REMITTANCE 2.0?

Transnational Entrepreneurship by Second-Generation Kosovars from Switzerland

Master Thesis by Oliver Neff

Cover Picture: Pristina with the Sharr-Mountains in the Back. Photo taken by the author, March 2015.

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SUMMARY

Labor migration and the influx of thousands of war refugees at the turn of the last century have resulted in a large Kosovar diaspora in Switzerland. These migrants have maintained strong social, cultural, political, and especially also economic ties across borders to their country of origin. These economic ties were mostly defined by the transfer of financial remittances from the diaspora to their kin and friends in Kosovo. However, recent academic literature has found evidence for the continuing decrease of these remittances in this specific context, especially among the children of the migrants, the second-generation.

I made an observation that seems to reflect a countertrend to this dynamic: Second-generation migrants who found a transnational business between Switzerland and Kosovo. The intention of this thesis is therefore to give a comprehensive overview of this recent phenomenon that has not attracted attention in the academic literature yet. The data for this research at hand have been collected in two separate trips to Kosovo and punctual empirical inquiries in Switzerland. I apply a qualitative case study approach, in which I specifically focus on three second-generation transnational entrepreneurs, two young men and a women.

In order to systematically grapple with this topic, I distinguish between three different domains: First, the *ignition* to see how the entrepreneurs discovered a business opportunity and why they have decided to exploit it. Second, the *operation* to see how they simultaneously conduct their daily business in two different geographical environments. And third, I analyze their political *leverage* in the context of Kosovo and their potential to eventually improve the economic and social environment in their parent's country of origin.

My results indicate that all three second-generation entrepreneurs featured in this thesis operate in the 'information and communication technology' (ICT) sector. They outsource various services to Kosovo, which they sell to their customers in Switzerland. This transnational business idea is complemented by the transnational conduction of their business, as they have to maintain an uninterrupted connection to both their Swiss and their Kosovar branch. They manage to accomplish that by the vast use of modern forms of telecommunication and increasingly cheap air travel. Their political leverage power in Kosovo remains very limited, which forces them to adapt to institutional constraints and other problems by developing innovative and flexible coping strategies.

Transnational entrepreneurship by second-generation Kosovars from Switzerland is definitely not replacing the effects of ordinary financial remittances. However, it presents a new form of economic transnational ties between Kosovo and Switzerland that has the potential to impact the social and economic development of Kosovo in a more sustainable and positive way than classic remittances do.

CONTENT

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ABBREVIATIONS

ARBK	Agjencia e Regjistrimit të Bizneseve të Kosovës
CSM	Customer Service Management
FDI	Foreign Direct Investments
GDP	Gross National Product
GNI	Gross National Income
Helvetas	Helvetas Swiss Intercooperation
ICT	Information and Communication Technology
IT	Information Technology
KLA	Kosovo Liberation Army
KBRA	Kosovo Business Registration Agency
MoD	Ministry of Diaspora
NGO	Non Governmental Organization
SEO	Search Engine Optimization
UÇK	Ushtria Çlirimtare e Kosovës
UNMIK	United Nations Interim Administration Mission in Kosovo
USAID	United States Agency for International Development
VAT	Value Added Tax

1 INTRODUCTION

1.1 A LUNCH AT THE AIRPORT

> *"I always say: when you want to help Kosovo, go to Kosovo and create jobs, but do not just give money to someone."*[1] *- Fitim*

Let us assume you own a company and you want a professional homepage, after your customers have complained about it being confusing and outdated. And while you are at it, you also decide to jump on the social media bandwagon that everybody has been talking about lately. The problem is that you do not really have a clue of how to implement all that, so you might start a little internet research to find somebody who can do it for you. This is how you come across Fitim's[2] company, who offers exactly what you want for a very good price, so you get in touch and set up a first meeting. Fitim invites you to his office in the suburbs of Zurich, where he tells you all about new opportunities offered by online marketing, a new brand appearance and social media. His professional appearance and his impressive know-how convince you to give him the mandate and a couple of weeks later, your new homepage, including a new branding design and an appearance on all major social media platforms, is online. But what you probably do not know is that your order has been completely executed more than a thousand kilometers away from where you placed it – namely in a modern office situated in the outskirts of Pristina[3], the capital of Kosovo.

Fitim is not a fictional character; his company exists, because he has converted his claim into action: he created jobs in Kosovo. This twenty-six year old man, whose parents migrated from Kosovo to Switzerland just days before he was born, is the founder, owner and manager of a start-up that is operationally active both in Switzerland and in Kosovo. He offers various information technology (IT) services to customers in Switzerland, which are being implemented by his staff in Kosovo. Fitim's activities represent a phenomenon that has been practically denied academic or medial attention yet: children of migrants, who get economically involved in their parents' country of origin[4]. This is somewhat surprising, as social science and migration studies in particular have had a long tradition of studying the border-crossing economic, social and cultural practices of migrants – but they have almost exclu-

[1] Original: "Ich sage immer: wenn du Kosovo helfen möchtest, dann gehe in den Kosovo und schaffe Arbeitsplätze, aber gib nicht jemandem einfach Geld."

[2] All names are changed to pseudonyms to protect the informants' anonymity.

[3] Whenever possible, I use the English version of geographical nomenclature in Kosovo.

[4] I subsequently speak of 'country of origin' (e.g. Kosovo) vs. 'country of residence' (e.g. Switzerland). This proved to be practical, even though it is not unproblematic, as the defining line of these two categories might be blurred, especially in the case of the second-generation. I frequently also use the terms 'sending country', which refers to the country that has 'sent' migrants (e.g. Kosovo), and 'receiving country', which has 'received' the migrants (e.g. Switzerland).

sively focused on the first-generation, the people who actively decided to migrate. This is even more surprising, as scholars have not become tired to emphasize the important and influential role of migrants in the development of their country of origin by referring to the so-called 'migration-development nexus', to which I will come back in a little bit.

But it was neither Fitim's story, nor academic discussions that initially encouraged me to study second-generation[5] transnational entrepreneurs for over a year; it was a coincidental lunch at the airport in early spring 2014, where I work part-time. I was spending my break together with one of my colleagues, a thirty-two year old Kosovar, who migrated to Switzerland when he was ten. He started to tell me about a new business idea, namely the production of garment in Kosovo, which he would then sell and ship to retailers in Switzerland. He seemed convinced of the hidden economic potential in Kosovo and of his opportunity to tap it, so he had already looked at potential factory sites in Kosovo and was in the process of assembling a team of investors and associates in Switzerland and Kosovo. I was both baffled and excited at the same time: baffled, because I did not understand why a perfectly integrated Kosovar, who speaks Swiss-German without any accent and has successfully graduated from a college, would voluntarily take the risk of investing in a precarious business environment like Kosovo. And excited, because of the distinct conscious way my co-worker was planning to simultaneously take advantage from both his Swiss- and Kosovar social backgrounds for his own (economic) benefit. I was also wondering: What effects could such a transnational business have on the economic development of Kosovo?

These thoughts during that lunch clearly piqued my curiosity and I started to look at studies on second-generation migrants and their relationship to their country of origin. I noticed quickly that academia had already developed a popular conceptual approach to grapple with such phenomena a long time ago, which is called 'transnationalism'. Transnationalism is defined as a "(...) the process by which immigrants (...) link together their country of origin and their country of settlement" (Glick-Schiller et al. 1992: 1), resulting in 'transnational relationships' between a diaspora and the country of origin. Scholars around the world have created a humongous body of literature to analyze and describe these transnational interconnections (see Vertovec 1999). However, this bibliography shrank dramatically when I started to only consider studies referring to Kosovo. The number of researchers who have committed themselves to study the transnational relationship between Switzerland and Kosovo is even smaller, as is the corresponding academic work. This research is

[5] Following Wessendorf (2013), I define members of the 'second-generation' as children of migrants, who were either born in the receiving country, or arrived there before they went to primary school. This marks a difference to mostly North-American authors, who only use the attribute 'second-generation' for children of migrants, who were born in the receiving country. Instead, they use the term '1.5-generation' for migrants who migrated when they were a child (Levitt & Waters 2006; Conway & Potter 2009). In addition, Fouron & Glick Schiller (2006: 193) have suggested to include "(...) the entire generation in both homeland and new land who grow up within transnational social field linked by familial, economic, religious, social and political networks", but as my focus are second-generation Swiss-Kosovars who grew up in Switzerland, this definition does not prove to be practical for me.

by no means homogeneous though, as scholars from different disciplines have been focusing on different aspects of the topic, for instance on transnational identities (Dahinden 2008), illegal drug trafficking (Kilias et al. 2011), economic ties (Haxhikadrija 2009; UNDP 2014), or more general, descriptive approaches (Iseni 2013). My primary interest was to find out more about the concrete forms of transnational ties between the Kosovar diaspora in Switzerland and their country of origin, so I had a closer look at the suitable empirical evidence.

Findings show, as I found out, that a large fraction of the Kosovar diaspora has been fostering close ties to Kosovo, which are mostly expressed through social exchanges with their relatives, repeated visits, political activism and the transfer of money, also referred to as economic remittances (Iseni 2013; UNDP 2014[6]). The latter has been particularly important for Kosovo for two reasons: First, from a perspective on individuals, many families were and still are dependent on financial support from their relatives abroad. Private remittance-based community projects also helped to rebuild vast parts of the infrastructure right after the devastating war in the 1990s, enabling many families to resume work and build a livelihood (Haxhikadrija 2009). Second, from a macro-economic perspective, these remittances also helped and still help to at least partially cover Kosovo's immense budgetary deficit, which is a consequence from very limited exports and immense imports (Korovilas 2002; Shaorshadze & Miyata 2010). There are no exact figures available, but a fairly recent, extensive study concludes that one in every fourth receives remittances in Kosovo, which results in a total of 11% of Kosovo's Gross National Product (GDP) (UNDP 2012). Financial transfers, or remittances, therefore have played and still play a vital role in the maintenance of a livelihood for an extensive part of the population in Kosovo and in keeping Kosovo's economy going.

But this dynamic might change substantially in the future, which is not only indicated by Fitim's citation at the very beginning of this chapter, but also by a number of scholars around the world: children of migrants tend to be more reluctant to send remittances to their relatives in their country of origin. Iseni (2013) has observed that economic support from the Kosovar diaspora in Switzerland as a whole has significantly decreased in the last decade and substantiates this development with a widespread 'settlement process', which he explains with two factors: First, members of the diaspora have perceived a change in the utilization of their remitted money; the recipients in Kosovo do not use remittances to cover their daily expenses for food and housing anymore, but more and more for luxury and leisure products. Hence, the senders of money, often living in precarious living conditions themselves, start to reconsider their remittance practices (Haxhikadrija 2009). Second, this effect is accentuated by second-generation Swiss-Kosovars, who gradually replace their parents as main breadwinners, but are considered to feel less emotionally attached to their parents' country of origin and are thought to focus more on their

[6] This report does not only focus on Switzerland and Kosovo, but claims a more comprehensive scope of analysis. Nevertheless, the Swiss-Kosovar transnational relationship is prominently featured due to the size of the Kosovar diaspora in Switzerland (and maybe also because this research is partly sponsored by the Swiss government).

own life in Switzerland instead of sending money abroad (Iseni 2013). Such a decline of financial support, and of transnational practices in general, is also echoed by scholars working in neighboring Macedonia (Akkaya & Soland 2009) and in other geographical contexts (Perlman 2002; Levitt & Waters 2006).

So here I had it, a promising and contradicting situation at the outset of this thesis, screaming for further and especially empirical scrutiny: second-generation Swiss-Kosovars, who seem to buck the trend of retrenching their ties do Kosovo described in the literature by establishing a transnational business between Switzerland and Kosovo. Did I just discover the emergence of a new countertrend, which contrasts the decreasing financial support, at this lunch at the airport? Might entrepreneurship be a new form of the diaspora's support for their country of origin, maybe distinct to the second-generation? Could this be a replacement for the lost revenues in Kosovo caused by diminishing remittances? Am I witnessing a re-strengthening of economic transnational ties in a new appearance, quasi 'remittance 2.0'? My next step was then to open up the geographical scope to see whether this potentially new occurrence of second-generation entrepreneurship or similar topics has been examined in different contexts. This not only helps to place this research in an academic context, but also to further specify the research gap which this thesis tries to approach.

1.2 CONTEXT: MIGRATION-DEVELOPMENT NEXUS

As already indicated above, the broad scholarly homeland of this study, thematically and conceptually, is the migration studies. One prominently featured topic within this academic field is the 'migration-development nexus'. Under the umbrella of this huge theme, researchers have developed arguments to assess the influence of local development conditions on migration, the relationship between return migration and/or repatriation and development, and effects of migration on the development in the sending states (Nyberg-Sørensen et al. 2002). This requires a reciprocal notion of the relationship between migration and development, which has replaced more unidirectional perceptions of this linkage in the past (De Haas 2005). Migrants are thereby considered to act as transnational development agents (Faist 2008), whereas their 'agency' can assume different forms, such as remittances, return migration, and entrepreneurship, which will be discussed shortly (Van Houte & Davids 2014).

This broad outlining of the 'migration-development nexus' demands for two conceptual clarifications before that though: the first affects the contested term 'development', which is so widely used, but so rarely confined or defined in the migration literature. In accordance with de Haas (2005), I explicitly apply a very general conceptualization of this difficult term, as I understand 'development' in this context as migrant's contribution to the enhancement of welfare and well-being in both the

sending and the receiving societies[7]. The second clarification concerns the term 'transnational'. As already indicated above, I define a 'transnational' lens as a perspective that allows studying the ties across emigration and immigration states. In other words, 'transnational' ties refer to the border-crossing economic, social and cultural linkages of migrants that connect the sending country and the receiving country (Faist 2008).

The most prominent and best described link between migrants and their country of origin are financial remittances, which also represent the predominant form of economic ties between Switzerland and Kosovo. Scholars have especially highlighted their potential for poverty reduction and local investment, but also as a safety net for poor areas, which has been underlined by the literature about Kosovo presented above (De Haas 2005; Faist 2008). Remittances are believed to have both a short-time effect, as they allow recipients to buy consumer durables, but also a more sustainable long-time effect, when they are invested in better housing, education, and/or the purchase of land or small businesses (Nyberg-Sørensen et al. 2002). This focus on financial transfers has been complemented by research that takes the transfer of human capital into account as well; this usually refers to the transfer of knowledge, for instance how agricultural yield can be increased, which might in the end lead to a productivity growth in the sending country. This effect is called 'brain gain' and stands in contrast to 'brain drain', which describes the loss of human capital caused by migration (Faist 2008).

The transfer of human capital is exemplified in the model of return migration, which presents the second frequently featured form of the relationship between migration and development. Return migrants have lived in a sending country for a while, before they moved back to their country of origin again, potentially not only bringing financial capital, but also new knowledge, best practices, cultural norms and political claims back home (Conway & Potter 2009). Interestingly, return migration is the only academic field in this migration-development discourse that systematically includes empirical evidence from the second-generation and not just the first-generation. MacPherson & MacPherson (2009) for example have proposed a categorization of second-generation Samoan migrants in New Zealand, who returned to Samoa, which includes 'seekers of culture and 'social idealists', but also 'professionals' and 'entrepreneurs'. The latter consists of individuals who hope to be able to take advantage of opportunities in the small, but modernizing economy of Samoa. Other scholars have conducted similar studies in various contexts, for example from the USA to Greece (King & Christou 2010) and to the Caribbean Islands (Potter & Conway 2007), or from Canada to Hong Kong (Ley & Kobayashi 2005). These studies may give a first hint to understand the basic motivations of second-generation Swiss-Kosovars to engage in new start-ups in Kosovo, but they fall short of providing an analytical framework to examine transnational individuals who continuously

[7] A similarly large bulk of literature exists about different approaches to and different understandings of 'development', whose review exceeds the scope of this thesis. Palgrave et al. (2007) and Rapley (2007) offer concise and comprehensive overviews on the contemporary debates in 'development theory', while Faist (2008) summarizes the most important key aspects in a more compact treatise.

and consciously move forth and back between two countries and therefore also *conduct* their business transnationally, as is the case for the second-generation Swiss-Kosovar entrepreneurs presented in this study.

Migrants can also exert their influence as transnational development agents through the establishment of transnational enterprises (Riddle 2008). Scholars have thereby most commonly referred to entrepreneurial activities by migrants in their country of residence that they might expand to their country of origin. Portes & Yiu (2013) for example do that by drawing on empirical evidence from different groups of migrants in the USA who initiate small businesses that they upscale transnationally as times passes. The expected effects on the development of the sending countries are comparable to return migration – mainly the transfer of financial-, human-, but especially also social capital, which is in a Bourdieunian understanding, access to different networks (Portes et al. 1999). Another well-reviewed example is China, whose economic development can partly be explained by the activities of transnational entrepreneurs from the Chinese diaspora (Ionescu 2006; Leung 2007). Other, mostly older empirical work on entrepreneurship that only indirectly refers to the migration-development nexus mainly feature entrepreneurship among different immigrant groups in the USA (see Landolt et al. 1999; Portes et al. 1999). It is again conspicuous that almost all studies featuring transnational entrepreneurship primarily focus on first-generation migrants and only casually refer to the second-generation, if at all. One exemption is Rusinovic (2013), who compared the transnational entrepreneurial activities between the generations. Similar to the prediction of decreasing remittances in the context of Kosovo, she also predicts less intensity among the second-generation. However, as this passage has tried to argue, border-crossing entrepreneurship by migrants can have a positive influence on the development of sending countries, but it has to be shown whether is has the potential to replace or even surmount the effects of financial remittances.

Several research gaps have been revealed up until this point. Most outstanding is the lack of literature that focuses on the relationship between Switzerland and Kosovo from neither a social, economic or political point of view. This gap becomes even more evident in the context of transnational Swiss-Kosovar entrepreneurs, as this seems to not have been academically recognized yet. There is also a massive backlog in studying the second-generation of migrants and their transnational activities in migration studies, especially with regard to their economic connections and their effect on the development of the respective sending countries. This all adds an explorative character to this research, which makes it both relevant and challenging at the same time. In addition, scholars working on similar topics in different contexts, for instance the body of literature covering return migration, appear to have primarily focused on structural macro-level studies, leaving sufficient room for much more qualitative, actor-based research on how for instance transnational entrepreneurship by migrants works in practice. The verbalization of the concrete research questions and its partition in subquestions to allow a systematic analysis of this phenomenon are consequently the next step and part of the next chapter.

