# Transnational Entrepreneurship: The Habitus of Cross-Cultural Affiliation

**Israel Drori**

Faculty of Management, Tel Aviv University

Israel

Tel 972-3-6407341

E-mail : israeld@colman.ac.il

**Benson Honig**

McMaster University DeGroote School of Business

Hamilton, Ontario Canada L8S 4M4

Phone 905-525-9140 ext.23943, Fax: 905-521-8995

E-mail: bhonig@mcmaster.ca

**Ari Ginsberg**

New York University Stern School of Business

44 West Fourth Street, KMC 7-54, New York, NY 10012

Phone: 212-998-0077, Fax: 212-995-4234

E-mail: aginsber@stern.nyu.edu

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## ABSTRACT

Immigrant entrepreneurs typically maintain business-related linkages with their countries of origin and their adopted countries. As a result, transnational entrepreneurship has become an increasingly influential vehicle of business globalization and an important source of new ideas in organization theory. Studying the creation of new businesses by transnational entrepreneurs requires an understanding of the dynamic relationships that span a cross-cultural actor's multiple fields of activity. We argue that the dominant theoretical frameworks used to study international entrepreneurship are inadequate for this purpose. To address this gap, we introduce a conceptual framework based on Bourdieu's theory of practice, which conceives of entrepreneurial action as guided by both structure and agency. We show that dialectical relations within the configuration of *habitus*, field and capital, are crucial for the understanding the creation of TE practices and their complex and sometimes contradictory values and outcomes. Our approach focuses on the intersection of individual and collective meanings, perceptions, experiences and norms that inform action.

(*Transnational Entrepreneurship, Cross-Cultural, Theory of Practice, Habitus*)

The recent emergence of transnational studies in the literature on organizational theory attests to the growing role of immigrants in promoting economic transfers (of labor, capital and knowledge) and serving as agents of change between home and host countries (see for review, Drori, Honig and Wright, 2009). Facilitated by rising globalization, such transfers have changed national economic-development paths (Saxenian 2006), drawing even the smallest immigrant-created businesses into the transnational realm (Light 2007; Zhou 2004). A case in point is the phenomenon of "brain circulation," whereby the migration of technologically educated entrepreneurs has helped to develop high-tech industries in countries like China, India, Taiwan, Ireland and Israel (Breznitz 2007; Saxenian 2006). Even in advanced economies such as the United States, immigrant-founded businesses are prominent in high-technology entrepreneurship, accounting for over 50 percent of start-ups in Silicon Valley alone (Wadhwa et al. 2007).

Yet the phenomenon of transnational entrepreneurship (TE)—the formation and maintenance of business firms by entrepreneurs whose activities span home and host countries—remains under-theorized. This conceptual gap is particularly evident with respect to our understanding of such firms' multiple contexts, structures and practices (Portes, Guarnizo and Landolt 1999). This paper offers a conceptual framework for the structured, socially generated practices of seeking and exploiting business opportunities demonstrated by entrepreneurs who operate in the cross-border context of transnationalism (Levitt and de la Dehesa 2003; Levitt and Jaworsky 2007; Vertovec 2004). We provide a road-map for further research integrating perspectives from both a micro and a macro

viewpoint, by explaining agency within an institutional field. We also address gaps in current theorizing about transnational entrepreneurship and provide testable propositions for subsequent research and analysis. The first gap concerns the manifold nature of TE's *modus operandi*, or how transnational entrepreneurs function within cross-border contexts. Next, we study the mechanisms through which they develop and sustain their business activities: specifically, what influences the prospects and maintenance of TE, how varied cross-border contexts shape opportunities and ventures, how transnational entrepreneurial conditions and activities are manifested in different fields and how cross-border contexts stimulate entrepreneurship. Finally, the research on TE has shown a striking heterogeneity of practices and arrangements found in their home-/host-country contexts. We demonstrate why transnational entrepreneurs must engage in a flexible array of practices in the course of seeking and exploiting business opportunities in response to such differences.

Our theoretical framework draws upon Bourdieu's comprehensive "theory of practice," that explains how an individual's practice and actions are shaped by the utilization and combinations of different forms of capital, such as social capital, human capital, and cultural capital (Bourdieu 1977). Bourdieu's theory of practice focuses on practical social action which occurs within a particular social "field of practices" (Bourdieu, 1993). For example, the circular brain drain that characterizes entrepreneurial activity in high technology, crossing from the silicon valley to India, China, and Taiwan, represents a field of practices that employ different combinations of capitals (human, social, cultural) to facilitate the diffusion and transfer of ideas and technologies (Saxenian, 2006). We argue that Bourdieu's theory of practice, and in particular, the concept of *habitus*, an analytic construct that explains the link between individual practices and the rules, structures and social categories which generate certain action, is particularly helpful in understanding TE. We contribute to the notion of

*habitus* in two ways. First, we examine the spatial dimensions of *habitus* by studying situations whereby individuals possess two or more geographical contexts from which habitus is derived and put to use. For example, we interviewed a Chinese attorney who immigrated to rural Northern Ireland, who eventually starting a tourist business taking retired farmers to her native country. While she was among the elite in China, she was marginalized by location, language, and occupation in Ireland. However, by successfully navigating these two very different institutional environments, and leveraging her own unique combinations of social, political and economic capital, she was able to create an entirely new business as a transnational tour operator, with its associated commensurate status and opportunity.

Second, we examine situations under which social actors manipulate the institutional environment through insight developed by having multiple dispositions and practices in a comparative context. For example, we interviewed a Chinese return migrant in the pharmaceutical industry who was able to establish a successful pharmaceutical company in China (interview, April 2008). This TE, CEO, claimed that his combination of diverse educational experience (PhD candidate in Canada; MBA from the UK) as well as his social network and practical N.American work experience, allowed him to formulate a winning business model that adapted generic drug manufacturing to the Chinese marketplace, providing the necessary resources to develop new patented technologies. Thus, as a PhD student in North America, he observed academic entrepreneurship in the lab. While still as student, he developed his entrepreneurial capabilities in the restaurant business. After gaining experience in the pharmaceutical industry in N. America, he identified a working business model for China that leveraged his social and cultural capital.

*Habitus* is the key building block of Bourdieu's theory of practice, in his words, "a product of history that produces individual and collective practices. . . . It ensures the active presence of experiences, which, deposited in each organism in the form of schemes of perception, thought and action, tend to guarantee the 'correctness' of practices and their constancy over time, more reliably than all formal rules and explicit norms" (1990, p. 54). Note that *habitus* refers not only to action but also to norms, patterns, and behavioral dispositions that shape prevailing practices within a given field. Within their habitus, individuals can adjust their stock of capital by emphasizing and deemphasizing, as well as through enhancement, to reflect new and emergent institutional requirements and changes (Gil, Szelenyi and Townsley, 1998).

