 'forced long-term' credit thereby limiting the growth of ethnic enterprises. In the same vein, business owners can also obtain supplies on credit from network members limiting their growth. In order to escape such excessive demands, entrepreneurs need to cut themselves off from their social circles, like the Otavalo garment merchants in the Ecuadorean Andes did, who changed religious allegiance from Catholicism to Protestantism, making them practically strangers in their own community, and thus safeguarding them from excessive demands (Portes and Sensenbrenner 1993). A related impact is the extension of broader social relations into the business context, which could lower the productivity and efficiency of the business.

The claim that immigrant entrepreneurs having strong ties with their clients can promote their businesses (Fukuyama, 1995) may also backfire. In situations of

confidentiality, co-ethnic customers may look outside their ethnic community. In a study of loyalty to a community hospital among patients, McDaniel et al (1992) found that even though these patients had strong ties with their community, the “desire for anonymity and confidentiality” caused patients to look outside their own community. In the same way, co-ethnic customers who have close ties with ethnic entrepreneurs may prefer to buy from elsewhere when it comes to confidentiality.

A second disadvantage with social networks is that they can sometimes be very expensive to maintain. Like with any other venture, building and maintaining social networks require considerable investment (Adler and Kwon, 2002). Investing in social networks may not be worth it. In a study of social ties among firms, Hansen (2002) illustrated that project teams having strong ties with others often took longer periods to execute their tasks than those with loose ties. Despite the fact that such strong networks may have benefits such as information benefits, they can simply be too expensive to maintain as the cost of maintenance may not be commensurate with the benefits. It is therefore not surprising that Hansen (2002) went on to conclude that weak ties are more effective than strong ties (see section 2.5 for strong versus weak ties debate). This is because, he argues, weak ties limit access to redundant information and are less costly to maintain compared to strong ties.

Thirdly, social networking may constrain on the flow of new and innovative ideas into the social group. Strong solidarity with ingroup members constrains on the freedom of individuals as a result of repressive group norms (Adler and Kwon, 2002). Individuals seeking mobility are discouraged or actively opposed by the group, as their advancement

poses a threat to the morale of the group, because it requires pervasive group disadvantage to maintain it (Portes 1998). Such constraints on the freedom of individuals can reduce the flow of new ideas into the group. In his assessment of the state of the German industry, Kern (1998) affirmed that loyalty of firms to their established suppliers is preventing radical innovation because such firms are discouraged from dealing with ‘outside’ partners and hence, discovering new ideas. This assertion is reflected in Powell and Smith-Doerr’s (1994, pg.393) argument that “The ties that bind may also turn into ties that blind”. Where these groups also control access to valuable resources, like the Six Chinese Companies in Chinatown, they could curtail much of the freedom of members and limit contact with outsiders (Nee and Nee 2000).

In the debate over the effects of social networks, writers such as Adler and Kwon (2002) continue to assert that ethnic communities or social networks are vital elements for the success of immigrant businesses. In the same vein, Valdez (2008) argue that the same social networks yielding benefits can as well produce negative results such as the excessive demands that members of a social network make on businesses that seem to be flourishing. Based on the literature on Latin American and Asian immigrant entrepreneurs and the author’s visit to the study area, it is expected that by belonging to a social network, an immigrant business owner can gain valuable resources such as access to valuable information, which increases the success of ethnic businesses. It has also been learned that the ethnic enclaves within which immigrants place their businesses provide a market base for these enterprises thereby sustaining them. Family or ethnic members also provide valuable source of labor for ethnic enterprises. On the other hand, members of a

network may make excessive demands on other members leading to the stagnation of entrepreneurial activities. Based on the above, I suspect that a number of these issues will be important factors influencing Ghanaian enterprises in Columbus.

### 3.3 Strong Social Networks versus Weak Social Networks

There is little doubt that immigrant businesses are influenced by social networks. However, there is little knowledge about the manner in which network structure affects their businesses (Friedkin, 1982). Social networks are composed of ties that differ in their intensity or strength. As a result, two types of ties have been identified; strong ties and weak ties.

Granovetter (1973, pg1361), in his pioneering study of the concept of tie strength, states that “The strength of a tie is a (probably linear) combination of the amount of time, the emotional intensity, and intimacy (mutual confiding), and the reciprocal services which characterize the tie”. He sees strong ties as those that are direct with greater intensity such as family networks or members of rotating credit associations. It also includes joining and maintaining community organizations’ membership and the development of acquaintances with other business persons. Encouragement from close friends or family to do business, being married and having parents in business are all considered by Davidsson and Honig (2003) to constitute strong ties. According to Coleman (1990), such social networks have closures as they are restricted to only group members who are usually bonded by repressive social norms. Members of such strong ties interact with each other on a regular basis.

Weak ties, on the other hand, are the loose or minor acquaintances, online connections, and friends of friends in our lives whom we might see occasionally (Davidsson and Honig, 2003). In 'The Strength of Weak Ties', Granovetter (1973) defined weak ties as those that are between individuals who do not have much in common and their sources of their information tend to be different rather than from a 'closed' network. They extend beyond one's close networks by linking individuals and organizations together.

Strong social networks are often viewed to be important because they ensure secure and consistent access to resources. For example, family members are always willing to 'help out' for free in immigrant or family businesses (Davidsson and Honig, 2003). The trust that exists in bonding social networks ensures the effectiveness of rotating credit because without that trust, no one in the association will contribute to the pool and each member will be deprived of this valuable means of access to capital for their businesses (Sequeira and Rasheed, 2006). In the case of Pakistani immigrants in the United States, Greene (1997) contends that such strong networks serve as a source of sustainable competitive advantage for the establishment and maintenance of new enterprises.

Strong ties are also seen to be advantageous because there are times when we want to disseminate or gather information through only trusted contacts. When trust levels are high, people are more willing to give useful information and also to keep such information confidential (Andrews and Delahay, 2000). Shi et al (2007, pg.34) relates this to the formation of business alliances in which case "...companies seek to

complement their strengths through mergers, acquisitions, cross licensing of intellectual property or joint ventures, but do not wish to leak their next steps to competitors”. It is only through strong network ties, he argues, that such valuable information can be kept as a secret as these ‘close’ groups are often governed by common norms. In a study of social networks among nascent entrepreneurs, Davidsson and Honig (2003) further illustrates the significance of strong ties, arguing that having close contacts with family or friends already in business is strongly associated with probability of entry.

Based on the advantages of strong ties as outlined above and on our common experience, it is naturally to assume that strong ties are more effective than weak ties in entrepreneurship. However, since the seminal paper of Granovetter in 1973 on the strengths of weak ties, many other scholars have come to realize the contribution of weak ties in social structures (Friedkin, 1982). In a study of how new employees discovered their new jobs, Granovetter (1973) found that these employees got information about their new jobs through casual or recent acquaintances (weak networks) as opposed to close friends or family. He asserted that strong networks tend to provide information that is redundant because they inform the knowledge seeker of what he/she already knows.

Levin and his colleagues (2004) accuse scholars such as Andrews and Delahay (2000) of assuming the concepts of ‘tie strength’ and ‘trust’ to be synonymous. Andrews and Delahay’s argument is that having a close working relationship with another person means you trust each other and this can promote the exchange of useful knowledge. Levin et al (2004) argue that this may not necessarily be true. Citing the example of a work environment, they argue that “Tie strength can be a function of work

interdependence beyond the voluntary control of the individual worker. In such situations a relationship can be characterized as a strong tie, yet not resulting in one person trusting a coworker with whom he or she is forced to work” (pg.1481).

Linking this to immigrant entrepreneurship, it means members of a business association may be controlled by common cultural norms, but indeed may not trust each other to share useful information related to business opportunities. In support of Levin and his colleagues claim, Tesfom (2006) advance that co-ethnic entrepreneurs tend to withhold useful information from each other because of competition. In a study of East African entrepreneurs in the Seattle area, he found that the exchange of business information among them is very low compared to the acquisition of such business prospects information from other immigrant groups whom they hardly even knew or spoke to before. Out of the 46 East African entrepreneurs he interviewed in the Seattle area, only 2 of them mentioned that they got information about their current business opportunity from close friends and family members. Surprisingly, about 9 of the entrepreneurs crossed ethnic lines and obtained information about business opportunities from Korean and Vietnamese entrepreneurs in the study area. Most of the East African businesses in Seattle target their ethnic community (Tesfom, 2006). To avoid competition, therefore, they tend to withhold information about business prospects from their co-ethnics.

Granoveter’s (1973) research findings highlight the fact that weak ties are a valuable social resource that generates more social ties. These extended weak ties may be more likely to be a source of valuable information about business opportunities than

strong ties. Another form of networks has been identified in the literature called transnational networks. These networks generally involve cross-country networking among and between immigrant entrepreneurs and they could also be strong or weak ties. The next subsection briefly explains the concept of transnational entrepreneurship and networking.

### 3.4 Transnational Entrepreneurship

Unlike the concept of ethnic enclaves which focuses primarily on relations between immigrant entrepreneurs and their co-ethnic communities in the host country, the concept of transnational entrepreneurship focuses on issues of cross-border social networks. The main focus of the concept is still social ties among immigrant entrepreneurs, but instead of concentrating on local networks, it focuses on international networks (Portes et al, 2002). In their study of Salvadorian immigrants in Los Angeles and Washington DC, Landolt et al (1999) identified four types of transnational enterprises; *circuit firms*, *cultural enterprises*, *ethnic enterprise* and *return migrant microenterprises*.

Circuit firms, they say, are engaged in the transfer of remittances and goods from one country to another. These can either be informal international couriers or large formal firms. In the Salvadorian case for instance, the informal international couriers are referred to as *viajeros* whereas the more formal ones may include companies such as El Gigante Express which has its headquarters in Los Angeles (Landolt et al, 1999). Cultural enterprises are often in constant contact with their home countries to acquire goods and



services for immigrants in the host country who have the desire to consume goods from their country. Such goods may include DVDs, newspapers and musical CDs from the home country.

Return migrant microenterprises are firms usually established by migrants who have returned to their home countries. These entrepreneurs bring business ideas from the United States, in the case of Salvadorians, but still rely on continuous interaction with networks in the United States. Such microenterprises may include auto sales and repairs, office supplies and restaurants. Finally, ethnic enterprises are retail firms that are usually small in nature and depend on the continuous supply of imported goods from their home country in order to cater for the needs of the immigrant community in question. These entrepreneurs import goods such as traditional clothing and foodstuffs from their home countries.

Technological advancements such as the internet tend to promote transnational networking and entrepreneurship. Abbott (2007) explains that through the internet, Nigerian immigrants are able to develop and maintain networks where ever they are to fulfill their needs. Unlike Senegalese and Mexican immigrants who network based on residential segregation, Nigerian immigrants are usually dispersed in their host countries and yet, network with co-ethnics near and far with the help of telecommunication technology (Yeboah, 2008). It is, therefore, contended here that technological advancements are more capable of promoting transnational entrepreneurship since it extends beyond residential segregation and beyond national borders.

The concept of transnational entrepreneurship opens a new dimension for the study of immigrant entrepreneurship as the focus here is on international social networks as opposed to the traditional local networks in the host country. The four transnational firms discussed above will, therefore, be an important theoretical framework for the current study.

### 3.5 Summing Up the Debates

In conclusion, this literature review has shown that immigrants are more inclined to self-employment than the native-born population. Scholars have given a variety of reasons for this, ranging from the cultural background of immigrants to the host country characteristics that encourage immigrants to become self-employed. Other authors argue that the combination of both origin and destination effects drive immigrants into self-employment.

With regards to social networks, researchers have argue that social networks, no matter their cultural, make-up or scale, are vital elements for the success of immigrant businesses. In the same vein, more recent writings have pointed out that the social networks yielding benefits can as well produce negative results such as excessive demands by members of a social network on ethnic businesses. These analyses will be the framework through which the effects of social networks on Ghanaian businesses in Columbus, Ohio, will be examined.

## CHAPTER 4: METHODOLOGY

### 4.1 Research Methods

Besides secondary sources used to describe the Ghanaian community in the previous chapter, this research relies heavily on qualitative methods. Given that the focus of this research is to understand how immigrant entrepreneurs are able to exploit social networks to set up and run their businesses, qualitative methods are most appropriate. A crucial step in addressing the research questions is to do an analysis of the approaches or theories explaining ethnic entrepreneurship and social networks. As such, this study synthesizes the literature on the emergence of immigrant businesses and their exploitation of social networks. This analysis serves as the basis of a conceptual framework that will guide the rest of the study. Most of the secondary literature was obtained from Ohio University library system, the Ohio Link system and the World Wide Web such as Google Scholar.

In any analysis of a social science research, quantitative or qualitative methods can be used. For this study, the qualitative was used because it will help better understand some of the processes involved in the operation of these immigrant businesses. There are, of course, economic results which would be better documented using quantitative methods, but that would be a different research all together. Qualitative methods have been used to ask what causes immigrants to go into self-employment and how their networks have worked in favor of or against them.

In his book *Interviews: an Introduction to Qualitative Research Interviewing*, Kvale (1996) referred to qualitative interviews as a process of learning about, and from

others. The processes that influence operation and function of social networks is not something that can be quantified because it is usually based on social mechanisms. Unlike physical objects, human behavior "...cannot be understood without reference to the meanings and purposes attached by human actors to their activities" (Guba and Lincoln, 1994, pg197). It is through qualitative studies that rich insight into human behavior can be provided. Gorman et al (2005) re-enforce this point by explaining that qualitative methods allow the researcher to understand the research topic through the participants' point of view.

Generalization from quantitative studies has been argued to be statistically meaningful. However, generalization has no room for individual cases (Guba and Lincoln, 1994). The fact that 70% of people network for business reasons, for instance, does not mean that a particular person networking has a business motive. To understand the meaning attached to immigrant entrepreneurs and their social networks, a qualitative approach was deemed to be most appropriate.

