

# The Impacts of the Digital World on the Establishment of Rich-to-Poor Diaspora Entrepreneurship

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## *Abstract*

While the increasing number of studies have been conducted on diaspora entrepreneurship in general, the entrepreneurial activities of diasporans from a developed country in developing or emerging countries ('rich-to-poor diaspora entrepreneurship') are largely unknown. The study explored the roles of digital media on the business of the rich-to-poor diaspora entrepreneurs in their country of residence. The qualitative methods are employed to identify the key issue: What and how digital media impacts the venture of diaspora entrepreneurs.

In order to collect the data from rich-to-poor diaspora entrepreneurship, interviews with diaspora entrepreneurs in different countries of residence were conducted. Insight from the cases, the digital media was recognized as a useful tool during the establishment phase such as: gaining information, expanding and maintaining a network in a foreign market. By allowing diaspora entrepreneurs to stay in touch with their family, friends and the homeland, the digital media also enable them to pursue entrepreneurial activities in a distant country.

**Keywords:** *Diaspora Entrepreneurs, rich-to-poor diaspora entrepreneurs, digital media, country of residence*

## **1 Introduction: The impacts of digital media on rich-to-poor DE**

In recent years, globalization has accelerated the movement of people across borders. Today, approximately three percent of the world's population – which sums up to 150 million people – are migrants. Most of these have emigrated from a developing country to a developed country, as a result of which, one in ten persons living in a developed country today is a migrant (Riddle, 2008). A significant number of these migrants refuses or fails to assimilate in the country they move to, and is thus considered as a diaspora – people who are dispersed from their original homeland (Safran, 1991). With such a significant number of people concerned, the Diaspora is a topic of rising interest in the scientific community. Amongst other aspects, the entrepreneurial activities and economic adaption of diasporans came into the focus of recent research (Portes, Guarnizo and Haller, 2002). Many diasporans send money back home, which has a significant economic impact: in 2006, the total global remittance flow was estimated to be US\$ 300 billion (Riddle, 2008). In fact, "for some smaller countries, such as Moldova, Latvia, and Haiti, remittances comprise the largest share of the total economy" (Riddle, 2008).

Diasporans don't only serve as a cheap source of labor in developed countries. In fact, they often engage in entrepreneurial activities themselves. This Diaspora Entrepreneurship features several

differences in comparison to the "normal" domestic entrepreneurship, as Diasporans usually are "embedded in at least two different social and economic arenas" (Drori, Honig and Wright, 2009), which can prove both a burden and an opportunity. This form of entrepreneurship has been proven to have positive impacts on the country of origin, as diaspora entrepreneurs are often motivated to invest in their homelands (Riddle, Hrivnak & Nielsen, 2010). As there exist several ways in which Diasporans can engage as entrepreneurs, this constitutes an own area of scientific interest. The topic of this thesis is thus located in the field of diaspora entrepreneurship.

As mentioned before, the majority of migrants emigrate from developing countries to developed countries. This is thus the type of diaspora that research on diaspora entrepreneurship up to now has concentrated on. Evidence from recent literature (e.g. Elo, 2013) though suggests that there exist other types of diaspora entrepreneurship that have been basically neglected by research. To assist closing this gap in research, this thesis will focus on the entrepreneurial activities of Diasporans from a developed country in developing or emerging countries. This rich-to-poor variant of diaspora entrepreneurship can be expected to vary greatly from other types of diaspora entrepreneurship and is thus of scientific interest. Additionally, this focus has been chosen, as bigger scientific gains can be expected from an area that has not yet been investigated.

An often underlying assumption in research on

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diaspora is that digital media such as the internet, email and mobile communication are of benefit to diasporans. Riddle (2008) mentions that “innovations in transportation and communication technologies now allow migrants to [...] connect with their countries-of-origin in ways that were virtually unimaginable in the past”. While it is often suggested that the digital world has positive influences on diaspora entrepreneurship, no scientific account on the correlation of these phenomena exists yet. As the importance of digital media in modern times is indisputable (see e.g. Crenshaw and Robison, 2006) this thesis takes an explorative look at the way the digital world really influences diaspora entrepreneurship. The purpose of this thesis is to identify possible impacts of digital media on the establishment of rich-to-poor diaspora entrepreneurship. Due to the explorative character and restrictions in time and resources of this work, it cannot be the aim to establish definite impacts, but rather identify factors that could serve as a basis for future research.

To support theoretical considerations, an empirical study constitutes a part of this thesis. On account of the highly explorative nature of this thesis, qualitative methods are employed rather than quantitative methods. To gain an insight into rich-to-poor diaspora entrepreneurship, two German diaspora entrepreneurs, one of them in a developing country (Malaysia) and the other one in an emerging country (Ivory Coast) have been interviewed on the establishment of their enterprises. These interviews serve as a case study and are analyzed in this thesis to find research propositions on the impacts of digital media. To fulfill this purpose, the structure of this thesis is as follows:

- In chapter two, the relevant concepts underlying this thesis are explained. The diaspora, diaspora entrepreneurship, rich-to-poor diaspora entrepreneurship and digital media are introduced as parts of the scientific scope this thesis is concerned with. The relevant literature on these topics is reviewed and connections between these topics are shown. The purpose of this chapter is to provide a framework that is necessary to understand the further approach in this thesis.
- Chapter three identifies two possible factors that could be influenced by digital media. Market Intelligence and networking

are highlighted as components in the establishment of rich-to-poor diaspora entrepreneurship that can be expected to be influenced by digital media. To provide a research structure for the empirical part of this thesis, these factors are further elaborated.

- Chapter four introduces the research design used in the empirical part of this thesis. It is explained why qualitative methods have been chosen. This chapter also has a look at the data collection and at the way the data are analyzed.
- In chapter five, the empirical findings are presented. It is analyzed how the previously discussed factors are influenced by digital media. Also, general insight into rich-to-poor DE from the interviews is presented. Possible impacts of digital media on the establishment of rich-to-poor diaspora entrepreneurship are formulated as research propositions.
- In chapter six the findings are summarized and reviewed. Furthermore, implications and limitations of this thesis are discussed and an outlook on possible future research is given.

## 2 Conceptual framework

### 2.1 Diaspora

The impacts of digital media on the establishment of rich-to-poor diaspora enterprises are quite a specific topic and as such need some explanation and classification in a scientific frame. The purpose of this chapter thus is to explain the different components and concepts this thesis draws on, including a description of the current state of research and the connections between the topics. This provides a basis for the identification of possible influencing factors in the following chapter, which can then be further tested in the empirical part.

Diaspora studies are the general field of research this thesis is concerned with. The diaspora is a subject that has been explored quite extensively by researchers of different sociological areas. Up to date, well-researched topics include questions of culture (e.g. Safran, 1990), identity, race and ethnicity (e.g. Hall, 1990), migration in general (e.g. Shuval, 2000) as well as, increasingly,

economy (e.g. Kyle, 1999).