1.3 RESEARCH QUESTIONS

The identification of a contradiction between my observations and the literature at hand as well as the concurrent existence of a research gap encouraged me to pursue the examination of transnational entrepreneurship by second-generation Swiss-Kosovars and to formulate corresponding research questions. As indicated above, my main focus lies on second-generation Swiss-Kosovar individuals, who have established a start-up in Kosovo and who utilize their transnational capacities. The aim is to get an idea of the agency and the function of these transnational entrepreneurs, both in Switzerland and in Kosovo. This research is an explorative case study of a phenomenon that has not been academically assessed yet, so my overall research question is worded in general terms:

> *Who are second-generation Swiss-Kosovar entrepreneurs and how do they practically conduct their business in a transnational context?*

I will approach this overall research question by answering three sets of subquestions. This will allow me to systematically assess different relevant aspects of the examined topic and to develop a clearly arranged structure to present my empirical findings. The first set of research question brings the *why* into focus – or the ignition of these entrepreneurs:

> *Set A – Ignition: How does the ignition-process work? What triggers and motivates second-generation Swiss-Kosovar entrepreneurs to establish a company in Kosovo? What was their initial business idea and what products or services are they offering? What are their distinct features compared to other entrepreneurs? How did they fund their business?*

The second set of research questions addresses the *how* – or the operational workaday life of the entrepreneurs:

> *Set B – Operation: How does their workaday life look like in Switzerland? Is there a difference between their tasks in Switzerland and in Kosovo? What are the obstacles they face in the conduction of their business? And how do they cope with them? Is there a difference to other entrepreneurs operating in Kosovo?*

Other countries have made efforts to facilitate and support the transfer of knowledge, or brain-gain, and to attract foreign direct investments (FDIs) from the diaspora (Gillespie et al. 1999; Nyberg-Sørensen et al. 2002). This is why the third set of research questions concerns the potential effects of their activities on the political landscape in Kosovo and the exchange between government institutions and entrepreneurs – or the leverage of entrepreneurs:

Set C – Leverage: How does the interaction between the entrepreneurs and Kosovar government institutions look like? What strategies do entrepreneurs use to present their political claims to government representatives? What does that tell about their political leverage?

The answers to these questions should lead to an understanding of the dynamic of second-generation transnational entrepreneurship and its influence on the Kosovar society and state. They will also show how transnational connections between Switzerland and Kosovo are renegotiated and restrengthened and take up new productive, innovative and dynamic forms, which may deserve to be labeled as 'remittance 2.0'.

1.4 STRUCTURE OF THIS THESIS

I must admit at this point that my colleague from the airport did not dare to realize his business in Kosovo after all – his familial circumstances changed and he did not feel comfortable taking the risk of becoming self-employed anymore. But he got things up and going for me and I detected three young Swiss-Kosovar entrepreneurs, who had already established a business in Kosovo at the time I met them and who will be accompanying us throughout this work: Fitim, whom you have already got to know, Jonida and Drilon.

Before I introduce you to them properly, I first want to outline some helpful background information about the history of Kosovo and the migration of Kosovars to Switzerland, as well as to the contemporary economic, social and political situation in Kosovo in the second chapter. This will not only improve your general knowledge, but mainly allows contextualizing some empirical findings later in this thesis. This also helps to understand the historical preconditions of why there even are second-generation Kosovars in Switzerland. The third chapter outlines the conceptual approach that I adopt for this thesis by primarily drawing on theoretical literature on 'transnational entrepreneurship', which is complemented by other helpful theoretical concepts to live up to the high theoretical complexity of this topic. The fourth chapter describes my methodological approach, which includes a presentation of the methods I applied in the field, how I analyzed the results, and what I perceive to be limitations of this study.

The following four chapters are the core of this thesis, namely the empirical results. I start off by introducing the three second-generation entrepreneurs, Fitim, Jonida and Drilon, in chapter five. In chapter six, I present my findings to show why Fitim, Jonida and Drilon started with their business in the first place and what business idea they had (ignition). The following chapter describes the obstacles they encounter in their workaday life and the specific and interesting coping strategies they apply to solve them (operation). In chapter eight, I examine the relationship between these entrepreneurs and Kosovar state institutions to get a sense of their

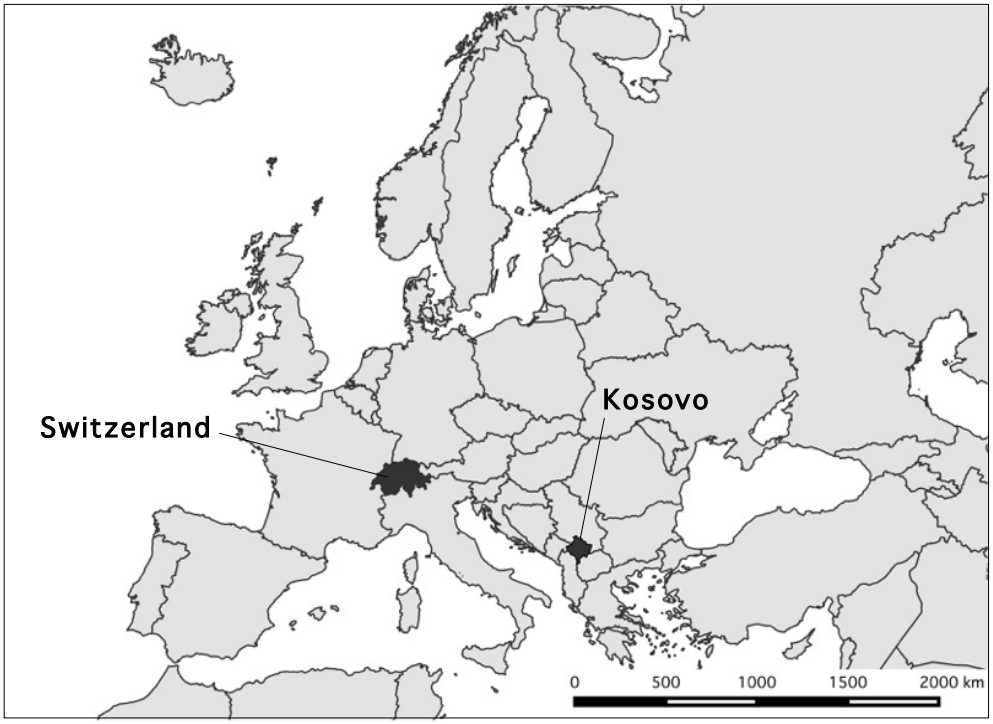
potential impact on development (leverage). I state some final conclusions in the last chapter, where I also present some avenues for further research.

2 BACKGROUND

2.1 UNSTEADY KOSOVO

Kosovo is a country situated between Albania, Montenegro, Serbia and Macedonia in the Western Balkans (see *Map 1*) and its capital is Pristina. Roughly 1'824'000 people lived in Kosovo in 2014 and earned an average of 3'200 Euros[8] annually per capita, which makes it one of the poorest countries in Europe. Its size is 10'908km^2, which is almost four times smaller than already small Switzerland, just to present three key figures right at the beginning (World Bank 2014). Kosovo's history is extremely intricate and complicated and has been affected by recurring waves of emigration, as I will show below. It is beyond the scope of this thesis to give a detailed overview of Kosovo's historical trajectory, but knowing about its rough and unsteady past is an important requirement to understand and to classify where this country stands today.

The area of future Kosovo was inhabited and ruled by Illyrians in antiquity, until the Roman Empire conquered the area in 229/228 B.C. and declared this region as one of their provinces. After the partition of the Roman Empire in 395 A.D., it became a part of the Byzantine Empire. The next major event marked a cultural imprint: the



Map 3: The Geographical Location of Kosovo in Europe. Sources: Eurostat (2015) & Global Administrative Areas (2015) (own illustration)

[8] The original gross national income (GNI) was indicated in Dollars, but I chose to convert this figure in Euros, which is the national currency of Kosovo. The reference date of the exchange rate is the first of January 2015, where it was 1 USD = 0.824 EUR.

invasion of the Slavs from the North in the 6th/7th century: still under Byzantine rule, the Slavs adopted Christianity and spread it over large parts of the Balkans. Two centuries later, the northwesterly part of Kosovo around the city of Peç became part of the Serbian Kingdom. Important trading routes through Kosovo and natural resources led the Serbian rulers to establish their economic, cultural, political, but especially also their religious hub, around Peç. This all ended with the conquest of the Muslim Ottomans in 1455, who remained in power for the next four centuries. The Albanian tribes, who lived in the mountainous areas at that time, converted to Islam and started to move, advantaged by the Ottoman rulers, to fertile areas in the lowlands (Malcolm 1998).

World War I marked another major benchmark, because the Ottomans lost their control over the Balkans, and Kosovo became a part of Yugoslavia in 1918. After a short period of Albanian rule during World War II, Albania being a vassal state of Italy at that time, Kosovo was declared an autonomous region of the Social Federal Republic of Yugoslavia in 1945 under the rule of Josip Broz Tito. The new Yugoslav constitution of 1963 allocated even more autonomy to the area, as its official status was now an autonomous province called Kosovo-Methoija. Nationalistic movements both within the Serbian and the Albanian society started to successfully politicize in the 1980s, with Slobodan Milošević eventually seizing political power. His government withdrew the autonomy of Kosovo in 1989 and launched policies, which discriminated ethnic Albanians, for instance from receiving proper education, health treatment and jobs in the administration. This provoked protests and boycotts amongst the Albanian population in Kosovo and initialized the establishment of a shadow state in 1990 by Ibrahim Rugova, the leader of the Democratic League of Kosovo at that time. This was a nonviolent process at first, but slowly started to turn into an armed conflict between the Albanian paramilitary organization Ushtria Çlirimtare et Kosovës (UÇK), or Kosovo Liberation Army (KLA) in English, and the Serbian military, triggering a large wave of Kosovar refugees that fled from the imminent war. An external intervention seemed inevitable and NATO started to bomb strategic targets in Kosovo in 1999, following the Rambouillet Agreement. A UN-protectorate was established in Kosovo during that time, which ended most of the open hostilities (Malcolm 1998; Biermann et al. 2008).

Violent assaults on ethnic minorities such as Roma and Serbs have been reported ever since, with a major event in 2004, though the situation has been relatively calm after the UN has claimed military control over Kosovo. The legal state of the country remains ambiguous; the Republic of Kosovo proclaimed their declaration of independence from Serbia on the 17th of February 2007, but has only been recognized as an independent state by 109 out of 193[9] member states of the UN (Biermann et al. 2008). The history of Kosovo shows that it comes as no surprise that Kosovo has faced massive emigration over and over again. The three most recent

[9] This number of recognition are repeatedly adjusted due to ambiguities in other state's legislation and continuous political acceptance procedures and should therefore be considered with caution.

waves of migration to Switzerland and its local Kosovar diaspora are the topic of the next chapter.

2.2 THREE (OR FOUR?) WAVES OF MIGRATION TO SWITZERLAND

Switzerland is home to around 170'000 Kosovars[10] (Iseni 2013), which makes it the second largest diaspora in the world after Germany (Haxhikadrija 2009). Scholars usually refer to three different phases of emigration from Kosovo[11] to Switzerland in the last fifty years: the first one in the mid-1960s was composed of low-skilled, mainly male laborers who came to Switzerland primarily to work. The second wave of emigration from Kosovo in the 1980s was an interplay between pull- and push-factors: the economic stagnation and discrimination of Albanians in former Yugoslavia forced many ethnic Albanians to migrate, while Switzerland was reliant on cheap labor from abroad to support the emerging economic boom after the oil-crisis in 1973 at the same time. New immigration policies were implemented to attract and take advantage of the mainly male Kosovar laborers, i.a. the infamous 'seasonal status'[12]. The third and so far largest wave of emigration was triggered in the 1990s by two main reasons: first, family members of laborers were allowed to move from Kosovo to Switzerland to reunify with their relatives after the seasonal status was abolished. Second, thousands of refugees fled from Kosovo after the outbreak of war and applied for asylum in Switzerland, of which many were accepted. These three phases contributed to the fairly large Kosovar diaspora that is still present in Switzerland (Havolli 2009; Haxhikadrija 2009; Iseni 2013). Recent developments foreshadow a fourth wave of emigration from Kosovo, as thousands of Kosovars have tried to make their way to Western Europe at the beginning of 2015. This also drew massive media attention, which called it the new 'exodus' of Kosovo. It is still speculation to point to factors that might have triggered this trend, but economic despair and the perceived absence of a promising future in Kosovo might be crucial determinants. Therefore, it makes sense to have a closer look at the situation in Kosovo today in the next subchapter.

2.3 KOSOVO TODAY

A very distinct characteristic of Kosovo today is that its population is very young, which is an interesting analogy to the also young country *per se*. According to an official census conducted in 2011, half of the population is younger than 28 years.

[10] This figure is by no means beyond controversy, since it is an estimate due to the lack of up-to-date figures and naturalizations of Kosovars in Switzerland.

[11] As Kosovo was officially part of Yugoslavia and later Serbia until 2008, these phases refer to all Albanian-speaking areas in the Western Balkans, including parts of Albania, Montenegro, Serbia and Macedonia.

[12] The 'Saissonierstatut' from 1934 regulated the allocation of short term stay permits for foreign workers in Switzerland until 2002. Foreigners could originally not bring their families along and were only allowed to stay between four and nine months to work in Switzerland, before they had to go back to their country of origin.

In contrasts stands the worryingly high unemployment of among 30.2% Kosovars between 15 and 24, though this figure might be higher today and could reach close to 50% (Kosovo Agency of Statistics 2013). The Kosovar population today is also characterized by a mix of different ethnicities and religions. The most predominant ethnical background of its population is Albanian (92.9%), followed by Bosnian (1.7%), Serbian (1.6%), Turkish (1.1%) and others including Romani (0.9%). The most predominant religion is Muslim (95.6%), followed by Orthodox (1.5%), Roman Catholic (2.2%) and others (0.7) (Central Intelligence Agency 2015).

Figure 1: Fifty percent of the population in Kosovo is younger than 28 years: bus station in Gjakova.

Not surprisingly with such high unemployment rates, scholars and commentators describe the contemporary situation in Kosovo as rather ambiguous: the country seems to contain many economic, political and social potentials and rays of hope, while it also faces almost insuperable challenges at the same time. This picture is most accentuated in Kosovo's economy: on the one hand, it seems privileged through i.a. a relatively high level of young, educated, cheap and abundant work-force, a central geographic location, good political connections to the European Union and the United States, low internal taxation, and VAT-exempted exports. On the other hand, i.a. a weak infrastructure, a lack of a proper trustworthy legal system, widespread corruption and nepotism, and a tremendous dependency on imports (capital through remittances, but also goods) strongly becloud Kosovo's economic outlook (Sklias & Roukanas 2007; Haxhikadrija 2009; Shaipi et al. 2014). It seems as though its economy stands at an important crossroads with either a transformation of potential into economic development, or amplifying deficits. Persistent efforts by the international donor community and the Kosovar civil society to establish an attractive investment climate, good governance and judiciary are clearly aiming to initiate the former.

The political situation in Kosovo has steadily improved in the last couple of years and is relatively stable today. There are three different institutions with authority in Kosovo due to the unresolved conflict about its legal state: the Kosovar Government, the Assembly and the United Nations Interim Administration Mission in Kosovo, UNMIK (Sklias & Roukanas 2007). The political party landscape in Kosovo is very heterogeneous and consisting of many small parties, divided not only by different political opinions, but also by ethnic lines. Sklias and Roukanas (ibid.: 285) see in this pluralistic political environment a proof for the "lack of political maturity and political culture" in Kosovo, which has yet to settle in. Politically and socially explosive are still ethnic divides and, linked to the economy, the high unemployment rates.

Scholars, consultants, NGOs, Civil Society organizations and a range of international development institutions have been engaged in finding a trajectory for Kosovo to overcome the obstacles and benefit from its potentials. There is obviously not a distinct and unique way to do this, but one piece of the puzzle could be a stronger outreach to the Kosovar diaspora, especially the second-generation, which has gained the skills, ideas and money to rationally invest in Kosovo. This in turn will provide new jobs, consolidate the domestic economy and facilitate social kit to stop the potential erosion of the Kosovar society. Those theses are examined in a little bit, but first I set up a conceptual framework around the topic of transnational entrepreneurship by second-generation Swiss-Kosovars.

3 CONCEPTUAL FRAMEWORK

3.1 INTRODUCTION

Finding suitable and plausible theoretical approaches to use for this thesis proved to be a difficult task. This is caused by two factors: first, even though there is a decent body of literature on 'transnational entrepreneurship', the part covering 'circular entrepreneurship', which addresses the transnational *conduction* of a business, has gained much less academic attention. The result is an underdevelopment of theoretical conceptualizations to comprehensively incorporate this type of entrepreneurship. Second, academics have almost completely ignored transnational entrepreneurship of the second-generation, which leads to a second conceptual gap in the literature. I nevertheless draw on the existing theoretical literature on 'transnational entrepreneurship' to build the foundation of this conceptual framework. However, I borrow some theories from other disciplines and contexts to support insufficient or unconvincing aspects of 'transnational entrepreneurship'. This does not include any relevant material to the second-generation – there just seems to be none. For the lack of alternatives, I can only adapt my conceptual framework to 'second-generation transnational entrepreneurs' to theoretically explain how they might discover a business opportunity – the rest refers to transnational entrepreneurs in general. This issue will be reassessed in the discussions of the empirical results.

