# Diversity of Migrant Entrepreneurship in Varieties of European Capitalism

## Sanja Tepavcevic

# Diversity of Migrant Entrepreneurship in Varieties of European Capitalism

Post-Soviet Entrepreneurship in Austria, Spain and Hungary



Sanja Tepavcevic Institute of Advanced Studies Koszeg University of Pannonia Kőszeg, Hungary

ISBN 978-3-031-31096-6 ISBN 978-3-031-31097-3 (eBook) https://doi.org/10.1007/978-3-031-31097-3

© The Editor(s) (if applicable) and The Author(s), under exclusive licence to Springer Nature Switzerland AG 2023

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors, and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Palgrave Macmillan imprint is published by the registered company Springer Nature Switzerland AG.

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Paper in this product is recyclable.



## PREFACE

Being a fresh migrant meant being different from the majority. This was my first impression as a teenage migrant from collapsing Yugoslavia in Moscow in the 1990s. It was much harder for me to study compared to my local peers, because I had to start from scratch by learning the language and customs. Similarly, in the absence of stable employment and clear immigrant regulations in the turbulent post-Soviet labor market, my parents founded a small engineering company. The business secured our chances for regular income and legal and economic integration into the chaotic early post-Soviet community. As a student, I also worked part-time as a journalist and helped my parents with the administration of our family business. This constituted my first experience as an entrepreneur. Later on, when I moved to Hungary for my postgraduate studies, I founded another family business with my partner. This entrepreneurship allowed me to continue balancing my academic work with parenting.

As a newly minted PhD, female migrant, and mother, I faced challenges in finding a sustainable income in academia. This led to seeking stability through family entrepreneurship. I utilized my academic background in international and comparative political economy as a guide in my entrepreneurial endeavors as a researcher and consultant. Some results of these efforts were published in peer-review journals, and these publications served as valuable references for the present book. Among other positions, I also worked as a researcher for a Budapest-based entrepreneurship incubator, where I observed with disappointment that these disciplines were entirely unnoticed in courses offered to entrepreneurs. This short book highlights my combined academic and migrant entrepreneurial journey

viii PREFACE

through various economic and social systems in the European Union. It is also an attempt in building the theoretical and empirical bridges between studies in comparative political economy, entrepreneurship, and migrations. I hope that both scholars and entrepreneurs will benefit from this book.

Kőszeg, Hungary

Sanja Tepavcevic

### ACKNOWLEDGMENTS

The research and writing processes sometimes appear as a long and lonely journey that would be unbearable without the support of many people and institutions. Part of the research in Hungary was supported by my alma mater CEU Global Teaching Fellowship (2016-2017) and another by the RFBR, Grant No. 19-511-23001 (2019-2022). The research in Austria was supported by the Institute of Advanced Studies Koszeg (iASK) research fellowship grant in 2020. My special thanks go to the former CEU Pro-Rector, Liviu Matei; Director of iASK's Polanvi Center, Jody Jensen; and Research Fellow of CEU Department of Environmental Sciences and Policy and my colleague from Budapest-based International Association Dialogue, Irina Molodikova. I owe access to the most up-todate literature to iASK (the most devoted) librarians Eszter Takacs and Henrietta Doka. For sharing their works and experiences, I deeply appreciate my senior colleagues from a wide range of institutes across Europe: Julius Horvath (CEU), Istvan Abel (BGE), Laszlo Karvalics (iASK), Sergey Ryazantsev and Marina Khramova (Moscow Institute of International Relations, or MGIMO, and Institute of Demography, Russian Academy of Sciences), Larvsa Tamilina (iASK), and Csaba Weiner (Institute of World Economics, Hungarian Academy of Sciences). I also owe my passion for comparative political economy to the faculty and student members of Central European University's Political Economy Research Group, where I was a member in the period between 2008 and 2016. I thank the editors of Migration and Ethnic Themes and Review of Economic Theory and Policy journals for their advice on how to reuse my previously published work.

#### X ACKNOWLEDGMENTS

I would like to thank Palgrave Macmillan editor Wyndham Hacket Pain and two anonymous reviewers, whose comments on the proposal for this monograph helped me sharpen my research approach and strengthen my argument.