We assert that *habitus* can explain how transnational entrepreneurs use their particular "historical" contexts and accumulated dispositions to create and maintain businesses in home and host country settings. *Habitus,* in tandem with Bourdieu's two other major theoretical concepts, "field" and "capital," comprise a triad of analytical tools that explain complex social phenomena spanning micro–macro relations (1977; 1986; cf. Emirbayer and Johnson 2008).

The remainder of the paper is organized as follows. We begin by examining the nature of the field of transnational entrepreneurship and outlining the need for a robust theory that properly captures its dimensions. By elaborating the relevant concepts of *habitus, field and capital,* we demonstrate the suitability of, and expand upon Bourdieu's theory of practice in achieving this goal. We then utilize qualitative interviews and other data from transnational entrepreneurs and turn to the different fields in which their *habitus* is implemented, examining the outcomes of their various practices and formations of available social, economic and cultural capital. We also incorporate empirical findings from our ongoing comparative research on TE (citations withheld temporarily in

order to preserve anonymity), asserting that our predominantly theoretical objectives might be strengthened by "real world" illustrations. This is particularly important in explicating the theory of practice's analytical lens and its application. We conclude by providing testable propositions and discuss how a theory of practice that encompasses both structure and agency can help explain relative success or failure of immigrant businesses with transnational linkages as well as its implications for a research agenda on transnational entrepreneurship.

## THE NATURE OF TRANSNATIONAL ENTREPRENEURSHIP

Transnational social fields have been defined as "sets of multiple interlocking networks of social relationships through which ideas, practices and resources are unequally exchanged, organized and transformed" (Levitt and Glick Schiller 2004). This formulation of social fields is defined by resources (or, to use Bourdieu's term, *capital*), structures, institutions and activities, which jointly and interdependently constitute the social arena in which transnational entrepreneurs operate and contend. Correspondingly, we define transnational entrepreneurs as

> *social actors who utilize multiple and tangible cross-border networks to promote their entrepreneurial activities for the purpose of developing business opportunities within numerous social fields*.

Transnational entrepreneurs' businesses vary in scope, size and type. Landolt, Autler and Baires (1999) suggest a classification scheme incorporating the following types: circuit enterprises, cultural enterprises, ethnic enterprises, return-migrant enterprises and elite-expansion enterprises (Basch, Glick Schiller and Szanton Blanc 1994). Certain types of transnational businesses may require specific skills, expertise, knowledge, experience, attitudes or degrees of embeddedness in the host

country, which in turn influence the strategies that entrepreneurs employ (Portes et al. 1999; Portes, Guarnizo and Haller 2002). For example, Itzigsohn and Giorguli-Saucedo (2002) refer to "reactive transnationalism," whereby a negative experience as a new immigrant exerts a push toward cross-border entrepreneurial opportunities (cf. Waldinger, Popkin and Magana 2008).

We interviewed a small sample of transnational entrepreneurs in multiple countries, using a convenience and snowball sample, in order to learn more about the various circumstances that resulted in transnational entrepreneurship. We found that the transnational entrepreneur who begins as a migrant may enter the business world either "from above" or "from below (Light, 2007)."

From "above", and in hopes of stimulating economic growth, countries like Canada, New Zealand and the United States give non-quota immigration priority to entrepreneurial immigrants who pledge to start or invest in a business (Sassen 1994; Saxenian 2002; Wong 2003). This increasingly common practice creates immigrant populations composed of state-prioritized entrepreneurs selected for admission because of their business skills and financial capital. Nation-states compete for such highly qualified individuals by creating an attractive environment with tax, investment, and immigration incentives. Such entrepreneurs who arrive "from above" enjoy class-related resources that their non-entrepreneur co-ethnics typically lack.

Transnational entrepreneurs can also emerge "from below," as economic immigrants who establish businesses utilizing social capital and networks to exploit opportunities in their new and former homes (Light 2007). They engage in cross-national activities precisely because they engage in local social capital networks which becomes part of their personal history. Notable examples include Chinese and Indian entrepreneurs, Taiwanese migrants in their numerous diasporas (Wong 2003,

2004; Wong and Ng 2002; Yeung 1999, 2002) and various U.S. immigrant groups such as Dominicans (Itzigsohn et al. 1999), Colombians and Salvadorans (Guarnizo 1994; Guarnizo and Dias 1999).

There is an extensive research literature on the dynamics of family and community ties as well as social networks in immigrant entrepreneurship (e.g. Hoang and Antoncic 2003). For example, Koreans use their networks to enhance their entrepreneurial activities (Yoo 2000); Chinese entrepreneurs draw on both their immediate-family support (Wong and Ng 2002) and wider community relations, coined "bamboo networks" (Weidenbaum and Hughes 1996); and many Dominican businesses support social and political activities in their home country (Itzigsohn and Saucedo 2002). Clearly, cross-border activities are diverse in both scope and utility, as the nature of TE requires embeddedness in the economic and social life of at least two culturally and geographically dispersed environments (Yeung 2002). Further, entrepreneurial propensity may be dependent on predisposed cultural values which favor such activities and provide members with both the 'cultural tradition' and the actual assets. Examples include group solidarity and/or generalized reciprocity which translates into access to resources, such as family capital, or an advantaged labor force. In this vein, an associated cultural resources approach is implicitly linked to structuration arguments, in that the translation of cultural resources eventually manifests itself in the reproduction of entrepreneurial activities. As Putz (2003) contends:

> " [ethnic] entrepreneurship is thus, explained through the availability of resources in an 'entrepreneurial class' among migrants, such as material capital necessary for establishing a business and educational capital for heading an enterprise as well as bourgeois values, attitudes, knowledge and skills, which are passed on from generation to generation"(p.557, also Light 1997).

Institutions and individuals essential shape each other (Gil, Szelenyi and Townsley, 1998). We refer to the ways actors use their cultural toolkit, which is embedded in certain contextual settings and symbolic orders that facilitate strategic actions. As Vertovec points out, “Patterns of cross-border exchange and relationships among transnational entrepreneurs may contribute significantly to broadening, deepening or intensifying conjoined processes of transformation that are already ongoing” (2004, p. 972). This insight calls for studying cross-border entrepreneurship as a process embedded in transnationalism. Transnational entrepreneurs seek and exploit opportunities that transcend national boundaries and multiple social fields (Ley 2006; Light, Zhou and Kim 2002). Consider, for example, the phenomenon of “bifocality” in migrants’ sociocultural domains (Vertovec 2004, p. 971). Transnational migrants rely heavily on their cross-border social networks and other relational exchanges to maintain links with their society of origin for economic and social purposes. Thus, migrants benefit from their dual affiliations.