I begin this chapter by outlining the concept of 'brokerage' that I initially thought would best describe the transnational activities of my focus group – which turned out to be a false assumption. However, I discovered some other interesting brokerage-functions during my empirical inquiries, which justifies a quick engagement with this conceptual all-rounder. I will then introduce the concept transnational entrepreneurship in chapter two, followed by a enhancement of its half-baked parts through the adaption of other theories, namely 'entrepreneurship', 'structural holes' and 'transnational social fields' to make a more practically oriented theoretical approach especially targeted to the *ignition*-process in chapter three.

3.2 STARTING POINT: BROKERAGE

The initial assumption of this thesis was as follows: the main function of transnationally active second-generation Swiss-Kosovars is to connect mostly financial resources in Switzerland with promising business ideas in Kosovo. Such a mediation and bridging dynamic could be described and analyzed by applying the concept of 'brokerage', which has had a long tradition in social sciences with a considerable output. Influential social anthropologist Jeremy Boissevain (1974) was the first scholar who officially introduced this term and conceptualized 'brokers' as profit-seeking dispensers of second order resources, for instance direct or indirect contacts to powerful social actors. This new actor-oriented approach challenged "

structural-functionalist models by highlighting the ways in which social actors operate as active agents building social, political and economic roles rather than simply following normative scripts" (Mosse & Lewis 2006: 11) and was largely adapted in following studies, which drew on this conceptualization. In an attempt to make it more practical, Marsden (1982: 202) defined brokerage as a process "by which intermediary actors facilitate transactions between other actors lacking access to or trust in one another." These intermediaries can thereby charge 'commissions' for their bridging services, but this is not an inherent characteristic of the concept, as Gould and Fernandez (1989) showed with their typology of different brokerage relations; brokers might belong to the same social group as the individuals they connect, for instance as group coordinators. The defining and distinct feature of brokers is therefore that they connect two individuals or social groups that could have not done that directly (Fernandez & Gould 1994).

My initial assumption was that second-generation Swiss-Kosovars primarily act as brokers, who connect Kosovar entrepreneurs and Swiss investors in the establishment of transnational businesses to get a share of the enterprise, or any another commission, for their efforts in return. The argument was the following: second-generation Swiss-Kosovars who grew up in Switzerland have the social and technical skills to apply for a credit or might even know investors personally, while they either themselves have promising business ideas in Kosovo or know people who do so, but lack the money. They could create a win-win situation by, figuratively speaking, connecting money with ideas.

However, as it transpired quickly during my empirical inquiries, the economic activities of second-generation Swiss-Kosovars do not correspond to the concept of brokerage to the extent that I expected; my findings show that the mediation between at least two social actors exists, but it is by far not a dominant feature of second-generation Swiss-Kosovars' activities. Instead, the individuals I examined are entrepreneurs, who came up with a business idea, raised the finances to go into operation and now manage their enterprise. In addition to this conceptual mismatch, brokerage faces a problem of ubiquitousness, or "empirical open-endedness" (Mosse & Lewis 2006: 13), because it can be applied to functions, activities and dynamics in almost all social contexts. Even though some aspects of mediation are reflected by some of the empirical results, a more specific and adequate concept is needed to be able to grapple with the complex topic of transnationally active second-generation entrepreneurs. The iterative process inherent in the conduction of this study allowed me to go back and to reassess existing literature to adapt the conceptual framework to my empirical findings.

3.3 TOWARDS A CONCEPTUALIZATION OF TRANSNATIONAL ENTREPRENEURSHIP

3.3.1 DEFINING TRANSNATIONAL ENTREPRENEURSHIP

At the intersection of business literature and migration studies, a focus on 'transnational entrepreneurship' has started to gain respectable academic attention at the beginning of the last decade, following the focus on transnationalism in social sciences. Not surprisingly, literature from a business background has traditionally tended to put emphasis on the aspect on 'entrepreneurship' (Yeung 2002; Riddle et al. 2010; Crick & Chaudhry 2015), whereas social scientists primarily focused on the 'transnational' characteristics of this phenomenon and its implications (Itzigsohn et al. 1999; Landolt 2001; Portes et al. 2002). Landolt and her colleagues (1999) were the first scholars to propose a convincing typology of 'transnational entrepreneurship', in which 'circular enterprises' is the only type that includes the transnational *conduction* of business[13], the distinct feature of Fitim's, Jonida's and Drilon's transnational economic activities. The transnational conduction of a business includes the flow of both tangible and intangible resources, such as capital and products or services, across borders (Sequeira et al. 2009: 1027).

With the appearance of new forms of telecommunication and cheap travel, scholars have started to pay attention to the transnational conduction of business, but according literature remains rare (Light 2007). Even though a group of Israeli-American scholars has recently made an attempt to summarize and to theoretically formalize previous discussions about circular transnational entrepreneurship (Drori et al. 2006; Drori et al. 2009), a persuasive conceptual framework to draw on is still missing. This might be due to the fact that the majority of scholarly literature to this topic is either theoretical or only based on anecdotal evidence, which hence requires the inclusion of specific concepts from entrepreneurship and transnationalism (Riddle 2008). However, it allows the adaption of a suitable and adequate lens to look at the phenomenon of second-generation Swiss-Kosovar entrepreneurs for this thesis.

In an early attempt to find a general definition of transnational entrepreneurs, Portes et al. (2002: 287) conceptualized them as "self-employed immigrants whose business activities require frequent travel abroad and who depend for the success of their firms on their contacts and associates in another country, primarily their country of origin." Essential to their definition is the emphasis on the entrepreneurs' social network or embeddedness in two different spatial contexts[14]. Drori et al. (2009: 1001) enhance this definition by explicitly including the transnational conduction of the business and conceptualize transnational entrepreneurship as a process that "involves entrepreneurial activities that are carried out in an cross-national

[13] The others are 'return-', 'cultural-', 'ethnic-' and 'elite expansion enterprises', see Landolt et al. (1999: 300ff.).

[14] I adapt the simple yet effective definition of network as "(...) a chain of social relationships specific to each person" (Fouron & Glick-Schiller 2006: 172)

context, and initiated by actors who are embedded in at least two different social and economic arenas". In addition, some scholars have stressed the simultaneity of business operations in both the country of residence and the country of origin of the entrepreneurs (Riddle et al. 2010).

In yet another definition, Yeung (2002: 30) rightly adds a structural perspective to not only focus on entrepreneur's transnational characteristics, but also on the institutional context in which they operate, and therefore describes their actions as being shaped by the "institutional relations" they are part of at both ends of their transnational business, for example social and business networks or political-economic structures. Hence, transnational entrepreneurs form business strategies that are influenced and molded by institutional opportunities and constraints in social, economic, political and symbolic domains (Drori et al. 2009). Furthermore, scholars have made the distinction between transnational entrepreneurship 'from above' and 'from below'. 'From below' characterizes transnational entrepreneurs who independently found their businesses using their own social capital, network and exploiting opportunities in both their country of residence and their country of origin. This stands in contrast to those who are actively recruited and supported by for instance governments or NGOs (Portes et al. 1999; Light 2007). The definitional approach presented in this chapter primarily inaugurates the different dimensions of transnational entrepreneurship and makes it conceivable and operational. I will first discuss some continuative theoretical considerations on perspective, before I switch from the definitional to the operational level.

3.3.2 PERSPECTIVE CONSIDERATIONS

The mixed business/social science background of this particular concept results in the existence of two frameworks with different paradigms. This is most visible in the choice of the studied object: business literature usually examines the transnational characteristics of an entire firm or start-up in their efforts to upscale their business activities, while the most popular unit of analysis in the social science-influenced literature is the individual (Drori et al. 2009). For this thesis, relying on Yeung's (2002) considerations, I will adapt a perspective and a theoretical approach that is clearly informed by the classical social science for this thesis, with the goal to primarily learn more about the agency of individual entrepreneurs. However, the individual entrepreneur is embedded in a social, economic and cultural context, which makes it necessary to consider the influence of structures as well. In line with Drori et al. (2009: 1014), I hence understand actions of transnational entrepreneurs to "stem from their possibilities within a structural context that reflect both individual decisions and motivations, as well as the respective institutional environment."

Incorporating awareness for institutional structures in the context of this thesis is indispensable for two reasons: first, transnational entrepreneurship includes the capability of certain individuals to simultaneously navigate through two different structural contexts, which displays a distinct characteristic of transnational entrepreneurs. The importance of analyzing institutional structures in the *habitus* of

transnational entrepreneurs as a means to understand their actions and decisions is therefore stressed. Second, a conceptual framework considering structures allows to "embrace the importance of agency in creating structure" (ibid.: 1003). According to that, transnational entrepreneurs are not only "passive adherents to institutional constraints, but actively mold them to suit their own unique initiatives" (ibid.). This argument will be empirically tested in a twofold way: First, I will analyze how they handle institutional constraints in their workaday life, for instance emerging obstacles and problems. Second, I examine their interactions with official Kosovar state institutions, which will show how much political leverage the entrepreneurs have to proactively mold the institutional structure they operate in. This will enable conclusions about their potential impact on the social and economic development of Kosovo.

3.4 TOWARDS AN OPERATIONALIZATION OF TRANSNATIONAL ENTREPRENEURSHIP

3.4.1 THE (TRANSNATIONAL) ENTREPRENEURIAL PROCESS

Scholars engaged in theorizing transnational entrepreneurship have been working on explaining how transnational entrepreneurs discover business opportunities, on defining factors that motivate them to then start an enterprise and on potential economic and social implications for the geographical context they operate in. However, researchers have not proposed a systematical approach to analyze these different steps of the entrepreneurial process under the conceptual umbrella of transnational entrepreneurship yet – but economists working on the general theory of entrepreneurship, such as Scott Shane, have.

Shane's (2003: 4) definition of entrepreneurship includes a division of different stages in entrepreneurial processes as he conceptualizes it as "an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material through organizing efforts that previously had not existed". These three stages, 'discovery', 'evaluation' and 'exploitation' of 'entrepreneurial opportunities', result, generally speaking, in a modification of the economic status quo. This proposed subdivision of the entrepreneurial process allows a methodical assessment and combination of different theoretical approaches from 'transnational entrepreneurship', 'structural holes' and 'transnational social fields', to operationalize the *ignition*-part of this thesis, which will be discussed in the next three chapters.

3.4.2 THE DISCOVERY OF A BUSINESS OPPORTUNITY

Numerous theoretical explanations exist to argue how entrepreneurs discover business opportunities, which is in fact the best-described aspect of transnational entrepreneurship. There seem to be two threads that scholars have developed in the past to assess the process of discovery. One emphasizes the access to specific

information that might not be available to other individuals, while the others describe more general factors. Literature on transnational entrepreneurship has primarily focused on the entrepreneurs' distinct ability to discover business opportunities because of their embeddedness in two social worlds, and hence because of a better access to various information. However, these theoretical considerations fall short of describing how this process functions in practice, which is why I draw on the theory of 'structural holes' to better illustrate this dynamic. This conceptualization discloses yet another theoretical problem specific to the analysis of the second-generation in this context: how do they have access to information in Kosovo when they have mainly grown up in Switzerland? Assessing the theory of 'transnational social fields' offers a persuasive answer by pointing out how important 'nodes of information', for instance their parents, other kin, or friends, enables them to obtain specific information about Kosovo without physically moving. These theoretical arguments suggest determinants of how entrepreneurs discover business opportunities, which can then be applied and compared to the empirical findings in the next chapter.

Shane (2003) has proposed two different determining categories to generally explain why some social actors discover entrepreneurial opportunities. The first category includes two factors of the entrepreneur's personal capability – basically the personal characteristics of the yet potential entrepreneur -, the absorptive capacity and the cognitive processes of the individuals. According to his argument, opportunities may be better recognized with a high absorptive capacity, which is characterized by "prior knowledge about markets and prior knowledge about how to serve markets (ibid.: 60). This indicates the importance of examining the life history of Fitim, Jonida and Drilon to see what they did before they have decided to start their own business. Shane's argument suggests that their experience in their previous jobs might have a crucial impact on their ability to discover new business opportunities. Cognitive processes of the entrepreneurs such as intelligence, perceptive ability, creativity and not seeing risks on the other hand are difficult to operationalize in the empirical part, but will be considered in a more reflective manner in the discussion.

The second determining category of Shane is access to information. He perceives the likelihood for people to gain such a relevant access to be determined by three factors, which are previous life experience, concrete information search and the social network structure of the individuals. Academics describing transnational entrepreneurs have primarily focused on the role of their social embeddedness in discovering business ideas by repeatedly stating that these entrepreneurs can identify new market opportunities because of their position in a transnational network (Saxenian 2002; Light 2007). This broad statement is narrowed down by Drori et al. (2009: 1001-2), who emphasize the critical role of information in the success of an organizational endeavor. Transnational entrepreneurs, according to their argument, profit from unique informational flows, stemming from their social networks in two geographically different locations, thus "they are in a unique position to identify and exploit opportunities that might not be otherwise recognized" as, for instance, op-

posed to entrepreneurs who are only located in a single geographical context. Other scholars have emphasized the importance of their circular movement between the different sites of their economic activities, as this not only fosters transnational knowledge and social networks, but also creates specific opportunities for transnational entrepreneurs, because they are able to leverage unique cultural resources or market knowledge in their enterprises (Portes et al. 2002; Riddle et al. 2010).

However, these assumptions fall short of explaining how exactly the transnational entrepreneurs can transform access to two different social networks into the *own* discovery of a business opportunity. This is where Burt's (1992, 2004) 'structural hole' theory can fill the gap. Structural holes are holes in the information flow between groups, which are formed because the members of these groups only focus on activities inside their own group. People, for that matter also entrepreneurs, who are able to span these structural holes, not only between social groups, but for instance also between two geographically different economic contexts, may provide "a vision for the otherwise unseen" (Burt 2004: 349). Through their exposition to the diversity of surrounding opinions and behaviors, "they are more likely to detect productive new combinations of previously segregated information" (Burt forthcoming: 4). Having access to two usually separated social groups or economic environments[15], for example their job in Switzerland and their family and friends in Kosovo, might therefore enable second-generation entrepreneurs to gain an advantage of information and to eventually detect entrepreneurial opportunities that are hidden in the structural hole.

Second-generation Swiss-Kosovar entrepreneurs might therefore detect a business opportunity because they are able to span these structural holes. This conceptualization presupposes the entrepreneur's access to two different social fields. As this seems to be obvious for the first-generation, it is less clear for members of the second-generation, who have spent most of their life in Switzerland. The theory of 'transnational social fields' offer a good approach to explain why Fitim, Jonida and Drilon had access to a social network and to information in Kosovo without regular physical travelling prior to their decision to establish a transnational enterprise.

3.4.3 THE PRECONDITION OF HAVING ACCESS TO TWO SOCIAL FIELDS

An integral part of the conceptualization of 'transnationalism' is its socio-spatial dimension. Contemporary interpretations conceive the arena of transnational activity as fluid social spaces that are under constant revision due to the migrants' simultaneous embeddedness in several contexts (Dahinden 2005; Levitt 2009). Scholars have first of all referred to 'social networks' across borders, mostly consisting of interlinkages to their families, friends etc. that migrants sustain to their sending communities. Some transnational social networks might face a very strong and widespread effect of migration, so "that a 'transnational social field' or public

[15] Burt is not very specific on what "social groups" might be, which is why I freely adapt this concept to the transnational context.

sphere emerges between the sending and receiving countries" (Levitt & Waters 2006: 9), which not only connects people within a specific social network, but each person located within such a transnational social field. Accordingly, 'social fields' are "multidimensional, encompassing structured interactions of differing forms, depth, and breadth (...)" (Levitt & Glick-Schiller 2004: 1009), while national boundaries are not necessarily coherent with the boundaries of social fields[16].

This conceptualization leads me to draw an incisive conclusion[17]: I use it as a helpful tool to theoretically explain how children of migrants, or the second-generation, are part of a transnational social field without physically migrating. As Levitt and Glick-Schiller explain, the appliance of social fields allows linking those who move and those stay behind – or those who grew up in a receiving country for that matter. The emphasis on the "direct experience of migration" is weakened in favor of "domains of interaction where individuals who do not move themselves maintain social relations across borders through various forms of communication". Central individuals, who preserve high levels of contacts to their homeland, may serve as a "node", through which others may receive information, resources and identities. The transnationally less active individuals stay or get informed just because they are part of the same transnational social field as these nodes. This conceptualization explains why Fitim, Jonida and Drilon are part of a transnational social field, which enables them to access information in Kosovo without being there physically. They can then combine the information about Kosovo and about Switzerland to detect specific market opportunities and to start evaluating them, which might or might not lead to their decision to exploit them.

3.4.4 EVALUATION AND EXPLOITATION OF A BUSINESS IDEA

Discovering a business idea does not automatically imply the exploitation of it - entrepreneurs first evaluate the opportunity to then decide what actions they take. Literature on transnational entrepreneurship has been weak on assessing the factors that might influence such a decision, with the exemption of the work of economist Liesl Riddle and her team. This is why this chapter is mainly based on their theoretical considerations. Her findings are then complimented with a couple of Shane's more general considerations and the theory of 'long distance transnationalism', which draws on the theory of transnational social fields. These theoretical factors that determine transnational entrepreneurs' decision (not) to launch a business can

[16] This definition is also indirectly discarding the blinders of 'methodological nationalism', as it still accepts the importance of nation-states as defining spatial boundaries for research, but also allows the conceptualization of social life as not being confined by them entirely (Levitt & Glick-Schiller 2004). Methodological nationalism can be understood as "(...) the tendency to accept the naton-state and its boundaries as a given in social analysis" (ibid.). For a comprehensive treatise of methodological nationalism in this context, see Wimmer & Glick-Schiller (2003).

[17] Studying 'social fields' can lead to a variety of other conclusions in a social science context, which is demonstrated by the multiplicity of academic literature to this topic. For Bourdeu's original meaning of social fields, see Bourdieu (1984), for an interpretation Jenkins (1992) and for a nice overview of its adaption in different fields, see Hilgers & Mangez (2014).

be compared to the results of my empirical inquiry and will eventually allow to answer the research question of set A (see *Chapter 1.3*).