The grounded theory approach was the main research paradigm adopted for this study. The basis of grounded theory is to use the ideas and concepts that the researcher got from the field rather than strictly adhering to a conceptual framework (Glaser and Strauss, 1967). The exploratory nature of the research questions combined with the need to acquire greater depth of understanding of network practices and their effects among Ghanaian entrepreneurs in Columbus led to grounded theory as an appropriate method of investigation. Grounded theory has been argued to offer rigor and rich depth of data in the research process (Glaser and Strauss, 1967) making it a strong research methodology

for qualitative research. The grounded theory approach is also good for researching into areas that have been under-studied (Burck, 2005). As there has been little or no research into Ghanaian businesses in Columbus, the grounded theory aided me to generate theory about the processes, nature and geography of their networks. Through this approach, I was able to capture new and incipient dynamics of social networks not previously discussed in the literature.

The field work involved face-to-face semi-structured interviews with owners or managers of Ghanaian businesses. Semi-structured questionnaires are a powerful research instrument because they, according to Valentine (1997), allow the views of the respondent to be captured with minimal influence from the researcher. Semi-structured interviews, it is affirmed, are useful for providing greater breadth and understanding of the issue being studied (Fontana and Frey, 2000). The semi-structured questionnaire acted as a guide to get responses to the research questions. Even though I had an interview guide, I sometimes asked follow up questions to gain insight into new ideas being brought up.

#### 4.2 Sampling and Data Collection Process

The units of analysis for this study is self-employed Ghanaians in Columbus. Specifically, I focused on the types of social networks that respondents exploit in conducting their businesses and whether they have been able to convert these networks into valuable resources.

The snowball sampling technique was used to identify ethnic enterprises that Ghanaians in Columbus engage in. For groups that are difficult to access or where such group members are scarce, the snowball sampling technique is often used (Heckathorn, 2002). A list of Ghanaian businesses in Columbus is being maintained on a yearly calendar called the African Business Almanac. I obtained a 2011 copy of the calendar from a friend in Columbus to be used as the population size. However, upon taking a look at the calendar, I realized that not all Ghanaian businesses were represented on the calendar. Besides, the calendar also has other African businesses on it such as Nigerian businesses. Due to the scarce nature of the targeted group on the calendar, the snowball sampling method was seen to be more appropriate for the study. However, the list on the 2011 African Business Almanac calendar acted as a starting point for the sampling. The sample is made up of Ghanaian businesses that have permanent premises exclusively used for business. They are also legally registered businesses and not businesses ran from homes.

The businesses were divided into three categories, namely *Retail Activities* (such as grocery shops and restaurants), *Service Activities* (such as Insurance/financial service agencies and automobile mechanics), and *Transnational Activities*<sup>5</sup> (such as shipping agencies). Business owners from each of these categories were then interviewed. In total, 20 in-depth, face-to-face semi-structured interviews were conducted. Nine of the participants were in the retail activities, another nine in the service activities and the

---

<sup>5</sup> Entrepreneurs in the Transnational Activities are those who have networks in Ghana or other countries other than the United States.

remaining two were in the transnational activities. Even though efforts were made to include both male and female respondents in the study, the men dominated with a total number of 18 and only two women business owners.

The total sample size was determined through the context of grounded theory's approach to reaching saturation of analytical themes (Glazer and Strauss, 1967). As opposed to quantitative studies, in qualitative studies one does not have to determine a certain number of interviewees because you may keep on getting the same ideas in which case there is no need to continue interviewing. At a total of 20 interviews, saturation was reached and I saw no need to continue. Interviews also elicited information about who these Ghanaian entrepreneurs are. That is their educational levels and how long they have been living in the United States as well as their immigrant experiences. This was to help explain what networks they have access to.

Interviews were carried out over a three month period from September 2011 to December 2011. The interviews were conducted in and around the Columbus Area and lasted from 45 minutes to 1 hour. In terms of recording, the interviews were digitally recorded with a 'Sony IC Recorder'. Tape recording a research interview is more advantageous than writing down responses because writing is time consuming and very tedious and one is more likely to miss writing down some valuable information given by respondents due to the difficulty involved in writing down everything (Schensul et al (1999).

All the interviews were conducted at the participants' business premises except three interviews that were carried out at their homes. In his discussion of interviewing

couple, Aitken (2001) noted that the presence of both partners may lead to the concealment of feelings. Even though interviews were carried out at the business premises, they were conducted at a time that there were no or few customers as their presence could have led to socially desirable responses.

To answer the first research question which is ‘What forms of social networks do Ghanaian entrepreneurs in Columbus explore in the setting up and running of their businesses?’, participants were asked to explain the nature of their networks. Moving on to research question two – How have social or community networks benefited or limited their businesses? –, they were required to explain the benefits of networking with other business owners and clients as well as the risks involved in networking. Finally, to answer the third research question which sought to understand the scale of their networks, enterprise owners were required to give and explain the sources of their networks.

#### 4.3 Accessing the Respondents and the Researcher’s Role

My initial access to the Ghanaian community in Columbus was by contacting a friend there. This friend provided me with the 2011 African Business Almanac calendar where some Ghanaian business enterprises were listed on. This calendar also contains the addresses and contact details of the businesses listed on it and so I started reaching out to them by going directly to their business premises. Although some of those he contacted directly agreed to take part in the study, the level of participation was not as encouraging as I had wanted.



Fortunately for me, I met a member of the Assemblies of God church at the initial stages of the interviews. He was also a business owner and he advised me that finding Ghanaian entrepreneurs for my interviews would be much easier if I came to their church. I honored the invitation and at the church, I introduced myself to the Ghanaian entrepreneurs and explained to them what I was doing. I also met with the pastor of the church and so these two people became informants. Through these informants, the snowball sampling technique was then used to meet new contacts. The entrepreneurs that I also met at the church began to identify him as one of their church members and willingly participated in the study.

Directly related to gaining access to participants is the role of the researcher in the interview process. I am a Ghanaian and my positionality as more of an 'insider' had impact on the quality and authenticity of the interviews. I did not find it difficult to immerse myself into the Ghanaian community and this encouraged the respondents to be more opened and hence, shared valuable information that was crucial in answering the research questions.

On her contribution to the positionality of researchers, Mohammad (2001) reports the influence an 'insider/outsider' can have on the quality of the interview. According to her, the way researchers dress, the language they (can) speak, their race and their general relation to those being interviewed determines the authenticity of their responses. I experienced this during the field survey. Although I walked into some of the Ghanaian restaurants and shops with a friend (who was also a Ghanaian and actually served as a gatekeeper in those instances), I was not met with 'openness' like my friend. In order to

identify myself as part of the Ghanaian community, I ordered for a meal and engaged in conversations pertaining to Ghana. Upon knowing that I was more of an ‘insider’ than an ‘outsider’, they were more opened to me even in his subsequent visits to those restaurants and shops and this reflected in the owners’ answers during the interviews.

#### 4.4 Data Analysis

With consent from the participants, all interviews were digitally recorded with a ‘Sony IC Recorder’. The recorded interviews were transcribed verbatim and then processed with the NVivo qualitative analysis software. Furthermore, all identifiable information (names) was given a pseudonym. Coding was done with descriptive codes taken from the data collected, as well as with InVivo codes that emerged during the data analysis. Descriptive coding enabled me to answer the research questions that were laid out as I looked out to identifying themes in the data collected. Some of these codes included social networks, sources of capital, sources of information/advice, benefits and costs of social networks, motivations and trust. During the process of transcription, I used memo writing as a means to determine emerging themes and fed these insights back into the data collection process.

In *Writing Ethnographic Fieldnotes*, Emerson et al (1995) noted that in constructing arguments, one can either use thematic narratives or ethnographic stories. In writing the analysis and discussion, I used both approaches. In using the ethnographic story approach, I started by first examining the evidence or experiences of the business owners before concluding with central ideas from the evidence. With the thematic

narrative approach, I started by stating main ideas and then went on to elaborate on those ideas. It is quite challenging to adopt both approaches, but I found the thematic narrative approach to be more convenient as it is more of having an idea and then working towards proving that point. I, however, found mixing both approaches in his writing very interesting because it does not give the written work a 'one way' approach.

#### 4.5 Methodological Shortcomings

Few of the participants voiced suspicions that I might be a potential competitor scanning the market and trying to find a new line of business to invest in. In response to a question of whether this is his first business both in Ghana and in the United States, Badu answered saying:

I used to and still export some computer and technology accessories to Ghana...This is my little way of trying to make money, you know. You can't tell anybody about this because I don't know how many people you are going to be playing this tape for. This is my little lucrative business.

Other respondents might have had this concern too and tried to conceal information. However, by emphasizing that this was a purely academic exercise and that the information collected will not be used for any other purposes, it was noticed that hesitant participants became more opened to me as the interview progressed.

The Ghanaian businesses in Columbus were also divided into three categories; Retail, Service and Transnational Activities. Efforts were made to have a proportional number of respondents from these categories. However, willingness to participate in the study, which formed the bases in selecting participants, undermined these efforts. Furthermore, the majority of the respondents are men even though efforts were made to

represent the views of women too. A number of these businesses are headed by men and I interviewed the men, but some of these businesses might be understood as couple businesses. Five of the businesses were couple businesses and in all those businesses, the men were chosen for the interview. Out of these five, two were actually started by the women and the husbands joined later. Even though the men were the followers here rather than the leaders, their voices were heard. This is in conformity with the Ghanaian culture where as the man is always expected to be the head of the household and other aspects of life such as family businesses.

Findings from the retail activities may have changed somewhat because there were more women in these activities and I may have learned more if I had interviewed more women. However, the other two categories – *Service and Transnational Activities* – are heavily dominated by men.

## CHAPTER 5: DATA PRESENTATION AND DISCUSSION

This chapter presents qualitative findings from the fieldwork. It answers the following research questions of the study:

- What forms of social networks do Ghanaian entrepreneurs in Columbus explore in the setting up and running of their businesses?
- How have social or community networks benefited or limited their businesses?
- What is the ethnic and geographical scale of their networks?

The chapter is organized into six (6) sections. The first section gives the background characteristics of the entrepreneurs who were interviewed. The causes of self-employment are background information to understanding social networks and immigrant entrepreneurship. Section 2, therefore, explains the reasons why Ghanaian immigrants in Columbus go into self-employment. The following four sections directly address the research questions, each section taking on one research question.

### 5.1 Profile of Participants

Twenty Ghanaian entrepreneurs were interviewed in Columbus, Ohio, and Table 4 presents an overview of their profiles. The majority of the immigrants are in their middle age. Only two of them are over age 55 and six of them are under age 36. Regarding their immigration experiences, the length of time the selected sample have been in the United States is quite varied. The longest staying participant has been in the U.S. for 39 years while the shortest staying respondent has been in the country for only

three years. Six of the participants have been living in the U.S. for between 1 – 10 years, 10 of them between 11 – 20 years, two between 21 – 30 years and only one respondent has been living in this country for over 30 years. One of the respondents is American, but migrated to Ghana many years ago. He got married to a Ghanaian woman and they both moved back to the U.S. about 8 years ago.

Generally, most businesses have been running from four years to a decade, although there is some variation. The oldest running business has been in existence for the past 14 years where as the youngest has been running for only half a year. This is not surprising because the owner of this business is also the one who has been living in the United States for the shortest period of time (three years). The longest residing entrepreneur does not own the oldest running business though.

**Table 4: Profile of Participants**

<b>Name (Pseudo- nyms)</b>	<b>Age</b>	<b>No. of Years in the U.S.</b>	<b>Highest Level of Education/ (Country)</b>	<b>Type of Business</b>	<b>Duration of Business (in Years)</b>	<b>Marital Status</b>	<b>Religion</b>
Kofi	55	21	High School (Ghana)	Grocery	14	Married	Christian
Kojo	34	10	Bachelors (Ghana)	Insurance	5	Single	Christian
Kwabena	64	39	Bachelor (U.S)	Grocery	5	Married	Christian
Kwaku	46	22	Higher National Diploma (Ghana)	Auto Mechanic	4	Married	Christian
Santana	50	–	Associate Degree (U.S)	Restaurant	5	Married	Muslim
Araba	40	7	High School (Ghana)	Restaurant	4	Married	Christian
Kwame	48	18	High School (Ghana)	Phone Accessories/Shoes	10	Married	Christian
Abena	38	8	Vocational Sch (Ghana)	Restaurant	5	Married	Christian
Mensah	50	14	High School (Ghana)	Grocery	4	Married	Christian
Yaw	56	11	High School (Ghana)	Grocery	8	Married	Christian

Osei	35	9	Masters (U.S)	Financial Services	4	Married	Christian
Panyin	43	13	MBA/On-going PhD (U.S)	Tax Services	6	Married	Christian
Kufuo	45	18	Bachelor (Ghana)	Insurance	7	Married	Christian
Kwesi	28	4	Higher National Diploma/ On-going Bachelor (U.S)	Shipping	10	Single	Christian
Ato	35	7	High School	Barbering	4	Married	Christian
Badu	37	18	Bachelor (U.S)	Insurance	4	Married	Christian
Nana	50	13	High School (Ghana)	Shipping	6	Married	Christian
Abeeku	32	14	Bachelor/On-going Masters (U.S)	Photo & Video Studio	5	Married	Christian
Asamoah	30	3	Bachelor (Ghana)	Radio Station	0.5	Married	Christian
Agyeman	49	20	Bachelor (U.S)	African Clothes/ Luggage	11	Married	Christian

Source: Field Survey (2011)



The sample is a fairly well educated group. They all have a high school diploma, all of which were obtained in Ghana, and 13 of them have at least some post-secondary education. Two respondents have a higher national diploma (HND) from polytechnics in Ghana, and one respondent has a vocational education level, also obtained from Ghana. Seven of the entrepreneurs interviewed have a bachelor's degree and one has an associate degree. Out of the seven respondents who have a bachelor's degree, three of them obtained it from Ghana and the remaining got their degrees here in the U.S. Two of the participants (of the total sample) have master degrees both obtained in the U.S. It is also important to know that some of the respondents are currently pursuing further education here in the U.S. with one currently enrolled in a PhD program (see Table 4 for details). 65% of the participants have at least some post-secondary education. Based on the statistics above, it can be concluded that it is a fairly well educated group.