The linked transformations of values and institutions in both societies also suggest that governmental globalization efforts explicitly acknowledge the relationship between entrepreneurs and the relevant fields amenable to the pursuit of business opportunities (e.g. Bourdieu 1977; Bourdieu and Wacquant 1992). Bourdieu defines field as the “structured spaces of positions (or posts) whose properties depend on their position within these spaces and which can be analyzed independently of the characteristics of their occupants (which are partly determined by them)" (1993, p. 72). The high-tech industries of countries like India, China, Taiwan, Ireland and Israel are a case in point (Breznitz 2007; Saxenian 2006). Favorable government policies, such as China’s high-tech parks specifically designated for returning migrants, attract experienced entrepreneurs capable of exploiting the opportunities created by such policies and by the countries’ infrastructure, capital and newly created knowledge, skills and expertise. They also take advantage of new opportunities provided by globalization, regardless of direct government support.

In light of these observations, we posit that the practices of transnational entrepreneurs are influenced by: (1) their degree of embeddedness in different social spaces; (2) their aptitude for exploring and exploiting business opportunities in these social spaces; and (3) their ability to minimize or exploit geographical, social, cultural, economic and political disparities in these social spaces by, for example, providing favorable incentives and infrastructure. These observations echo Portes and his colleagues' definition of transnational entrepreneurs as "self-employed immigrants whose business activities require frequent travel abroad and who depend for the success of their businesses on their contacts and associates in another country, primarily their country of origin" (Portes et al. 2002, p. 284). The research problem, therefore, is to pinpoint the mechanisms through which transnational entrepreneurs achieve their business objectives. By embedding themselves in multiple settings and actively shaping, modifying and reinforcing their position within a field, TEs provide a catalyst for social processes that may positively affect their future actions and nurture entrepreneurial activities (Levitt and Glick Schiller 2004; Morawska 2005). Rather than seeing *habitus* as a deterministic factor that puts seemingly insurmountable structural constraints on a social actor's decisions and choices, we suggest that the dynamics of an individual's potential capital/resources allows for strategic action and agency. This is made possible through the migration process and the heterogeneity of transnational social fields which are also necessary for entrepreneurial survival and success.

Transnational entrepreneurs are thus social actors whose diverse characteristics and business undertakings must employ a flexible range of tools to operate in two (or more) socially and geographically distinct spaces. Light (2007) invokes language skills and social capital as a means of advancing business, for example, while Saxenian (2006) specifies technical and business proficiencies and familiarity with both cultures in both home and host countries. TEs create new social and

economic forms of seeking and exploiting opportunities and enhancing the advantages of their unique situation, while taking into account the problems associated with operating across different social fields. Consider the testimony of an Israeli internet entrepreneur who situated the R&D division of his business in Israel and the operations and sales office in New York:

> "Luckily enough, I'm familiar with the American sales culture, since I have a silk-tie business in San Francisco and have to manage an army of salespersons. I know that although my main business is in Israel, I still have to be hands-on with my sales force here [in the United States] if I want to see results. So I'm not only a bridge between these people and their clients and the technical geeks back in Israel, but also bring in aggressive sales techniques which have served me well in my tie business". (Interview by authors, October 2006).

In the following sections, we introduce an analytic framework based on Bourdieu's theory of practice, which conceives of entrepreneurial action as guided by both structure and agency. Focusing on the concept of *habitus*, our framework elaborates and "stretches" the limits of the concept so often cited by Bourdieu's critics (see, for example, Alexander 1995; Jenkins 1992).

## TOWARD A PRACTICAL THEORY OF TRANSNATIONAL ENTREPRENEURSHIP

Bourdieu's theory of practice demonstrates, in the words of Sallaz and Zavisca, how "social structures inculcate mental structures into individuals; these mental structures in turn reproduce or (under certain conditions) change social structures" (2007, p. 23). These are precisely the mechanisms we have noted in our observations of transnational entrepreneurs' operations. For example, a Chinese lawyer we interviewed, who was transplanted by marriage to rural Northern Ireland, developed a unique business leading retired Irish farmers on tours of China. Her growing reputation

persuaded the governmental small-business-support agency to create a new program to support and promote her enterprise (Interview by authors, March 2006).

This example illustrates the utility of Bourdieu's practice theory across several dimensions. First, this entrepreneur had acquired considerable cultural capital as a prominent lawyer in China. She also enjoyed social capital in the form of family and friends, among them prominent businesspersons, including with the owner of a tourist business. When her cultural capital as a lawyer failed to transfer to Ireland, creating dissonance, she employed her resources as an expert in Chinese culture and utilized an alternative form of cultural capital – as a cultural broker, facilitator, manager and transnational entrepreneur. Eventually she brought about change in the parameters of business support from the government of Ireland to include businesses like her own; the resulting support and exposure enabled her to expand her business to imports of clothing and other items. In short, as the business-support field changed, different components of her cultural and social capital became valuable in Ireland.

The construction of a conceptual framework founded on the interaction of social structures and mental structures posits that social life is the "nexus of practice" (cf. Bourdieu 1977, 1990, 1998; Pickel 2005; Schatzki, Knorr-Cetina and von Savigny 2001). This nexus of practice is "a contingent and perpetually metamorphosing array of manifolds of human activity…most of what people do is done as part of some practice(s) or another, and such social phenomena as institutions and power are to be understood via the structures of and relations among practices" (Schatzki 1997, p. 284). Bourdieu's theory of practice also calls our attention to the role of agency and daily practices in validating the social and economic characteristics and attributes of transnational entrepreneurs' dual contexts. By *daily practices*, we mean recurrent, habitual or routinized activities performed to

accomplish particular goals (Jarzabkowski 2005; Schatzki et al. 2001). The daily practices of transnational entrepreneurs are not performed in a vacuum but in relation to the social practices that prevail in their particular settings. Consider the founding of many global high-tech start-ups and R&D centers in Israel. The founders of these ventures, including high-profile companies like Cisco, Microsoft and IBM, exploit their knowledge, experience, networks and understanding of American business practices to establish companies in Israel that complement core technological products and services in the U.S. market (see de Fontenay and Carmel 2001). As one Chinese business founder explained when asked about the difficulties of operating a business in two settings, China and the United States:

> "There is more to founding a new technology firm than knowing how to operate in both countries, knowing what the market needs or knowing people. It is more important to know the local sources and those who have the power to help you, not because they are willing to give you a million dollars and reject any contract of formal acknowledgment, but because they cherish your action and deeds. You see these (pointing to an 'exhibition' of plaques given to him for his achievements and contributions), this is who you are and why your employees, people and government are thinking highly of you". (Interview by authors, April 2009).

This quote highlights how TE's leverage their social, human, and cultural capital to enhance or modify a field, transcending previous norms and cultural boundaries and modifying previously existing fields to suit their globalized objectives. Transnational entrepreneurs thus take into account the need to strategize and to act on a macro level, beyond the realm of the local. Understanding TE through the lens of a theory of practice therefore calls for analytical constructs that refer both to the micro level—individuals and their daily practices, actions, cognitive schema and beliefs—as well as

to the macro level, or their structural and institutional contexts (e.g. Jarzabkowski, Balogun and Seidel 2007).