The term *Diaspora* originally referred to the dispersion of the Jewish people in the course of their history (Safran, 2007), but has recently been employed in a far broader frame and in reference to a variety of social groups. Brubaker (2005) even speaks of a “dispersion of the term” itself, whilst several other authors argue for a more elaborate use of the term (e.g. Butler, 2001; Tsagarousianou, 2006). Most authors though are unified in the attempt to find common characteristics of diasporas. Sheffer (2003: 10) defines diaspora as “a socio-political formation [...] whose members regard themselves as of the same ethno-national origin [...] who maintain [...] contacts with what they regard as their homelands [...]”. This hints to the three criteria proposed by Brubaker (2005: 5-7) in order to summarize constitutive elements of a diaspora: *Dispersion* (forced or voluntarily and usually across state borders), *Homeland Orientation* (maintaining a collective memory or homeland myth, and the wish to return) and *Boundary-maintenance* (‘preservation of a distinct identity’ and ‘resistance to assimilation’). For the purpose of this thesis, this is regarded as a sufficient definition of the term.

## 2.2 Diaspora Entrepreneurship

Out of the abundance of topics concerned with diaspora, this thesis will focus on the aspect of *diaspora entrepreneurship* (DE). Evidence of diaspora members engaging in entrepreneurial activities can be found throughout the history, e.g. in the cases of Indian and Lebanese traders in Africa during the time of colonialism (Cohen, 2008: 84; Akyeampong 2006) or diaspora-owned trading companies in the 19<sup>th</sup> century (Ioannides and Pepelasis Minoglou, 2005). Today, “diaspora remittances are key sources of capital inflow for many developing countries” (Riddle, 2008: 31). As the importance of Diaspora in general is increasing, the interest for DE rises as well (Drori, Honig and Wright, 2009). Recent literature thus tries to systemize DE and distinguish several types of diaspora entrepreneurs, but differences often remain unclear and many definitions overlap. One common systematization distinguishes three types of DE which shall be explained in the following.

One Variation of DE is *Ethnic Entrepreneurship* (EE). Ethnic entrepreneurs are individuals “whose group membership is tied to a common cultural heritage or origin and is known to out-group

members as having such traits” (Zhou, 2004: 1040). Literature differentiates between *middleman minorities*, who “take advantage of ethnic resources such as language, networks, and skills to trade between their host and origin societies, while retaining their ethnic identity” (Drori, Honig and Wright, 2009: 1004), and *enclave entrepreneurs*, who “are bounded by coethnicity [...] and location” (Zhou, 2004: 1042). Both types are described as a form of “survival mechanism”, as “migrants [...] are frequently obligated to rely on their groups’ ethnic resources and social capital” (Drori, Honig and Wright 2009: 1004).

Another type of DE is *Returnee Entrepreneurship* (RE). Returnees are “migrants who return home after a period in education or business in another country” and can use the human, social and technological capital they bring back to “fill an entrepreneurship deficit in the home country” (Drori, Honig and Wright, 2009: 1005). Most research on RE focuses on the impacts of knowledge spillovers on SMEs and high-tech firms brought by returning entrepreneurs, which boost innovation and employee mobility (Liu et al., 2009). The positive influences of returning entrepreneurs on distant regional economies lead Saxenian (2005) to call this “a process more akin to ‘brain circulation’ than ‘brain drain’”.

Another possibility for migrants to derive advantage from their unique position is to engage in *Transnational Entrepreneurship* (TE), which is “an exceptional mode of economic adaptation, [...] that is neither marginal nor associated with poverty or recency of arrival” (Portes, Guarnizo and Haller, 2002). Transnational entrepreneurs are “migrants and their descendants who establish entrepreneurial activities that span the national business environments of their countries of origin and countries of residence” (Riddle, Hrivnak & Nielsen, 2010). These cross-border entrepreneurial activities put them in a “unique position to identify and exploit opportunities that might not be otherwise recognized” (Drori, Honig and Wright, 2009: 1001). However, whilst transnational entrepreneurs can possess distinct social capital (Kyle, 1999) and unique resources such as diaspora networks (Kuznetsov, 2006), they also face special institutional impediments (Yeung, 2002) and the “liability of foreignness” (Zaheer, 2002). To overcome such obstacles, transnational entrepreneurs may act as institutional change agents, as proposed by Riddle and Brinkerhoff (2011). This is, next to increased homeland

investment (Gillespie et al., 1999) one of the positive effects on the home countries of transnational entrepreneurs. Next to focusing on these macro-level impacts of TE, previous research also looked at micro-level issues, such as characteristics and motivations of transnational entrepreneurs (Lin and Tao, 2012) or determinants of firm type and success, which prove a high heterogeneity in this kind of enterprises (Sequeira, Carr and Rasheed, 2009).

TE and DE in general are fields of research that attracted a lot of attention recently. Up to date, those areas still need to be better understood. Drori, Honig and Wright (2009) give a good account of the different perspectives and the theoretical lenses on TE. Due to the restricted nature of this work, not all these perspectives can be highlighted, instead it is left to the following chapter to integrate the hitherto existing research that may contribute to the overall research question of this thesis.

### 2.3 Rich-to-poor Diaspora Entrepreneurship

This thesis will have a closer look at an aspect of DE that so far has mostly been neglected by researchers: The economic comparison of a diaspora entrepreneur's country of origin (COO) and the country of residence (COR) he moves to and conducts business in. In DE, researchers by the majority – probably unconsciously and often naturally and without mentioning it - assume that diaspora entrepreneurs are immigrants who left their country for socio-economic reasons (see e.g. Portes, Guarnizo and Haller, 2002). Often named motivations for diasporans thus are, next to socio-political reasons, making a livelihood or “family survival needs” (Liargovas and Skandalis, 2012) and economical improvement. It can also be noted that “literature generally tends to associate the transnationalism of contemporary immigrants with the poor and less educated” (Sequeira, Carr and

Rasheed, 2009: 1026), although on an individual level, research has proven that transnational entrepreneurs can be both opportunity- and necessity-driven (Lin and Tao, 2012). In those instances, where Diasporans are actually classified, they are usually divided into categories such as victim diasporas (e.g. Jews, Africans), labour diasporas (e.g. Indians), colonial diasporas (e.g. British), trade diasporas (e.g. Lebanese, Chinese) and deterritorialized diasporas (e.g. Caribbean, Roma) (Cohen, 2008). As systematizations like these don't fully grasp the nature of DE in different markets, another typology based on COO and COR has recently been proposed by Elo (Table 1). The intention of this overview is to illustrate “how heavily the current diaspora research stream has focused on categories: 1) developing to developed [...] and 2) emerging to developed” (Elo, 2013). This systematization is based upon the categories of *developed*, *emerging* and *developing markets*<sup>3</sup>. For matters of simplification in this paper, *poor* will be used synonymously for emerging and developing markets, whilst *rich* will be used synonymously for developed markets.

As mentioned, the typically examined type of DE is poor-to-rich. Evidence from empiric research though indicates other cases of DE, in which the COO is not economically inferior. It is to be expected that these cases differ from poor-to-rich DE, as these diaspora entrepreneurs possess a different set of motivations and prerequisites and face different challenges and settings. Leinonen (2012) gives an example on this for the *rich-to-rich* elite-migration type by showing how other motives such as marriage influence American migrants in Finland.