Data were also collected on the respondents' marital status and the number of children they have. From Table 1 below, we notice that 90% of the respondents are married and have at least one (1) child. Two of the participants are single and as expected by the Ghanaian culture, they have no children. All the respondents are Christians, except one of them who is a Muslim. The Muslim respondent is the American who migrated to Ghana years ago and returned with a Ghanaian wife. Table 5 below summarizes the characteristics of the respondents in percentages.

**Table 5: Characteristics of Participants**

<b>% With at least Post-Secondary Education</b>	<b>% Married</b>	<b>% With Children</b>	<b>% Christian</b>	<b>% Over 30 years</b>	<b>% in the U.S. for at least 10 years</b>
65	90	90	95	90	70

Source: Field Survey (2011)

The Ghanaian immigrants businesses have been have been categorized into Retail Activities, Service Activities, and Transnational Activities (Table 6). For the retail activities, four of them own African/Ghanaian shops, selling mostly ethnic goods, three of them are restaurant owners , one person has an African Clothes/Luggage shop and one has a non-ethnic shop selling telephone accessories and shoes. Entrepreneurs in the Service sector work in insurance sales, tax preparation, accounting and other financial services. One of the participants owns an automobile mechanic shop, one runs a radio station, another one owns a photo/video shop and the last one is a barber. Two of the respondents conduct transnational activities, specifically shipping agents.

**Table 6: Types of Ghanaian Businesses in Columbus**

TYPE OF BUSINESS	NUMBER OF BUSINESSES	GENDER OF OWNER	
		M	F
<b>RETAIL ACTIVITIES</b>			
Ghanaian Grocery Shops	4	4	0
Restaurants	3	1	2
African Clothes & Luggage Shop	1	1	0
Telephone Accessories/Shoes Shop	1	1	0
<b>SERVICE ACTIVITIES</b>			
Insurance/Tax/Financial Services Agencies	5	5	0
Radio Station	1	1	0
Automobile Mechanics	1	1	0
Photo/Video Studio	1	1	0
Barber Shop	1	2	0

<b>TRANSNATIONAL ACTIVITIES</b>		
Shipping Agency	2	2 0
<b>Total</b>	20	18 2

Source: Field Survey (2011)

## 5.2 Reasons for Starting Own Business

The findings from the research showed that varied experiences motivated Ghanaian immigrants to turn to self-employment activities upon settlement in the United States. The literature generally identifies three main factors that drive immigrants into self-employment. They are the origin effect, destination effect, and setting effect factors (van Tubergen, 2005).

Half of the entrepreneurs had business experiences in Ghana before moving to the U.S. Some of them are in the same kind of business that they used to do in Ghana while others have changed their line of business. Agyeman, who used to deal in electronic parts in Ghana has completely abandoned that line of business and now owns an African clothes, luggage, ladies bags and cosmetics shop. When asked why he did not go into his old electronic parts business in the U.S., he explained that his target group is the African, particularly Ghanaian, community and so he is dealing in goods that they cannot find anywhere but at his place. He is seen as creating a business niche in this sense. A restaurant owner, Abena, however continued with what she used to do back home. It is observed here that the main reason for her continuity of business in the same field is because of her educational background. She went to a catering school in Ghana and after her studies, her brothers who were abroad set up a restaurant for her.

At a very early age, some of these participants were already having a feel of the business world and this motivated them to go into self-employment. One of the respondents had this to say about his earlier experience in self-employment:

David: Have you ever been self-employed before?

Kojo: Yes. My first business was when I was probably 10 years old. My dad had a store and was a distributor for Lever Brothers. And I remember growing up, there were some women who would come to buy butter for their

bakery and stuff. The butter that we had were in huge boxes and the women did not always need a whole box but were forced to buy the full box because my dad did not sell in bits. ... So, I started talking to my dad and said ok, maybe I could buy it from you and cut it [into smaller parts] and sell it to the women. So, I started doing that and some of them I will go out there in the morning and give it to them on credit and then I will go back to them later in the day and collect the money.

This is clearly an instance where somebody was predisposed to self-employment not only in his country of origin, as argued by Sowell (1996), but also at a very young age. This finding is also in line with Hout and Rosen's (2000) assertion that the parents of immigrant entrepreneurs were once self-employed and their further argument that this tendency increases if these immigrants have earlier experiences.

On the other hand, setting up his own business was something that Kufuo, the owner of an insurance agency, never considered. Rather, it was an incident in his life that sparked this interest as evidenced in his response to a question about the starting of his business:

Kufuo: I wanted to know more about insurance because insurance was something that was complicated to a lot of people. I remember I had a claim in 1996 and the way they handled the claim, I didn't like it. So, I wanted to know more about insurance and so I decided to go into insurance and know more about it so that I can help my people [Ghanaian immigrants] to understand the basis of insurance.

This finding is contrary to the emphasis placed on pre-existing cultural characteristics or employment discrimination usually experienced in the host country as argued by Herbet et al (2008), van Tubergen (2005) and Waldinger (1989).

Yet, another person became self-employed because of luck, as he said. According to him, he just happened to be at the right place at the right time as he explains:

Kofi: I didn't have any knowledge about starting a grocery store. I just happened to come in here to buy something and the former owner just told me she is selling the store. That was the beginning of the shop.

Another set of factors that have been argued to drive immigrants into self-employment are the language skills and religion of these immigrants (van Tubergen, 2005; Evans, 1989). Based on the interviews conducted and my encounter with the participants, it can be concluded that their English proficiency level is quite high to enable them compete with natives of the same educational levels for formal jobs. 45% of the entrepreneurs have at least a bachelor's degree that was conducted in English. Furthermore, the official language in Ghana is English. In the same vein, 95% of the entrepreneurs interviewed are Christians. Evans (1989) argument that immigrant groups with higher language proficiency levels as the host country are less likely to be self-employed and Tubergen's (2005) assertion that immigrants from Christian backgrounds are less likely to be entrepreneurs seems not to be applicable in the Ghanaian case.

Apart from inferring from their characteristics and experiences, the participants were also asked to explain why they chose self-employment to traditional wage jobs and they gave a wide variety of reasons. The single largest reason given is that self-employment is a means of gaining freedom. About 40% of the respondents mentioned this as the main reason for going into self-employment. To them, working for somebody else was a constraint on their lives as traditional wage jobs require them to be at work early in the morning and close late. For Badu, with this independence, he is able to contribute more to society:

David: So why did you decide to go into self-employment?

Badu: You know, the independence that comes with it. I didn't want to be somebody going in punching in and punching out and not really being able to make key decisions that need to be made to make things happen. So, I figured I can do that if I have my comfort zone.

For others, this freedom offered them the opportunity to spend more time with their families. Through self-employment, they are able to escape from the constraints of formal work environments and transport their children to and fro school as well as being able to attend parent association meetings.

A second reason given for going into self-employment is for prestige. This prestige goes beyond monetary gains towards more of being known and respected by the community in which one lives. This is evidenced in Abeeku's explanation of running his own business:

Abeeku: ...If you ask anybody in Columbus, they know us. They know us because of our business, not because of us but because of our business. I think somebody recommended you to come here. They know when you come here you'll get whatever you need. So, this business brings us prestige.

Answering the same question, Kwaku, the owner of an automobile mechanic shop, who has always dreamt of having his own shop since childhood explains:

Kwaku: "I worked at Firestone before setting up my own business. Firestone was a good place and I was even paid better there, but I can't work for somebody forever in my life. My dream was having my own business one day so that it becomes like a legacy for me so that I can one day stand up and say 'this is my business'. That day was four years ago".

This re-emphasizes Fadahunsi, Smallbone and Supri's (2000) argument that self-employment is a means of gaining better social status in society.

Other Ghanaian entrepreneurs believe that the only way for them to be successful in life is to set up their own businesses. According to them, no matter how hard you work



for somebody, they will always pay you something that is not worth your efforts. The owner of a grocery shop complained that the American system is capitalistic and employers will always give you something that you end up giving it to another person through spending. Trying to save whilst working in a traditional wage job is therefore deemed to be out of the question. The only way to succeed, they claim, is to have your own business. The owner of an insurance agency added to this argument by pointing out that when he was working for a company, he used to put the same effort into his work like he is doing on his own business now, but he was earning about 10 times lesser than he earns now.

Only two participants said they went into self-employment because they were putting the knowledge they learned from school into practice. When asked why she chose self-employment, Abena replied emphasizing that that was what she learned from school: “As I told you, I am a caterer. I like to cook, so I went to school for cooking and after the school I have to put knowledge into practice. I think that is my career too.”

Abena was the only respondent who went to a vocational (catering) school and after her studies, she did not work in any formal employment before starting her own restaurant business back in Ghana. This points to a fact that vocational schools are more practical when it comes to doing for self or working for self.

For the remaining entrepreneurs, there was no fundamental reason why they decided to be self-employed. Most of them developed the interest from their friends who were already in the business. One of them mentioned that his motivation came from other Ghanaian and African ‘brothers’ in the Columbus area who were already self-employed.

This seems to contradict Sowell's (1996) argument that the self-employment 'culture' is usually transmitted from the country of origin to the host country. Nonetheless, the findings suggest that interest in self-employment arise from socializing with co-ethnics whether in the origin or host country.

The above findings do not suggest that immigrants are usually forced into self-employment against their will as argued by scholars such as Herbert et al (2008) who believe that highly qualified immigrants are usually discriminated against in their host and as a result resort to self-employment as a means of survival. Based on this sample, Ghanaian entrepreneurs in Columbus, whether highly educated or not, chose to work for themselves because they need their freedom, they are in search for social recognition, or they want to be successful people in life.

However, there were instances where some of these entrepreneurs felt that their background served as a disadvantage to succeeding in the formal job market. Twenty percent of the respondents explained that being in formal employment offered them few or no opportunities to 'climb up' to the top of their careers and the only way they could be successful is to become self-employed. Explaining this further, Osei who is a personal financial consultant had this to say about his previous experience in the formal sector:

Osei: If you are in that kind of career [at Chase Bank], it's very difficult to get to the top, sincerely. 1 out of 10 people coming from African descent get to the highest level because we are competing with a lot of folks; the Whites, the Hispanics, the African Americans and your own people here [referring to other Ghanaians and Africans]. So, the competition is very high and that was why I advised myself.

Osei did note that he had all the qualifications it takes to compete with all these other people, but he did not want to waste his time because no matter what he does, they

will always promote others including those that he has been here before they were employed.

The second entrepreneur who used to go around and sell insurance for an insurance company at the outskirts of Columbus explained that in his district, he was one of the top and most qualified agents, but even with that he was still limited with what he could achieve. According to him, in the insurance sector people deal a lot more with trust because you are handling customers' money. Being the only Black (and also African) in that district, he complained that the prospective clients see him and have their own opinion already. According to him, "Some of the people are prejudiced, they look at you and judge you by the way you look and this can affect how you sell and what you make" (Kojo).

Unlike the earlier findings, these findings suggest that some Ghanaian entrepreneurs in Columbus are being forced into self-employment due to conditions in the host country as noted by van Tubergen (2005). It is therefore my assertion that the findings suggest the setting effects approach to explaining why immigrants are more inclined to self-employment than the native-born population. This is because the findings highlight both the exposure of these respondents to self-employment and their subsequent desire to become self-employed and the discriminatory nature of formal paid jobs for these respondents.

### 5.3 Forms of Social Networking

One objective of this research is to find out the social contexts within which Ghanaian enterprises are situated. That is to find out their membership in businesses and/or ethnic associations that affect their businesses as well as the general means or avenues that these entrepreneurs use to promote the running of their businesses. It has often been argued that ethnic business associations such as rotating credit associations are very effective in promoting immigrant entrepreneurship and as a result, many ethnic entrepreneurs belong to one or more of such associations (Sequeira and Rasheed, 2006). The Chinese entrepreneurs in San Francisco Chinatown, for instance, have a strong ethnic group that ensures access to resources for both new and already existing Chinese entrepreneurs (Nee and Nee, 2000).

Unlike Chinese and other immigrant groups, the situation is different from the perspective of Ghanaian entrepreneurs in Columbus. Of all the respondents interviewed, none of them belong to an ethnic or Ghanaian business association. As a matter of fact, there is no business association for Ghanaian entrepreneurs in Columbus. Some of the participants think that having a Ghanaian business association will be very helpful, as this will help new entrepreneurs to be able to source resources for the start-up of their businesses. When asked whether he belongs to a Ghanaian business association, Kofi, the owner of a grocery shop had this to say:

No. The Ghanaians do not have a business association in Columbus. I'm not a member of any society or association because I don't have time. This business is like you don't have life. I don't even get enough time to sleep, so I don't have time to join any association.

The quotation above points to one of the reasons why the Ghanaian entrepreneurs in Columbus do not have a business association. Most of them complain that their work is very tedious and some of them open their shops seven days a week. As a result they do not have the time to form or join a business association. Some of them are pursuing further studies while running their business and others run their businesses and at the same time working wage jobs. The lack of time on the part of entrepreneurs is therefore seen as a factor that helps explain the absence of a Ghanaian business association in Columbus.