The theoretical conception to explain the motivation and decision of transnational entrepreneurs of Riddle and her team includes three broad categories of motivational dynamics: 'financial investment motives', 'emotional investment motives' and 'social status motives' (Nielsen & Riddle 2010). 'Financial investment motives', which assume that "the potential to make money and improve the net worth of portfolios" (ibid.: 438) is the key driver of investment interest, can be described as *rational* motives in a classical sense. In this classical understanding of an individual's economic agency, 'being rational' expects investors to prefer more to less, manage risk and return and demand higher returns to compensate for increased risk. The chance to make money might be a crucial factor for second-generation Swiss-Kosovar entrepreneurs to invest, as for instance the importance of emotional motives might decrease substantially for the second-generation. However, Nielsen and Riddle advocate to open up this narrow scope from the rationale thought to include other determinants that may drive investment decisions.

Still under the conceptual umbrella of financial investment motives, they first make their point by recalling the effect of a 'country-of-origin bias': "Diasporans may believe that their experience in, knowledge of, and social contacts within the country of origin arms them with valuable, investment-relevant local information" (ibid.), which might be especially advantageous in emerging economies such as Kosovo, where accurate information about the political, legal and market environment is scarce. According to the theoretical argument, the bias may increase the entrepreneur's financial return expectations, which leads to a higher investment interest at the end. In other words, even though investing in Kosovo does not seem to be *rational* for neutral analysts, members of the Kosovar diaspora believe that they have the social and cultural tools needed to establish a potentially profitable business in Kosovo. Even though such a decision might seem irrational from a Swiss point of view, Swiss-Kosovars might still perceive it as rational.

'Emotional investment motives' on the other hand describe entrepreneurs' expectation of "feeling significant emotional satisfaction when contemplating investment" (ibid.: 439). Instead of a financial return, entrepreneurs might expect an 'emotional return' or a satisfaction they receive by 'helping out the homeland'. Furthermore, Riddle et al. (2010) formulates two additional arguments for emotional investment motives: they might have a feeling of obligation to contribute to the economy and stability of their country of origin, for instance in its endeavors to become economically independent and thus to be less depending on outside sources such as diaspora remittances or to provide friends and family back home with economic opportunities.

Fouron and Glick-Schiller offer a specification of this argument by introducing the concept of 'long distance nationalism'. As I laid out earlier, the theory of transnational social fields can explain different sensations of belonging. Of particular interest is the concept of long distance nationalism, which refers to "ideas about belong-

ing that link people living in various geographic locations and motivate or justify their taking action in relationship to an ancestral territory and its government" and binds immigrants, their children and people who have remained in their homeland into one single "transborder citizenry" (2002: 173). This type of nationalism is not just manifested in sentiments and imaginations, but also in concrete actions, such as the contribution of money, the creation of work and so on. Long distance nationalism goes beyond a passive feeling of obligation, which is the key driver of ordinary financial remittances; it requires a proactive will to support the country of origin, which is explained by national, or for that matter patriotic feelings.

Furthermore, 'social status investment motives' perceive social recognition to be a major inducement for transnational entrepreneurship. As Nielsen and Riddle (2010: 441) constitute, a "key method for gaining social-status recognition within diaspora communities and organizations is to invest in the country of origin", which drives the intention for investments (Riddle et al. 2010). Doing something for the homeland in form of investing might increase the entrepreneur's recognition and maybe fame within the diaspora community, which can also be a motivational factor. In summary, these non-pecuniary investments might motivate transnational entrepreneurs to make a positive decision that is not primarily targeted at immediate rich profit, but may be the beginning of the country's long-term economic and social development (Riddle 2008) – something that regular financial remittances can only hardly do as studies have revealed. This might indicate the new characteristics of economic transnational relationships between Switzerland and Kosovo, which might have a long-term and more sustainable impact than remittances.

Finally, Shane (2003) proposes, among others, two other factors of personality that increase the probability of a positive evaluation of entrepreneurial opportunities: a high risk-taking propensity and a high level of independence. He suggests that entrepreneurs need to be able to take risks, which might be particularly true for second-generation entrepreneurs who do not have family obligations yet. This is also a character trait that differs from individual to individual, as is the degree of independence. AS will be seen, both of these factors bear some relevance in the case of Fitim, Jonida and Drilon.

I demonstrated in the last three chapters that the first set of research questions about the ignition of transnational entrepreneurship can be quite convincingly put in a conceptual framework, especially by consulting some auxiliary concepts from other disciplines. However, this is not the case for the aspects of operation and leverage. Entrepreneurial operation has been discussed widely in the economic literature, but not from a point of view of the actual entrepreneur, not even to mention of a transnational entrepreneur. Scholars have skipped the concrete operation of transnational entrepreneurs' businesses and entered the discussion again to theoretically assess the effects of their operations, which will be discussed in the next chapter.

3.4.5 EFFECTS OF TRANSNATIONAL ENTREPRENEURSHIP

As I have demonstrated in the introduction (see *Chapter 1.2*), academic literature is rich in studies that examined the migration-development nexus, especially the influence of remittances on sending countries. Even though there is no well-grounded theoretical approach to study the effects of transnational entrepreneurship to draw on, I want to include some theoretical statements of particular scholars to at least obtain some hints for this conceptual framework. The concept 'brain drain/brain gain' has received a lot of academic attention in migration studies, especially in the discussions around 'return migrants', but it has also swapped to other phenomena.

Riddle (2008) presents a plausible translation to the context of transnational entrepreneurship. Migrants, who often gained substantial knowledge and skills in their country of residence, may remit this acquired human capital back to their origin country once they return to start a new business (Saxenian 2002). Furthermore, they might assume the role of transnational knowledge linkages to contribute "to the diffusion of technology and production of know-how from individuals in the country-of-origin to the country-of-residence" (ibid.: 33). I presume that this particular effect might even be accentuated in the context of my thesis, as second-generation entrepreneurs were fully educated in the receiving country and might have gained even more human capital they can remit.

An obvious effect on sending countries might be an incipient economic and social development, induced by their ideas, resources and employment opportunities transnational entrepreneurs bring with them. Furthermore, the sheer presence of transnational entrepreneurs might support them in the internationalization of domestic firms by enhancing their transnational cap, for instance by improving their reputation in foreign markets (Ramamurti 2004; Riddle 2008). Transnational entrepreneurs might also be trailblazers for others by preparing an emerging markets for non-diaspora investors by introducing international standards to these economies (Riddle et al. 2010). It therefore can be reasonably assumed that the effects of Swiss-Kosovar transnational entrepreneurship can have a considerable impact on development in theory – again with a more long-term, more sustainable effect compared to ordinary financial remittances. However, this also accounts for a hospitable institutional environment in the sending country, which enables nurturing and modifications proposed by transnational entrepreneurs (Riddle 2008).

3.4.6 A FIRST HINT ON POLITICAL LEVERAGE

Similar to the actual operation of transnational entrepreneurship, theorizing political leverage from the perspective of entrepreneurs has also not been popular in the international academic world, as there seems to be no theory that frames political leverage for transnational entrepreneurs. Some scholars involved in studying transnational entrepreneurship have described how states could attract such investments and what states could profit most from diaspora investments. Investment-attraction strategies have been a noted to be particularly reasonable for countries "that might be deemed less attractive by non-diaspora investors because of small

domestic market size, inadequate infrastructure, or less-attractive structural characteristics" (Riddle et al. 2010: 400). Economic literature has come up with a specific concept that describes these explicit government strategies of targeting investments and entrepreneurship from the diaspora, 'creative foreign investment strategy' (Gillespie et al. 1999; Riddle et al. 2010). Kosovo is such a country that has difficulties to attract non-diaspora investments, as its business environment consists of multiple confinements. It therefore seems appropriate to assume that Kosovo has a particular interest in attracting investments from the diaspora – and consequently allows investors to obtain some political leverage.

Other governments, most prominently Israel, China and India, have initiated policies and marketing programs to attract investment capital from their diasporas abroad (Saxenian 2002). Such efforts can only bear fruit when "there [is] something to return to", as Portes & Yiu (2013: 92) legitimately constitute. As an example, they mention the creation and support of scientific and technological centers, which are "capable of engaging with professionals expatriates and encouraging knowledge transfer and investment from them" (ibid.). I deduce one important conclusion from their statement: governments in sending countries must create opportunities of interconnection – be it between local and transnational entrepreneurs, or between government and entrepreneurs to allow a change for the good.

The last two chapters have shown that the research questions of set B (operation) and C (leverage) cannot directly be put in a conceptual framework. I have aimed at assembling some theoretical fractions to obtain at least some aspects that I can refer to later in the empirical chapter and especially also in the discussion. In addition, this underlines the explorative character of this thesis, as I provide first evidence to theorize the operation and the political leverage of second-generation transnational entrepreneurs. I now turn to present the methodological approach of this thesis in the next chapter.

4 METHODOLOGY

4.1 INTRODUCTION

I apply a case study approach for this thesis, which is based on a qualitative research paradigm. I therefore utilized qualitative research tools such as semi-structured interviews, participatory inquiry techniques and participatory observation to conduct this research in the field. In general, qualitative research leads to negotiated, contextual and interpreted knowledge, which is only being produced through interactions between the researcher and his/her environment (Meier Kruker & Rauh 2005). Accordingly, my goal was not to test hypotheses that have been proposed prior to my empirical research, but to move forth and back between theory, methodology and empiricism, as I kept my eyes open to observe new and unexpected results at all times. This shows the qualitative and inductive methodological character of this thesis. I show how I have gained access to the field both in Switzerland and Kosovo in the first section, before I elaborate on the data collection in part two. Part three illustrates how the data was analyzed and interpreted, followed by some critical reflections on limitations.

4.2 ACCESS TO THE FIELD

4.2.1 PREPARATION: THE CREATION OF A NETWORK

An important precondition to the conduction of this study was the creation of an informative, supporting and wide network, which would provide me with contacts and other subsidiary information. The only connections I initially had to this topic was my colleague at the airport and a couple of other second-generation Swiss-Kosovar friends, so I invested a lot of time and effort to assemble relevant contact information and to build a network through the cooperation with Helvetas, direct approaches and the attendance of conferences and meetings. The collaboration with Helvetas, and especially with their office in Pristina, proved to be very valuable for me in a twofold way: first, I could rely on them for all sorts of general and practical questions regarding the context of Kosovo, which also included a sporadic exchange and reassessment of my empirical findings. Second, they assumed the role of a contact broker for me and activated their own network to directly put me in touch with people they know, both before and during my fieldtrips to Kosovo. This was particularly helpful to gain access to government institutions, such as Ministries and different communities, but they also introduced me to Fitim, who now obtains a central role in this thesis.

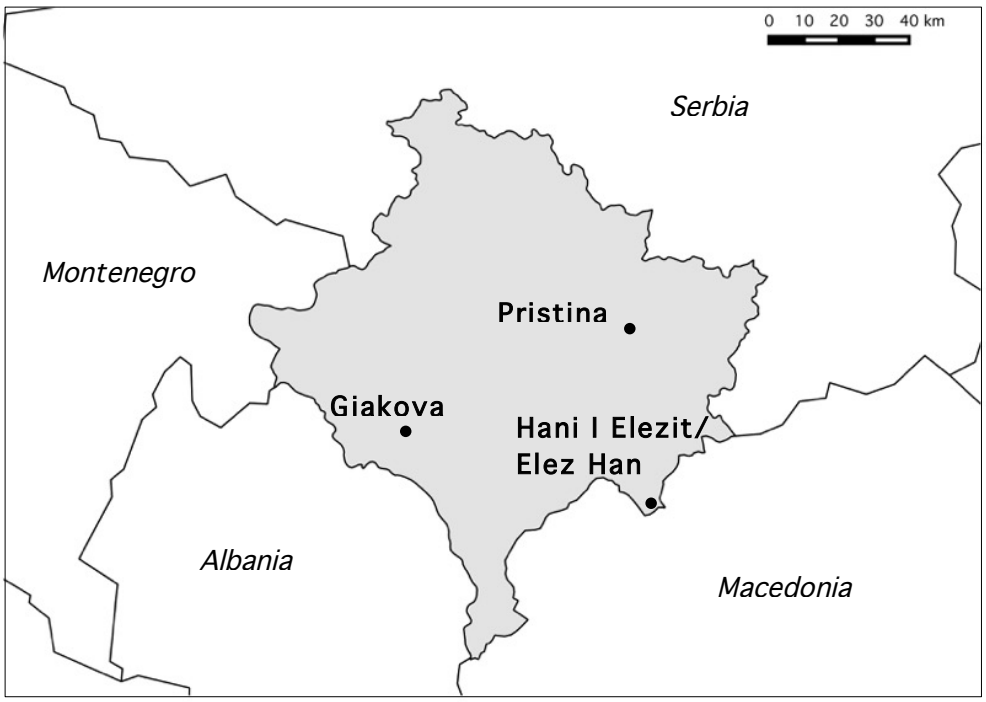
I also actively approached people without any brokering support in parallel. This usually happened via e-mail, where I explained my research intentions and usually attached a more comprehensive overview with an official 'University of Zurich'-design. In case I did not receive an answer within two weeks, I resent this e-mail

once, before I assumed that my counterpart was not interested to take part in my research. I identified potentially interesting respondents through an extensive research on the internet. The thereby generated list of contacts did not only include entrepreneurs, but also Swiss-Kosovar politicians, prominent figures of the Kosovar diaspora in Switzerland, Swiss and Kosovar journalists, experts, scholars, NGOs, various embassies in Pristina and state-run cooperation and development organizations. This led to a 'snowball effect', as these contacts sometimes connected me to their own personal network (Krackhardt & Porter 1986).

The attendance of three conferences helped me to scale up my network as well. Extensive *apéros* subsequent to the official part of these events allowed me to connect with people and to share contact details – which is also how I first met Jonida and Drilon among others. Together with the contacts provided by Helvetas and the people who replied to my e-mails and offered support, this enabled me to create an effective and extremely supportive network, from which I benefited greatly during my empirical inquiries. The inherent transnational character of second-generation Swiss-Kosovar entrepreneurs demanded fieldwork in two different geographical contexts. This field access both in Kosovo and in Switzerland will be discussed in the next two chapters.

4.2.2 FIELD ACCESS IN KOSOVO

A substantial part of my fieldwork was conducted in Kosovo during two separate trips. These trips differed quite a bit in their intention and in their characteristic. My first journey to Kosovo was in January 2015 and lasted for ten days. It was primarily aimed at becoming acquainted with the local context, since I had never been in Kosovo before. In addition, I had already arranged several interviews with informants prior to departure, including two local scholars, two journalists and two representatives of influential embassies, all in Pristina, but still planned in enough room for more spontaneous interactions. The goal of these prearranged interviews was to hear about the respondents' experiences with and opinions about the effect of diaspora contributions in general, but also specifically of entrepreneurial activities. I had also arranged plans to see Fitim's office in Pristina, whom I had already known by then, where I additionally had the chance to talk to two of his local employees. As expected, other opportunities to collect data appeared once I took up quarters in Pristina. I was invited to the city of Gjakova and to the smaller community of Hani i Elezit/Elez Han, both a little bit more than a bus hour away from Pristina, to hear about their experiences and strategies to attract diaspora investments (see *Map 2*). The choice of these two sites of research was pragmatic, as Helvetas provided me with a contact person in these two communities.



Map 4: Visited Sites in Kosovo. Sources: Eurostat (2015) & Global Administrative Areas (2015) (own illustration)

My second trip to Kosovo took place two months later in March/April 2015 and lasted for twenty days. My base was again Pristina, but I also stayed in Gjakova for two nights. After I had gained helpful context information during the first trip, the focus of the second journey was set on the actual entrepreneurs – not only on Fitim, Jonida and Drilon, but also other entrepreneurs. All of them are based in Pristina, so my travelling was limited to different quarters of the city. This also included a visit both to Jonida's and Drilon's Kosovar office, where I was showed around and introduced to their employees. As already mentioned, I also travelled to Gjakova again for two nights to visit a business incubator and an innovative education center and to once again talk with city representatives about diaspora entrepreneurship and their efforts to attract investments. I chose to return to Gjakova for further data collection, because I perceived their efforts to attract FDIs as very innovative and interesting during my first trip. In addition, bus rides, visits in restaurants and other casual encounters with Kosovars allowed me to casually interact with people and to obtain precious context information on both trips. Furthermore, I participated in one large conference in Pristina, which marked the start of a coaching project for local Kosovar entrepreneurs. I also collected a substantial part of empirical data in Switzerland, which will be laid out in the next chapter.

4.2.3 FIELD ACCESS IN SWITZERLAND

I have already described my efforts to create an enabling network to conduct this research – this was done in Switzerland for the most part. But I also literally ac-

cessed the field in Switzerland to collect empirical data. In contrast to my fieldwork in Kosovo, these were very punctual and specific events, which did not adopt the characteristics of a continuous collection of data. In the course of my research in Switzerland, I travelled to two conferences, one in Basel in January 2015 and one in Winterthur in March 2015. The aim of the event in Basel, where Fitim and Jonida were also present and which lasted an entire day, was to inform the Swiss public about products made in Kosovo and to maybe commercially connect Swiss and Kosovar companies. The second event in Winterthur was set at an evening and was a conference with three influential Kosovar state representatives, President Mrs. Atifete Jahjaga, Minister of Diaspora, Mr. Valon Murati, and Minister of Trade and Industry, Mrs. Hykmete Bajrami, where they were talking about Kosovo's alleged efforts to attract investments from the diaspora. I did not only collect interesting information from the speeches there, but I also met Jonida again and got in touch with Drilon after the official part of the presentations was over. Furthermore, I conducted all of my interviews with Fitim and Drilon in their Swiss office in the region of Zurich.