The Concept of *habitus* and transnational entrepreneurship

When individuals select and undertake transnational entrepreneurial activities, they draw on dispositions generated by cultural origins and practices (Jenkins 1992; Mouzelis 1995). We are not the first to notice that *habitus* is closely associated with the selection and initiation of practices (e.g., Schatzki 1997). But it is necessary to examine not only dispositions and practices, but also the context(s) in which they are acquired and implemented. Emirbayer and Johnson (2008) describe their *habitus* as "shaped above all by economic and cultural conditions – that is, specific fields with their specific distributions of capital(s) – within which it is acquired and carried forth as a guide to practice in future situations…a mechanism linking individual action and the macro-structural setting within which future action is taken" (p. 4). Transnational entrepreneurs possess a variety of characteristics that compose their *habitus*, stemming from the past and present experiences in the country of origin as well as in the host country. These *habitus* reflect different dispositions and practices and may generate, through daily practices, considerable modification, adaptation and reproduction of cognitive schema and options for action.

To unpack this idea, we backtrack to the theoretical logic of Bourdieu's formulation. Practices are outcomes of their *habitus,* which provides social actors with the principles and logic that eventually guide their daily action and seem sensible and reasonable to them because they are grounded in particular situations and actions (Bourdieu 1990). *Habitus* informs the regular and systematic practices that guide the individual entrepreneur in managing change and uncertainty. As a set of internal dispositions whose structured tendencies shape our thinking, emotion and action, their

*habitus* is a “conductor-less orchestration” that lends consistency, as well as systematic and explicit meaning, to an individual's practices (Bourdieu 1990, p. 59). Furthermore, *habitus* has a generative tendency, promoting replication of cognitive and motivational structures within particular social environments. According to Bourdieu (1977), the practices that shape the *habitus* in turn define and create certain practices. In other words, the *habitus* creates the social world and at the same time is created by it.

This process aptly characterizes the arena of transnational entrepreneurs’ activities. Bourdieu claims that *habitus* may be replicated; thus, the transnational entrepreneur may encounter roughly comparable features on both sides of the cross-border context (1977, p. 85). Any variations, if they occur, are due to specific traits of individuals or the shared characteristics of transnational entrepreneurs as a class within the respective fields. Each entrepreneur’s system of dispositions can be seen as a structural variant of all other TE *habitus*, denoting their differing practices (Bourdieu, 1990, p. 60).

*Habitus* can be pattern breaking as well as pattern replicating. Bourdieu asserts that innovators are joined by bonds of *habitus* in a common field, and that mutual sympathy can yield significant change, even revolution (2005, p. 118). He refers, for example, to “the bureaucratic game,” which “always involves a degree of indeterminacy: However narrowly their posts are defined, and however much they are constrained by the necessities of their position, agents always possess an objective element of freedom”.(Bourdieu 2005, p. 130). This freedom to develop individual *habitus*, coupled with agency, is how a theory of practice accounts for change, whether radical or incremental.To assist the reader with the relationships between, habitus, field, and their various capitals, we provide an illustration of the dynamic relationships we have discussed in figure 1.

----------Insert Figure 1 here----------

Bourdieu (1990) also refers to "practical logic," the task of selection and the generation of actions, which he attributes to the principles of *habitus*. Tasks such as seeking business opportunities, developing networks, recruiting employees and securing resources call for practices that transnational entrepreneurs must undertake in a particular way due to their cross-border mode of action. The practical logic of cross-border entrepreneurs differs substantially from that of ethnic or high-tech entrepreneurs who operate in only one location. Their *habitus* represents their unique cross-cultural dispositions, such as the varying nature of opportunities, or the knowledge of how to attain legitimacy in more than one setting. The individual entrepreneur's schemas, daily practices, perceptions, attitudes, values and sense of history, drawn from multiple contexts, must come into play. But, although subjective interpretation influences entrepreneurial activities, such as seeking resources and markets, such actions are not performed in isolation, but rather in relation to other social actors. Therefore, the pursuit of transnational entrepreneurial activities consists of practices shaped by the dispositions and histories of various actors and fields within cross-border contexts. Furthermore, the diversity and multilevel nature of TE creates both opportunities and constraints for the entrepreneur. The concept of *habitus* deepens our understanding of TE by introducing into the discourse the context, milieu and varied practices involved in business creation and maintenance. However, to better understand how *habitus* is produced and activated, we need to explore the notion of "field," a complementary construct in Bourdieu's theory of practice.

## The Role of Fields

Transnational entrepreneurs' fields are not isolated structures, but as with any field, they are defined and affected by external and internal changes and spaces, which force social actors to employ a

wide repertoire of strategies of action. As Bourdieu contends, "[E]very field is the site of a more or less overt struggle over the definition of the legitimate principles of the division of the field" (1985, p. 734). Accordingly, the fields that TE's engage in not only span multiple geographical spaces, but also expand in accordance with the particular settings, practices, structures or institutions of at least two contexts that constitute the sphere of influence and power over the entrepreneur. The complexity of action in such fields brings to the fore the need for constant strategizing. Entrepreneurs encounter individuals and institutions bearing differential power and resources (e.g. economic, social, symbolic capital) that could directly or indirectly affect potential business opportunities. TEs rely upon their habitus, or even adapt their habitus, in order to join particular advantageous social networks.

A field consists of a network to which social actors strive to belong by employing their *habitus*, which serves to exert perceptual consensus over meaning and organization (Bourdieu 1977). For example, the field of science in China is currently expanding through new scientific parks built within university compounds. These parks represent an incentive to attract scientists and entrepreneurs coming home from the United States by providing infrastructure and financial support. As one of the returnees we interviewed stated,

> "I was a professor for Information Technology at Georgia Tech. When I heard that Tsinghua [University] is opening a modern science park and returnees are getting free space and financial help, I didn't hesitate. I contacted one of my classmates from Beijing University, and we founded our software business here in Tsinghua, while getting technical consulting from colleagues at Georgia Tech. And I have already been approached by [Tsinghua] University to do some teaching and training" (Interview by authors, April 2009).

Fields may be pervasive in their influence (passively or actively) upon those who enter them. Specifically, the field has an impact on the behavior and power relations of actors who compete to acquire capital (Bourdieu and Wacquant 1992). Bourdieu (1998) views fields as associated with practice through the social relations of social actors within certain contexts, structures and systems; consequently, their practices are shaped primarily by the social relations, values and perceptions they share with other members of a particular field or set of fields. But it is not solely a deterministic space. As Martin (2003) notes, fields are malleable:

> "The animal (or person) has conceptions of likely changes in the field at any time. These changes are produced by the person's own motion through the field and by internal developments of the field itself, which may or may not involve actions taken by other persons in the field (p. 18)".