Another reason given for the absence of business associations was the varied nature of Ghanaian businesses in Columbus. Some are into grocery, others into shipping and yet others in the field of accounting and taxes. According to one financial consultant, it will be difficult for him to discuss business ideas with another person in the grocery business. This reason is not so convincing because business associations offer more than just exchanging information in the same line of business. For instance, you do not need to be in the same line of business to contribute in a rotating credit association. Such associations can serve as a source of sustainable competitive advantage for the establishment and maintenance of new enterprises (Greene, 19997) as a strong business association may be seen by other immigrant groups as a source of power.

A more important reason why I feel contributes to the lack of Ghanaian business associations in Columbus is because of lack of trust among them. Trust in the Ghanaian community mostly revolves around monetary issues and goods and services. For them, trust entails having confidence in people to pay you back when you give them loans or

goods and services on credit, and also not to default in the continuous contribution to a group such as rotating credit associations. These entrepreneurs believe that there is lack of co-ethnic solidarity or trust among the Ghanaian community in Columbus. The issue of trust always emerges when asked why they did not have any business associations:

Agyeman: One thing I noticed is that Ghanaians in particular we don't want partnership because we don't trust each other. We associate with each other, but to put our money together, we don't want that. I know Somalis here, they work together, they put their money together and they even have a bank where they can get their resources. But Ghanaians don't have that. Ghanaians don't trust each other because you can put your trust in each other and eventually, one will try to be the sole owner and take you out of the business.

It is evident that Ghanaians socialize on other grounds, but when it comes to business they are very cautious of dealing with each other. This wariness in matters concerning money explains the lack of formation of business associations among the Ghanaian community in Columbus.

### *5.3.1 How Then Do Ghanaian Entrepreneurs In Columbus Network?*

In the previous sub-section, it was pointed out that Ghanaian entrepreneurs in Columbus do not belong to any ethnic business association. This suggests their networking within such social contexts may be abysmal. However, the following sections shows Ghanaian entrepreneurs network in a lot of different ways. Networks that have closures (such as business associations) are not the only form of networks that influence or are used by immigrant entrepreneurs. Other forms of networking such as loose acquaintances or online connections are also employed by entrepreneurs. Ghanaian entrepreneurs are no exception to the use of these other forms of networking. Solely

interacting among themselves, Ghanaian entrepreneurs employ two (2) main forms of networking: what I refer to as '*Exchange Sale*', and '*Contributory Purchase*'.

### 5.3.2 *Exchange Sale*

The owner of a restaurant practice what I refer to as 'exchange sale' here. What she does is to take some of her products to Ghanaian grocery shops so that the owners of these shops will do the selling for her. Such products are usually not very perishable and according to her, a lot of people go to the grocery shops than they come to her restaurant. So, to increase her sales on these products, she made this special trading agreement. In return, the shop owners who sell for her are entitled to a commission from the sales.

### 5.3.3 *Contributory Purchase*

The owner of a grocery shop also mentioned the idea of contributing to buy products. He explained that there are times when a product is on the market or on promotion and the more of the product you buy, the lower the price. In such instances, he contacts friends and if they are interested, they will contribute, buy the product and share it. Other entrepreneurs mentioned that the Ghanaian business owners know each other and whenever they have a problem or needs information, they will just call the appropriate person and ask him/her. It can therefore be observed here that even though they do not have a formal association that brings them together, they network on different informal ways to promote their businesses.

Ghanaian business owners also interact among themselves and with the wider Ghanaian community in Columbus in a variety of ways. In the following, I will elaborate on these forms of networks.

#### *5.3.4 Church*

The church was found to be an important avenue where most Ghanaian entrepreneurs use to promote their businesses. All but one of the participants belongs to ethnic churches. The majority of them are members of the Assemblies of God Church on Cleveland Avenue. Other churches include the Church of Pentecost, Presbyterian Church and Spirit of the Truth.

It must be pointed out here that the main reason for going to church is to worship. Nonetheless, some entrepreneurs admit that it is also a good place to get to know people and establish links with potential customers. Badu thinks that the church is the most important place to connect with customers as he explains:

I go to church. The church does help in promoting my business. People will relate to you because they see you at church, people will relate to you because they see you at community events, people relate to you because somebody else knows you. You have to belong to some kind of church here to get closer to people.

His explanation indicates that the church is a place where you get to meet co-ethnics for other kinds of help besides selling your business. I experienced this during the data collection process. At the beginning of the fieldwork, I met a member of the Assemblies of God Church who advised him that finding entrepreneurs for his interviews would be much easier if he came to their church. I honored the invitation and at the



church, I introduced myself to Ghanaian entrepreneurs and explained to them what I was doing. From there onwards, they identified me as one of their church members and willingly participated in the study. These entrepreneurs also referred me to other Ghanaian entrepreneurs outside the church and that really made my work easy in terms of convincing people to participate in the study.

Trust is the problem among the Ghanaian community in Columbus. How do you gain trust? You join an ethnic church. That is what Ghanaian entrepreneurs are doing in Columbus. Even I had to gain trust by going to a Ghanaian church. This experience supports Opoku-Dapaah's (2006a) argument that Ghanaians all over the United States belong to religious sects and depend on these religious sects for solutions to a wide range of problems such as unemployment, illness and immigration issues. In the case of Ghanaian immigrant entrepreneurs, the church also serves as a place where business owners network with other members of the church and let them know what they are doing. Businesses are also advertized in the church and their addresses printed at the back of the Sunday newsletter.

#### *5.3.5 Tribal or Home Associations*

Tribal or home associations are another form of social network that Ghanaian entrepreneurs in Columbus utilize in the promotion of their businesses. Like with ethnic business associations, membership of small business owners in tribal or home associations is abysmal. Out of the 20 entrepreneurs interviewed, only four of them belong to some of these associations. Some of these associations include Asanteman,

Brong Ahafo Association, Otcheman Association, Kotoko Supporters Union, and Hearts Supporters Union. Even with the four entrepreneurs who belong to these associations, most of them are not active members because their businesses demand a junk of their time. Kwabena, the owner of a grocery shop, was a treasurer at the Otcheman Association but as his business was getting busy, he did not have time to play that role and so he gave it up and now just a patron.

The participants noted that even though they are not active members of these associations, they are very helpful in promoting their businesses because most of their customers belong to them and when they go for their meetings, they get to meet co-ethnics who are always interested in knowing what they do. This gives them an opportunity to make their businesses known to prospective customers.

These ethnic or tribal associations are not only helpful to Ghanaian entrepreneurs who are members, but also beneficial to non-members. Sometimes, non-member Ghanaian entrepreneurs are invited to give talks at their meetings. At a recent meeting of the Brong Ahafo Association, Panyin who is a tax consultant was invited to give a talk about filing for tax returns and he was more than happy to honor their invitation. No need to mention that these invitation was a great opportunity for him to network among the Ghanaian community and to attract customers from that association when the time comes for tax return filing.

### *5.3.6 Naming and Out-dooring Ceremonies*

Naming and out-dooring ceremonies are popular events in communities in Ghana and this tradition seems to have been transferred to the diaspora. These are new-born baby ceremonies. It is called a naming ceremony because it is the first day the child is given a name and it is also called an outdooring ceremony because it is the first time the child is taken out of doors.

At these ceremonies, business owners usually donate gifts to the new-born child and his/her parents. According to the entrepreneurs, these gifts are usually given at Christmas also to their regular customers and the main purpose of these gifts is to re-enforce their relationship with their main customers and to maintain such customers. It was found that although these are ‘gifts’, the entrepreneurs expect some form of reciprocal returns from the recipients, what Portes (1995) referred to as returns in a different ‘currency’. These reciprocal returns could be recipients of these gifts patronizing the owner’s goods and services ( Kloosterman et al, 1999).

Five of the participants reported that they seize the opportunity presented by naming and out-dooring ceremonies to network among the Ghanaian community in Columbus. Responding to a question on how he networks among the Ghanaian community, Kwaku who is an automobile mechanic said:

The link or network is usually established during the community meetings like naming ceremonies or funerals. Over there, somebody will get to know you or if I meet a peer technician, then I’ll start talking about business. Then you talk about problems that you encounter and how you solve them.

The above statement does not only point to the fact that members of the Ghanaian community patronize the goods and services of their co-ethnic entrepreneurs because

such entrepreneurs attend community events and make donations as argued by Kloosterman et al (1999), but also shows that business owners use these opportunities to meet other entrepreneurs in their line of business to discuss ideas that are helpful in maintaining their businesses.

### *5.3.7 Word of Mouth*

Word of mouth is probably the most popular way that Ghanaian entrepreneurs use to reach out to their community or customers. All of the participants mentioned that they use word of mouth and it is the best tool used to attract both ethnic and non-ethnic customers. Word of mouth is usually through customers, current employees, other business owners, friends and the wider community. In narrative terms, Kufuo had this to say:

I get my customers mostly through referrals. When you come here, I get about 3 or 4 people from you because whatever you get here, you will like to tell other people. Before they [customers] leave, they ask for my business cards to give to their friends.

By being able to help customers or serving them in an efficient manner, customers trust business owners and will recommend them to their family and friends without any reservation or doubt.

### *5.3.8 OneGoal Family Picnic*

Every year, Ghanaians across Columbus participate in a picnic called the OneGoal Family Picnic usually organized in the summer. This is a ‘once in a year’ affair thing usually organized by the different Ghanaian churches in Columbus, but it is usually

attended by all Ghanaians in the city irrespective of religion. The main aim of this picnic is to bring all Ghanaians in Columbus together to socialize and renew their ties. At the picnic, participants bring Ghanaian food, play and dance to Ghanaian music, and play traditional games. City officials such as the mayor are usually invited to this event.

Even though the main purpose of the picnic is to socialize, Ghanaian business owners have taken advantage of this opportunity to ‘sell’ their businesses to the Ghanaian community and to meet fellow business owners. Entrepreneurs employ a variety of ways to advertize their businesses at the picnic. These include buying stands, distributing flyers and participating in radio programs on site. This proved fruitful to Mensah who bought a stand at the picnic two years ago and had a lot of people coming to check on what he has to offer at his grocery shop. According to him, this picnic brought him a lot of customers most of whom are still main customers of his goods.

The picnic also proved beneficial to Asamoah who is the owner of a Ghanaian radio station. As a result of this picnic, he has been able to meet a lot of important people in the Ghanaian community who now participate in some of his radio programs. When asked how this picnic has been of benefit to him, he explained:

Asamoah: We are community minded, so any community event that is going on we are the media partners and we’ve covered a lot of programs in this community including the OneGoal Family Picnic. At the last picnic, I had the opportunity to meet lawyers, doctors and marriage counsellors who now come on different shows on my radio to give legal advice, marriage and health issues.

The above explanations are seen to promote networking among Ghanaian business owners as well as the wider Ghanaian community which is crucial to the success of

immigrant entrepreneurship as it is this ethnic community which usually forms the main market base for immigrant businesses (Ruef et al, 2003).

#### *5.3.9 Internet*

The use of the internet was also manifested among Ghanaian entrepreneurs in Columbus. These include the use of facebook and personal business websites. The literature suggests that the internet is beneficial to the creation and maintenance of social networks which is good for entrepreneurship (Gangadharbatla, 2008; Batjargal, 2007; and Ellison et al, 2007). Ellison et al (2007) specifically pointed out that the use of facebook enables one to stay connected with members of a previously inhabited community. This can be extended to immigrant entrepreneurship to mean staying connected with business partners from the country of origin as well as their current community.

Notwithstanding this, only five of the participants network with the use of the internet. Most of those who use the internet have a business account on facebook where they post promotions or discounts they are currently running. Below is a picture of a facebook account of a Ghanaian entrepreneur who owns an insurance agency. Looking at it closely, you will notice that he is currently running a discount program for auto insurance.



**Figure 5: A Ghanaian Business Facebook Account**

Source: Facebook.com

There is also an account on facebook named 'Ghanaians in Columbus' and what some Ghanaian entrepreneurs do is to advertize their businesses on this page. Below is a picture showing a shipping company making such an advertisement.



**Figure 6: Ghanaians in Columbus Facebook Account**

Source: Facebook.com

Even though five respondents use the internet to network, the majority of them said they have not been successful in promoting their businesses on the internet, particularly on facebook. According to them, most Ghanaians go on the internet to do other things such as networking with friends and family other than business networks. They went on to insist that they got most of their customers through referrals or word of mouth. Some immigrant groups in Columbus like the Brazilians show that the internet is very important for organizing events and establishing relationships with co-ethnics



(Klimpel, 2009). The internet does not appear to be as important to Ghanaians in Columbus at least for these participants.

#### 5.4 The Effects of Social Networking

The findings discussed in this sub-section is in response to the research question that sought to understand how social or community networks among Ghanaian immigrants in Columbus have benefited or limited their businesses. The risks associated with social networking will be discussed alongside the benefits.

##### *5.4.1 Access to Financial Resources*

Scholars have emphasized the vital role that access to financial resources, including access to credit, play in the setting up and running of immigrant enterprises. In a study of Asian immigrant firms, Light and Bonacich (1988) stressed the significance of access to credit on the success of their businesses. The findings of this study show varied experiences by Ghanaian entrepreneurs of accessing financial resources from their co-ethnics.

Findings from the study revealed three dominant sources of business start-up capital: Personal Savings Only, Personal Savings and Family & Friends, and Personal Savings and Bank Loans. According to the study, three of the total sample interviewed had personal savings and family and friends as their source of start-up capital. For those in this category, their personal savings and friends played a major role in their start-up other than family. The owner of a grocery shop talks about how the opportunity of

owning or buying his grocery shop nearly slipped away from him had it not been with the help of his Ghanaian friends who had a good credit history. In narrative terms, he explains:

Kofi: I didn't have anything. I didn't have no money, no capital to buy the store or any goods. But it was with the help of some few [Ghanaian] friends who were having credit cards, good credit. My credit history wasn't good at that time. So, they helped me with some money and credit cards to buy some things to start it.

In the same vein, finding money to pay for his first office space was a big challenge Kojo faced when he first went public with his business. However, with the help of a Ghanaian friend, he was able to secure the office.