4.3 DATA COLLECTION

4.3.1 SAMPLE

The samples of research projects with qualitative methods are often purposely and consciously selected, as the researcher tries to find the cases that reveal the most information. This selection process may be undertaken at the beginning, or gradually during the study (Meier Kruker & Rauh 2005). This is how I proceeded in this thesis and therefore applied a purposive and mostly structured sampling. As described above, I explicitly chose my main interview partners, Fitim, Jonida and Drilon, because they own a transnational enterprise and because they are second-generation Swiss-Kosovars. I therefore did not aim at representativeness of, for instance, the second-generation Swiss-Kosovars in Switzerland, but at obtaining the variety of experiences and strategies of single cases. This is also valid for the selection of the other informants in a slightly alleviated way; during the preparation of my research, I already chose potential informants based on an expected information output, or in other words, because I perceived these individuals as potentially interesting informants. However, I was also open to more spontaneous, coincidental interactions with respondents, mostly to receive useful context information.

My core sample consists of three second-generation Swiss-Kosovar entrepreneurs, two men and one woman. They are all ethnic Albanians, have a Swiss-Kosovar dual citizenship and are Muslims. As indicated above, this core sample was enriched with a vast variety of other informants, most importantly with other entrepreneurs, e.g. three young local Kosovar entrepreneurs, three first generation Swiss-Kosovar returnee entrepreneurs and two second-generation returnee entrepreneurs. Again, all of them are ethnic Albanians and Muslims. All of them are Kosovar citizens, except

one first-generation returnee and the second-generation returnees, who also have dual citizenship. In addition, my sample consists of many different other informants from Helvetas, other NGOs, Kosovar state institutions, embassies, journalists and scholars who contributed greatly to the contextualization of the entrepreneurs' activities. My research methods consisted primarily of interviews, but I also used observations to gain information. Both are discussed in depth in the next chapter.

4.3.2 RESEARCH METHODS

The two methods I applied in my actual research in the field were interviews and observations. The most used research tool during my investigation was thereby the semi-structured and semi-standardized interviews. As it is true for qualitative research *per se*, the purpose of qualitative interviews is to explore and understand actions of individuals in specific settings and to discover "why people feel or act in the ways they do" (McCowell 2010: 158). Consistent with the type of research I conduct, qualitative interview methodologies typically aim for depth and detailed understanding and not for breadth and extent. As I partly predetermined some of the questions and the topic of the interview, I specifically conducted semi-structured and semi-standardized interviews. They are defined as conversational, but still controlled and structured that also allows ad hoc questions that emerge during the interview and to drop others. Questions are asked according to a flexible guideline and not to a narrow questionnaire (Mikkelsen 1995: 102). In addition, mutual trust is essential to get forthright answers from respondents, which in my case was especially important in the case of the three second-generation entrepreneurs, whom I interviewed extensively and several times (Meier Kruker & Rauh 2005: 62-3).

I prepared three different guidelines for my interviews: one with general questions to the diaspora's transnational activities and the current economic situation in Kosovo, which I primarily utilized during the first, more explorative trip to Kosovo and one for state representatives. A third one aimed at entrepreneurs, which I slightly modified depending on what kind of entrepreneur I interviewed. As common in this type of interview, I did not follow these guidelines strictly, but left room to focus on a topic that I found particularly interesting. I conducted all the interviews individually, except one with two employees of Fitim and another one with two local entrepreneurs. The interviews were mostly conducted at the workplace of the informants, but sometimes also in cafés or bars. As of the importance of the three second-generation entrepreneurs, I interviewed both Fitim and Drilon two times on different occasions, while Jonida was extensively interviewed only once over three hours. In addition to that, I interacted with them on several other occasions during conferences and visited their offices without their direct presence.

I did not record the interviews on my first, more explorative trip to Kosovo. Instead, I took notes, which I digitalized right after the interview. This also included memos on the impression that I had during the interview and first reflections of it. However, during my second trip and for the interactions in Switzerland, I audio-recorded the

interviews after the explicit permission of my interview partners. This had mostly practical reasons, as the interviews on my second trip were often considerably longer than the ones on my first one, which would have made it very difficult to keep track with handwritten notes. Nevertheless, I still wrote down my impressions and first reflections right after the interview. All the interviews in Switzerland were also recorded. I usually initiated a short discussion after the audio-recorded interview to state my own opinion about certain discussed topics, during which I obtained some 'off-the-record' information from the respondents that I also digitalized right after the interview. The predominant part of the interviews was conducted in English, Swiss-German or German. However, five interviews were conducted in Albanian, four in Kosovo, of which two were translated by a Helvetas staff and two by acquaintances of the informants, and one in Switzerland, which was translated by one of my previous interview partners. At the end, I conducted ten semi-structured interviews during my first trip, nineteen during my second trip and eight in Switzerland.

The second research tool applied in this study is non-participant and participant observation. The difference between those two types is the interactions of the observer with observed subject: non-participant observation implies an investigation of the subject from the distance with no interaction, whereas participant observation claims the establishment of a direct contact with the observed (Gobo 2011). I used participant observation more often in the conduction of this study, for instance when I was introduced to the Kosovar offices of Fitim, Jonida and Drilon or when I was able to visit the home of one of the local entrepreneurs in the countryside. I also could make the use of non-participant observations, for example during a flight to observe how President Jahjaga (did not) interact with other passengers, at conferences and generally during my everyday life in Kosovo. I show in the next chapter how I analyzed, both the interviews and the observations.

4.4 ANALYSIS AND INTERPRETATION OF THE RESULTS

In qualitative research, there is no clear line between data collection and data analysis, since the latter is an iterative process (Engel & Schutt 2014: 293ff). I have started to analyze and interpret the data the moment I conducted my first interview. As I described earlier, I wrote down my impression and reflections of the interview – or in other words, my first analysis – right after I conducted it. I was very explicit about certain things, which allowed me to trace back the line of thought and to revise my conclusions at a later stage if new information required that.

The special feature of my data analysis is that it was divided in two parts; I systematically assessed the collected data for the first time after my initial, more explorative fieldtrip to Kosovo, which enabled me to choose a focus for my second trip. At this stage, the goal was to detect interesting aspects, open questions, patterns and contradictions in my data, which by then only consisted of digitalized notes of my interviews and observations, to develop a promising research agenda for my second trip. I applied the method of 'coding' to do so, which is an iterative analytic practice,

by which the researcher first breaks his generated data apart, relates and labels the fragments, before he reassembles them in a new order. I first used 'open coding', which Watson and Till (2010: 128) describe as a form of "brainstorming" that facilitates the identification and clarification of patters in the existing data.

Most of the data of my second trip to Kosovo was recorded on audiotapes, so the analysis of this data first required an adequate preparation. First of all, I transcribed the data with the 'f5'-transcription software. Cope (2009: 352) points to the benefits of transcription and underlines how listening to the material provides another round reflection and analysis. This is why I did not only strictly transcribe, but also took notes and new ideas in parallel based on what I just had heard. These notes proved to be of great value later on in the process. The interviews were held in English, German or Swiss-German; I transcribed the ones in English and German without any linguistic changes, but chose to translate the Swiss-German interviews in German. There is one reason for this choice: first, German and Swiss-German are very similar, but Swiss-German is only a spoken language. I therefore found it justifiable to bring my interviews in a proper written form for practical reasons. After I had finished this preparation of the data, I printed all transcripts and notes and started the main phase of data analysis.

As after the first trip, I extensively used 'coding' to conduct the qualitative content analysis of this new bulk of data, but this time I applied it more extensively. I went through all of my printed data and first assigned keywords to every section of the interviews and observations by hand. Ordered according to the topic, I then regrouped these sections on the computer. I repeated this procedure several times with different combinations and reassessed previous attempts at the same time. By continuously detecting and following not threads in my data, while leaving out others, I eventually came up with ignition/operation/leverage-structure that I now apply in this thesis. 'Writing' was yet another method to analyze and interpret the data I used. DeLeyer (2010: 342) stresses the formative character of the writing process, which I also found to be true; writing the thesis forced me to both have a closer look at what I previously thought was very clear and to go back and collect more data on specific topics. Before I show what the result of the above described methodology is, I first turn to the limitations of this study.

4.5 LIMITATIONS

I do not want to engage in deepened discussions about epistemology, but underline an important feature of qualitative research, which also applies to this study: an objective representation of the so-called reality is not possible. The results that I present here are therefore necessarily tied to my person (Meier Kruker & Rauh 2005: 32). In addition, I did not have a neutral position during the empirical part of this research process either, as I myself became part of the research arena that I examined – individuals specifically reacted to my presence or encounter, as I did to

theirs. This is not necessarily a limitation of this study, but needs to be considered when looking at the empirical results.

Leaving the theoretical level, I also faced the problem of positionality relating to my collaboration with Helvetas. The interview partners, to whom I got connected through Helvetas, might have perceived me as an employer of Helvetas and not as an independent student. I always explicitly stated that I am a student of the University of Zurich and presented my visiting card with the official logo for that matter, but I assume that still did not convince some respondents. This had mainly positive aspects, as representatives of communities, who receive financial support for some projects from Helvetas, seemed to be more willing to talk to me. On the other hand, they might have not expressed their personal view on certain things, but rather tried to give me answers that presented them in a good light. These informants were likely to strategically ponder their answers to show me how well they are working and they are in line with the policies of Helvetas. This might have also applied to Fitim at the beginning, whom I have met through Helvetas, but repeated interconnections and a resulting basis of trust have extenuated this potential information bias.

I also encountered a similar effect with my position as a being 'Swiss'. Switzerland has a very good reputation in Kosovo and everybody kept telling me how good they think Switzerland is compared to how bad Kosovo is. I also had this discussion in several interviews, which is why I assume that some informants might have exaggerated with their negative depiction of the situation in Kosovo to rhetorically underline their admiration for Switzerland. These positionality issues led me to carefully balance the pros and cons of displaying my background before I approached potential interview partners. However, I was always honest about my project and never misinformed my counterparts on purpose.

Another practical problem that emerged is my lack of knowledge about computer science and modern information technologies. As I will show in the empirical chapter, Fitim, Jonida and Drilon all use state-of-the-art technology and produce innovative services – or at least that is what I think. Fitim and Drilon showed me their services and products in depth, but I did not understand all the technical and operational details they told me about, which left me with the assessment of more obvious features of their products and services, such as design and idea. However, this deficit does only slightly affect the research results, as I was more interested in the processes and dynamics of their entrepreneurship.

The relatively short time I have spent in Kosovo, one month in total, might also limit the methodology of this thesis to some extent. Ethnographic studies usually require a much longer time period to not only understand the social worlds of the actors, but also establish a trustful relationship to them. The special characteristics of my main subject of investigation, second-generation Swiss-Kosovar entrepreneurs, is that they are both operationally active in Kosovo and in Switzerland – which also happens to be my main social arena and to which I therefore have a facilitated ac-

cess to. In addition to my empirical inquiries in Kosovo, I also had to collect data in Switzerland, which shall also be counted as field experience.

There is also a cultural limitation to be mentioned, namely that I do not speak the most common language in Kosovo, Albanian. This had no severe influence on my results as the majority of my informants were either fluent in English, German, or Swiss-German, but this fact considerably impeded the communication with a minority. This was especially problematic in the communication with community representatives, as they tended to not speak any other languages than Albanian and/or Serbian. The process of translation implies structuring and interpretation by the translator, which automatically changes the original meaning. However, this effect was somewhat minimized by the fact that these respondents understood more English/German than they spoke, so they corrected the translator when they were not happy with his/her interpretation.

The final limitation is a conceptual one: this thesis features a case study, which aims at reliability and validity, but not at representativeness within the investigated focus group and locations (Meier Kruker & Rauh 2005: 32). As usual in social sciences, there is a tension between the particular, for example this case study, and the general, for example the attempt to deduce general theory from this case study (Herbert 2010: 69). From this point of view, generalizations might be drawn from the empirical findings with advised caution. Regardless of these limitations, I perceive my data as valuable and honest material that is based on valid observations and carefully interpreted interviews and observations. With this being said, it is now time to change from the theoretical to the practical level – my empirical chapters follow next.

5 THE THREE ENTREPRENEURS

5.1 INTRODUCTION

The economic relationships between Switzerland and Kosovo indeed go beyond remittances and development assistance. There are numerous businesses in Kosovo, which are somehow connected to Switzerland, yet only a few are managed by young second-generation Swiss-Kosovars so far. However, my research shows that the enterprises of the second generation differ substantially from other business in terms of their product, their activities and how they are being managed. In order to systematically assess different aspects of these businesses owned by second-generation Swiss-Kosovars, I subdivide this empirical part in three chapters along a thematic sequence. *Chapter 6* deals with the initial phase of these businesses. It specifically examines the entrepreneurs' preparation to go into business from the business idea to questions of funding. *Chapter 7* highlights the daily functional aspects of these businesses. Looking at the obstacles these entrepreneurs encounter and their strategies to evade them is especially informative in understanding the innovative element inherent in their activities. *Chapter 8* brings politics into play by analyzing the relationship between second-generation entrepreneurs and Kosovar state institutions. The focus is on the influence that these entrepreneurs might exert on political reforms to improve the business climate in Kosovo.

5.2 THE LIFE HISTORIES OF FITIM, JONIDA AND DRILON

The unifying element, which will be featured throughout this empirical part, are three second-generation Swiss-Kosovar entrepreneurs, who own a business in Kosovo: Fitim, Jonida and Drilon. A brief knowledge about their life history helps to contextualize the information that are being presented in the following chapters.

5.2.1 FITIM

The first second-generation entrepreneur is Fitim. He was born in 1988 in the eastern part of Switzerland, only ten days after his parents fled from Kosovo. They were political refugees, since his father was sentenced to prison under the Yugoslav regime after teaching Albanian at a school. Fitim finished primary school and three years of secondary school, before he continued to start high school ('Gymnasium'). He quitted after only one year because he sought for something more practical. He started an apprenticeship as an IT specialist instead with a vocational diploma ('Berufsmatura') in parallel, which he finished in August 2011. Shortly afterwards, Fitim moved to Kosovo to live there, strikingly despite the fact that he has only been in Kosovo "three, four" times for a couple of weeks before this incisive decision and limited Albanian skills. Once there, he became an affiliate of an existing local business, but realized soon that "one cannot make a clean business with these people, because they did not want to stick to the things that we had agreed up-

on."[18] Fitim established his first own company in early 2012 in Kosovo, but had to go back to Switzerland in May 2012 because he had overreached himself financially. He temporarily had to start working for a large IT service provider in order to be able to pay the wages of his employees in Kosovo, which he continued to employ. This double burden of being an employee and an employer at the same time ended in July 2013 when he was able to solely focus on his own business again. He has been self-employed with the same company ever since and travels monthly between Switzerland and Kosovo now.

5.2.2 JONIDA

25-year old Jonida is the second representative of my focus group. Born in a small city in southern Kosovo, Jonida came to Switzerland in 1996 together with her family when she was six and already in kindergarten. Her father was a political refugee, because his brother was politically active, which in turn made the whole family a target for arbitrary persecution. They first lived in a refugee center in the suburbs of Zurich, before they found an own apartment nearby, where Jonida then directly became a first grader in primary school. She subsequently finished secondary school and proudly asserts that she was the first one of her class to secure an apprenticeship as a commercial clerk. Jonida's employee was a major Swiss insurance company, which offered her a regular job once she was finished with her apprenticeship. She accepted and started working for an internal project team. This was the time when she coincidentally met Albion, her present-day business partner and husband, who worked for the same company as an intern. Albion is also originally from Kosovo and shares a similar life history with Jonida, so they connected and quickly became a couple. They came up with the idea to open a business in Kosovo in 2011 and realized there plans shortly after. She did not quit her job at the insurance company until one year later, when she took over the operational controls of their own company as a CEO. Jonida did not have any business experience in Kosovo prior to the establishment of their company, but she kept a close relationship to her country of birth through annual visits of relatives and regular phone calls. This is also why she still speaks perfectly Albanian. Jonida is still the CEO of the company today and constantly travels between Switzerland and Kosovo.

5.2.3 DRILON

The third second-generation entrepreneur presented here is simultaneously the oldest one: Drilon was born in 1981 in a hospital near Berne to a seasonal worker and a housewife. His father came to Switzerland in 1979 to work in a hotel and was allowed to bring his wife along in 1981. Drilon grew up in the Bernese mountains until the age of seven, when his family moved to a little town near Zurich. This is where he attended primary and secondary school, before he started with business school ('Handelsschule') to get a degree as a commercial clerk. He subsequently got

[18] Original: "(...) dass man mit diesen Leuten nicht so ein sauberes Business machen kann, weil sie Sachen, die wir vereinbart hatten, nicht einhalten wollten."

a job in a major Swiss bank, where he started a remarkable career. He was able to work in different departments of the bank and soon became a team leader in supporting taxation matters for the bank. Drilon was then offered an internal position as a project manager and hence worked in New York for one year. Once back, he continued to work as an international project manager and travelled around the world in this position, notably to India for several IT projects. At the same time, he also attended a correspondence course in business administration at a London-based college. He quit and became self-employed in 2011 after he had the idea to launch a taxi-application for smartphones to directly connect customers and drivers. He outsourced the programming of this application to a Ukrainian company and focused on writing requirements for them. Both the idea and the collaboration with his Ukrainian partners turned out to be unsuccessful, so he changed his business plan and built his own nearshore-center in Kosovo as a result of his experiences as a consulter in the area of strategy, business engineering and project management, which he did in parallel. He is still the CEO of this company and travels to Kosovo three to four times annually.

6 IGNITION

6.1 INTRODUCTION

The first step in approaching the transnational entrepreneurship of second-generation Swiss-Kosovars is to analyze the *ignition*-process, that is to say *why* and *how* they started their boarder-crossing businesses in the first place. I answer the under set A (see *Chapter 1.3*) summarized research questions by exceeding the isolated and exclusive focus on the three entrepreneurs introduced above to include other voices of the same social arena as well. The effect of this is twofold: First, this helps to contextualize the entrepreneurs' statements and second, it also allows carving out the distinct characteristics of their transnational entrepreneurial activities. The first part of this chapter is about the determining factors that motivate second-generation entrepreneurs to establish a transnational business. I identify a discursive dichotomy between 'rational' and 'emotional' motives that does not correspond to reality. By having a close look at their actual business in the second part, I find out that all three enterprises are located in the 'information and communication technology' (ICT) sector. The third part zooms in on the more practical aspects of their preparation prior of opening the business, where I specifically focus on their initial funding. This chapter will be round up by a concluding discussion of the findings presented here.