One variation that has attracted close to zero attention by researchers so far is the DE of entrepreneurs from developed countries who engage in emerging or developing countries. This *rich-to-poor* type of DE thus represents a research gap, which will be in the focus of this thesis. It is a

		Country of Residence		
		Developing	Emerging	Developed
Country of Origin	Developing	Developing market diaspora entrepreneurship (cf. intra-regional diaspora in SE Asia)	“Lonely starter” style diaspora entrepreneurship	High asymmetry-based classic diaspora entrepreneurship
	Emerging	“Early starter” style diaspora entrepreneurship (cf. Chinese and Indian in Africa)	Emerging market diaspora entrepreneurship (c.f. Chinese in Brazil)	Medium asymmetry-based classic diaspora entrepreneurship
	Developed	“Colonial style” diaspora entrepreneurship (cf. German in Senegal)	“Pioneer style” diaspora entrepreneurship	Developed market diaspora (cf. US-Americans in Finland)

Table 1: Types of Diaspora Entrepreneurship (Source: Elo, 2013)

<sup>3</sup> The criteria and different indices for these categories will not be discussed here due to the limitations of this work. If

needed, popular indices will be frequented for classification later on.

type of DE that so far is very vaguely known, but poses some interesting questions on the nature of these diaspora entrepreneurs. What makes entrepreneurs to “leave their home country which offers attractive economic conditions and career opportunities” (Elo, Harima and Freiling, 2014) to seek business opportunities in an emerging or developing market? In a first effort to answer questions like this, Elo (2013) examined the motivations of different entrepreneurs in the emerging market Uzbekistan, and found them to be significantly unlike those of poor-to-rich type entrepreneurs, especially in the case of a rich-to-poor diaspora entrepreneur. Similarly, initial research has been done on success factors and the timing of rich-to-poor DE (Elo, Harima and Freiling, 2014) and survival factors (Harima, Freiling and Elo, 2014), also taking the motivation of entrepreneurs in consideration. Apart from this, there exists no specific literature on rich-to-poor DE, which leaves it a field open to further research.

#### 2.4 Digital media

When researchers discuss reasons for the recent increase in DE, they often mention modern methods of communication and the rise of the internet as stimulating factors, without properly justifying or proving it. This implicitness demonstrates that digital media strike the zeitgeist of globalization and mass communication. This thesis has a closer look at how modern media really influence DE, in the specific case of rich-to-poor establishment. The purpose of this thesis is neither to hold a discussion on technological features of digital media, nor to extensively explain new media in general. Of importance to this thesis are instead the entrepreneurial dimension and the connection to the diaspora. This is also due to the fact that research on digital media is still in its infancy, or already outdated again as a result of the rapid technological advances. Nevertheless, it must be clarified which digital media this thesis will give consideration to: the internet in general, email and other communication programs, mobile communication, instant messaging as well as social networks are the media that are most likely to have impacts on DE, though this list is of course open to new findings.

As both digital media and DE are relatively new areas of scientific interest, there is no previous literature linking the two topics. This means that findings from the areas of diaspora and entrepreneurship have to be used to gain insight. The impacts of media on diasporans and migrants

are indeed a topic that has recently been subject to research, though often without discriminating between digital and non-digital media as well as between migrants and Diasporans. Hepp, Bozdog and Suna (2011) show the different impacts of media on the identity and connectivity of migrants. They notice that media are “omnipresent” in the life of migrants and that “a part of [...] personal communication has been relocated to the internet”. Similarly, Brinkerhoff (2009) illustrates how digital media influence Diasporans, stating that “the internet is ideally suited for diasporans”. She finds that “digital diasporans: 1) create hybrid identities [...] 2) manifested in communities [...] with various types of social capital and generated benefits, which in turn, 3) may support integration and security in the host society [...] and socioeconomic development in their homeland.” Oiarzabal (2012) suggests that, in the case of the Basque diaspora, social network sites like Facebook “strengthen their communication strategies and facilitates their ability to disseminate information about themselves and their activities”. Another topic that has attracted a lot of attention is the so-called *homeland media*, which serve as a source of homeland-information for diasporans. Whilst they can be an “indispensable identity prosthesis” (Kama and Malka, 2013) for diasporans, they most likely will not have an impact on the economic activities of rich-to-poor Diasporans. Another approach that could be of interest to this thesis is the one of Hiller and Franz (2004), who identify three phases of migration and relate them to different possibilities of computer usage:

- (1) The Pre-Migrant: mainly uses the internet to obtain information, making contacts and gaining assistance.
- (2) The Post-Migrant: can use a computer more skillfully to learn about his new environment, but also as a means to stay in touch with his COO.
- (3) The settled migrant: is well-adapted to the COR and mainly uses the internet to rediscover his connection to the COO.

Despite being relatively old in the scale of the advancement of digital media, this systematization covers the application area of digital media for Diasporans. Moreover, it is not based on poor-to-rich migration. As this thesis looks into the establishment phase of DE, especially the usage of

digital media in the first identified phase is of interest. If these findings are also applicable on entrepreneurs, they indicate that diaspora entrepreneurs can use digital media to obtain information, make contacts and gain assistance. It is thus of need to regard the linkage of digital media and entrepreneurship.

Hang and Van Weezel (2004) have noticed an increasing emergence of literature on the mutual impacts of entrepreneurship and digital media since this millennium. However, research on these topics is still in its initial phase and significant findings are scarce. This situation represents a gross imbalance in comparison to the prominence of digital media in enterprises nowadays and can be expected to change in the near future, as research on the internet and other digital media is rapidly increasing. Similar to the impacts of digital media on Diasporans, a considerable delay can be perceived between the continuous technological and social progress of digital media and the research on it, which renders a portion of literature outdated already at the time of its publication. Hitherto existing findings on digital media and entrepreneurship often concentrate on organizational improvements for companies (see e.g. Vadapalli and Ramamurthy, 1997), which is not of relevance to this work.

Other than that, a lot of research concentrates on new business opportunities generated by digital media. Davidson and Vaast (2010) attest that “IT and new media have become sources of competitive upheaval and innovation in business processes and models”. They suggest that *digital entrepreneurship* emerges as a combination of business-related, knowledge-based and institutional opportunities. Wirtz, Schilke and Ullrich (2010) propose a classification of internet business models into content-, commerce-, context- and connection-orientated models, and illustrate how each model is influenced by Web 2.0 factors. Another area of interest to research is the impacts of media on international business. Reuber and Fischer (2011) identify online reputation, online technological capabilities and online brand communities as important resources for firms that pursue international opportunities. Whilst digital media create new possibilities in marketing, they also generate challenges, e.g. for the management of customer relationship (Hennig-Thurau et al., 2010).