The exploitation of ethnic sources of capital by these Ghanaian entrepreneurs in Columbus supports Ram et al's (2002) study in the United Kingdom that informal sources of finance such as family or friends' sources were very crucial to the survival of minority ethnic businesses. For these participants, seeking help from their Ghanaian friends was the only option because it was impossible to secure loans from the banks or other formal financial institutions.

Two of the total respondents reported that personal savings and bank loans were their source of capital for starting their businesses. This small percentage explains why the majority of the participants complained that banks and other formal financial institutions have not been helpful in the financing of their businesses. According to them, it is very difficult, if not impossible, to obtain loans from these financial institutions, especially the banks, because these banks do not value the African goods they sell.

Not surprisingly, collateral is required to be able to obtain loans from the banks. Even though some of these entrepreneurs had collateral, which is the shop and the goods they sell, their efforts to obtain loans from the banks did not yield any positive results. Below is what the owner of a grocery shop had to say when asked why he could not obtain a loan from the bank:

Mensah: I remember when I was starting, I brought in some banks and they checked the food that I was selling but they didn't value it. The bank manager will come and see dry fish like Kobi [salted fish] and think that it stinks. They think that it is trash, so they don't want to invest their money in trash.

The banks saw their business as a risk to invest their money in. It is, however, interesting to know that once these entrepreneurs start to do well in business, the banks are more than willing to give them loans. Just like the Scotland survey where small business owners felt reluctant to access formal finance for the expansion of their businesses after initial turndowns (Deakins et al, 2009), the findings of this study shows that none of the Ghanaian entrepreneurs who did not get financial support from banks at start-up accepted a loan from them after they had established a good credit history. They felt that if a business is starting up, it needs support but the banks would not do that. Therefore, the banks should not expect them to do business with them (the banks) when their businesses are financially stable. The two entrepreneurs who funded their businesses partly from bank loans actually applied for personal loans from their banks and then used it for business. These entrepreneurs had good credit history and that made it easier for them to get personal loans from their banks.

Just like the banks who do not want to give loans to new entrepreneurs, the Ghanaian entrepreneurs themselves do not trust new entrepreneurs to assist them at

business start-ups partly due to competition. However, after establishing a business and integrating into the Ghanaian community, that lack of trust begins to disappear and co-ethnics are more willing to assist with business resources, but still not with money because they are always wary of each other when it comes to dealing with money. The lack of trust within the Ghanaian community, therefore, appears to be limited to the initial stages of setting up a business and dealing with money.

Access to goods on credit from co-ethnic entrepreneurs is also crucial to the survival of Ghanaian businesses in Columbus. This is particularly true with the retail activities. Restaurant and grocery shop owners have established networks with their suppliers, who are mostly co-ethnics, and since suppliers know that business owners are not going to 'disappear' overnight, they are always willing to give them goods on credit. This is, however, different with American suppliers. According to them, American suppliers often demand for payment upon delivery of the goods or even before they dispatch the goods. When asked of the advantages of dealing with Ghanaian and American suppliers, a grocery shop owner had this to say:

Mensah: The Ghanaian suppliers credit you, but with the American suppliers you deal with cash. That is why we buy most of our products from Ghanaians. So, in a year for instance we usually buy about \$500,000 of goods from Ghanaian suppliers and only about \$50,000 from other suppliers.

While seven of the entrepreneurs have access to goods on credit from Ghanaian suppliers, none of them have access to credit from American suppliers. It is therefore argued here that although Ghanaian business owners in Columbus do not have business associations to assist them with financial resources such as cash or loans, their access to

credit from co-ethnic suppliers has been, to some extent, crucial to the running of their businesses.

There is a higher propensity for Ghanaian entrepreneurs to use personal savings only to finance their businesses compared with other sources of start-up capital. The data shows that fifteen entrepreneurs of the total sample interviewed use personal savings only to finance their businesses. This figure is far higher than the five participants who rely on personal savings and loans from ethnic networks as a source of start-up capital. These immigrant entrepreneurs often have to work in traditional wage jobs in order to be able to save for their business start-ups. It is not that these Ghanaian entrepreneurs prefer the use of own capital to run their business, but that just like procuring loans from the banks or other financial institutions, trying to secure loans from ethnic networks is a waste of time as nobody is willing to help even if they can. This again can be related to the issue of trust where family or friends are not willing to help because they are afraid that their friends may default and not pay back. For some, getting a loan from co-ethnic friends or family is simply impossible for cultural reasons:

David: Did you get any help from family and friends or ethnic association to start your business?

Ato: “No! No!! Who will do that? You know where we come from everybody thinks he is smart. The Ghanaian community will not do that. To give you a loan to start your business? I mean, everybody will want that loan”.

Moreover, some respondents complained that when they first started their business, they were struggling but no family members or friends came to their rescue. This problem is further compounded by the fact that they are in a foreign country. Nana

understands that at the moment, the U.S. Economy is such that it is difficult for Ghanaians to even save something let alone to assist their co-ethnics in business.

These findings clearly show that personal sources of business finance are more commonly used by Ghanaian entrepreneurs to sources of finance from co-ethnics or ethnic associations. There is, however, widespread assumption in the literature that financial assistance from co-ethnics serve as a common and crucial source of capital for immigrant entrepreneurs (Portes, 1995). The limited utilization of ethnic sources of capital in the current study goes against these assumptions.

#### *5.4.2 Access to Informational Resources*

It is often cited in the literature that immigrant entrepreneurs have privilege to information about business conditions or prospects from their co-ethnics and that can lead to the success of their business (Yeboah, 2008). This research, however, does not fully support this claim. With regards to information that led to their current business prospects, four of the sample interviewed got information about their business from their ethnic networks, basically from friends and family.

Among those who got business advice from co-ethnics, the majority of them received these information from friends that they have strong and long networks with and the remaining few got that information while casually participating at social network events. For instance, Agyeman and his wife travelled from another state to Columbus, Ohio, to visit a friend who was into African business. This friend advised them that selling ethnic products is a lucrative business. This friend further advised them not to go

into African grocery because there are quite a number of Ghanaian or African grocery shops around. Following this piece of advice, Agyeman decided to move to Columbus to start a Ghanaian shop dealing with luggage, ladies bags, African clothes and movies. Right now, Agyeman considers himself to be successful in business because he started with some other Ghanaians in different lines of businesses who quit and he is still in business. He attributes this success to his friend who introduced him to the idea.

However, exchange of business information among Ghanaian entrepreneurs is very low or limited considering the fact that twelve of the entrepreneurs said they themselves were the source of their current business idea, compared to only four who had their business advice from co-ethnics. This is not surprising considering the fact that the majority of them had previous business experiences before their current ventures. When asked about his source of information about his current business, Kojo replied explaining:

I had an experience in being an agent. I knew what went into the business and how it is ran because I managed other agencies before. I was an agent and also a manager with the company that I worked for. And not just that, I also used the Department of Insurance, I went into their website. So, these were the sources I used.

When asked whether he received any business information from fellow Ghanaians, he explained that there were not a lot of Ghanaians in that line of business to talk to. According to him, there were just one or two other people from Ghana who owned an insurance agency, but he did not talk to them.

The owner of a grocery shop, Kofi, complained that he lost a lot of money because he had no one to advise him on running the business when he first started. According to him, he used to order items without asking or checking for their expiration dates. It was

after his customers started to return expired items that he later realized the dynamics of the business and adapted to it. This instance leaves one to ask why he did not get or seek information on operating his business from fellow Ghanaian entrepreneurs despite the fact that he used to socialize with some of them on different activities. Kofi bought the shop from a fellow Ghanaian and although the former owner was into the same business, he did not get proper advice from him.

#### *5.4.3 Ethnic Employees*

The role of social networks in linking immigrant entrepreneurs to ethnic employees and the subsequent contribution by these employees to the success of ethnic entrepreneurship have been well accepted. First, ethnic employees have been found to provide convenient and low cost sources of labor (Stiles and Galbraith, 2004). Secondly, ethnic employees usually have specific knowledge of the ethnic business that enhances its success (Yeboah, 2008). Finally, Bailey and Waldinger (1991) argue that by investing in the training of co-ethnic employees, they will stay loyal and trustful to their employers.

The findings in this study, however, provide a more complex effect of social networks and ethnic employees. The table below shows the number of people the participants employed.



**Table 7: Sources of Labor**

<b>Category of Business</b>	<b>Ethnic Employees</b>	<b>Non-Ethnic Employees</b>	<b>Family</b>
Retail Activities	2	5	19
Service Activities	7	2	0
Transnational Activities	0	0	2
<b>Total</b>	<b>9</b>	<b>7</b>	<b>21</b>

Source: Field Survey (2011)

In all, 37 people are employed by 15 enterprises. The remaining five entrepreneurs do not have employees. They run their businesses solely by themselves. From the table, it can be seen that there are a total of nine ethnic employees, excluding family members. When family members are included, the total number of ethnic employees is 30. The total number of non-ethnic employees is seven. This shows that Ghanaian entrepreneurs do not only network among themselves, but that their networks extend beyond the Ghanaian community. These non-ethnic employees come from a range of other African countries as well as two African Americans. The other non-ethnic employees are from Senegal, Tanzania, Sierra Leon and Gambia. With the exclusion of family employees, it can also be noted on the table that retail activities employ mostly non-ethnic employees where as the service activities employ mostly ethnic employees.

Participants employ a variety of ways to recruit ethnic employees. Recruitment is mainly through word of mouth or recommendations from current employees, customers or other business associates:

Santana: Some other Ghanaians that we know that were in business in the past recommended the employees to us. They had knowledge about their own food, but my wife also gave them additional training. They already had knowledge of the ingredients they needed to use for their own food.

Through social networks, Ghanaian entrepreneurs are able to recruit ethnic employees who have specific knowledge of their business. In addition to having specific knowledge of the business, these ethnic employees also relate very well to ethnic customers as evidenced by how the I was warmly welcomed by Ghanaian employees to the Ghanaian restaurants and grocery shops. It was observed that these employees did not often relate the same way with other customers, especially customers that are not from Africa. These employees are therefore considered to be very crucial to the success of Ghanaian enterprises in Columbus since immigrant businesses mostly cater for ethnic customers (Evans, 1989).

Other Ghanaian entrepreneurs prefer to employ co-ethnics or family members because such labor is cheap and these employees tend to be trust worthy and loyal to them. These entrepreneurs, however, understand that there is a difference between business and family or friends and try to separate the two:

David: So this family members who work for you, do you pay them?

Mensah: Yes, I pay them every week. The way we will pay outsiders is the same way we pay them, but the advantage is that we trust them. We don't really keep good records of what is in the store and if we bring outsiders, they may be stealing. So, we always prefer to go with the family people.

Obviously, Mensah does not enjoy low cost labor by employing family members but he enjoys the advantage of trust. Kofi, however, enjoys both the benefit of trust/loyalty and low cost of labor. He has a Ghanaian employee and his family, including his wife and children, help at the shop especially at weekends. According to him, he pays

his children a bit lower than he would pay a regular worker. Besides, he is confident that his family and ethnic employee are loyal to him and will not steal from the shop. On the issue of trust and low labor cost, the findings seem to support the theory that ethnic employees are often a source of cheap and loyal labor (Stiles and Galbraith, 2004).

Despite these advantages, some of the participants made complaints against employing co-ethnics. For some entrepreneurs the only reason why co-ethnics seek employment opportunities from their enterprises is to learn how the business is being ran. Though not common, it was interesting to know that employees of Ghanaian businesses ‘steal’ business ideas from their employers to open up their own businesses. For Santana and his wife, they were too trustworthy and treated a Ghanaian employee as a sister expecting her to be loyal to them, as argued by Bailey and Waldinger (1991) that by investing in the training of co-ethnic employees they will stay loyal and trustful to their employers. Little did Santana know that the lady sought employment there for only one reason; to get the knowledge of how to run a Ghanaian restaurant. In his own words, Santana explains:

We did have a lady that worked for us when we first started and later she moved around the corner and opened up a restaurant herself after learning our recipe and everything. But that was out fault because we took her as our sister and taught her everything.

This is clearly an incident where social networks have limited a Ghanaian entrepreneur’s business because by opening a restaurant not far from where she worked before, she is now competing for already declining ethnic customers. As a matter of fact, Santana lost customers to his old employee who now owns a Ghanaian restaurant. The

new entrepreneur had established a relationship with customers while working at Santana's restaurant as an employee.

For some respondents in the service activities, employing ethnic employers will work to their disadvantage because of the nature of their business. Such businesses as insurance agencies and auto mechanics provide services that are also provided by native enterprises and national/transnational firms. For such immigrant enterprises to survive, therefore, they must reach out to the non-ethnic market as well (Dyer and Ross, 2000). Employing ethnic employees who can only relate well with co-ethnic customers will be disadvantageous to such businesses. It is therefore not surprising that two of the participants who owned insurance agencies employed African Americans as their receptionists since they, according to these entrepreneurs, can better relate to the wider market of the host country.

#### *5.4.4 Ghanaian enterprises and their Clientele*

About three-quarters of the respondents said that 70% or more of their clients are Ghanaians. Many of the participants think that Ghanaian customers are loyal and form the main market base for their businesses because they hardly get Asians, for instance, coming to buy their products. According to these participants, Ghanaian customers do not only patronize their businesses, but also advertise their businesses for them through word of mouth:

Badu: The customers advertize your business for you. You cannot advertise your own business. If the customer goes and say something bad about your business, nobody will come here. One Ghanaian lady introduced me to one lady from Thailand and now I have a whole lot of customers from Thailand.