6.2 MOTIVATION OF ECONOMIC INVOLVEMENT

6.2.1 A DICHOTOMY BETWEEN SENTIMENTS AND OPPORTUNITY?

The cramped room in Winterthur was already muggy when Kosovar President Atifete Jahjaga entered it on a Wednesday evening in mid-March 2015. Only accompanied by two bodyguards and a small entourage, she was excitedly anticipated by predominantly older men, who came to hear her speak about "institutional support for companies from the diaspora"[19], which was also the title this conference. President Jahjaga started off with a couple of crowd-pleaser, as she extensively thanked for the diaspora's long lasting financial support. But it quickly became clear that she was not here to only show how such "institutional support" could look like. President Jahjaga was on a mission to motivate the diaspora to keep sending money, to keep investing in her crisis-ridden state. And she used a powerful word, which in her eyes should be the initial motivation, the actual trigger, of all new economic activities: patriotism. I was surprised, as the title of the event led me to believe that the Kosovar government is aiming at providing a more versatile list of arguments to show why it is now time to invest in Kosovo. Instead, the President addressed national sentiments to call for patriotic investments. This presidential appeal also

[19] Original: "Institutionelle Unterstützung für Unternehmen aus der Diaspora"

stood in contrast to my thesis, which assumed profit-oriented arguments to be an important reason for investments in Kosovo by second-generation Swiss-Kosovar as well. Which of these versions correspond to reality now? What motivates second-generation Swiss-Kosovar entrepreneurs to establish a company in Kosovo? Is it enough to differentiate the motives of investments between a feeling of emotional obligation, or 'patriotism', and the belief in a potentially profitable business?

As I have showed in *Chapter 3.4.4*, existing theoretical literature has tried to tackle these kinds of questions and came up with a set of different factors that may have an influence on the motivation to start a business. Surprisingly, I merely encountered the indicated dichotomy between 'emotional' desideratum and 'rational' opportunity as triggers to invest in Kosovo in many of my interviews and observations. As I will show below, this conceptualization of a dichotomy between these two lines of argument is mainly discursive and does not correspond to the results I obtained by talking to the actual entrepreneurs. In contrast to President Jahjaga and her Ministers, the experts that I interviewed all emphasize the 'rational' considerations of diaspora entrepreneurs. A senior private sector advisor of a large international development organization puts forward that the second-generation Kosovars steadily alienate from Kosovo, which to him seems to be an essential factor why this group is not making positive investment decisions. His argument: Second-generation Kosovars from the diaspora are used to a functioning system in their countries of residence, so they are not willing to make business in the business environment present in Kosovo today. Another senior advisor of another large development organization has a similar notion. In his experience, Kosovars from the diaspora perceive the situation in Kosovo very critically, sometimes even much more critical than a neutral analyst, and are very reluctant to become economically active in Kosovo. Both experts thus indirectly claim that Kosovars from the diaspora are very 'rational' actors, who conduct a benefit/risk assessment and mostly come to the conclusion that it is not worth taking the risk to invest in a business in Kosovo.

This is not just a discourse in the orbit of development agencies, but among locals as well. The editor-in-chief of a critical magazine in Kosovo also believes that the dynamic of the local market discourages young Kosovars from abroad to invest in a business. The only rare exceptions are investments in family businesses. The sense of family overcomes the general lack of trust and builds a fundament for investments, so the argument. These kinds of investments are not always clearly distinguishable from classic financial remittances and share the emotional obligation as their main motivation. They do not have to necessarily be profitable, but they have to primarily support the family. The motivation of such investments has definitely an 'emotional' core and stands in contrast to 'rational' arguments, which, according to the experts, would lead them to economically stay out of Kosovo. The dichotomy between 'rational, profit-oriented' investments, which for the lack of opportunity are not being undertaken in Kosovo, and 'emotional, support-oriented' investments in family businesses, something that might reflect President Jahjaga's imagination of patriotic investments, is therefore being consolidated in public perception.

6.2.2 TOWARDS A MORE NUANCED APPROACH

But why is it then that none of the three entrepreneurs introduced above have invested in a family business, in fact do not even employ family members? Why did they nevertheless establish a business in Kosovo, which does not make sense 'rationally' in the opinion of experts and the public? Is it solely the 'patriotic' attachment to Kosovo that somehow urges them to become economically active, as propagandized by President Jahjaga? In order to understand what triggered these young people establish a transnational company in Kosovo, this discursive dichotomy between rational and emotional motives has to be broken up into a more sophisticated method of approach. The case of Fitim shows that the reality is more nuanced and that rational and emotional triggers to establish a business in Kosovo coexist and even intermingle. His decision to create something in Kosovo matured over years and was not just overhasty. He passionately tells me how he already struggled to execute orders as a subordinate during his apprenticeship. He believes that he is not someone, who can work for somebody else. "I am just like that. I want to be my own boss[20]" he says, commenting on his intrinsic motivation to become a owner of a business. He always wanted to have an enterprise that he can conduct himself, that he can enhance, and through which he can materialize his ideas for "self-actualization", how Fitim calls it. Drilon had a similar feeling about the trajectory of his professional life, even though he had a well-paid managerial position:

> "I just always had the feeling, that was also a reason why I became self-employed, that I am nonetheless just a little gear-wheel of the big thing. I always said: I can do more (...)."[21] (Drilon)

They both scrutinized their career and concluded that they needed a change. This basis has nothing to do with them being second-generation Swiss-Kosovars, but rather represents a part of their personality. Questions of identity started to play a role when they thought of a strategy to meet their desire to occupationally be self-determined. Fitim had developed a strong Kosovar identity in Switzerland, which becomes apparent when he refers to Kosovars as "fellow countryman" and emphasizes how fond he is of the Kosovar culture in our discussions. The same is true for Drilon, even though he was, like Fitim, born in Switzerland and only knew Kosovo from vacation and through his family. In Fitim's case, it was this sentimental feeling of attachment to Kosovo which encountered the intuition that his idealistic conception of a work life would be very hard to accomplish in Switzerland:

> "It is a rat race system [in Switzerland]: you work until 65 [and] you cannot exit. (...) This was like a prison for me and I wanted to break out."[22] (Fitim)

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[20] Original: "Ich bin einfach so. Ich möchte mein eigener Chef sein."

[21] Original: "Ich habe einfach immer das Gefühl gehabt, das war auch ein Grund dafür, dass ich dann selbstständig geworden bin, dass ich trotzdem ein kleines Zahnrädchen des Ganzen bin. Ich habe immer gesagt: ich kann mehr (...)."

Next to his distinct personality, his ability to evaluate the situation in Switzerland as a second-generation Swiss-Kosovar and his emotional bond to Kosovo, there was a fourth major component that triggered his departure to Kosovo: his family, namely his father. Fitim's father used to own businesses both in Albania and in Kosovo since 1995 and demonstrated that running a business in Kosovo is possible. He also supported Fitim in his decision to go to Kosovo and to try to build something up, not through a network or know-how, as Fitim himself emphasizes, but as a role model. These four factors are crucial for understanding why Fitim went to Kosovo in the late summer of 2011 with the goal to build a livelihood, whereon he temporarily became a second-generation returnee. His first engagement as a co-owner of a local company did not work out as planned, because he did not comply with how his partners conducted the business, thereby confirming one expert's concerns regarding the second-generations' ability and willingness to adapt to the rules of the local Kosovar market. But, in contrast to the expert's notion, this experience did not restrain Fitim from getting economically involved in Kosovo; he just changed is strategy and became self-employed.

6.2.3 TURNING AWAY FROM UNIVERSAL PATTERNS

Drilon's bond to Kosovo became important in a different way. His original business idea, a taxi-application, which directly links customers and drivers, did not involve Kosovo at all. Though he believed in this idea and quitted his job at the bank, he needed to generate a secure income in the initial phase and became a business consulter in parallel. In doing so, he discovered soon that the companies he was working for often faced problems and missed certain services in the IT sector. Simultaneously, the development of Drilon's taxi-application did not really gain traction, because the Ukrainian company that he consigned to execute the programming of the application did not measure up to his expectations. This resulted in a large time delay, rising costs and eventually in its abandonment. He interpreted this experience as evidence that there must be a market opportunity for serious and reliable provider of low-priced IT services and, combined with his impression he gained as a consultant, decided to build his own nearshore[23] center in Kosovo. Kosovo was not an emotional choice of location, but a practical one, as he tells me:

> "I know the language and this is a huge advantage when you want to do something abroad, like building a nearshore center. It is a huge ad-

[22] Original: "Es ist ein Hamsterrad-System: du arbeitest bis 65 [und] du kommst nicht raus. (...) Das war für mich wie ein Gefängnis und ich wollte ausbrechen.

[23] A little bit on terminology: the generic term of 'nearshoring' is 'outsourcing', which is "the action or practice of obtaining goods or services by contract from outside sources" (Oxford English Dictionary 2005). Offshoring then describes "the action or practice of moving or basing a business operation abroad" (ibid.). 'Nearshoring' is a specific type of 'offshoring'. From a Central European viewpoint, the term describes "the outsourcing of services into (Eastern) European countries. Large advantages resulting out of differences in wage costs (...) cannot be realized but language, cultural and regulative barriers are far lower when nearshoring than offshoring services aborad" (Trampel 2004: 3).

> vantage if you know the culture and the rules there and you already have the network."[24] (Drilon)

Drilon explicitly takes advantage of being a second-generation Swiss-Kosovar by using his cultural and linguistic knowledge of and his social embeddedness in Kosovo as some sort of capital, which he can invest. In his case, the trigger to become self-employed did not automatically transform into a trigger to become economically active in Kosovo, like in Fitim's case - it was rather a coincidence that he identified a business opportunity, which included Kosovo. His motivation to establish a company in Kosovo was primarily profit-driven:

> "(...) I believe that nobody invests primarily because of a patriotic reason, but because of an economic one. (...) But it is great that I can additionally do something good (...) in my homeland. This is yet an additional plus."[25] (Drilon)

He is aware of the positive side effects that his economic involvement might have, but he explicitly subordinates them to profit-oriented arguments. Drilon's story is therefore neither reflected in the experts' pessimism about FDI's from the diaspora, nor in President Jahjaga's evocation of patriotic investments, but show again that these questions must be analyzed individually and can hardly be put in patterns.

This is also true for Jonida's case, which represents a couple of difference in its structure compared to Fitim and Drilon. First, since she had lived in Kosovo until she was six, her emotional bond to this country has a more apparent and tangible basis, and second, she was not the only driving force behind her start-up in Kosovo. The latter is particularly remarkable, because not only her ideas, perceptions and motivations characterize the trigger of her economic involvement in Kosovo, but also Albion's, her husband and business partner. In fact, it was his experiences and observations that provided them with a business idea, but it was both of them together who decided to take the step to implement it in Kosovo. This decision was based on a particular idea and not on a general readiness to invest in Kosovo, which marks a difference to Fitim. She was fascinated by the idea to promote her native country and to know that the country needs them:

> "(...) We, the entrepreneurs from the diaspora, are the only ones, who are really interested in investing in Kosovo. Because the country per se does not offer a whole lot of attractiveness."[26] (Jonida)

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[24] Original: "Ich kann die Sprache und das ist ein riesiger Vorteil, wenn du ins Ausland möchtest, also irgendwie ein Nearshore Center aufbaust. Das ist ein riesiger Vorteil, wenn du dort die Kultur und die Regeln kennst und auch das Netzwerk schon hast."

[25] Original: "(...) Ich glaube, niemand investiert hauptsächlich aus einem patriotischen Grund, sondern [aus] dem wirtschaftlichen. (...) Aber dass ich dabei noch etwas Gutes tun kann (...) in meinem Heimtland, ist super. Das ist einfach das Plus dazu."

[26] Original: "(...) wir Diasporaunternehmer (sind) die einzigen, die im Kosovo wirklich Interesse haben zu investieren. Weil das Land selber bietet keine grosse Attraktivität."

Her sense of emotional obligation almost seems to verify the one-dimensional conception of these triggers as a sentiment-ratio-dichotomy, but Jonida also presents rational arguments for investing in Kosovo at the same time. The coexistence of both emotional and rational arguments is best reflected in her following statement about her motives:

> "We have told [our employees] that we are not Mother Teresa, but we are here to make money, though we also have a connection to the country and want to primarily create jobs and bring this country further."[27] (Jonida)

The coexistence of motives displayed here has a major implication with regard to the classical notion of emotional investments: emotions might be important reason for second-generation Swiss-Kosovars to invest in Kosovo, but they are not overshadowing the question of economic profitability. This is because they can simply not afford it. In Jonida's case, the different arguments have different relevance at different chronological stages, but they always coexist: her sentimental intention to bring Kosovo further influenced her openness to engage in a business project there. Once a potential business idea was found, she scrutinized it for its practicability and profitability before she decided to take the risk. Rational and emotional arguments have thus served each other.

This chapter has made clear that the dichotomy between 'emotional' and 'rational' arguments that motivate second-generation Swiss-Kosovars entrepreneurs to invest in a business in Kosovo is indeed a public discourse, but not a valid conception of the reality. They rather coexist and both play a critical role in finding a suitable business idea and in taking the decision to invest. The three cases demonstrated above show that it does not make sense to establish common rules about the predictability of such triggers or to make the attempt to create a universal typology, because they vary substantially. There are many factors that influence an entrepreneur's decision to take the risk and invest, but these influencing factors differ from individual to individual and develop over time. The introductory examples of the conception of these factors show that this represents a new perception in the Kosovar context. It is now time turn the actual business ideas of these entrepreneurs.

[27] Original: "Wir haben [unseren Angstellten] schon gesagt, dass wir nicht Mutter Theresa sind, sondern dass wir da sind, um Geld zu verdienen, aber dass wir eine Verbindung zu dem Land haben und an erster Stelle Arbeitsplätze schaffen und dieses Land weiter bringen wollen."

6.3 BUSINESS IDEAS: THE CONNECTIVE TRANSNATIONAL ELEMENT

6.3.1 ICT AND OUTSOURCING...

In the last chapter, I have proposed different factors that might influence the decision of second-generation Swiss-Kosovars to become economically involved in Kosovo. It is now time to elaborate more on the concrete business idea of the young entrepreneurs and to put them into perspective by dissecting the unique elements of their activities that have not yet been academically discussed in the context of Kosovo. What do these young entrepreneurs actually do? What products are they offering? What characterizes their activities? The empirical evidence presented below show two interesting things: First, second-generation Kosovars, who decide to run a business in Kosovo, do not go into production, but mainly offer services, whereas the dominance of ICT related businesses is striking. Second, the businesses of young Swiss-Kosovar entrepreneurs show a tendency to be set in a transnational environment by connecting at least two geographically different locations through their business. This has a couple of implications regarding comparative advantages to local entrepreneurs and seems to be a strategy to bypass different kind of problems, which I elaborate in the next chapter.

There are two obvious and dominant characteristics that Fitim's, Jonida's, and Drilon's business idea share - they are all placed in the ICT sector and they all involve outsourcing. Back in early 2012, just when he became self-employed, Fitim's initial business idea was to produce basic websites in Kosovo for customers in Switzerland at a low price. He himself acquired mandates in Switzerland through his personal network and advertisement, while his team in Kosovo executed the orders. The binational character of his enterprise was thereby always part of his business idea:

> "It was always only the idea to train the resources, the young people, the talents and to create jobs for the Swiss market eventually. That is using the people in Kosovo for the Swiss market, that was always the idea from the beginning."[28] (Fitim)

There is an ideological undertone in this statement, which, considering his life history and the factors that motivated his decision to establish a company in Kosovo, is not really surprising. He mentions rational arguments for this business model, primarily the lower wages in Kosovo and the resulting competitive prices in Switzerland, but he emphasized the mutual benefits at the same time, both for his employees and Kosovo as a country. It is not just that he creates jobs in Kosovo and educates his staff according to international standards; it is also his desire to promote

[28] Original: "Es war immer nur die Idee, die Ressourcen, die jungen Leute, die Talente, auszubilden, Arbeitsplätze zu schaffen, für den Schweizer Markt schlussendlich. Das heisst, die Leute für den Schweizer Markt zu nutzen, das war immer die Idee von Anfang an."

"made in Kosovo" as a trustworthy and rewarding brand and to generally change the image of Kosovo:

> "My vision has always been to whitewash the name "Kosovo" (...) [in order] to establish Kosovo as a country for collaboration, as a country for outsourcing, as a country, where one can buy services of good quality."[29] (Fitim)

This vision kept him enhancing and refining his business plan. He widened the range of his products during this process in order to offer a more comprehensive package of website-related services, now including the original web design, online marketing, graphic design, search engine optimization (SEO). At last, Fitim has launched 'online lead generation' services for his customers at the beginning of this year, which are online marketing efforts of a certain product to make contacts, which might lead to a sale. Fitim basically charges a price for his guarantee to make his customers' product better known in the according target group and to provide qualitative contacts of potential business partners for his customers. He uses the four instruments mentioned above to keep his promise. Fitim owns a Swiss office, a bright room with practical furniture and state-of-the-art technology in an industrial area near Zurich, and an office in the southeast of Pristina, where he employs roughly ten people. His Kosovar office is situated in a development area, which is still under construction.

Figure 2: View from Fitim's Kosovar Office

[29] Original: "Meine Vision war immer, den Namen "Kosovo" reinzuwaschen (...) [, um] dadurch den Kosovo als Land für Zusammenarbeit, als Land, in das man outsourcen kann, als Land, wo man Dienstleistungen mit guter Qualität einkaufen kann, zu etablieren."

At the time of my visit in January, there was no paved road to this area of the city yet, but my taxi had to find a way through a half-frozen and deep dirt road (see *Figure 2*). Fitim's office manager in Pristina admits that the office, which is actually a converted apartment, is not good for representing purposes yet. But it does not have to be, because most of Fitim's customers are in Switzerland, some of them in Germany and in Austria. He explicitly does not make business with Kosovars in Kosovo, "because there is a lack of money, there is already no use[30]", so there is also no use for a representative office in Pristina.