Although internet-based businesses and e-commerce are areas that are often covered in recent

research, they are not of interest to this thesis, as they are not in any way unique factors of rich-to-poor DE. The existing literature on digital media and entrepreneurship thus is not of high relevance to this work. It is therefore left to lean on general work on digital media to gain insight: Weiser (2001) identifies *Socio-Affective Regulation* and *Goods-and-Information Acquisition* as the two main functions for internet usage – in other words, social contact and information. How these terms can be related to rich-to-poor DE will be the content of the following chapter.

### 3 Identifying possible impacts of digital media

In the previous chapter, a framework for rich-to-poor Diaspora Entrepreneurship has been given. The relevant concepts and connections of Diaspora, rich-to-poor DE and digital media have been explained, as they constitute the basic knowledge needed for this thesis. Although existing literature on these topics is scarce, it hints at two possible factors that could be influenced by digital media: obtaining information and keeping or gaining contact to peers. Transferred to the context of entrepreneurship, this could indicate an influence on two areas: market intelligence and networking. It is thus the purpose of this chapter to have a closer look at these lenses and identify possible impacts of digital media on rich-to-poor diaspora entrepreneurship from these areas. The intention of this approach is to gain a research structure for the empirical part of this work.

To better understand how the impacts of digital media on these areas can influence rich-to-poor diaspora entrepreneurs, a short excursion on entrepreneurial theory is useful. Although entrepreneurship is sometimes regarded as a new area of research, it is relatively old compared to DE and digital media. It is thus not reasonable to repeat all that has been written about it, but instead to mention some basic theories for the context. This is also due to the fact that entrepreneurship itself is still an ambiguous concept (see e.g. Shane and Venkatamaran, 2000).

Two key concepts in entrepreneurship that will be picked up in this chapter are opportunity and risk. In the words of Shane and Venkatamaran (2000), “to have entrepreneurship, you must first have entrepreneurial opportunities”. This thesis thus acknowledges the significance of opportunity as a vital stimulus of entrepreneurship. Also, the role of risk as a counterpart of opportunity is honored.

Risk is an indispensable part of entrepreneurship, as there always is “a positive probability that entrepreneurial activity will result in failure” (Iyigun and Owen, 1998). It is not the aim of this thesis to further elaborate these topics, but rather to utilize them in the discussion on possible impacts of digital media on rich-to-poor DE.

### 3.1 Information and Entrepreneurial Intelligence

As mentioned before, obtaining information seems to be one of the two main motives in utilizing digital media. On an entrepreneurial level, this idea is supported, as “the internet reduces transaction costs for acquiring and disseminating information” (Brinkerhoff, 2009: 88). This fact could be of importance if one regards the three different categories of opportunities proposed by Drucker (1985, in: Shane and Venkatamaran, 2000):

- (1) The creation of new information, as occurs with the invention of new technologies;
- (2) The exploitation of market inefficiencies that result from information asymmetry, as occurs across time and geography;
- (3) The reaction to shifts in the relative costs and benefits of alternative uses for resources, as occurs with political, regulatory, or demographic changes

This description of opportunity is an indication on how digital media could influence rich-to-poor diaspora entrepreneurs. The invention of new technologies, with regards to digital media, creates opportunities for entrepreneurship. This is however not an effect that is unique to rich-to-poor DE. If the exploitation of information asymmetry that occurs e.g. over geography is added to this consideration, it can be concluded that digital media may have an impact on rich-to-poor entrepreneurs due to the following facts:

- (1) There exists a considerable digital divide between some developed and developing countries: “Many developing countries have computer and internet penetration rates that are 1/100th of the rates found in North America and Europe” (Chinn and Fairlie, 2006: 17). This is a logical phenomenon, as research suggests that the income per capita is the most important determinant on the diffusion of internet usage (Chinn and Fairlie, 2006).
- (2) Information asymmetries are since long

regarded as an advantage for suppliers, as “marketing relationships between buyers and sellers often are characterized by information asymmetry, in the sense that the supplier possesses more information about the object of an exchange (e.g., a product or service) than the buyer” (Mishra, Heide and Cort, 1988: 277). Information asymmetry is not restricted to the buyer-seller-relationship, it can also occur amongst competitors and other actors.

These two factors combined clarify the unique position in which rich-to-poor diaspora entrepreneurs might be. Due to their origins in a rich country, they can profit from the digital divide if they participate in entrepreneurship in a poor country, as it puts them in a position to use digital media to: 1) reduce information asymmetries to their favor or 2) increase information asymmetries to gain a competitive advantage or an advantage in product knowledge over the customers. With regards to the nature of rich-to-poor diaspora entrepreneurship, which happens in markets that are not comparable to the market in the entrepreneurs COO, digital media thus could prove a valuable instrument to reduce information asymmetry. Whether this argumentation is applicable in the reality of rich-to-poor DE is left to be tested in the empirical part of this thesis.

The importance of information is also highlighted in research on DE, as “information is critical to the success of any organizational endeavor, and because TEs occupy two geographical locations that provide and support unique information flows, they are in a unique position to identify and exploit opportunities that might not be otherwise recognized” (Drori, Honig and Wright, 2009). Similarly, Aliaga-Isla and Rialp (2012) point out that “idiosyncratic acquisition and possession of information allows individuals to perceive special opportunities overlooked by others”. They also differentiate between a pre-migration period in the home country and a post-migration period in the COR as two stages of acquiring information. The internet and digital media as a non-geographical source of information might be considered as another category in this systematization.

With a general importance of information gained by digital media use for rich-to-poor DE indicated, the possible categories, for which information may be acquired, will now be illustrated. This is still undertaken for the purpose of finding a structured approach to the empirical part of this thesis.

### 3.1.1 Market Intelligence

Since the market-based view on entrepreneurship was introduced, the market environment of a business receives scientific attention. For the purpose of this thesis, all information related to the relevant market in the COR of a rich-to-poor diaspora entrepreneur will be regarded as *Market Intelligence*. This could possibly include a multitude of different information, as “Market Intelligence is a broader concept in that it includes consideration of (1) exogenous market factors (e.g. competition, regulation) that affect customer needs and preferences and (2) current as well as future needs of customers” (Jaworski and Kohli, 1990).

As suggested earlier, rich-to-poor diaspora entrepreneurs naturally engage in markets which they presumably don't completely overlook. This may constitute a barrier to the establishment of entrepreneurship, as “inputs such as information about markets contribute to the success of products, firms, and regions” (Cornish, 1997a). As such “intelligence may be generated through a variety of formal as well as informal means” (Kohli and Jaworski, 1990), digital media as a source of information may have an impact on this situation.

As mentioned, the range of Market Intelligence is wide. Due to the explorative character of this thesis, not all the single components of Market Intelligence will be discussed here. Instead, it is left to the empiric part of this thesis to identify aspects of Market Intelligence on which digital media have an impact. Nevertheless, two important components of Market Intelligence shall be shortly mentioned: The Competitive and Customer Intelligence.

### 3.1.2 Competitive Intelligence

Knowledge on possible competitors is a critical component in establishing entrepreneurship, as it helps to “identify broad product categories that should be avoided or that have high potential” (Cornish, 1997b). Knowledge on competitors thus influences the strategic choices of entrepreneurs (Makadok and Barney 2001). Research on this topic indicates that “the internet, as an information-rich resource [...] has transformed the way that firms gather, produce and transmit competitive intelligence” (Teo and Choo, 2001). Competitive Intelligence will be one of the emphases in the empirical part.