For Bourdieu, fields contain the rules of the game, but they are social spaces over which actors contest the working consensus about such rules (1998, 2005; cf. Jenkins 1992; Martin 2003; Sallaz and Zavisca 2007). These rules are guidelines – they are not immutable and may be changed. Further, fields are never fixed, but always open to rival claims.

Bourdieu's work on the study of fields broadly encompassed social arenas such as housing, education, cultural status and social class. They are a "flexibly structured and minimally formalized area of free play, or even a bureaucratic organization as an artificially structured game, constructed with explicit ends in mind" (Bourdieu 2005, p. 130). Fields are also dynamic in the sense that actors, individually or in groups, employ their *habitus* in their struggles over the rules that define the parameters of the field, as well as to gain control over the field's array of capital (Martin, 2003, pp. 24-24). *Habitus* equips social actors to coordinate, traverse and, when necessary, modify institutions in a particular field. Because individuals traverse different fields in a lifetime, their *habitus* is of a

higher order, operating in the contestation and coordination of multiple fields or multiple institutions within a single field.

*Habitus* thus forms a link between an actor's social sphere and a structure or action. At the individual level, *habitus* interacts with the collective via shared participation in the field**.** The structures within fields that both enable and constrain action arise from the process of reproduction that is internally created in the dynamic relationship between *habitus* and multiple fields. The process of shaping a field—relations between different fields, relations of domination, competition or cooperation—is framed in terms of the economic, social and cultural capital that people wield strategically according to the basis of their *habitus*.

Transnational entrepreneurs may leverage their particular combinations of assets to their advantage, as the environment changes and new resources gain currency. Thus, the concept of *habitus*, in conjunction with that of fields, provides a means to explain an orientation toward action at the intersection of the collective and the individual. Individuals strive to reach certain goals, contesting the rules when necessary, bridging and linking fields to shape a favorable outcome, thus demonstrating agency within a contested field. In particular, in the dynamic environment in which TEs operate, habitus is always open to new experiences.

The "bottom line" – forms of capital

The notion of form of capital – e.g. social, economic and cultural – completes the triad of Bourdieu's theory of practice. He defines social capital as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition" (Bourdieu 1986, p. 248 ). Social capital encom-

passes social relationships that facilitate access to economic capital such as financial resources or markets. Eventually, social capital also influences the production of cultural capital, which may serve to strengthen social accessibility to those with expertise, power or institutional affiliation. In sum, forms of capital are multifaceted and closely associated with the economic, social and cultural resources in a particular relational context.

In the fields of TE, social capital is accumulated through the organization and reproduction of participants' multiple networks, providing resources and access to those social and economic features that facilitate entrepreneurs' activities in business foundation, retention and "surplus production" (Westlund and Bolton 2003). Bound to certain resources, the existence of social capital implies that transnational entrepreneurs may be able to convert, provide or acquire various social, economic, cultural, tangible or symbolic assets within particular social networks. Their ability to explore and pursue business opportunities may be influenced by location within diverse socio-cultural, political and economic fields that are bounded by their respective multiple forms of capital.

In the following section, we examine four domains of capital acquisition within the transnational entrepreneur's varied fields – economic, political, social and cultural – and demonstrate how their *habitus* embodies the logic of practices and the actions that generate them. We emphasize that these domains are not meant to be exhaustive or exclusive, rather, they are interdependent and representative of the locations and opportunities for habitus to provide cultural scripts and norms that influence fields.

*The economic domain* **-** The economic field of TE encompasses many factors, including sources of finance, flexible labor markets, customers, competitors and issues related to production, marketing or trade regulations. The ways in which firms employ their capital and the relations of power be-

tween individual firms determine the structure of the particular economic field within which a given transnational entrepreneur operates. In Bourdieu's (2005) words,

> "Firms create the space, that is to say, the economic field, which exists only through the agents that are found within it and that deform the space in their vicinity, conferring a certain structure to it. . . . It is in the relationship between the various 'field sources,' that is to say, between the different production firms, that the field and the relations of force that characterize it are engendered (p. 193)".

The weight of the individual firm is governed by the structure of the capital it possesses, including financial, cultural, technological, juridical, organizational, commercial, social and symbolic capital (Bourdieu 2005, p. 194). In short, the economic field is defined by how firms compete with each other, and how they interrelate to each other's institutions and processes.

Firms, as organizational units, differ in influence, as they are influenced in turn by "the structure of the relation of force between different agents that belong to the firm or, at least, of those among them who have the greatest weight in the structure and who play a part in decision-making proportionate to their individual weight" (Bourdieu 2005, p. 69). In other words, economic capital is embedded in other forms of capital (social, cultural, symbolic) that are not explicit but essentially tacit (Bourdieu 1986, 1990) and transnational entrepreneurs' operations within cross-border markets are not strictly limited to the logic of economics; they also involve political arrangements, symbolic identities and reconciliations between ideologies and business. For example, our interviews (April 2009) with Chinese transnational entrepreneurs frequently revealed that they associate returning to China with both the need to be close to elder parents as well as the idealized notion of nation

building, and not merely with instrumental economic or commercial agendas. In other words, they refer to the economic field via the symbolic notion of nation building.

*The political domain* **-** The political field consists of diverse actors, notably the state and its legal and regulatory regimes, including the civil service and their political relations. The state oversees firms, but it also contributes to the making of markets and market regulations. Bourdieu's concept of *habitus* also draws attention to credentials and qualifications in mediating relations between individuals. He points out that the state establishes the rules of operation through its regulatory and legal infrastructures, while agents and nongovernmental institutions pursue their interests via coordination, competition and *habitus* (Bourdieu 2005, p. 92). Thus, transnational entrepreneurs may draw on diverse sources of political power to accomplish their strategic objectives. In particular, they take advantage of (or are disadvantaged by) their participation in multiple settings that may have dissimilar political fields. Transnational entrepreneurs' business-building strategies unavoidably assume political meanings and consequences. In particular, the fact that they operate in more than one societal space requires multiple strategies that reflect the different political contexts. Transnational migrants may be active in the election campaigns, parties and institutions of two or more countries; they may provide financial resources or engage in political activities such as supporting specific communities. They increasingly hold dual citizenship, and may be active in more than one political context, engage in political action across borders and claim rights and responsibilities in more than one country (Levitt and Jaworsky 2007). In politically contested environments, of course, the political meanings and consequences of transnational entrepreneurs' strategies are intensified. Furthermore, they strive to control resources, to enhance capabilities and to exploit opportunities, these pursuits are largely dependent on a hospitable regulatory regime, which must be nurtured and

sometimes modified, for example, through lobbying for favorable tax-exemption policies through social networks or political brokers.