Switzerland is also Drilon's key market, where he also offers various IT services for his customers, though slightly others than Fitim. He started with the programming and designing of basic web pages as well, but has massively expanded his array of products over time. They now range from individual services such as the development of web-, desktop-, and web applications, network-, server-, storage-, and desktop management, business analysis, project management, and solution engineering to offers of full service packages. The core of these total packages build three particular and combinable tools: the first allows to organize the customer service management (CSM) to help a company manage interactions with customers, the second is cloud networking architecture, and the third is an integratable online drive system as an alternative to popular services such as 'Dropbox'. All three combined allow to efficiently manage projects, which is Drilon's declared goal. His staff proudly explained the detailed functionality of their products to me when I was invited to visit their office in the heart of Pristina in March. Six people work there in a recently refurbished office building, which accommodates half a dozen other small enterprises. Drilon mostly works in Zurich together with two other employees in a very modern, generous office just outside of downtown.

Jonida on the other hand mostly works in Kosovo in an office on the ground floor a four-storied building, not far from the central government of Kosovo in Pristina. Her staff, more than 150 by now, are spread throughout the building and mostly sit in front of modern flat screens and wear headsets, because Jonida's company is a call-center. She offers inbound services, for instance customer support, customer care, and complaint management, outbound services, like marketing campaigns or telemarketing, and market research. Her customers all come from Switzerland and Germany, so her employees all speak German fluently. She tells me that there is a large pool of German-speakers in Kosovo, because many Kosovars have lived there during the war as refugees and have learned the language during that time. Her company also owns an office just outside of Lucerne, where they administer customer relations and from where they do the acquisition of new business partners.

The core of these business ideas is identical: Offering a service or IT product made in Kosovo to Swiss, German, or Austrian customers, which profit from lower prices an services. They thus all do not earn money in Kosovo, but in Switzerland, Germany, and Austria. Jonida directly competes with established outsourcing hubs in Po-

[30] Original: "(...) weil dort das Geld fehlt, das bringt schon mal nichts."

land and in the Czech Republic and is a classical outsourcing provider, while Fitim and Drilon's business idea goes a step beyond that. They are provider and customers of services in Kosovo at the same time by internally outsourcing the programming and designing of their IT products to their Kosovar branch, a typical form of nearshoring. They all operate a transnational business, which is only connected through contemporary means of electronic communication and not through a physical exchange of products. Are these the features that set these new businesses of second-generation entrepreneurs in Kosovo apart from established businesses and thus mark the route for successful economic development in Kosovo?

6.3.2 ...VERSUS THE REST

I found evidence that lead me to say yes. It proofed to be informative to talk to different sorts of entrepreneurs in Kosovo in order to class these presumably new and unique features of enterprises owned by second-generation Swiss-Kosovars. Albert, a forty-nine years old first-generation returnee and owner of a Pristina-based supplier of ICT services and products, has lived and worked in Switzerland for twelve years, before he went back to Kosovo to open a business together with his family members. His company does not just offer ICT services such as project management and IT consulting, as Fitim and Drilon do, but they are also a retailer of IT products, from desktops, to laptops, other hardware, and software. Albert's company is therefore also a representative of the ICT business scene in Kosovo, but with one major difference to the business ideas described above: he makes his businesses exclusively in Kosovo with almost no international partners, since his Kosovar company has no access to foreign markets. This is a major disadvantage that will be discussed in the next chapter in depth, but it already gives a first impression of the differences between the business ideas.

The same is true for the business of another first-generation returnee entrepreneur, Enis, who came to Switzerland as a war refugee and went back to Ferizaj, a city 35 kilometers south of Pristina, after ten years to open a print shop. He moved his enterprise to Pristina in the meantime, but his core business is still all sorts of printing products, while he also does carpentry jobs and works with different plastics. As he walks me around his shop, he shows me his massive infrastructure in the form of printing machines, molding cutters and lasers. They do not only require a lot of space, but are also very costly in their maintenance. It is easy to see that Enis needed much more investment capital to start his production and also to maintain his business than Fitim, Jonida and Drilon, who all started with buying a couple of computers, a fast internet connection and a plane ticket every once in a while. In addition, he also faces the problem of not being able to make business outside of Kosovo and therefore mainly serves Kosovar customers. Typically for an enterprise with a production line, Enis' high operating business expenses and investments combined with a restricted market access again lead to certain disadvantages, which the business idea of the three young second-generation entrepreneurs bypass.

I have also been talking to second-generation entrepreneurs from other countries than Switzerland, mostly returnees, who currently live in Kosovo again. Kaltrina is one of them, who moved from Germany to Kosovo after her compulsory education. She then noticed "that the people [in Kosovo] are really addicted to make-up and want to be beautiful"[31], so she thought of a way to make profit out of this. Kaltrina now owns a certified make-up school of a popular German professional make-up brand in Pristina and is a retailer of their products as well. This certification required her to go to different courses in Slovenia organized by this company and an official accreditation in the form of a franchise from the German headquarters. Her business idea is executed in Kosovo, but requires continuous transnational connections to the franchiser in Germany. This applies to Shpetim as well, a second-generation returnee from the USA, who owns an innovative IT start-up in Pristina. He runs a search engine with algorithms that are specifically tailored to the Albanian language and which is simultaneously a marketing platform for different products. His potential customers are all Albanian-speaking people in the world, which bears an intrinsic transnational character of his activities. The examples of Kaltrina and Shpetim show once again how members of the second-generation have the tools to operate in a transnational environment. This marks a different to the first-generation returnee entrepreneurs, who only focus on the Kosovar market. I will now illustrate how Fitim, Jonida and Drilon have funded their initial investments for her company.

6.4 FINANCIAL INDEPENDENCE AS A MAXIME

An important part of the ignition process of a start-up is to ensure the funding of necessary investments. It is enlightening to examine how Fitim, Jonida and Drilon have funded their investments to open up their own company, especially in comparison to other kind of entrepreneurs. Similarities and differences might give a hint to distinct tendencies of the behavior of my focus group, which again contributes to the understanding of this new dynamic of second-generation Swiss-Kosovar entrepreneurs. My original thesis was that they only function as brokers who connect Swiss investors with innovative Kosovar business people. However, my fieldwork has revealed that this is not the case – all three entrepreneurs have at least partly financially contributed to their enterprise with their own savings. Fitim for instance has borne the whole financial burden himself at the beginning, but his father supported him indirectly by letting Fitim use his apartment in Pristina. In addition, his father helped him out to overcome some financial imbalances at the beginning of his enterprise and with other selective large investments: "He has certainly invested between 15'000 and 20'000 [Swiss Francs] in total, he was virtually a private investor"[32], Fitim says about his father. He did not collaborate with other investors at

[31] Original: "(...) dass die Leute hier wirklich von Make-up abhängig sind und schön sein wollen".

[32] Original: "Insgesamt hat er sicher 15'000 bis 20'000 [Schweizer Franken] investiert, er war quasi ein privater Investor."

the beginning, because he wanted maintain a high degree of independence, a narrative that is echoed by Drilon as well:

> "I have built (...) everything with my own funds, without outside capital (...). Yes, it is definitely the harder way, but you can really implement your visions that way, you know. (...) You have to always recalculate every day, to properly make the budget and to plan a bit tightly of course and... but it worked out so far."[33] (Drilon)

It remains disputable whether this is just a useful and plausible narrative to avoid admitting that outside investors could not be attracted or persuaded to invest money, or whether this reflects an inner belief. But it shows that initial funding through external investments for such enterprises might indeed be close to impossible to realize, so these second-generation Kosovar entrepreneurs need to have private sources of money[34]. This is also true for Jonida and her husband Albion. They started with a seed capital of 60'000 Swiss Francs and contributed 15'000 Swiss Francs each, for which Jonida took out a private loan from her uncle. The rest came from two wealthy friends, which Albion knew from his studies. One of them became an affiliate and adopted the financial management of the start-up, while the other one limited himself to a passive role as a plain investor. Jonida's strategy to secure investments comes closest to my original thesis, because she connected a business idea with sources of money and thus also took on the role as a contact broker. Unexpectedly though, she also became financially and operationally involved in the business herself. All three entrepreneurs dedicated their own money at least partially to their start-up and did not have outside investors. For both Fitim and Jonida, the private social network proofed to be much more important in bypassing certain financial shortages. Drilon's well-paid previous job at the bank allowed him to maintain complete financial independence in the process of establishing his start-up business, but he benefited from his personal network with regards to more practical matters, for instance from Kosovar friends who went to the local authorities to clarify legal matters for him.

This simplified access to money for investments through own savings from previous jobs, loans from family members and wealthy business partners from personal networks is a huge advantage compared to local entrepreneurs. Pajtim for instance, a young Kosovar entrepreneur who offers IT security services, has been forced from the launch of his business until now to work for another company in parallel in order to bear the running business costs and to execute new investments in infrastructure

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[33] Original: "Ich habe (...) alles mit eigenen Mitteln geschaffen, ohne Fremdkapital (...). Ja, es ist sicher der härtere Weg, aber so kannst du deine Vision auch wirklich umsetzen, weisst du. (...) So musst du einfach jeden Tag natürlich immer wieder kalkulieren, das Budget sauber machen und ein bisschen eng planen und... aber hat bis jetzt funktioniert."

[34] One exception in the Kosovar context is financial support from aid agencies, several of which have dedicated funds for projects or start-ups that create jobs in Kosovo or contribute to the education, i.e. Helvetas, Swisscontact, USAID and the Norwegian Embassy in Pristina. Fitim for example applied to Helvetas with a project to finance internships he would offer for young locals, which was accepted.

such as software and computers. His family could not support them, because "[they] were not so good with the salaries", meaning that they do not have spare capital to invest in his business. The consequences of this are twofold: First, he cannot completely focus on his start-up, but needs to dedicate most of his time to his regular job. This results in a high workload, a sluggish development of his business prospects and low financial inputs from service sales. Second, it is very hard for him to keep up with the most recent technological advancements, because they require funds that he needs to generate first. Other young entrepreneurs like Veli and Berat, two developers of game applications for smartphones, face the same problems and are therefore forced to illegally rip software from the internet – not a particularly good precondition to run a sustainable business and to find international business partners. Enis, the owner of a printshop introduced above, who is confronted with very high investment costs due to expensive and large machinery, was able to take out a loan from a local bank, but he suffers from very high interests, which are between ten and fourteen percent, resulting in highs risk and tiny margins.

The business idea of the three entrepreneurs of my focus group did not require very high investments at the beginning anyways, because no massive infrastructure had to be bought or build up. The remaining investments were contributed by themselves and partly by exponents of their personal network in Switzerland. This relatively easy access to capital proves to be a huge advantage compared to Kosovar entrepreneurs, who are financially struggling to be able to establish a start-up in the first place. This observation is another indicator for the privileged position of second-generation Swiss-Kosovar entrepreneurs compared to other forms of entrepreneurship.

6.5 DISCUSSION

My main concern in this chapter was to identify the different factors that influenced and triggered the decision of the three second-generation entrepreneurs to establish a business in Kosovo. Furthermore, I was interested in how these factors are related to the peculiarities of their initial business idea and to the funding of their business. This chapter therefore mainly contributes to the subquestions formulated in set A:

> *How does the ignition-process work? What triggers and motivates second-generation Swiss-Kosovar entrepreneurs to establish a company in Kosovo? What was their initial business idea and what products or services are they offering? What are their distinct features compared to other entrepreneurs? How did they fund their business?*

I will review and discuss the empirical results presented above by restructuring them according to Shane's (2003) definition of the entrepreneurial process. This will allow highlighting both conformities and deviations from theoretical arguments. In addi-

tion to this, I will discuss two outstanding discoveries I made in this chapter: First, there is a prevalent public discourse that only distinguishes between 'rational' and 'emotional' motives and triggers to (not) invest in Kosovo, whereas my findings show that other categories such as 'personality', 'life history', 'experience', 'family' and others are also critical factors in their evaluation and decision process. Second, the entrepreneurial activities of second-generation Swiss-Kosovars in Kosovo are decisively transnational, as they all simultaneously conduct parts of their business in Switzerland and in Kosovo. Their businesses are all part of the ICT sector and do not include physical, but digital production of goods and services, which marks a difference to most other entrepreneurs that I have interviewed. These ICT businesses have an advantage in terms of funding, because the initial investments required to start such an enterprise are relatively small. Neither Fitim, Jonida, nor Drilon took out a loan from a bank to finance their start-up, but either used their own funds, or relied on family members and friends to obtain private credits.

Discovery

There is no straightforward and easy answer to what led the three entrepreneurs to discover their transnational business opportunity. As I exposed in the conceptual framework, several factors have been identified that theoretically favor the detection of a promising business idea. Shane (2003) points to two general determinants in this regard, 'absorptive capacity' and 'cognitive processes' of the entrepreneurs *in spe*. My empirical results indicate that these two factors have indeed played an important role in this first stage of the entrepreneurial process, as especially Fitim's and Drilon's previous work experience seem to play a crucial role in how they discovered their respective business opportunities. Before they became self-employed, they have both been working in the same market environments as they do now. Drilon knew from his occupation as a freelance business consultant what IT services and products companies require and what quality they expect. The same is true for Fitim, who worked for a large IT company before he started his activities in Kosovo. This is the reason why they even considered establishing an own IT enterprise and marks an essential criterion for why they discovered their business ideas. This connection to previous life experience is more difficult to draw in Jonida's case, as she has never been working in the ICT sector before. Furthermore, as I got them to know, they all seemed as very intelligent and creative individuals to me, who constantly reflect, refine, develop and improve their economic actions. Even though I cannot proof this empirically, I assume that these cognitive abilities of Fitim, Jonida and Drilon also supported them in their business discoveries.

The other determinant featured in theory is access to information. Transnational entrepreneurs, so the assumption, gain relevant and evaluable information through their transnational networks (Saxenian 2002; Light 2007). This implies a certain supply of information from certain contacts in their network. However, the empirical results show that they did not rely on such a network at this stage, but rather personally made observations both in Switzerland and in Kosovo that inspirited their entrepreneurial ego. Fitim and Drilon did not start a business, because they had *a*

priori access to a transnational network, which informed them about potential business opportunities, but because they made relevant observations directly on-site. They both observed an undersupply of reliant, innovative and cheap IT services in Switzerland and an emerging IT scene in Kosovo. By eventually combining these observations, they detected a business opportunity. Similarly, Jonida and for that matter Albion combined three observations, the high number of people who speak German in Kosovo, the low costs of labor in Kosovo, and the bad reputation of call-centers as employers in Switzerland, to contrive a business idea. In these cases, the detection of a business opportunity was depending on the information they obtained through their own observations, and less on information they gathered through their network. This is consistent with Burt's (1995) theory of 'structural holes', as the three entrepreneurs span these information asymmetries through their social access to both Switzerland and Kosovo. This access is possible because they grew up in a 'transnational social fields', which provided the tools to navigate in both environments, most importantly a basic knowledge of the Albanian language.

One more aspect of this discovery stage deserves special attention. My empirical results show that both Fitim and Drilon did not originally become self-employed with the idea to transnationally connect Switzerland and Kosovo through a business idea, but to become self-employed *per se*. However, as I have shown, they chose different ways to accomplish that. Fitim first went to Kosovo to try to find a local business opportunity, while Drilon initially started self-employment in Switzerland with his taxi-application intended for the Swiss market. It was during his stay in Kosovo when Fitim discovered a business opportunity. This once again underlines the importance of own observations instead of an influx of information through a transnational network. Similarly, Drilon was confronted with a problem that had nothing to do with Kosovo at first, namely the unreliable service of the Ukrainian IT company he commissioned to program his taxi application, before it stroke him that he could build an own nearshore center in Kosovo, as he was on a visit there. Jonida on the other hand did not take the detour via another type of entrepreneurship, but started as a transnational entrepreneur right from the beginning.

Evaluation and Exploitation

I have presented several theoretical factors that influence the evaluation of and the decision to exploit business opportunities in the conceptual framework. I was astonished to find out that only two of them are discussed in the public debate in Kosovo, namely 'financial investment motives', usually referred to as 'rational', and 'emotional investment motives', usually referred to as 'emotional' or 'sentimental'. Both, experts and journalists, but also the entrepreneurs themselves, have installed their line of argument between these two poles. These public conceptualization of a dichotomy between 'rational' and 'emotional' reasons that influence the decision to exploit a business opportunity – or in other words: to make an investment – does not envisage the coexistence of both 'rational' and 'emotional' factors, which is what I found in my results. There exists a range of factors that influenced the entrepreneur's evaluation and exploitation considerations. The empirical evidence indi-

cates that their personality fist of all has substantial impact in this process, especially their personal quest for more professional independence and their risk propensity, which are both echoed by Shane (2003). Even though all three had a good job, they wanted to obtain the possibility to create something on their own by establishing a private business and to become independent. This ambition was paired with their readiness to take substantial risks, which is not only a result of their personal character, but also of their general life situation. They all neither had kids at the time they became self-employed, nor were they responsible for anybody else than. This elevated ability to take risk, based on the lack of immediate existential fears due to fact that they are only responsible for themselves, might be a distinct characteristic of the contemporary second-generation of Kosovars in Switzerland.

There are definitely financial motives involved in the entrepreneur's evaluation of a business idea. The three young entrepreneurs featured in this thesis have not just established a company for the well-being of Kosovo, but because they saw a chance to make money. This profit-oriented motive is most accentuated in Drilon's case, as he refers to this as his primary motive. Interestingly, Jonida's statements support the existence of a 'country-of-origin' bias (Nielsen & Riddle 2010), as she notes that only entrepreneurs from the Kosovar diaspora are really interested in investing in Kosovo, because others simply cannot see and exploit the potential. This sets the bars for profitable investment from the diaspora lower, resulting in this bias.