Thanks to immense technical support from Pasha and Minja, the formatting process went relatively smoothly. I also want to take this opportunity to thank a truly British member of my family, my loving Masha Milovanovich for her help in making this monograph clear and readable. My special thanks also go to all of the anonymous respondents in formal and informal conversations, participants of focus groups and online surveys in Austria, Spain, and Hungary, who shared their migrant and entrepreneurial experiences and insights, providing me with wider empirical perspectives related to entrepreneurship in emigration. I also want to thank Rita Hasanova, Irina Tatarenko, Anastasia Mitrofanova, Marina Strachenko, Oxana Bosovich, Ilya and Nastya Kruk. Finally, without moral support and friendship of Zara, Yura, Natalia, Oleg, Ilya, Natasha, Anna, Vadym, and Dima, this journey would have been much harder.

# Contents

Pa	Part I		
1	Vari	eties of Post-Soviet Migrations and Varieties of	
	Entrepreneurship in Varieties of Capitalism		
	1.1	Introduction: Varieties of Post-Soviet Migrations and	
		Immigrant Entrepreneurship	3
	1.2	The Diversity of Institutions in Varieties of Capitalism:	
		Origins and Extensions of the VoC Paradigm	10
	1.3	Varieties of Entrepreneurship in Varieties of Capitalism	14
	1.4	(Unrecognized Varieties of) Immigrant Entrepreneurship	18
	1.5	(Undebated Varieties of) Immigration and Integration	
		Policies	22
	1.6	The Missing Debates in the VoC Paradigm, Missing the VoC Approach in Migration and Immigrant Entrepreneurship	
		Debates: Varieties of Immigrant Entrepreneurship Framework	23
	1.7	Conclusions: Theoretical Axes and Factors Under Scrutiny	24
		rences	25
2	One	nationalizing Post Soviet Immigrant Entropyongurship	
_	Operationalizing Post-Soviet Immigrant Entrepreneurship		
		oC: Concepts, Research Design, and Methods of Inquiry	31
	2.1	Central Concepts in the Study and Their Use	31
	2.2		36
	2.3	Methods and Strategies of Inquiry	37
	Kete	rences	43

Pa	art II			
3	Post-Soviet Entrepreneurship in Coordinated Variety of			
	Market Economy: The Case of Austria			
	3.1	Introduction: Austria's Economic Model and Immigration	50	
	3.2	The Dynamics of Austrian Immigration Regime:		
		"Integration Before New Immigration"	51	
	3.3	Post-Soviet Immigrant Communities in Austria: Waves		
		and Modes of Immigration	54	
	3.4	Classification of Post-Soviet Immigrant Entrepreneurship		
		in Austria	58	
	3.5	Conclusions: The Role of Entrepreneurship in Integration		
		of Post-Soviet Immigrants in Austria	69	
	Refe	rences	72	
4	Post-Soviet Entrepreneurship in Mixed Market Economy:			
	The Case of Spain			
	4.1	Introduction: The Relationship Between Spanish Economic	75	
		Model and Immigration	76	
	4.2	The Spanish Immigration and Integration Regime	78	
	4.3	Post-Soviet Communities in Spain: Motives and Paths of	, 0	
	2.0	Immigration	82	
	4.4	Classification of Post-Soviet Entrepreneurship in Spain	87	
	4.5	Conclusions: The Role of Entrepreneurship in Post-Soviet	0,	
		Integration in Spain	95	
	Refe	rences	97	
5	Post	:-Soviet Immigrant Entrepreneurship in Investments-		
_		endent Market Economy: The Case of Hungary	101	
	5.1	Introduction: Hungary as a Market Economy Dependent		
		on Foreign Investments	102	
	5.2	Transformation of the Hungarian Immigration Regime	105	
	5.3	Soviet and Post-Soviet Immigration and Communities in		
		Hungary: Waves, Motives, and Paths	108	
	5.4	Classification of Post-Soviet Entrepreneurship in Hungary	109	
	5.5	Conclusions: The Role of Entrepreneurship in Integration	- 1	
		of Post-Soviet Immigrants in Hungary	115	
	Refe	rences	117	
	9			