Respondents such as Badu also confirmed that they had the Ghanaian population in mind when they were setting up their businesses. This target market has undoubtedly kept their businesses 'alive' since the majority of their customers are Ghanaians. The owner of a restaurant told me that Ghanaian customers would come into his restaurant and tell him he has the best food in Columbus and even in the U.S. "And you could see they are very proud they have a nice restaurant to come to and bring their family and friends when they come from out of town and they encourage us to keep going", he added. In addition, a good number of these customers are usually church members with the entrepreneurs. Agreeing with Dyer and Ross (2000) that trust within social networks promote the relationship between ethnic entrepreneurs and their clients, it is argued here that by being in good relations with co-ethnic customers, they can further help expand immigrant businesses by exposing such businesses to the wider market apart from the other co-ethnic customers.

A number of reasons account for the reason why most Ghanaian entrepreneurs have co-ethnics as their main customers, but the common reasons include feelings of friendship and rapport with co-ethnic entrepreneurs and the fact that most of these businesses have only ethnic products to offer. Panyin is strongly convinced that the majority of Ghanaians come to him because they share the same culture. The fact that he and his customers speak the same language means the problem of language barrier is out of the question. Some of the business owners also noted that they do have clients who speak little or no English at all. Such a person will like to go a Ghanaian business man to

do business with rather than going to an American who will not even understand what the person is saying or what the person wants.

In the course of conducting the interviews, most owners of insurance agencies asked me where I got insurance for his car. I replied saying I bought his car insurance online. The attempts at convincing me to switch to their insurance agency were almost unanimous. They urged me to stop doing business online with people I do not know or has never seen and start doing business with people I speak the same ‘language’ with, referring to them. By embedding their businesses in the Ghanaian community and networking with co-ethnics, the business owners are able to discover and meet the needs of their customers.

In the same vein, most of the Ghanaian businesses, especially those in retail activities, sell ethnic products and this is no surprise why their main customers are Ghanaians. The owner of a grocery shop, Kofi, explains that “when the Whites and the Black Americans come to this store, they look at the things like they are in a different world. They don’t know what they are looking at.” According to him, there are few Americans who have travelled to Ghana or Africa and know some of the products he sells. It is only those few who come in once in a while to purchase goods from his shop. Other than that, most of his customers are Ghanaians and other Africans. He believes that Ghanaians cannot go long without their own food. They will go to McDonalds, they will go to Burger King, but it won’t be long before they run back to their own food and that is why most businesses are patronized by Ghanaian customers.

Two of the participants have very few or no Ghanaian customers. Kwaku, an automobile mechanic, have 50% of his customers being whites, 30% of them being African Americans and only about 15% of Ghanaian customers. The remaining 5% customers are from other ethnicities. He stressed that his business is not based on Ghanaians and that if Ghanaians are his main customers, he would have been a poor man by now. According to him, Ghanaians tend to prefer the services of American firms because they feel American firms are better in the provision of services. They are not loyal to Ghanaian businesses like other immigrant groups, he added. When asked about the advantages and disadvantages in dealing with Ghanaian and American business partners, Kojo had this to say:

For superior services and services that require reliability, I prefer people that are from here because they do much more better work. For reliability and professionalism, I like to use people from here.

The above quotation shows that even if it comes to dealing with each other, Ghanaian entrepreneurs tend to patronize the services of other firms other than their co-ethnic enterprises. Disloyalty lies not only with customers but between the owners as well.

By becoming members of an ethnic church and being active in giving donations at ethnic gatherings, it is expected that members of the church or ethnic community will patronize the goods and services of immigrant businesses (Kloosterman et al, 1999). This is, however, not the case for Agyeman who seems to be disappointed in his church members and has now turned his focus to attracting customers from the wider market even though Ghanaians are still his main customers. His piece of advice to me was that if

I ever set up my own business, I should not put my trust and hope in the people that I know because if I do they will betray me. In his own words, he complains:

Agyeman: Very few of my church members come to this store, but I have more customers from different churches. It all amounts to relationships, how you talk to customers when they come in here. I treat everybody equally, not because they are from my church. If you think that going to church will let your church members shop from your store, you will be disappointed.

This is an instance where social networks lead to lower patronage of immigrant businesses rather than higher patronage of such businesses. One would expect that Agyeman's church members will be his main customers, but it rather turned out to be that his main customers are from other churches. Being able to attract customers is therefore seen here to be more of relationship building rather than the mere membership in ethnic associations or churches.

Another business owner who complained that Ghanaian customers can collapse your business had already stated that he did not have Ghanaians in mind when setting up his business. This entrepreneur happens to be the only one in the retail activities who does not sell ethnic products. However, before his current business he was operating an African grocery shop, but was not successful because a lot of Ghanaians and Africans used to buy goods on credit from him and have not paid back up to date. According to him, these customers were his close friends and acquaintances and he expected them to pay him back voluntarily rather than going after them, but they never paid back and kept on coming for more products on credit. When asked about his experience at running his previous business, he said:

Kwame: What I found out is that when a Ghanaian has a business, most Ghanaians come there and try to get things on credit. When I had an African



shop, they came and bought things on credit and up to date they have not paid back. Even some of them came to trick me with this Western Union thing. They will say ‘please send money to Ghana for me and I will go home and bring you the money’, which they never did.

Another entrepreneur complained that Ghanaian customers will only visit his shop only when they need goods on credit. If they have the money, they will rather go to big supermarkets like Wal-mart which, according to them, is cheaper. These Ghanaian customers often buy products on credit and when they are not able to pay back, they cut links with the business owner. On a second visit to one of the participant’s shop, the shop owner was discussing with a customer how unfaithful some Ghanaian customers can be. Apparently, the shop owner had gotten to know about another customer through the one he was talking to when I arrived. They willingly shared the issue being discussed with me and asked for my opinion. The shop owner once had a Ghanaian customer who used to visit his shop every day to buy goods or say hello. Now, this customer owes the shop owner some money and the owner has not seen him in months as he explains: “He refuses to come here whenever any of his friends ask him to give them company. He uses this street everyday but he never comes in here.”

Due to the nature of relationships that business owners have with the Ghanaian community, they try to accommodate these customers in terms of credit and some of these customers have in turn taken advantage of these to excessively demand from owners turning their enterprises into what Geertz (1963) referred to as ‘welfare hotels’. In order to escape from such excessive demands, some Ghanaian entrepreneurs have decided to change their line of business like Kwame did when he completely shut down his African shop on Refugee Road, where there are a lot of Africans, and moved to West

Broad Street to set up a non-ethnic shop targeting mainly Hispanics who he is not socially committed to. This action parallels Portes and Sensenbrenner's (1993) finding that Otavalo garment merchants in the Ecuadorean Andes changed religious allegiance to make them strangers in their own community and thus avoiding excessive demands from their close clients.

The results from the study reveal that it was mostly entrepreneurs in the retail activities who have most of their customers as Ghanaians. However, in the service activities entrepreneurs mention that they serve both Ghanaian and non-Ghanaian customers. It is argued here that the nature of the service activities demand that they look beyond their ethnic community in terms of their market size. Unlike with grocery shop owners who sell only ethnic goods that one cannot find in an American or Mexican shop, financial/tax consultants and automobile mechanics must compete with native firms for customers as such services are already widely provided in the host country.

### 5.5 The Scale of their networks

The findings reported in this section is in response to the research question that sought to find out if the business owners networks exceed the Ghanaian community both within and outside Columbus. This research question is two-fold in the sense that it seeks to find out if they network with other immigrant groups or natives in Columbus and whether their networks are Columbus-based, national-based or transnational.

### *5.5.1 Networks with Other Immigrant Groups or Natives*

The extension of networks beyond one's own ethnic group is crucial to the survival and growth of immigrant businesses. Agreeing with Evans (1989) that the size of the ethnic population determines the market size that immigrant entrepreneurs have for their goods, it is further argued in this study that for long-term viability, ethnic business owners must also reach out to the natives or other immigrant groups, be it customers or suppliers/business partners, to promote the growth of their businesses.

In terms of customers, Ghanaian entrepreneurs do business with clients from colleges/universities, especially those within Ohio. Santana, for instance, cooks for professors at Ohio State University, Ohio Wesley University, Bowling Green and Toledo. According to him, these professors have travelled to Ghana and other African countries and have African friends in the United States. Sometimes, these friends visit the professors and they have a gathering. In order to let their Ghanaian or African friends 'feel at home', these professors often contract Santana to prepare Ghanaian or African food for these gatherings. Santana recognizes the importance of having a wider market base in order to survive as he explains:

We do a lot of outside sourcing. I don't think we can just rely on Ghanaians here to support us because I think if we rely on only Ghanaians, we will go broke. I think we have to rely on everyone to support us if we want to be successful.

Other respondents, especially those in the service activities, pointed out that they network with Ghanaian students in and out of Columbus. Tax consultants, for instance, network with Ohio University students when it comes to tax refund filing. Some of them have friends in this campus who usually try to get them student customers especially

during the period of filing for tax returns. Beyond Ghanaian students in these universities that owners network with, they also engage students from other countries to find them customers. At an African gathering at Ohio University, I heard a student talk about tax refund filing. Another student, from Jamaica, noticed this too and asked him; “Where do you intend to file for your tax refund?” “I already filed,” the student replied. “The H & R people did it for me and they charged me a lot.” “You should have asked me before filing,” the Jamaican student said before telling them that she knows a Ghanaian in Columbus who file tax returns for a lesser charge. Interestingly, the Ghanaian referred to here happened to be one of my research participants and I was astonished at the scale or extent to which they network.

Within Columbus, Ghanaian entrepreneurs make efforts to attract customers from different ethnic groups or different African countries. One-quarters of the entrepreneurs have equal amount of customers from Ghana and other African countries (mostly West Africa) and the wider Columbus market. Besides, two of the participants in the service activities have the majority of their customers coming from the wider Columbus market. One of them particularly targets Hispanics and the other serve customers from all walks of life. This is not surprising as enterprises in the service activities provide non-ethnic services and must compete for non-ethnic customers in order to survive.

The customers from other African countries are mostly from Sierra Leon, Liberia, Senegal, Nigeria, Togo, Guinea and Cameroon. Other minor customers include Americans, Somalis, people from Thailand and the Caribbean. When asked if they had this group of customers in mind before setting up their businesses, three of them

answered no. However, through referrals or word of mouth, they have served customers from a wide range of countries. This finding confirms the assertion that with time, ethnic businesses may go beyond their immigrant group and begin to serve the broader market of the host country (Dyer and Ross, 2000).

In terms of business partners and suppliers, Ghanaian entrepreneurs have to deal with American shops or firms and other non-ethnic partners at some point. Ghanaian restaurants serve Ghana food and so we expect that almost all of their ingredients come either directly from Ghana or from African shops. This was not the case for Respondent Abena who said she gets most of her ingredients from a restaurant depot and sometimes from Wal-mart, all in Columbus:

Abena: They have everything at the restaurant depot. I buy my peanut butter and fish there, everything. It is little things that I buy from Ghanaian or African grocery shops. The goat and the meat, I order for them. It is from American people.

It is no doubt that Ghanaians in Columbus see Ghanaian restaurants as a place where they can retire at at the end of the week or day to satisfy their ‘hunger’ with food thought to be prepared with ingredients directly from Ghana. Little do they know that some of the food that they consume is prepared using ingredients from elsewhere other than Ghana. Abena, however, acknowledges that she deals more with American supplies when she has the money to buy from them. On the other hand, when she needs these ingredients on credit, she has to go to the Ghanaian shops because the Americans will not give her goods on credit. Furthermore, some other restaurants prefer dealing with only Ghanaian suppliers because these suppliers have ingredients directly from Ghana.

### *5.5.2 Networks Beyond State and National Borders*

Our traditional understanding of immigrant entrepreneurship is the isolated ethnic enclave referring to the high co-ethnic population concentration or physical proximity of immigrant firms, with limited ties to national or transnational economic actors. Ghanaian entrepreneurs in Columbus, by contrast, are gradually building social networks beyond state and national boundaries to facilitate growth of their businesses.

#### *5.5.2.1 National Networks*

Results from the research show that all entrepreneurs in the retail activities, except for the three restaurant owners, deal with national suppliers or suppliers from different states. Grocery shop owners sell mostly Ghanaian products, but do not import them directly from Ghana. Rather, they get them from importers in big cities in other states. When asked where he gets his supplies from, the owner of a grocery shop has this to say:

Kwabena: We have suppliers from Chicago, Maryland and New Jersey. The goods come in big containers from Africa to the harbor in Newark and the harbor in Maryland. Wholesalers there import them and most of them are from Ghana and 2 or 3 people from Nigeria.

Next, the most important thing was to find out how they got connected to these importers or wholesalers in the other states. According to Kwabena, these importers were introduced to him by other Ghanaian entrepreneurs both within and outside the state of Ohio. Kwabena also happened to buy the shop from another Ghanaian and the former owner gave him the addresses and contact details of the importers and through them, he has been able to discover other importers. Grocery shop owners often supplement what they get from the importers with supplies from larger shops such as Wal-mart:

Mensah: If you go to our drinks side, we have American products, we have orange juice, coke and our rice is imported from Thailand. So, we have Americans, Chinese people and other Asians coming to buy our drinks and rice. For food stuffs like plantain or okro, we get them from Mexican wholesalers. You cannot bring such products from Ghana because by the time they get here, they will spoil.

The literature suggests that immigrant enterprises often import ethnic products directly from their home countries (Landolt et al, 1999). However, the findings from this research show a complex chain of supply. Ghanaian products are brought to the United States by importers through big cities such as New York, Newark, Chicago and Baltimore. The activities of these importers are beyond the scope of this study as none of them can be found in the Columbus Area. Nonetheless, interviews with participants of this research allows for a brief discussion of how these imported products get to Ghanaian retailers in Columbus. The importers have networks with retailers such as African grocery shop owners in various parts of the U.S. When the products get to the U.S., they are distributed to these retailers. The importers have big trucks that distribute the products to the retailers. Restaurant owners and individuals then buy from these retailers.