### 3.1.3 Customer and Cultural Intelligence

It is indisputable that Customer Intelligence – all kinds of information on the customers' needs and preferences - is highly relevant to entrepreneurship. The purpose of this section is thus not to explain how information on customers can be obtained by methods of market research, but to point out why Customer Intelligence could be special to rich-to-poor DE: it is likely that rich-to-poor entrepreneurs will face customers of a different profile in developing or emerging countries than in their COOs. These customers may also belong to another culture than the entrepreneur, which could require certain Cultural Intelligence (not to be confused with the theory of Cultural Intelligence, or Cultural Quotient CQ!). It will thus also be emphasized in the empirical part, whether digital media do have any impact on these areas.

### 3.2 Networking and Connectivity

As suggested earlier, another area in which impacts of digital media on rich-to-poor DE seem plausible, is networking. The network theory constitutes a separate field of research and will not be extensively explained in this thesis, as literature on this topic is extensive. Nevertheless, some insight shall be presented here, as it might help to identify impacts of digital media on the establishment of DE.

In network theory, “markets are depicted as a system of relationships among a number of players including customers, suppliers, competitors and private and public support agencies” (Coviello and Munro, 1995: 50). Social networks are seen as a way to “get support, knowledge, and access to distribution channels” (Greve and Salaff, 2003: 2). Greve and Salaff (2003) describe the impact of networks on three phases of the establishment of enterprises:

- (1) In the *Motivation* phase entrepreneurs “first explore the possibilities of starting their own business within a small circle of close contacts”. They limit their network to avoid exposure of their intentions.
- (2) In the *Planning* phase entrepreneurs “need to mobilize a larger social network” to acquire “information, new skills, resources, and [...] relations”.
- (3) (3a) In the *Establishment* phase, entrepreneurs are “inclined to concentrate their network to the key persons who are able to provide resources and commitment” once the business is running.

Phase (3b), *taking over a firm*, is of no relevance to this thesis.

This systematization may prove to be relevant for rich-to-poor DE, as digital media can facilitate the establishment of contacts, which seems to be an important factor in the planning phase of entrepreneurship. This may apply especially to rich-to-poor entrepreneurs, as they may not have an existing network in the COR. The question whether digital media have an impact on the creation of social networks in this special case will thus be another focus in the empirical part.

The relevance of networks for the diaspora is logical, as networks constitute a part of the definition and nature of diaspora. The impacts of networks have also been related to diaspora entrepreneurship. Saxenian (2002) documents the involvement of US-based diaspora communities in local and global networks and identifies them as a stimulus for transnational entrepreneurship. Chen and Tao (2009) propose an integrative model of TE which illustrates network influences on the micro-, meso- and macro-level.

Networks are not only of economic importance to Diasporans. They also serve to maintain contact with the homeland, families and friends. As illustrated in chapter 2, digital media have a significant impact on Diasporans in allowing them to maintain their distinct identities and contact to the COO (see e.g. Hepp, Bozdag and Suna, 2011; Brinkerhoff, 2009; Hiller and Franz, 2004). Dekker and Engbersen (2012: 9) observe that “online media play a crucial role in maintaining ties and contacts within geographically dispersed networks of family and friends”. They postulate that “online forms of traditional one-to-one communication and social media enable a virtual co-presence. This creates a feeling of intimacy and proximity when communicating with others living thousands of miles away”. While this function of digital media is not of economic influence, it is a thought that should always be borne in mind.

## 4 Methodology

### 4.1 Research Design

The purpose of this thesis is to find impacts of digital media on the establishment of rich-to-poor diaspora entrepreneurship. In chapter three, Market Intelligence and networking have been identified as categories that may possibly be influenced by digital media. This approach honors theory

development as an essential part of the research design (Yin, 2009: 35). However, these findings constitute no concrete research propositions or theories. This is mostly a result of the fact that this thesis is located in a field of research that so far has not been investigated. The character of the empirical part of this thesis is thus exploratory, as it is a first investigation on the impacts of digital media on rich-to-poor DE. The term *exploratory* in this context shall not be understood as the collection of data prior to the definition of study questions, as explained in Yin (2012:35), but shall rather illustrate that research propositions in this study will be output and not input.

In order to gain insight on the research questions, qualitative methods were utilized. As a new topic of scientific interest, quantitative data on rich-to-poor DE is not available and thus quantitative methods were excluded. The unit of research thus are the single rich-to-poor diaspora entrepreneurs that were interviewed for this thesis. Interviews are regarded as “one of the most important sources of case study information” (Yin, 2009: 106).

In recent literature, “using case studies to analyze and explain entrepreneurial issues has become increasingly discussed and accepted” (Urbano, Toledano and Ribeiro-Soriano, 2011). Yin (2009: 18) defines a case study as “an empirical inquiry that: 1) investigates a contemporary phenomenon in depth and within its real life context, especially when 2) the boundaries between phenomenon and context are not clearly evident”. It was thus considered constructive to conduct a case study, as rich-to-poor DE and digital media are contemporary phenomena, the boundaries of which are not clearly evident.

Case study research can include both single and multiple case studies (Yin, 2012). A single case study is the preferred method, when it represents a critical case in testing a formulated theory, an extreme or a unique case, a representative case, a revelatory case or a longitudinal case (Yin, 2009: 47-49). As none of these is applicable, there would not have been an advantage in utilizing a single case study. Instead, a multiple case study was conducted. An advantage of this approach is that evidence from multiple cases is considered more compelling, and the overall study therefore more robust (Yin, 2009: 53).

### 4.2 Data Collection

As rich-to-poor diaspora entrepreneurs prove difficult to identify, 220 institutions were contacted

by the author to assist in finding suitable candidates for interviews. Amongst the contacted institutions were embassies, cultural institutes such as the German Goethe Institutes and local chambers of commerce of developed countries in developing and emerging countries around the world. This approach generally yielded a low response rate, but in those cases where institutions actively mediated, several responses could be registered. About 20, mostly German entrepreneurs in several countries (Malaysia, Thailand, Indonesia, Paraguay, El Salvador, Ecuador, Ivory Coast and Ghana) responded. These candidates have then been screened by collecting limited documentation about each candidate (Yin, 2009: 91). Two candidates were selected due to the following criteria:

- (1) Age and gender: To exclude bias caused by either the age or the gender of the interviewees, candidates of different age groups and gender were chosen.
- (2) Nationalities: Both interviewees are German nationals. This on the one hand eliminates impacts by different COOs and on the other hand allowed German to be the language utilized which was an advantage with regards to communication.
- (3) Requirements of rich-to-poor DE: only candidates that were clearly classifiable as rich-to-poor diaspora entrepreneurs were considered.
- (4) The COR was taken into account: As rich-to-poor DE covers a high number of countries, both an emerging and a developing country have been chosen, to avoid that findings are influenced by the economic situation in comparable countries.