Pa	Part III		121	
6	Varieties of EU Economic Models, Immigration Regimes, and Post-Soviet Immigrant Entrepreneurship		123	
	6.1	Economic Development, VoC Economic Models, and Their Need in Immigrant Labor Force	124	
	6.2	Varieties of Immigration Regimes, or VoIR: Comparing Immigration Regimes in Austria, Spain, and Hungary	125	
	6.3	Comparing Post-Soviet Immigration and Communities in Austria, Spain, and Hungary	127	
	6.4	Comparing Post-Soviet Immigrant Entrepreneurship in Austria, Spain, and Hungary	129	
	6.5	Conclusions: The Role of Entrepreneurship in Integration of Post-Soviet Immigrants Compared across Austria,		
		Spain, and Hungary	132	
	Refe	rences	134	
7		Varieties of Post-Soviet Migrations and Entrepreneurship		
	in th	ne EU: Conclusions and Implications	137	
	7.1	Varieties of Economic Models, Immigration Regimes, and Immigrant Entrepreneurship: Major Theoretical		
		and Conceptual Contributions	137	
	7.2		139	
	7.3	3	139	
	<i>7.4</i>	Real-World Implications—Post-Soviet Migrations in		
		the Light of the Russia-Ukraine 2022 War	141	
	References		143	
Bi	bliog	raphy	145	
In	Index			

## ABOUT THE AUTHOR

Sanja Tepavcevic (Tepavcsevics Szonja), PhD, is Adjunct Professor in International Studies Master Program at the Department of Modern Philology and Social Sciences of the University of Pannonia, and Associate Researcher of the Institute of Advanced Studies Koszeg, Hungary. She has held positions at the Central European University, Budapest, the Budapest Business University, and Eötvös Lóránd University. She is a member of the Budapest-based NGO Dialogue and was an external associate of the Croatian Institute of European and Globalization Studies. She holds a diploma in Journalism from Moscow State University, an MA in International Relations and European Studies, and a PhD in Political Science from the CEU. Her research includes Russian and Ukrainian foreign policy, post-Soviet migrations and immigrant entrepreneurship, and foreign economic policies of former Yugoslav states and V4 countries. Her publications include articles in high-ranked peer-reviewed journals, for example, "In the Bear's Shadow? Russia's Image and Its Influence on Investments of Russian Companies in Post-Socialist Europe," published in 2018 by the Journal of East-West Business, policy reports, book reviews, chapter in edited book, and comments in media.

## **ABBREVIATIONS**

CEE Central and Eastern Europe CME Coordinated Market Economy

DME Investment Dependent Market Economy

EU European Union FSU Former Soviet Union LME Liberal Market Economy

MME Mediterranean or Mixed Market Economy

MNC Multinational CorporationSME Small and Medium EnterprisesUSSR Union of Soviet Socialist Republics

VoC Varieties of Capitalism

VoIR Varieties of Immigration Regimes

## LIST OF TABLES

Table 1.1	VoC models of market economies and their major characteristics	13
Table 1.2	Forms of entrepreneurship related to innovations and net output	16
Table 1.3	Varieties of entrepreneurship in VoC concerning innovation	18
Table 2.1	Criteria for classification of post-Soviet immigrant	
	entrepreneurship	34
Table 2.2	Methods of collection of the narratives referred in the text	43
Table 3.1	Austria—real GDP per capita and Gini Coefficient in selected	
	years	51
Table 3.2	Evolvement of Austria's immigration regime	53
Table 3.3	Typology of post-Soviet immigrant entrepreneurship in Austria	70
Table 4.1	Real GDP per capita and Gini Coefficient for Spain in selected	
	years	77
Table 4.2	Developments in Spanish immigration regime 1976–2022	80
Table 4.3	Classification of post-Soviet immigrant entrepreneurship in Spain	97
Table 5.1	Hungary—real GDP per capita and Gini Coefficient in	
	selected years	102
Table 5.2	Development of Hungarian migration policy 1989–2022	106
Table 5.3	Types, forms, and sectors of post-Soviet immigrant	
	entrepreneurship in Hungary	117
Table 6.1	Comparison of Real GDP per capita and Gini Coefficient in	
	Austria, Spain, and Hungary	125
Table 6.2	Post-Soviet immigrant communities in Austria, Spain, and	
	Hungary	128
Table 6.3	Comparative classifications of post-Soviet immigrant	
	entrepreneurship in Austria, Spain, and Hungary	130
Table 7.1	Types of post-Soviet immigrant entrepreneurship in the	
	three varieties of European economic models	138