In Columbus, restaurant owners are not part of the group that importers distribute their products to. The majority of them get all their ingredients in Columbus:

Santana: We get all our ingredients here in Columbus. The African shops [grocery shop owners] here have the connections with importers in big cities. These shops deal with the importers and we deal with the shops.

So, what one might think is transnational networks is actually relations with Ghanaian importers in other parts of the United States than relationships with people in Ghana. Unlike Latin American retail enterprises that usually import goods directly from

their home countries (Landolt et al, 1999), Ghanaian retailers rely heavily on African importers in coastal or harbor cities for their supplies. The entrepreneurs mentioned that importing goods from Ghana in large quantities is advantageous in terms of cost and since they are just small shops, they prefer to deal with wholesalers rather than import themselves. The high cost involved in importing products directly from Ghana would, therefore, explain why Ghanaian entrepreneurs in Columbus do not import directly from Ghana. With perishable food stuffs, distance plays a role in why Ghanaian entrepreneurs do not import such products directly from Ghana. Unlike countries like Mexico and El Salvador, Ghana is about 5,583 miles from Columbus, Ohio, and attempts to transport perishable products for that long will mean they will go bad before they even get to the U.S. Most of the products are also subject to restrictions, as complained by some of the entrepreneurs.

National networking is not only limited to Ghanaian actors; Ghanaian entrepreneurs in Columbus also network with other immigrant groups in different states. Kwame deals in non-ethnic goods and as expected, he gets his supplies from non-ethnic wholesalers. His supplies come from New York and California and he deals mainly with Taiwanese wholesalers. Kwame used to live in New York before moving to Columbus to set up his business and while in New York, he got to know these Taiwanese. According to him, they supply him goods on credit, but this had to come with trust. For some, it takes a short while to build that trust, but for Kwame, it took him a while because the suppliers that he deals with have had bad experiences in the past where retailers were unable to pay back. So, they had to put Kwame on trial by giving little supplies on credit



and he passed the test by making prompt payments. Some participants point out that by establishing good and strong networks with wholesalers, you can always be sure that they will supply you with the best products:

Agyeman: It's all about trust. When you deal with somebody, you should let the person you are working with trust you. I have Indian and Chinese Suppliers in New York and Chicago and for them, all that they want is trust. Even if we cannot travel there to pick up supplies, whatever we ask them to ship to us, we also have confidence that they will ship the good things, not fake.

It is seen here that Ghanaian entrepreneurs are able to obtain goods on credit from other immigrant groups in different states to expand their businesses, but not from American suppliers. One may ask why Ghanaian entrepreneurs are not able to establish that same trust and networks with native entrepreneurs. None of the owners gave an underlying explanation for the lack of networks with American suppliers. Most of them just complain that American suppliers are strict and it is either 'cash and carry' or no business.

#### *5.5.2.2 Networks beyond National Borders*

Two participants in the current study are engaged in transnational networking. These participants are the owners of the two shipping agencies in the sample. They are basically involved in shipping cars to Ghana. They do not ship to other African countries. These entrepreneurs buy cars online or at auction sales and ship them to Ghana to be sold. Most of the time, these cars are faulty and so they buy and fix them in Columbus before shipping them to Ghana. It is therefore not surprising that entrepreneurs in these business run automobile mechanic shops concurrently.

Foreign partners for these entrepreneurs range from family members or friends to branch enterprises in Ghana. For Nana, his family, particularly his wife, oversees his business in Ghana. His wife lives in Ghana and she goes to the harbor to clear the cars. Sometimes, Nana already knows his customers in Ghana and so he links up his wife and the customer to finalize the transaction. Other times, his wife is handed the responsibility of searching for customers. When asked if he encounters any problems with his business partners in Ghana, he replied saying “not with my wife, but with some of the customer, yes”. According to him, some of the customers take the cars on credit and collecting the money from them becomes a problem. While interviewing Nana, he received a call from his wife in Ghana. A customer had returned a car he bought on credit claiming that the car has a problem and he does not need it anymore. These are some of the problems that Nana faces as a transnational entrepreneur.

Another entrepreneur in the retail activities mentioned that he used to send goods such as computer accessories to Ghana to sell, but his family networks in Ghana were unreliable and so he stopped dealing with them:

Kwame: For my family in Ghana, I stopped doing business with them a long time ago because everything that I send to Ghana, they will take some and all the goods will not get to the customers.

Kwame still does this kind of business in Ghana, but not as his main line of business. Due to the lack of trust with his networks in Ghana, what he does nowadays is to ship the goods in advance to Ghana and after they have arrived, he will fly home to clear the goods himself from the harbor and sell them before returning to the U.S.

Kwesi has a branch of his agency back in Ghana who handles his business there. This branch agency goes to clear the cars from the harbor and distribute them to their owners or sell them. In addition, his agency in Ghana runs a car rental service in Accra, the capital of Ghana. When asked how he is able to manage his business in Ghana, he replied saying: “I use the social media. We have facebook, skype, telephones. As I am talking to you, I just got a text message from Ghana”.

In the 1970s, it was only big or large companies that had the capabilities to operate in more than one country (Saxenian, 1999). However, with recent advancements in communication and transportation technologies, smaller firms including Ghanaian enterprises in Columbus are able to build social networks in their home country to tap overseas markets to enable them expand their businesses.

## CHAPTER 6: CONCLUSION

This study was conducted to examine the forms of social networks that Ghanaian entrepreneurs in Columbus exploit in the setting up and running of their businesses and how these networks have benefited or otherwise hindered the growth of their businesses. It has contributed to the immigrant entrepreneurship and social network literature from the perspective of an under-studied immigrant group. Some of the findings conform to the literature on immigrant businesses while other findings provide evidence against models developed to explain ethnic enterprises and their utilization of social networks.

The study shows that social networks are very important but in particular ways. Business owners network through the loose networks that they have developed in the community over time. Loose associations like churches are really important for getting customers, ethnic employees and meeting other business owners. People relate to you because they see you at church and people are more likely to help you with financial or informational resources because you go to the same church. This is what Ghanaian entrepreneurs in Columbus are using to network with other business owners and with potential customers. Even I had to gain trust among the entrepreneurs by going to a Ghanaian church. Mention must be made, however, that the main reason for going to church is to worship God.

The entrepreneurs also network through community events such as naming and out-dooring ceremonies and the OneGoal Family Picnic, which is a 'once in a year' affair picnic usually organized by the different Ghanaian churches in Columbus, but usually attended by all Ghanaians in the city irrespective of religion. A few of them belong to

tribal or home associations and use this means to promote their businesses. Tribal or home associations usually exist for socialization purposes, but then end up having an effect on entrepreneurship activities. The data, therefore, contradicts the common generalization by many authors in ethnic entrepreneurship that immigrant entrepreneurs often belong to ethnic business associations such as rotating credit associations that usually provide resources to its members (Sequeira and Rasheed, 2006). This is probably because Ghanaian culture is different and they do not fit the profile of immigrants Sequeira and Rasheed described in their study.

All the loose associations that Ghanaian entrepreneurs exploit, especially the church, are means of getting integrated into the Ghanaian community in Columbus and hence, making use of those networks to the benefit of Ghanaian enterprises. There are, however, limitations to this. These networks do not lead to solidarity that then in turn creates business associations. Ghanaian entrepreneurs in Columbus do not have business organizations, and they commonly explain this fact by blaming a lack of trust. Trust in the Ghanaian community mostly revolves around monetary issues and goods and services. For them, trust entails having confidence in people to pay you back when you give them loans or goods and services on credit, and also not to default in the continuous contribution to a group such as rotating credit associations.

Entrepreneurs do not trust each other to form a business association and help each other or pooling their resources, and financial resources come up pretty obvious. What this means is that they have no interest in formalizing a system of trust (organization) because they do not believe that such formal ethnic associations have the

capabilities to enforce rules of a group. In reality, there is substantial evidence that Ghanaian entrepreneurs (and other Ghanaians) do trust each other at certain levels such as at the individual level where a grocery shop owner can give supplies to a restaurant owner on credit. This means non-institutional forms of trust exist otherwise one entrepreneur will not give goods to another on credit. On an individual basis, long time friends and family may trust and support one another.

However, there is a limit to what Ghanaian entrepreneurs are willing to trust and help each other and the Ghanaian community through social networks. First of all, when it comes to helping with capital or money, they are very wary of that and hardly trust people to entrust their money with them. Secondly, Ghanaian entrepreneurs see business start-ups as something you have to do yourself. There is not a whole lot of help out there and that may be in part because people fear that there is going to be competition. So, if you are a Ghanaian and you move to Columbus and you want to start a business, you going to have to get your own savings because you cannot obtain a loan from the banks or the Ghanaian community. However, after establishing a business and integrating into the Ghanaian community, that lack of trust begins to disappear because entrepreneurs are often able to obtain financial resources such as access to goods on credit from co-ethnic entrepreneurs. Unlike American suppliers who demand instant payment when it comes to providing supplies, Ghanaian entrepreneurs, particularly those who have established businesses, are often able to obtain supplies such as foodstuffs from their co-ethnic business owners on credit.

The findings indicate that Ghanaian immigrants in Columbus chose to work for themselves because they need their freedom, they are in search for social recognition, or they want to be successful people in life. There is little evidence that they are being forced into self-employment due to the discriminatory nature of formal paid jobs for these respondents nor their lack of education to find professional jobs as the sample is fairly well educated. This contradicts Kloosterman et al (1999) generalization that African immigrants usually concentrate in informal activities because of the lack of human capital among these immigrants. Ghanaians have a different perception to the immigrant groups that Kloosterman et al described in their study. Even though they are fairly educated, they choose to work in informal activities because they believe that is where they have the freedom to make decisions that will make things happen.

Even though there is growing transnationalism among immigrant entrepreneurs especially those from Mexico and Latin American, in the case of Ghana transnational networks are minimal. What might appear to be transnational networks are actually national. These networks are actually relations with Ghanaian importers in other parts of the United States and not with businesses or individuals in Ghana. Unlike Latin American retail enterprises that usually import goods directly from their home countries (Landolt et al, 1999), Ghanaian retailers rely heavily on African importers in coastal or harbor cities for their supplies. The high cost involved in importing products directly from Ghana as well as the distance explains why Ghanaian enterprises in Columbus prefer to rather deal with importers who are big and can take risk.

Entrepreneurs who work in transnational activities, however, network directly with their colleagues in their home country. Those in the transnational activities are entrepreneurs who have networks in Ghana and/or other countries. Transnationalism in Columbus is limited to exporters who export highly valued products mainly cars. These entrepreneurs have networks with family members or business partners in Ghana who are responsible for clearing the products from custom and selling them.

Most of the Ghanaians in Columbus reside at the northern part of the city within a larger Somali enclave. As such, one would expect Ghanaian entrepreneurs to be more interactive with the Somali community, but networking with them is barely evident in the findings. They attract very few Somali customers and hardly do business with their entrepreneurs. Evidence point to the fact that Somalis like to work with their fellow ‘countrymen’ giving other immigrant groups little access to their community, what Coleman (1990) referred to as ‘networks of closure.’ However, Ghanaian entrepreneurs network and attract customers from mostly other West African countries including Liberia, Sierra Leon, Senegal, Nigeria and Cameroon.

The scale of this research has been restricted to one city because of time and resource constraints. Future research could focus on Ghanaian entrepreneurs in coastal or harbor cities where transnational networks are more likely to be dominant. Such a research will complement the current study in helping to better understand the operations of transnational networks.



## REFERENCES

- Abbott, C.W. (2007). Nigerians in North America: New Frontiers, Old Associations? In Konadu-Agyemang, K., Takyi, B.K., Arthur, J.A. (Eds). *The New African Diaspora in North America: Trends, Community Building and Adaptation*. Lanham, MD: Lexington Books.
- Adler, P.S., Kwon, S. (2002) Social Capital: Prospects for a New Concept. *The Academy of Management Review*, 27(1): 17 – 40.
- Aldrich, H. E., Waldinger, R. (1990). Ethnicity and Entrepreneurship. *Annual Review of Sociology*, 16: 111 – 135.
- Allen, D.W. (2000) Social Networks and Self-Employment. *Journal of Socio-Economics*, 29: 487 – 501.
- Andrews, K.M., Delahay, B.L. (2000). Influences on Knowledge Processes in Organizational Learning: the Psychosocial Filter. *Journal of Management Studies*, 37: 797 – 810.
- Bailey, T., Waldinger, R. (1991). Primary, Secondary, and Enclave Labor Markets: a Training Systems Approach. *American Sociological Review*, 56(4): 432 – 445.
- Basu, A., Goswami, A. (1999) Determinants of South Asian Entrepreneurial Growth in Britain: A Multivariate Analysis. *Small Business Economics*, 13: 57 – 70.
- Batjargal, B. (2007). Internet Entrepreneurship: Social Capital, Human Capital, and Performance of Internet Ventures in China. *Research Policy*, 36: 605 – 618.
- Bevelander, P., Nielsen, H.S. (2001). Declining Employment Success of Immigrant Males in Sweden: Observed or Unobserved Characteristics? *Journal of population Economics*, 14: 455 – 471.
- Borjas, G. J. (1986). The Self-employment Experience of Immigrants. *Journal of Human Resources*, 21: 485 – 506.
- Burck, C. (2005). Comparing Qualitative Research Methodologies for Systemic Research: the Use of Grounded Theory, Discourse Analysis and Narrative Analysis. *Journal of Family Therapy*, 27: 237 – 262.
- Coleman, J.S. (1988). Social Capital in the Creation of Human Capital. *The American Journal of Sociology*, 94(Supplement): S95 – S120.
- Coleman, J.S. (1990). *Foundations of Social Theory*. Cambridge: Belknap Press.