We may assume that as different countries' legal, regulatory or policy regimes vary in many respects, they provide sources of capital as well as potential challenges for the transnational entrepreneur. Israel is a case in point. In the 1990s, its immigration policies granting immediate citizenship to Diaspora Jews allowed the country to absorb nearly one million immigrants from the former Soviet Union (Remennick 2007). Innovative governmental policy aimed at developing the high-tech sector, through the creation of a venture capital industry and numerous incentives to entrepreneurs, led to the implementation of a special 'incubator' program that provided employment and business opportunities to Russian engineers and scientists (Breznitz 2007; de Fontenay and Carmel 2001). These two sets of state policies enabled Israeli transnational entrepreneurs to benefit from two different forms of political capital initially provided by the state, which they turn transformed into economic leverage for founding and operating transnational businesses. The Russian immigrant influx brought a high number of skilled engineers, making the necessary human capital available for an emergent high-tech industry, and the government supplied the financial capital and other benefits that enabled their entrepreneurship. One Israeli 'returnee' explains:

> I was cushioned when I came back. I became a partner in one of the government subsidized technological incubators, which were founded for the sake of absorbing the Russian immigration. So I access to highly skilled engineers, at a lower cost, as well as a grant from the Chief Scientist. My first business deal from Israel was the company I worked for in Texas (Interview by authors, April 2006).

Thus, the Israeli transnational entrepreneurs are embedded in two different policy fields, which link national ideology and immigration policy concerning the Jewish Diaspora with economic incentives and policies. Both constitute an institutional political context that shapes the *habitus* of entrepreneurs who return to Israel—it is a *habitus* which provides the dispositions for strategies of action and practices that lead to exploiting business opportunities both in Israel as well as globally.

*The social domain* **-** Transnational activity generates social life with unique features, including kinship, ethnic and network ties and cross-border relationships that have an impact upon the prevailing social constructs of class, gender and race (Levitt and Jaworsky 2007). For example, social networks provide a rich stock of behaviors and resources for transnational entrepreneurs, which are not only immigrants but also agents of social and economic change (Chen and Tan, 2009, Hoang and Antoncic 2003). Transnational entrepreneurship encompasses three domains for simultaneous network formation: network of origin (ethnic and/or national), network(s) of destination and network(s) of practice. The network of origin frequently influences the selection of destination, as well as adaptation and acclimatization to the new environment. Network connections may be particularly helpful in explaining the magnitude and scope of transnational entrepreneurs' opportunity structure and of their social and cultural capital. (For a review, see Hoang and Antoncic 2003.) These network structures increase in strength, because as transnational entrepreneurship increases, governments are increasingly likely to design specific support and incentive policies, such as incubators and science parks designed specifically to attract individual TEs (interviews with Chinese government officials, April 2008).

Transnational networks' characteristics—their relational and structural composition, their content and strength—all influence the emergence and outcomes of TE activities. For example, the

existing degree of relational embeddedness may affect the rate at which new transnational ventures are established, as one cohort of successful firms spawns successive generations (Eisenhardt and Forbes 1984). Various organizations in a network can facilitate the creation of new transnational ventures (Florida and Kenney 1988; Saxenian 2006). For example, we noted a pronounced tendency among Israeli high-tech entrepreneurs to recruit members of their military units (military conscription is nearly universal in Israel) to join their management or technology teams. Due to the extended relationships cultivated by technologically oriented military units, these practices facilitate high levels of trust as well as access to skilled labor and capital in cross-border relationships (cf. Breznitz 2007 ).

Networks may complement existing markets and hierarchies through the activities of entrepreneurs who operate "glocalized networks," which link the local and the global (Chen and Tan forthcoming). Such networks facilitate the mobilization of various types of social capital, such as family, ethnic, community ties, brokerage services or norms of legitimacy, which are crucial for exploring and exploiting business opportunities. Transnational entrepreneurs typically emerge organically out of transnational communities that maintain interactions and relationships between the home and destination environments (Saxenian 2006). Some communities, due to their geographical circumstances, comparative wealth and access to communication and travel, exhibit unique marriage, child-rearing, gender and kinship relations (Levitt and Jaworsky 2007). Transnational entrepreneurship is further facilitated by the formation of formal and informal industry and interest groups, whose influence has been amplified by the advent of inexpensive travel and communication.

Following TE immigration, networks in their newly adopted environments provide close affinity that yields social capital in the form of affection and trust. This enhances business possibilities and

cross-national partnerships, alleviating risks and uncertainty stemming from the complexity and unpredictability of the global markets (Koot, Leisink and Verweel 2003). For example, the so-called "bamboo-networks" of loosely structured Chinese transnational businesses reflect the Confucian value system of familial affinity, which mandates solidarity, cooperation, harmony and trust, and provides a conducive environment and inter-network support for the members of a particular network (Fukuyama 1996; Weidenbaum and Hughes 1996). The ensuing social capital not only lowers the barriers to emigration, but also enhances economic opportunities by leveraging resources toward the establishment of migrant friendly businesses. These Chinese businesses gain an advantage through sourcing labor from migrant pools at competitive rates, the diffusion of critical information on markets, suppliers, technologies and business practices, and the provision of assistance such as credit (Light, Bhachu and Karageorgis 2003). These established migrant networks are capable of transferring social capital and resources back to China. In addition, the development of Taiwanese venture capital is partially explained through the formation of cross-national networks established through Taiwanese-US relations. In many cases, Taiwanese entrepreneurs establish firms in the United States using Taiwanese capital, while leveraging the technical advantages and expertise located in the United States (Saxenian 2006).

*The cultural domain* **-** Migrating cultures meet, mix and are reconstituted and/or reinvigorated by transnational activity. Without acceding to the notion of a single dominant and efficient global culture, we can acknowledge that there is considerable isomorphism arising from structural effects (as opposed to efficiencies) embodied in global economic policies (Bourdieu 2005). The result is substantial stratification and asymmetry, creating incentives for actors to move from one environment to another. Such movement may foster a "third culture," an amalgam or hybrid of two (or

more) cultures in competition and/or alignment. “Even as traditions become appropriated by global culture industries or move back and forth with transnational migrants,” Levitt and Jaworsky (2007) point out, “they are de-territorialized—that is, re-localized, mixed, and brought into juxtaposition with modern and postmodern discourse and practices” (p. 140).