Two interviews with appropriate candidates were then conducted in July 2014 via Skype over a period of 30 to 60 minutes. The approach to the interviews can be classified as semi-structured: a catalogue of questions was prepared beforehand, but modifications were allowed to be able to react

on new information. The interviews were recorded and then transcribed (see Appendices I and II). The interviewees remain anonymous at their own wish.

### 4.3 Data Analysis

The analysis of data was organized to identify impacts of digital media on rich-to-poor DE. The technique of pattern matching (Yin, 2009: 136) was used to compare the data to the factors identified as possible areas of impact in chapter three.

In a first step, each interview was analyzed individually, to see, if impacts of digital media can be identified.

In a second step, the data from the interviews was compared to find possible patterns, or otherwise differences or environmental factors to explain these.

The findings are presented in aggregated illustrations supported by narrative descriptions. First, general findings on rich-to-poor DE are presented, followed by findings on Market Intelligence, networking and connectivity.

## 5 Findings: Two different cases of rich-to-poor DE

### 5.1 General findings on rich-to-poor DE

The purpose of this thesis is to find impacts of digital media on rich-to-poor diaspora entrepreneurship. Before the respective findings are illustrated, some general insight into rich-to-poor DE is presented. This is due to the fact that rich-to-poor DE is an under-researched area and thus every information on it should be accounted (for concentrated information on both cases, see Table 2). This multiple case study contributes to illuminating rich-to-poor DE as a field of research in providing evidence for the existence of this type of DE. The motivations for rich-to-poor DE in the portrayed cases are of a high heterogeneity and different to identified motivations of other types of

	Case 1	Case 2
Country of origin	Germany	Germany
Age	50-60	30-40
Gender	Female	Male
Country of Residence	Malaysia (Developing)	Ivory Coast (Emerging); also China and Germany
Reason for Diaspora	Job offer for husband	Job offer and engagement in education
Educational background	Higher education	Habilitation , experience in teaching
Business	Catering service for European-style food and production thereof	Consulting service, project-development and training
Year of establishment	2013	2010
Language used in business	Malay	French
Perceived opportunity	Low quality in existing western food; consumer demand by parts of local population	Need for high-quality labor; international contacts; high development potential
Motivation for entrepreneurship	Preference of self-employment; boredom; looking for challenges	Legal requirements, need for involvement, founder of several firms
Personal affinity to digital media	Low, mainly used for practical purposes	High
Affinity to and availability of digital media in COR	High affinity & good network coverage	Increasing, especially mobile communication. Bad coverage
Size of Diaspora community	Sizeable	Small

**Table 2: Characteristics of Cases**

diaspora entrepreneurs. Both entrepreneurs are united in that they didn't plan to engage in entrepreneurship in a poorer country, but rather identified an opportunity once that circumstance brought them to such a place. Case 1 came to Malaysia with her husband, who received a job offer in Kuala Lumpur just briefly before retirement. She mentions the need to "do something" and to be self-employed as her motivation, as well as frustration with the quality of products in her field of business.

Case 2 in contrast was more or less "forced" to pursue entrepreneurship. Due to legal requirements, he needed to be self-employed to be able to work for a big European company. He states that he "utilized the chance" to realize some of his ideas. In his case, personal contacts and involvement in education brought him to the Ivory Coast. It is also noticeable, that both cases possess a high level of education. Case 2 even has worked as an assistant professor before. Case 1 on the other hand exhibits extensive experience in entrepreneurship. This seems to be another point in which rich-to-poor DE is different to other types of DE.

Both entrepreneurs also mention severe institutional constraints in establishing an enterprise. Case 1 regards obtaining a work permit as the biggest challenge in the establishment period of her business. Only due to meeting a high official

by chance, she was put in a position to start working. Case 2 names corruption in a public authority as a reason of unrest.

### *5.2 Digital media and Market Intelligence*

In chapter three it was suggested that digital media could have impacts on the acquisition of information such as the different aspects of Market Intelligence. The findings from this multiple case study give evidence to confirm this assumption (see Fig. 1 for an illustration).

Case 1 highlights the importance of digital media to gain knowledge on cultural details. The entrepreneur used the internet to find out "for example: what do you have to do in order to make your kitchen halal. This is incredibly important here. [...] nothing in the kitchen is allowed to have ever had contact to pork meat. I read this all up on the internet. There are incredible standards... I didn't expect that". It can thus be concluded, that in this case, digital media were used to gather cultural information that were necessary for the establishment of a business. The entrepreneur did not possess this knowledge due to her origins.

Case 1 also illustrates how digital media can be used by rich-to-poor diaspora entrepreneurs to acquire intelligence on possible competitors and customers. The entrepreneur states: "Of course I

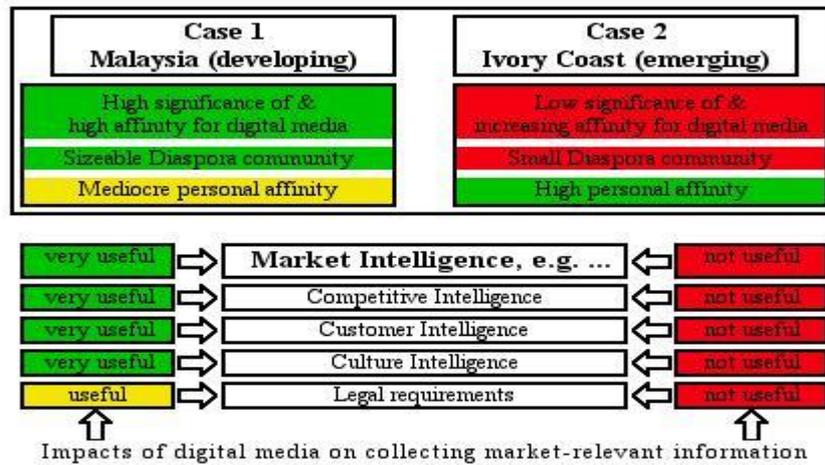


Figure 1: Digital Media and Market Intelligence

searched on the internet. To inform yourself on competitors nowadays, you just have to look at their homepages. So I looked for restaurants [...] who also sell European food. It didn't take me long to realize [...] there are mainly fastfood companies, and that has got nothing in common with real European food. Everything else was either just for tourists [...] or luxury. So that's where I saw a gap." In reference to customers, she states: "I also researched on the internet. Of course you don't find out as much as you do about other restaurants, but there are... food-blogs and stuff like that, as well as forums, where people discuss food. That's where I realized: The Malay are interested in European food... just as they are interested in everything that is in some way western or modern... Well, so I tried it."

Next to these findings, the topic of legal requirements to establish a business came up. Questioned on the usefulness of digital media in this regard, the entrepreneur stated: "Well... of

course, you do find some things on the internet, the agencies all have homepages. But the information was only partially useful... the counseling from the chamber of commerce was more helpful; they do know a lot, so you don't have to do everything on your own."