- Davidsson, P., Honig, B. (2003). The Role of Social and Human Capital among Nascent Entrepreneurs. *Journal of Business Venturing*, 18(3): 301 – 331.
- Deakins, D., Smallbone, D., Ishaq, M., Whittam, G., Wyper, J. (2009) Minority Ethnic Enterprise in Scotland. *Journal of Ethnic and Migration Studies*, 35(2): 309 – 330.
- Dixon, D. (2006). *Characteristics of the African Born in the United States*. Washington, DC: Migration Policy Institute.
- Dyer, L.M., Ross, C.A. (2000). Ethnic Enterprises and their Clientele. *Journal of Small Business Management*, 38(2): 48 – 66.
- Ellison, N.B., Steinfield, C., Lampe, C. (2007). The Benefits of Facebook “Friends”: Social Capital and College Students’ Use of Online Social Network Sites. *Journal of Computer-Mediated Communication*, 12: 1143 – 1168.
- Emerson, R.M., Fretz, R.I., Shaw, L.L. (1995). *Writing Ethnographic Fieldnotes*. Chicago: University of Chicago Press.
- Evans, M.D.R. (1989). Immigrant Entrepreneurship: Effects of Ethnic Market Size and Isolated Labor Pool. *American Sociological Review*, 54: 950 – 962.
- Fadahunsi, A., Smallbone, D., Supri, S. (2000) Networking and Ethnic Minority Enterprise Development: Insights from a North London Study, *Journal of Small Business and Enterprise Development*, 7(3): 228 – 240.
- Fontana, A., Frey, J.H. (2000). The interview: From Structured Questions to Negotiated Text. In Denzin, N.K., Lincoln, Y.S. (Eds.). *Handbook of Qualitative Research* (2nd ed.). Thousand Oaks, CA: Sage: 645 – 672.
- Friedkin, N.E. (1982). Information Flow through Strong and Weak Ties in Intraorganizational Social Networks. *Social Networks*, 3: 273 – 285.
- Fukuyama, F. (1995). *Trust: The Social Virtues and the Creation of Prosperity*. London: Hamish Hamilton.
- Gavosto, A., Vanturini, A., Villosio, C. (1999). Do Immigrants Compete with Natives? *Labor*, 13: 603 – 622.
- Glaser, B., Strauss, A.L. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Chicago: Aldine De Gruyter.
- Gorman, G.E., Clayton, P., Shep, S.J., Clayton, A. (2005). *Qualitative Research for the Information Professional: A Practical Handbook* (2nd Ed.). London: Facet.

- Granovetter, M.S. (1973). The Strength of Weak Ties. *American Journal of Sociology*, 78: 1360 – 1380.
- Greene, P. (1997). A Resource-Based Approach to Ethnic Business Sponsorship: a Consideration of Ismaili-Pakistani Immigrants. *Journal of Small Business Management*, 35: 58 – 71.
- Guba, E.G., Lincoln, Y.S. (1994). Competing Paradigms in Qualitative Research. In Denzin, N.K., Lincoln, Y.S. (Eds.). *The Landscape of Qualitative Research: Theories and Issues*. Thousand Oaks, CA: Sage Publications: 195 – 220.
- Hansen, M.T. (2002). Knowledge Networks: Explaining Effective Knowledge Sharing in Multiunit Companies. *Organization Science*, 13(3): 232 – 248.
- Heckathorn, D.D. (2002). Respondent-driven Sampling II: Deriving Valid Population Estimates from Chain-referral Samples of Hidden Populations. *Social Problems*, 49 (1): 11 – 34.
- Herbert, J. *et al.* (2008) Multicultural Living? Experiences of Everyday Racism among Ghanaian immigrants in London. *European Urban and Regional Studies*, 15(2): 103 – 117.
- Hiebert, D. (2003). Canada: a False Consensus?” In Kloosterman, R., Rath, J. (Eds.). *Immigrant Entrepreneurs: Venturing Abroad in the Age of Globalization*. New York: Berg: 39 – 60.
- Kern, H. (1998). Lack of Trust, Surfeit of trust: Some Causes of the Innovation Crisis in German Industry. In Lane, C., Bachmann, R. (Eds.). *Trust Within and Between Organizations*. New York: Oxford University Press: 203 – 213.
- Klimpel, J.M. (2009). *Immigrants in the Heartland: Columbus as a New Settlement Destination City for Brazilians*. Ohio University, Athens, Ohio: Master’s Thesis.
- Landolt, P., Autler, L., Baires, S. (1999). From ‘Hermano Lejano’ to ‘Hermano Mayor’: the Dialectics of Salvadoran Transnationalism. *Ethnic and Racial Studies*, 2: 290 – 315.
- Levin, D.Z., Cross, R. (2004) The Strength of Weak Ties You Can Trust: The Mediating Role of Trust in Effective Knowledge Transfer. *Management Science*, 50(11): 1477 – 1490.
- Light, I., Kwun, I.J., Zhong, D. (1990). Korean Rotating Credit Associations in Los Angeles. *Amerasia Journal*, 16(2): 35 – 54.
- Light, I., Gold, S.J. (2000). *Ethnic Economies*. New York: Academic Press.

- McDaniel, C., Gates, R., Lamb, C. (1992). Who Leaves the Service Area? Profiling the Hospital Outshopper. *Journal Health Care Management*, 12(3): 2 – 9.
- McLanahan, S., Sandefur, G. (1994). *Growing Up with a Single Parent: What Hurts, What Helps*. Cambridge, MA: Harvard University Press.
- Model, S., Lapido, D. (1996). Context and Opportunity: Minorities in London and New York. *Social Forces*, 75: 485 – 510.
- Model, S., Lin, L. (2002). The Cost of Not Being Christian: Hindus, Sikhs and Muslims Britain and Canada. *International Migration Review*, 36(4): 1061 - 1092
- Mohammad, R. (2001) 'Insiders' and/or 'Outsiders': Positionality, Theory and Praxis. In Limb, M., Dwyer, C. (Eds.). *Qualitative Methodologies for Geographers: Issues and Debates*. London: Arnold: 101 – 120.
- Nee L., Nee, P. (2000). Personal Networks and Social Support in a Multiethnic Community of San Francisco. *Global Networks*, 22: 113 – 129.
- Nelson, R. E. (1989). The Strength of Strong Ties: Social Networks and Intergroup Conflict in Organizations. *Academy of Management Journal*, 32: 377 – 401.
- Opoku-Dapaah, E. (2006a). Ghanaian Sects in the United States of America and their Adherents within the Framework of Migration Challenges since the 1970s. *African and Asian Studies*, 5(2): 231 – 253.
- Opoku-Dapaah, E. (2006b). African Immigrants in Canada: Trends, Socio-demographic and Spatial Aspects. In Konadu-Agyemang, K. et al. (Eds.). *The New African Diaspora in North America*. Lanham: Lexington Books.
- Peil, M. (1995). Ghanaians Abroad. *African Affairs*, 94: 345 – 367.
- Portes, A., Sensenbrenner J. (1993). Embeddedness and Immigration: Notes on the Social Determinants of Economic Action. *American Journal of Sociology*, 98: 1320 – 1350.
- Portes, A. (1995). Economic Sociology and the Sociology of Immigration: A Conceptual Overview. In Portes, A. (Eds.). *The Economic Sociology of Immigration: Essays on Networks, Ethnicity, and Entrepreneurship*. New York: Russell Sage Foundation: 1 – 41.
- Portes, A. (1998). Social Capital: Its Origins and Applications in Modern Sociology. *Annual Review of Sociology*, 24: 1 – 24.

- Portes, A., Guarnizo, L., Haller, W. (2002). Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation. *American Sociological Review*, 67(2): 278 – 298.
- Ram, M., Smallbone, D., Deakins, D. (2002). *Ethnic Minority Businesses in the UK: Access to Finance and Business Support*. London: British Bankers' Association.
- Ruef, M., Aldrich, H.E., Carter, N.M. (2003). The Structure of Founding Teams: Homophily, Strong Ties, and Isolation among U.S. Entrepreneurs. *American Sociological Association*. 68(2): 195 – 222.
- Saxenian, A. (1999). *Silicon Valley's New Immigrant Entrepreneurs*. San Francisco, CA: Public Policy Institute of California.
- Schensul, S.L., Schensul, J.J., LeCompte, M.D. (1999). *Essential Ethnographic Methods: Observations, Interviews, and Questionnaires*. Walnut Creek, CA: Sage.
- Sequeira, J.M., Rasheed, A.A. (2006). Start-Up and Growth of Immigrant Small Businesses: The Impact of Social and Human Capital. *Journal of Developmental Entrepreneurship*, 11(4): 357 – 375.
- Shi, X., Adamic, L.A., Strauss, M.J. (2007). Networks of Strong Ties. *Physica A: Statistical Mechanics and its Applications*, 378(1): 33 – 47.
- Smith-Doerr, L., Powell, W.W. (1994). Networks and Economic Life. In Smelser, N.J., Swedberg, R. (Eds.). *The Handbook of Economic Sociology*. Princeton, NJ: Princeton University Press: 368 – 402.
- Sowell, T. (1996). *Migrations and Cultures: A World View*. New York: Basic Books.
- Stiles, C., Galbraith, C. (2004). *Ethnic Entrepreneurship: Structure and Process*. Oxford: Elsevier.
- Tengeh, R.K., Ballard, H., Slabbert, A. (2011). A Framework for Acquiring the Resources Vital for the Start-up of a Business in South Africa: an African Immigrant's Perspective. *European Journal of Social Sciences*, 23(3): 362 – 381.
- Tesfom, G. (2006). The Role of Social Networks on the Entrepreneurial Drive of First Generation East African Origin Entrepreneurs in the Seattle Area. *Journal of Asia Entrepreneurship and Sustainability*, 2(4).
- Tubergen, F. (2005). Self-Employment of Immigrants: A Cross-National Study of 17 Western Societies. *Social Forces*, 84(2): 709 – 732.

U.S. Census Bureau. (2001). *Profile of the Foreign-Born Population in the United States: 2000*. Washington, DC: U.S. Government Printing Office.

U.S. Census Bureau. (2009). American Community Survey 2009 Public Use Microdata, U.S. Census Bureau, Accessed on 01/15/2012 at: <http://www.census.gov/acs/www/>

Valdez, Z. (2008). The Effect of Social Capital on White, Korean, Mexican, Black Business Owners' Earnings in the US. *Journal of Ethnic and Migration Studies*, 34(6): 955 – 973.

Valentine, G. (1997). Tell me About...: Using Interviews as a Research Methodology. In Flowerdew, R., Martin, D. (Eds.). *Methods in Human Geography*. Harlow: Prentice Hall, 110 – 127.

Waldinger, R. D. (1989). Structural Opportunity or Ethnic Advantage? Immigrant Business Development in New York. *International Migration Review*, 23(1): 48 – 72.

Walker, K.N., MacBride, A., Vachon, M.L.S. (1977). Social Support Networks and the Crisis of Bereavement. *Social Science and Medicine*, 35: 34 – 41.

Wilson, K. L., Portes, A. (1980). Immigrant Enclaves: an Analysis of the Labor Market Experiences of Cubans in Miami. *American Journal of Sociology*, 86: 295 – 319.

Yeboah, I. (2008). *Black African Neo-Diaspora: Ghanaian Immigrant Experiences in the Greater Cincinnati, Ohio, Area*, Lanham: Lexington Books.

Yuengert, A. M., (1995). Testing Hypotheses of Immigrant Self-Employment. *The Journal of Human Resources*, 30: 194 – 204.

Zarrugh, L. (2007). From Workers to Owners: Latino Entrepreneurs in Harrisonburg, Virginia. *Human Organization*, 66(3): 240 – 248.

Zhou, M., Bankston, C.L. (1994). Social Capital and the Adaptation of the Second Generation: the Case of Vietnamese Youth in New Orleans. *International Migration Review*. 28(4): 821 – 845.

## APPENDIX A: QUESTIONNAIRE

**Business Start-ups and Running**

1. Tell me about how you started your business?
2. What was your source of information about the business?
3. What were your sources of capital for setting up this business?
4. What are your reasons for going into self-employment and also setting up this particular business?
5. What are some challenges that you faced in starting up the business and running it? How did you resolve them?
6. Is this your first time running a business?
  - If not, please tell me about your previous attempts at running a business.
7. When did you start this business?
8. Do you have any employees?
  - If yes, how did you recruit them? What countries are they from?
9. Who are your main customers?
10. Apart from this group, who else patronizes your goods and services?

**Social Networks**

11. Apart from customers, who do you do business with? (probe for suppliers, etc)
  - Where are they from (probe ethnicity)?
  - Probe for 1) both domestic and international suppliers 2) family/friends

12. What are the advantages and disadvantages of doing business with each of these groups?
13. Do you belong to any association?
  - Probe for business, home/tribal associations, community associations, and roles played in them.
14. Were/are these associations relevant in the setting up/running of your business?
15. Are there any other avenues you use to promote your business?

### **Migration**

16. What year did you come to this country?
17. Can you tell me your main reason(s) for first coming to this country?
18. Did you work elsewhere before setting up your own business or you have never worked under somebody in this country?
  - If you have, can you tell me why you left to set up your own business?
19. What did you do in Ghana (or last country of residence) before coming to this country?

### **Opened Ended Questions**

20. How would you describe your experience as an entrepreneur/business person?
21. From your own assessment, do you think you have been successful?
  - If yes, why do you think you have been successful?
  - If no, what is preventing you from being successful?



22. Do you attend a church or other religious group?

- If yes, why do you worship with this group? Probe for a) religious beliefs  
b) promoting business

23. Is there anything you will want to add?

### **Respondents Profile**

24. Gender:     a. Male     b. Female

25. Type of Business:

26. What is your marital status?

27. Do you have any children?

- If yes, are they here in the States with you?

28. What is your highest level of education?

- From Ghana & From the USA: Or From anywhere else:

29. Age





OHIO  
UNIVERSITY

Thesis and Dissertation Services