Our proposed analytical framework pays special attention to culture, because the repertoires of collective representations, symbols and meanings transnational entrepreneurs embody from multiple contexts are often at odds; they consist of cultural material that may influence the ability to identify and exploit opportunities or to harness resources. In keeping with our theory of practice framework, we contend that the role of culture in TE “can be understood only in relation to the strategies of action they (cultural symbols, identification) sustain” (Swidler 1986, p. 283). Repertoires of entrepreneurial actions, therefore, are manifested within different social contexts, and in accordance with the entrepreneur’s knowledge, skills and of course, their *habitus.*

The cultural capital of entrepreneurial action is not necessarily limited by existing cultures in the traditional sense. As Swidler points out, “There are not simply different cultures: there are different ways of mobilizing and using culture, different ways of linking culture to action” (2001, p. 23). Transnational entrepreneurial cultural resources include group solidarity and/or a generalized reciprocity that translates into access to resources, such as family capital or an advantaged labor force (Putz 2003; Shnell, Sofer and Drori 1995). For example, Kyle’s (1999) study of Ecuador’s Otavalo trade diaspora in the United States found that in-group social capital is not necessarily sufficient for grassroots TE. Both symbolic and cultural capital generated from outside the group and society at large may be necessary in order to obtain the required resources for their ventures. For example, a Canadian-Asian TE we interviewed indicated that while he received no support from the

local Asian community who were only interested in "showing off their fancy cars", he developed an important relationship with a Canadian entrepreneur that he met by cold calling from the yellow pages (interview, May, 2007). A complementary line of argument in support of the action-oriented role of culture in TE involves the essence of transnationalism and the assertion that cultural boundaries are fluid and implicit. Moallem (2000) found, for example, that Iranian transnational entrepreneurs in Europe construct transnational spaces and exchanges that are influenced by time, space and identity. She argues that globalization and diasporic persons create emergent new economic agents and diffuse culture from private to public spaces (Moallem, 2000). Russian immigrants to Israel actively maintain and identify with their homeland culture (Remennick 2003, 2007). One of the ways in which their strong affiliation to their culture of origin manifests is through active management of specialized schools with Russian language classes and cultural activities. These, in turn, foster various TE activities. For example, numerous Russian cultural events, including popular music, dance and theater performances, travel from the homeland to Israel. As Sergei, a Russian-Israeli cultural entrepreneur admits, "The Russians here are up to date in what is going on in Russia. There is a huge demand for this, and the popularity of Russian artists in Russia is also linked to their popularity here. This is why important Russian artists like to perform in Israel" (Interview by authors, March 2007).

## IMPLEMENTING THE THEORETICAL TRIAD – *HABITUS*, FIELD AND CAPITAL IN PRACTICE

The interrelationship between *habitus*, field and capital, are crucial for understanding the creation of TE practices and their complex and sometimes contradictory values and outcomes. Transnational entrepreneurs strive to differentiate themselves from other entrepreneurs in a field through

practices and dispositions (Bourdieu 1990). The different global and local fields of TE represent areas of contestation as well as sources of capital and strategies for exploitation of business opportunities. The *habitus* provides a "tool-kit of a kind"' that enables the deployment of different of types of capital, which in turn, determines the position and clout of the entrepreneurs within their fields. Thus, Bourdieu's theory of practice provides a conceptual framework that enables us to examine their strategies of action. We now elaborate two important dimensions of the transnational entrepreneur's logic of practice for establishing and maintaining successful business enterprises: 1) the availability of resources – from money and other economic assets to technological and cultural "know-how"; and 2) the nature of power relations within the field of TE.

The dual or multiple contexts of TE have a direct bearing on entrepreneurs' daily practices and their ability to channel essential resources (Mahler 1998; Mountz and Wright 1996). Various studies of transnational immigrants—Seychelles Island migrants in Britain and Bangladesh (Gardner 1995), Mexicans from Oaxaca in Poughkeepsie, New York (Mountz and Wright 1996), Moroccan women in Italy (Salih 2003) and Ukrainians and Russians in Israel (Remennick 2003)—claim that the dual reference points "here" and "there" are perceived as complementary. But what allows transnational entrepreneurs to seize upon such complementary contexts and pursue their objectives? If the source of social actors' practices is their *habitus,* encompassing their experiences, dispositions and behaviors, and it is, as Bourdieu (1977) asserts, "transposable," then it is through their *habitus* that transnational entrepreneurs may strive to exert power over the organizational field for the purpose of channeling the forms of capital that fit their individual and societal aspirations (Honneth, Kocyba and Schwibs 1986). During discussions with our Chinese, Israeli and Indian informants, nation building and economic development were frequently cited as major objectives. For example, Chi-

nese transnational entrepreneurs use recurrent rhetoric that we also heard from Chinese officials we interviewed (April-May 2009), claiming that helping China in its economic and social development can't be separated from an individual's motives and self-interests.

One of the primary ways to transform an unfavorable environment for garnering the necessary resources is through networks that foster the growth of social capital, and in turn, influence access to resources. According to Bourdieu (1986), resources are associated with actions aimed at acquiring, transferring, reciprocating or transforming economic, social and symbolic capital. At the same time that resources are accumulated through access to capital, however, capital can facilitate or hinder access to resources. In pursuit of their aims, transnational entrepreneurs are thus dependent upon the scope of their cross-border social networks, which not only enact solidarity and common identity among members, but also create valuable social capital. Social capital is a network attribute, embedded in social relations that are in turn embodied in multiple networks; accordingly, it is capital with the potential to be used interchangeably (Bourdieu 1986).

For example, transnational entrepreneurs often make use of industry networks, including those that span geographical borders (Autio, Sapienza and Arenius 2005; Johanson and Vahlne 1977). Contextual knowledge, particularly in technological fields, is frequently distributed via "brain circulation" from the host country back to the country of origin (Saxenian 2006). These industry networks may, at times, supersede ethnic and/or community ties as members embrace the shared lexicon and shared culture of a community of practice (Saxenian and Hsu 2001). Such networks may even displace conventional international business relationships. As Saxenian and Hsu (2001) observe, "An international technological community provides an alternative and potentially more

flexible and responsive mechanism for long distance transfers of skill and know-how—particularly between very different business cultures and environments" (p. 901).

It is membership in cross-border networks and the scope of TE that provide the needed social capital that enables entrepreneurs to convert, provide or acquire social, economic, tangible or symbolic resources for their own use within specific social networks. The nature and value of their social capital arises from the scope and size of their multiple networks. Because social networks are not static, as Bourdieu (1986) points out, their contribution to transnational entrepreneurs' resource accumulation depends on their continuous maintenance and timely activation. But social actors' positions in sociocultural spaces such as networks may be influenced by their own and others' sociocultural, political and economic characteristics (e.g. *habitus* and capital), which are of course context-bound. Thus, social capital too is bounded by historical and contextual factors affecting the actors in social networks. Social capital is embedded in both structure *and* networks, and its scope, depth and effectiveness are associated with a power structure and the exercise of power.

The acquisition of resources and competitive advantage (over other transnational entrepreneurs or other *bona fide* competitors) requires effective practices and competencies embedded in institutional environments that transcend individual interest and motivation. Transnational entrepreneurs must work to achieve these goals within the context of relations that evolve within the field of power, as explained by Bourdieu and Wacquant (1992).