The findings from the first case provide evidence for the usefulness of digital media in obtaining market-relevant information. The second case though seems to indicate the exact opposite: The entrepreneur states, that digital media were not useful to obtain information in the establishment phase. He states that "the reality in the ministries is that most people don't even have a computer, so they can't do anything. So you have to go there, in person, visit the people". He then proceeds to relativise this statement, as "by now, this is different. [...] you can find much more online, and there are contact persons who do actually answer an email". Nevertheless, in his case, digital media did not have an influence on gathering information.

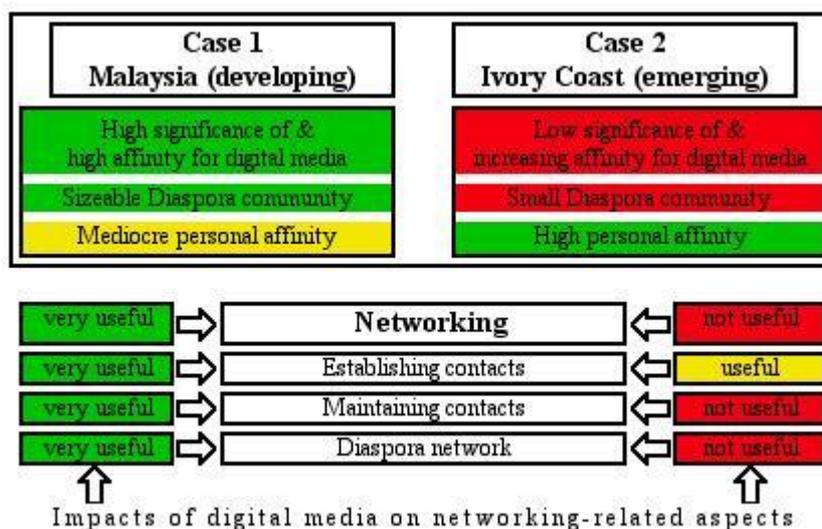


Figure 2: Digital Media and Networking

With regard to information on customers, competitors or culture, he answered: “Well, I tried it... but in the Ivory Coast you can’t find something like that. Everything is based on personal contact... or personal experience.”

The findings from the two cases seem to be contradictory. This discrepancy can be explained, if the variables influencing the impacts of digital media are investigated. Malaysia and the Ivory Coast are two very different countries:

Malaysia is regarded as one of the most advanced developing countries, whereas the Ivory Coast is an emerging country with a lot of social and political unrest in recent years. The phenomenon of the digital divide has been mentioned in chapter 3.1 and can be of assistance here: The Ivory Coast is, in comparison to Malaysia, a “poor” country and as such, the internet and other digital media are not widely spread and available. This is confirmed by the entrepreneur: “My first project here was [...] a website to sell African art, [...] but I quickly realized that this was a catastrophe, especially the logistics. Some days, you consider yourself lucky here, when you have access to electricity.” He also notes that “there is simply a lack in basic infrastructure... you can’t establish Amazon here, because you would have to build proper streets first. Of course, everything exists to a certain point, but not enough for the internet to take effect. It is more about basic innovations, like actually being able to communicate. [...] it is only for a small elite in the population, the mass of the people has got nothing to do with it.” He also notices an increasing affinity for mobile communication, as “a mobile phone is always the first thing you buy.”

Case 1, on the opposite, states that “internet coverage in the big cities is outstanding; if you drive to the country you have 3G, sometimes not, but in general it is pretty good.” She also notices a high affinity for digital media in the COR: “The affinity for digital media is incredible, you won’t imagine it... [...] you are not going to find anybody without a Smartphone”.

From this insight it can be concluded that the availability, significance and affinity for digital media are requirements for them to have impacts on rich-to-poor DE establishment. The following research proposition is thus formulated:

*P1: Given a certain level of affinity and significance of digital media in the COR, digital media can be a tool for rich-to-poor diaspora entrepreneurs to gain information on a foreign*

*market during the establishment phase.*

### 5.3 Digital media and networking

Another possible area for impacts of digital media identified in chapter three is networking. The multiple case study provides evidence to support this suggestion (see Fig. 2 for an illustration). In case 1, digital media were used to make contact to institutions that could be helpful in the establishment of business. The entrepreneur states: “Of course one communicates via Email, no question. I investigated: who could be relevant network partners for me; for example the Malaysian-German chamber of commerce, the German-Speaking Society, the Institute Francaise... I looked them up on the internet and contacted them, which saved me a lot of time.” In this case, the entrepreneur consciously used digital media to extend her network. This proved to be a big benefit for her, as she found the first bigger customers for her catering-service this way. She also highlights the importance of digital media in day-to-day communication with network partners: “Of course, the basis of communication is always digital media, otherwise it wouldn’t be possible. And everyone asks me for homepage, Facebook...” To summarize, in case 1 digital media were used to expand and maintain the entrepreneur’s network. It is also noticeable, that this was mainly restricted to contact with other diasporans or diasporan institutes.

Again, case 2 seems to give contrary results. Although the entrepreneur characterizes digital media as “very useful” and states “I work a lot with digital media”, he mainly gives negative examples afterwards: “You honestly have to say that, for example, you can’t use email to organize a meeting here in the Ivory Coast. There are some people with whom you can work together in this way, but you can’t depend on things like that [...]. You need to make phone calls, be very present, make a lot of personal contacts and make friends; it’s all still very classic.” He nevertheless also mentions one task where digital media were beneficial: “what worked very well was, to bring in interns. I simply contacted some German universities, and suddenly had twenty people ready.”

Again, the variables in the background need to be regarded to make sense of this contradiction. As explained in chapter 5.2, a certain level of availability of digital media is needed as a prerequisite for them to have impacts on obtaining information. The same seems to apply for the

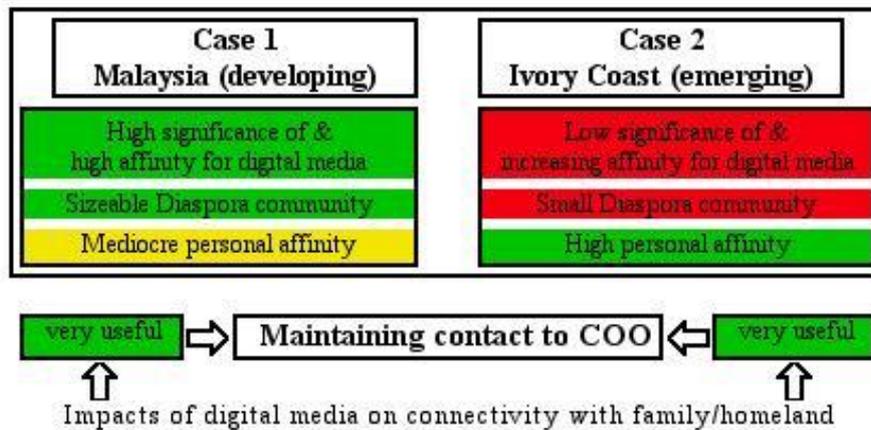


Figure 3: Digital Media and Connectivity

impacts of digital media on networking in rich-to-poor DE. Besides that, there is another factor that seems to be influencing. As mentioned before, in case 1 digital media were mainly used to expand a network based on the German diaspora. This can explain why the impacts of digital media on networking are restricted in case 2: The nature of the diaspora in Malaysia and in the Ivory Coast differs considerably. Whilst the German diaspora amounts to “3500 persons in Kuala Lumpur alone, probably even more by now”, the German diaspora in the Ivory Coast is described as “a relatively small community, [...] probably about 100” and “these are often failed characters, who somehow find themselves in Africa [...] but also some top-class people in important positions”. It can thus be formulated:

*P2: Given a certain level of significance of digital media in the COR and a sizeable diaspora community, digital media can be a tool for rich-to-poor diaspora entrepreneurs to expand and maintain a network, mainly based on the diaspora community, to support establishment of business.*

#### 5.4 Digital media and connectivity

The findings from the case study also indicate another factor that should not be ignored, despite the fact that it is not of direct influence on the business: the way digital media influence maintaining contact to family, friends and the homeland in general. Despite their unique characteristics, rich-to-poor diaspora entrepreneurs are still in some way migrants or diasporans. The positive effects of digital media on poor-to-rich diasporans have already been discussed in chapter two, and this case study provides evidence for similar effects in rich-to-poor diasporans.

The entrepreneur in case 2 states: “I commute

between China, Africa and Europe, and so [digital media] are indispensable... without Skype or similar programs I would only see my family for some weeks in the year... and that’s not what you want, no matter how much you like what you are doing, being internationally involved. So without these possibilities... I wouldn’t be doing what I do.” Similarly, case 1 answers: “Of course I regularly use Skype and Emails and WhatsApp to stay in touch with my family and friends... also platforms like Xing, I do use that. [...] no, I think I wouldn’t have gone [to Malaysia] if that wouldn’t exist. You don’t want to give up that much.” Thus, whilst it is no aspect of the business during establishment, it can be suggested that:

*P3: Digital media enable rich-to-poor DE, as they allow diaspora entrepreneurs to stay in touch with their family, friends and the homeland in general, but still pursue entrepreneurial activities in a distant country.*

#### 5.5 Other influences of digital media

Next to these impacts, some other insight from the case study are of interest. It is not used to generate further research propositions, but is still worth mentioning.

For example, the entrepreneur based in Malaysia additionally runs an advertising agency in Germany, which is partly only possible thanks to digital media: “[...] and I can write marketing concepts and communication concepts just as good from here... Some customers don’t even know that I’m in Malaysia... that’s of course only possible, because the methods for communication exist; Email, Skype and so on”.

She also mentions that the use of digital media in Malaysia is so popular that customers use programs

such as WhatsApp for their orders: “Everyone I asked: When do you want that delivered? or similar questions, the answer always came back on WhatsApp. So I proceeded to create an own group for my Deli on WhatsApp, and use that to inform, what are the things offered today – and then people order.”

Case 2 on the other hand mentions the logistical advantages created by digital media. When asked if he would be able to be an entrepreneur without digital media, he answers: “No! You don’t need to discuss about that. That’s extremely important, for example I just booked a hotel in Cameroon, such things can be done much quicker now. Even cities in Africa can be found on Google Maps. [...] A lot of people think that Africa is the jungle and so far away, but that’s all not true any longer.”

## 6 Conclusion

### 6.1 Implications and Limitations

This thesis gives a first account of the impacts of digital media on the establishment of rich-to-poor diaspora entrepreneurship. First, all the relevant concepts for a framework were explained. Afterwards, possible areas of impact were identified, which subsequently were investigated to find research propositions. To conclude this work, some implications, limitations and research prospects are discussed.

To gather data on this phenomenon, a multiple case study was conducted. In comparison to a single case study, this approach bears the advantage that the results are not based on a single case. To rely on findings from a single case can be a major flaw to scientific work, as that one case might prove to be unique and thus influence the results in a way that does not help to explain the research question in general. Although multiple case studies reduce this risk, it is still possible that the examined cases are not representative and thus lead to wrong results (Yin, 2012). Therefore, the insight from this case study might be biased and to a certain degree not characteristic for the impacts of digital media on rich-to-poor DE.

As an example, both portrayed cases are post-migrant entrepreneurs, which means that they made the decision to become an entrepreneur after they already arrived in another country. In other cases, where entrepreneurial opportunities are the main reason to move to a certain country, it seems likely that digital media would have other impacts on the

establishment of business, e.g. in comparing different countries or markets on their economic conditions. Similarly, due to the high homogeneity in rich-to-poor diaspora entrepreneurs, other entrepreneurs with other motives may use digital media in totally different ways. Also, the findings from this case study might be influenced by the coinciding nationality of the interviewed entrepreneurs, or other random factors.

The findings of this thesis also rely on certain variables in the entrepreneurial environment that have been identified to make sense of different results. As these variables are not supported by quantitative data, they might prove a source of misinterpretation.

From the findings of this case study it can be concluded that rich-to-poor diaspora entrepreneurs should actively and consciously use digital media to gather relevant information and to build and expand a business network. Also, institutions that can be of relevance for entrepreneurs in developing or emerging countries need to be aware of the importance of digital media as a tool for information and communication.

### 6.2 Outlook

This thesis suggests the following research propositions to future research:

*P1: Given a certain level of affinity and significance of digital media in the COR, digital media can be a tool for rich-to-poor diaspora entrepreneurs to gain information on a foreign market during the establishment phase.*

*P2: Given a certain level of significance of digital media in the COR and a sizeable diaspora community, digital media can be a tool for rich-to-poor diaspora entrepreneurs to expand and maintain a network, mainly based on the diaspora community, to support establishment of business.*

*P3: Digital media enable rich-to-poor DE, as they allow diaspora entrepreneurs to stay in touch with their family, friends and the homeland in general, but still pursue entrepreneurial activities in a distant country.*

As the impacts of digital media on rich-to-poor DE have proven to be significant, future research needs to highlight and expand knowledge on this connection. Furthermore, broader research to identify other impacts of digital media and to

investigate the general significance of the phenomenon is needed. As indicated before, the digital media usage of entrepreneurs that made the decision to become a rich-to-poor entrepreneur before actually moving to a country needs to be investigated.

Also, the specific media that rich-to-poor entrepreneurs use need to be clarified. Of interest to research could also be the correlation with others factors such as cheap and time-efficient travelling.

The phenomenon of rich-to-poor DE in general needs to receive further attention, as this thesis has given more evidence of the existence of this type of DE. The motivations and characteristics of rich-to-poor entrepreneurs are believed to be highly diverse and unique. This case study supports this suggestion. Understanding these factors can be regarded as a requirement to understand rich-to-poor diaspora Entrepreneurship.

This case study also gave evidence that a further distinction between rich-to-poor DE in developing and emerging countries may prove useful. The impacts of digital media seem different in these two cases, and thus it may also be worth to investigate if the economic situation has influences on other aspects of rich-to-poor DE. As an example, the entrepreneur in Case 2 mentioned development assistance as one of his motivations. It may thus also be worth looking into the impacts of rich-to-poor DE on the COR.

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