> "The field of power is a *field of forces* defined by the structure of the existing balance of forces between forms of power, or between different species of capital. It is also simultaneously a *field of struggles for power among the holders of different forms of power*. It is a space of play and competition in which social agents and institutions which all posses the determinate quantity of

specific capital (economic and cultural capital in particular) sufficient to occupy the dominant positions within their respective fields [the economic field, the field of higher civil service or the state, the university field, and the intellectual field] confront one another in strategies aimed at preserving or transforming this balance of forces..." (p. 76, emphasis in original).

Further, transnational entrepreneurs are striving for success within environments that transcend borders, seeking to accumulate capital embedded in diverse societal-institutional and economic fields. And sometimes these contexts are far from complementary. For example, the nature of bureaucratic fields in two different countries may hinder business opportunities**.** An Israeli high-tech entrepreneur complained bitterly about the bureaucratic hurdles he encountered in actualizing a promising joint business venture between Israel and the United States,

"Depending on the [Israeli] Chief Scientist's help with the financing of the R&D work here almost cost me the business. My American counterpart withdrew from the collaboration because he was reluctant to provide the Chief Scientist certain documents about his business. So I had to give up the Scientist's financial support and depend on my own finances" (Interview by authors, April 2006).

Bourdieu (1986) enumerates three basic forms of capital: economic (monetary resources), cultural (knowledge) and social (community affiliation). These forms of capital may also embody a symbolic dimension related to status or prestige. The type and nature of the capital that the transnational entrepreneur possesses is grounded in various fields – e.g. the economic, political, social and cultural, as discussed above. When transnational entrepreneurs seek to accumulate different types of capital for the purposes of seeking opportunities, accessing resources, gaining knowledge or developing networks, they are pursuing interests that may well be at odds with others' interests. Given the

multi-sited context of their operations and activities, they must employ various practices to maintain their businesses by holding onto or acquiring different forms of capital. Consequently, they are embroiled in power relations in their pursuit of capital. Or, to use Bourdieu's (1991) terminology, social actors occupy the field in accordance with the "overall volume of the capital they posses and . . . the composition of their capital—in other words, according to the relative weight of the different kinds of capital in the total set of their assets" (p. 231).

Bourdieu asserts that the social actors who occupy particular fields compete for their relative shares of resources or positions (1991). Transnational entrepreneurs may have to employ varied strategies of action in their pursuit of resources and influence – capital in one field is not necessarily relevant in another, even if the *habitus* is "transposable," at least with regard to one's position in "classes on paper" (Bourdieu 1985). The various fields that characterize cross-border settings encompass different forms of capital with their own meanings and values. The potential for transnational entrepreneurs seeking to establish and maintain business opportunities resides within these different forms of capital.

## CONCLUSION

Our proposed analytical approach, based on Bourdieu's (1990) theory of practice, views TE as a complex of cross-national fields with the social actor's *habitus* consisting of dual cultural, institutional and structural features, schemas and resources, through which entrepreneurs can formulate their strategies of action. The position of transnational entrepreneurs in their respective fields provides them diverse institutional interests, opportunities and resources, from among which they construct their cultural and social "tool-kit-of-a-kind." Using the economic, social and cultural capital and the

available resources at their disposal, they strive to exert power over the organizational field at particular points in time to achieve individual and societal objectives (Honneth et al. 1986).

Looking at the first gap in the literature, regarding a multifocal *modus operandi* in TE, we conclude that the actions of transnational entrepreneurs arise from possibilities within a structural context that embodies both individual decisions and motivations as well as the structure of the institutional environment. Stated as a proposition, we assert:

P1: TEs actively and intentionally manipulate their multiple environments in order to exploit their cross-national business opportunities.

They are not passive, but active and instrumental actors in the process of understanding and formulating their diverse social and economic relationships and, correspondingly, their daily practices. These practices, and their contexts and traits, occupy both the macro- and micro- realms and are imbued with the capacity to enable or constrain human agency (Ozbilgin and Tatli 2005). Various social arenas intersect with individual dispositions (*habitus*), activities, orientations and practices, which in turn (re)constitute these very social arenas.

Second, transnational entrepreneurs take advantage of discrepancies between home and host settings by contesting various domains within a field of practice. Our framework highlights four such domains —economic, political, social and cultural—all of which are connected to their *habitus*. While each domain yields insight into a specific dimension of TE, individual entrepreneurs are nested in diverse and sometimes conflicting fields that require different strategies of action. Stated as a proposition, we assert:

P2: TE habitus is flexible, and influenced by the configuration and contestation of fields shaped by multiple domains (economic, political, social and cultural).

TEs diverse fields have their own logic where various forms of capital compete and reside. Each field is susceptible to manipulation by actors who employ different combinations of capitals according to their particular dispositions (habitus). Stated as a proposition:

P3. TEs utilize a flexible habitus in multiple environments to guide their agency and action within diverse fields.

In sum, the theory of practice and its attendant constructs—*habitus*, capital and field—have important implications for explaining how successful TE occurs. First, transnational outcomes are nested in multilevel processes. Transnational entrepreneurs employ different strategies toward developing those processes. Additionally, the strategies employed by transnational entrepreneurs correspond to specific fields embedded in their multiple settings, and they may enact alternative practices. Second, their enactment of practices in cross-border settings may be deliberate or unintended, in the sense that transnational entrepreneurs are not necessarily on a "guided mission" to reinforce hospitable structures and practices. The various fields in which the transnational entrepreneur operates provide not only opportunities but also threats, particularly within the context of globalization. Previous work acknowledges immigrant communities as an entrepreneurial phenomenon within the international business realm, and shows how they contribute to the dissemination of business practices, knowledge, expertise, community development and growth in both home and host knowledge in both home and host countries (e.g., Saxenian 2006). Transnational entrepreneurs do not operate in isolation, but compete with other entrepreneurs impling a tension between diverse and sometimes conflicting political, economic and social forces constantly engaged in the struggle for field dominance. Bourdieu's notion of a "field of practice" equips us to understand the dynamics of the various fields of TE and the nested position of the individual entrepreneur within them.

Finally, our proposed framework links the structural aspects of the theory of practice to an actor-based orientation (e.g. Emirbayer and Mische 1998), enabling us to review systematic patterns in the founding and growth of transnational enterprises. We have argued that, instead of attending to the transformation of dual or multiple institutional fields as reified entities, e.g., nation-states or ethnic groups, future research on transnational entrepreneurship ought to focus more on micro-level processes of social construction that are embodied in actors' daily practices. To that end, we have endeavored to offer an analytical framework that is sufficiently robust for investigation of a highly complex, dynamic phenomenon that crosses cultural, social, economic and geographic boundaries.

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FIGURE 1

A Practice Theory-Based Framework for the Study of Transnational Entrepreneurship