Emotional investment motives also play a role in this second and third stage of the entrepreneurial process. All entrepreneurs perceive an emotional connection to their 'homeland', which is an additional motivation to establish a part of their business in Kosovo, but does not seem to be the most critical one. The genesis of such an attachment to Kosovo might be properly explained with the concept of 'long distance transnationalism', which I described in the conceptual framework (see *Chapter 3.4.4*). Growing up in a transnational social field might have fostered the emergence of the entrepreneurs' sentimental attachment to Kosovo, which now results in an additional motivation to support their 'homeland' and to accept and endure more structural constraints that they would have in another geographical context.

I have not found clear evidence that would support the third pillar, social status investment motives, that Nielsen and Riddle formulated. All three young entrepreneurs occupied very good jobs with favorable prospects and good salaries prior to their own business. Their social status was already high from a neutral point of view. However, their economic endeavors in Kosovo might yield significant recognition among the Kosovar community in Switzerland, but I do not have empirical data to confirm or to decline this hypothesis. I conclude that scholars who try to determine the factors that influence the entrepreneurs' decision to (not) exploit a business opportunity must necessarily consider the personal life circumstances and the personality of the entrepreneur. Different motives have to simultaneously match perfectly to trigger an entrepreneur's decision to invest. It therefore remains very difficult to predict which individuals might dare to invest and which do not.

Truly Transnational Business Ideas

The business ideas of Fitim, Jonida and Drilon all truly adapt a distinctly transnational character, as they explicitly connect Switzerland and Kosovo through their businesses. They use relatively cheap labor in Kosovo to offer ICT services for the market in Switzerland and thereby profit from their ability to offer very competitive prices to their customers. It is striking that they all cluster within the ICT sector, but on a closer examination, there seems to be good reasons for that. First, offering ICT services requires relatively little investments to initially start operations, as compared to the manufacturing of physical good for instance. A computer, a fast internet connection and an office desk are all they needed at the beginning. Their business have of course grown since them, which required further financial investments, but the original capital demand was low. Second, ICT services can easily cross borders digitally and do not require export and import formalities, which are especially extensive in Kosovo. Other studies on transnational entrepreneurship have not suggested what kind of services or products transnational entrepreneurs offer. I conclude that the ICT sector is particularly eligible to establish a transnational business because of the aforementioned reasons.

Private Credits instead of Bank Loans

I initially expected that second-generation Swiss-Kosovars connect sources of money in Switzerland with promising business ideas in Kosovo, which might either stem from themselves or from their transnational network. However, my empirical results indicate that the three young entrepreneurs featured in this thesis bear the required investments themselves. They thereby cover the entire entrepreneurial process: They discovered the entrepreneurial opportunity, which they then evaluated and eventually started to exploit with private capital. They are not just contact brokers, but entrepreneurs and investors at the same time. They have noticeably not applied to receive a bank loan, but relied on their own social network in Switzerland to back up shortages in their solvencies. Jonida received a private credit from her uncle in Switzerland to invest, while Fitim could count on his father's financial support during some liquidity problems. Drilon on the other hand was able to fully cover his investments himself. However, this implies that Fitim and Jonida were depending on a well-functioning, supportive family network in Switzerland, which seems to have been more important than their transnational contacts to Kosovo at the beginning of their enterprise. I will show in the next chapter, which is about the operation of their business, that a strong and reliable transnational network has gained importance once they started with their operations.

7 OPERATION

7.1 INTRODUCTION

After assessing three second-generation entrepreneurs' business ideas and their preparation process in terms of their ignition spark(s) and funding, the transnational character inherent in their economic activities is already crystallizing. It is now time to turn away from their professional trajectory and the breakdown of the factors that influenced different business-related decisions in the past to examine the *how*, their present day-to-day operational activities, which will reinforce this impression even further. Answering the research questions of set B (see *Chapter 1.3*), this chapter again draws on empirical evidence of other entrepreneurs, experts and officials as well in order to grasp typical patterns and characteristics of second-generation Swiss-Kosovar entrepreneurs. I start by describing their everyday business life both in Switzerland and in Kosovo. The location has a major impact on their specific work, which will be depicted in detail in this first part. Secondly, I focus on the operational obstacles that these entrepreneurs face in both environments. It turns out that varying issues with their personnel seems to be their most significant concern. Their corresponding coping strategies will be discussed in the third part and again reveal interesting insights into the dynamic of second-generation Swiss-Kosovar entrepreneurship. The findings presented in this chapter are summed up and reassessed as a discussion in part four.

7.2 WORKADAY LIFE

7.2.1 CUSTOMER RELATIONS AND ACQUISITION IN SWITZERLAND...

All three entrepreneurs featured in this thesis connect Switzerland and Kosovo not only through their transnational private live, but also through their business idea. Outsourcing is the keyword that requires at least two different geographical locations by definition. The idiosyncrasy of their businesses is that they are not only the exporter of these services in Kosovo, but the importer in Switzerland at the same time, selling the final product or service in their key market themselves. They control most parts of the commodity chain, which forces them to cover different duties and responsibilities in different spatial settings at the same time. This specific feature has a remarkable influence on their actual workaday life and depends on where the entrepreneurs are: While they are busy with customers relations and acquisition activities in Switzerland, they have to work on human resources issues, product development and team building in Kosovo. This characteristic is particularly pronounced in the case of Fitim and Drilon, as they are the sole heads of their company, and applies a little less to Jonida, as she shares tasks with her husband. However, this spatial differentiation of the entrepreneurs' workaday life is neither clear, nor exact. In fact, their workplaces are constantly connected through modern forms

of communication technology, which will be further discussed in *Chapter 7.2.3*. This geographical division of their business activities is rather a helpful method to systematically assess the meaning of space with regard to their workaday life.

The main task of the young entrepreneurs in Switzerland is maintaining contact to existing or potential customers. Fitim describes his workaday life in Switzerland as being dominated by customer appointments. He actively offers monthly visits to his existing customers to discuss their business relation, future collaborations and to generally feel their pulse. During this time, he also tries to acquire new customers by setting up and conducting personal meetings with potential business partners, who have previously contacted him. He also has to take on a representative function not only by talking to Geography students, but also by giving interviews to journalists, who increasingly start to pay attention to him. It is this personal contact or representative functions that make his trips to Switzerland indispensable, as his customers seem to appreciate regular contact with him in person. As his business grows, Fitim plans to alter this practice by employing a sales manager in a new position, who would adopt these obligations. This would allow Fitim to reduce his travelling and to focus more on strategic and staff issues in Kosovo, which is his declared goal.

Drilon's idea of task sharing is exactly the opposite: He wants to delegate his team managing duties in Kosovo and to focus more on fostering customer relations and -acquisition in Switzerland, which are also at the core of his activities in Switzerland and take up most of his time. But he also executes the strategic planning, product development and business organization in his office in Zurich. He defines precise written orders, which he then assigns to his employees in Pristina, who eventually execute the postulated tasks. Strategic and organizational decisions are solely made in Switzerland, while the Kosovo branch of Drilon's company is only executing orders from the headquarters in Zurich, which marks a remarkable difference to Fitim's business structure.

Nevertheless, this difference in the importance or meaning of their Swiss and Kosovar offices seem to share a common element: they can both be explained by the personal preferences of the entrepreneurs, who are the main decision-makers in the end, regardless of their location - Fitim feels very attached to Kosovo and is building a house there, while Drilon's wife and kids live in Switzerland, representing a good reason to spend as much time as possible there. This shows how some tasks of their workaday life in Switzerland, such as customer relations and –acquisition, are clearly tied to a specific location, while others can be organized along personal preferences and do not have a immediate connection to spatial determinants.

This is also true for Jonida, even though, as I mentioned above, her case is a little different in this regard. As business manager, she is primarily busy overseeing all the activities in her large office in Pristina, while her husband Albion is responsible for all sorts of customer relations. She comes to Switzerland to have strategic meetings together with Albion and the third shareholder, where important decisions are being discussed and made. These trips also give her the chance to meet certain custom-

ers herself, but this is mainly Albion's job. This task sharing might be essential in running a business after a critical size, because an all-embracing management of the company, like Fitim and Drilon handle it, might just not be feasible anymore. Overall though, her case reinforces the general notion of workaday tasks in Switzerland being mainly connected to customer relations. So how does their work life look like in Kosovo?

7.2.2 ... AND TEAM MANAGEMENT AND REPRESENTATIVE FUNCTIONS IN KOSOVO

All three young entrepreneurs featured here state that their workaday life in Kosovo looks a lot different to the one in Switzerland. Fitim describes his activities in Kosovo as "(...) really working on the company and not in the company"[35], by which he primarily addresses his team building efforts. The management of the team is the most important task in Kosovo for all three entrepreneurs and can be considered to be a common feature of their activities in Kosovo. This is certainly not a distinction of second-generation Swiss-Kosovar entrepreneurs, as this might be true for most start-ups in other contexts as well, but it is still worth having a closer look at these activities.

The term 'team management' must be broken up into several separate parts to accurately determine what the entrepreneurs actually do in Kosovo. For Fitim, this means organizing team meetings to assert the contentment of his employees on the one, but also to discuss opportunities for further business developments on the other hand. It also means to organize further education for his employees, either by himself or by an external expert. Thirdly, he needs to adjust certain employment contracts and/or fill vacant staff positions. This also summarizes the main activities of Jonida, but she expands the scope of her daily duties in her Pristina office even further:

> "You have an all-rounder function as a start-up, you can not afford a cleaner, not an accounting clerk, not a supervisor – these are all fixed costs. So you do everything by yourself, from cleaning the toilets, to supervising the staff, to train [them] yourself, to motivate [them] yourself (...)."[36] (Jonida)

It is this readiness to do everything that needs to be done that characterizes these young entrepreneurs, which is linked to an enormous workload and long working hours, accordingly. As the company has grown, Jonida is now in a position to delegate some of these task and primarily focuses on establishing an efficient managerial structure by personally educate managers and supervisors. When he is in Pristina, Drilon's main focus is to build an efficient, sustainable and in his case independent

[35] Original: "wirklich am Unternehmen arbeiten und nicht im Unternehmen".

[36] Original: "Als Start-up hast du ja eine Allrounder-Funktion, selber kannst du dir ja keine Putzfrau leisten, du kannst dir keine Buchhalterin leisten, du kannst dir kein Supervisor... das sind alles Fixkosten. Also machst du alles selber, von Toiletten putzen, bis Leute überwachen, bis selber Schulen, selber motivieren (...)."

team in Kosovo. His last longer trip to Kosovo was aimed at assisting and educating one of his employees, who Drilon appointed to be team manager. This assistance includes the procurement of a “cultural change”, how he calls it, in his Pristina office, which implies the adaption of Swiss working standards, such as more written information, the use of contracts, sustainable thinking and so on. This proliferation of Swiss standards through personally training and educating the staff in Kosovo is something that all three entrepreneurs have in common and will be further discussed in the next chapter.

Besides team management, these entrepreneurs take on various other functions in the workaday life in Kosovo. Another increasingly important function is a representative one. Especially Fitim and Jonida attend numerous conferences, business talks, interviews and other networking events while they are in Kosovo. This has to do with the growing famousness of their companies, but also with the prevalent conference culture in Kosovo (see *Chapter 8.3.3*). They seem to enjoy these regular representative obligations in Kosovo, which honors them in a way and adds to their self-confidence, because they all do not mention this as being part of their workaday life in Kosovo, but rather refer to it as something along the way. This is also where they interact with figures of the official Kosovar government such as politicians and public officials to discuss certain issues.

After assessing the workaday life of the three young entrepreneurs in Kosovo and in Switzerland, a shared pattern seems to crystallize regarding the spatial distribution of task: the nature of their businesses of incorporating some sort of outsourcing

Figure 3: Drilon's Staff in Pristina

while covering the entire supply chain results in them having to engage both in the selling and the production of commodities and services. They are working on customer related issues in Switzerland, where they sell their products and services, and on the team related issues in Kosovo, where their production is located. Their workaday life in Kosovo, and partly also in Switzerland, also includes many representative and networking functions. They tackle another set of duties and obligations, such as the development of products, the business plan, working on visions and other strategic obligations, irrespectively of a certain location, but according to their personal preferences.

7.2.3 CONNECTING THE TWO WORLDS

The need to simultaneously tackle duties and obligations at different geographical locations has forced the three entrepreneurs featured here to develop strategies to cope with geographical distance. Frequent travelling between the two places is thereby the most obvious one. Given a foresighted planning, which facilitates the clustering of duties and obligations at the different locations in certain time frames, this is an effective strategy to cope with the different tasks. Fitim for instance, as I have already mentioned in the introduction of the entrepreneurs, travels monthly between Switzerland and Kosovo, resulting in twenty-four business flights every year. He spends around a third of his time in Switzerland and the rest in Kosovo, which underlines his personal preference regarding his work location. Jonida also comes to Switzerland every month, but usually just stays a couple of days for some business meetings. Drilon by contrast only travels three to four times annually between Kosovo and Switzerland, even though he states it was more during the initial phase. It is not surprising that all of them usually link their business obligations with family visits during their trips, thus blurring the separating line between business- and leisure trips at times.

But not every task is predictable and projectable, because especially issues with staff members or inquiries by customers may appear on short notice. They therefore need to be able to intervene at both locations at the same time, which is only feasible with modern forms of communication technology. The most widely used technology among the three entrepreneurs is the telecommunication software ‘Skype’. ‘Skype’ is omnipresent in all of their offices, both in Switzerland and in Kosovo and this is how they constantly communicate with their employees, regardless where they geographically are. Drilon is the most frequent user of ‘Skype’, which might be linked to his comparably scarce trips to his office in Pristina. This is best illustrated by the set-up of his work station at his Zurich office: He faces three flat screens when he is sitting at his desk, a large one in the middle for his daily work and two smaller ones on the side. One of them is mainly dedicated to the handling of incoming e-mails, while he maintains a permanent line on ‘Skype’ with his employees at the other one. Even though is not personally in Kosovo, the constant electronic connection gives his employees a feeling of his attendance. In addition, he uses sophisticated professional project management software, allowing him to re-

trace almost every working step by his employees in Pristina from his office in Zurich. This gives him a high level of control over the activities of his employees without personally being there. Jonida is also in constant contact with her deputies in Kosovo when she is not around, saying that she then "manages the company via 'Skype'"[37]. Another popular software in Kosovo is 'Viber', an instant messaging and voice over application for smartphones, which enables phone calls between the two countries and only requires internet access, which results in very low costs of calling.

Figure 4: The Call Center of Jonida in Pristina

This empirical evidence shows that modern forms of technology are not only part of their business idea, but are also indispensable in conducting their business. Travelling between the different locations is very important and, through thoughtful preparation, is sufficient to fulfill most of the different business tasks and obligations. But it needs to be supplemented by ways to react to requests and issues on short-notice, for which modern telecommunication technologies seem to be an efficient solution. It is not the entrepreneurs' use of 'Skype' or 'Viber' or their frequent flyer miles that mark a unique characteristic of second-generation Swiss-Kosovars, but how they almost permanently connect two spatially different social fields. They maintain a constant exchange between Switzerland and Kosovo, for instance when they learn about current quality requirements in Switzerland and try to implement them in their offices in Kosovo through the evoked "cultural change". The regular

[37] Original: "[ich] manage dann die Firma über 'Skype'."

and direct contact with their customers also allows them to quickly identify new market needs in Switzerland, enabling them to react and adapt quickly and to keep offering up-to-date products and services. This marks a major difference to other Swiss-Kosovar entrepreneurs, who have either built a company in Switzerland to serve the Swiss market or in Kosovo to serve the Kosovar market. This prolonged and extensive transnational exchange is unique in the context of Swiss-Kosovar business relationships and is a distinct feature of three second-generation Swiss-Kosovar entrepreneurs. Related to this, they face different sorts or obstacles in their workaday life and developed creative and innovative coping strategies over time, whose characteristics now also reflect an interesting distinction to conventional businesses. This topic will be examined in detail in the next two chapters.

7.3 OBSTACLES

7.3.1 DIFFERENT CO-EXISTING REALITIES

What would you as an informed coeval intuitively answer when asked about Kosovo's major obstacles for business people? I bet *corruption* would be one of your top answers. This is not surprising, because uncovered corrupt and illegal practices of the political and economic elite make the headlines over and over again, also in Western Europe. There is now a powerful discourse about corruption in Kosovo, in and outside the country that has a vast influence on its perception and its reputation. I was constantly confronted with this discourse during my fieldwork, as almost everybody I talked to could tell me a story of a corrupt police officer who would accept a couple of euros and a cigarette for the exemption from punishment after speeding, a border official who would accept a ten euro bill clamped in the passport to oversee a new imported television set in the trunk, or a public official who would treat certain people favorably just because he knows their families. All these examples are referred to as corruption, differentiations between nepotism, favoritism, clientelism, bribery, blackmailing and the like are not being expressed in the public discourse.

The initial research prior to my fieldtrips revealed that Kosovo ranks 110th out of 175 countries worldwide in the corruption index of 'Transparency International' (2015). It has also been analyzed in many academic papers that deal with the economic and/or social situation in Kosovo (for example Sklias & Roukanas 2007 and Shaipi et al. 2014). It is thus not surprising that I assumed any form of corruption and a malfunctioning legal system to be the most relevant obstacles for second-generation Swiss-Kosovar entrepreneurs in running a business in Kosovo in my initial thesis. During my first fieldtrip, this hypothesis was backed by the statements of the two experts from international development organizations I introduced before. One of them describes corruption as a large and systematic problem for entrepreneurs in Kosovo, because the system is not supporting a proper and reliable jurisdiction. He thereby creates a direct link between corruption and the rotten legal sys-

tem. The other expert doubled down on this, arguing that investors need to be able to defend their rights in case a business deal goes wrong, which is supposedly just not possible in contemporary Kosovo. Commitments to invest in Kosovo are therefore not realized, because commitments need to be backed up legally. The corrupt and inefficient legal system hinders second-generation entrepreneurs from abroad to invest in and to maintain a proper and sustainable business in Kosovo.

Surprisingly, the empirical evidence that I have found during my fieldwork does not support this argument. That is not to say that corruption and a bad legal system do not exist in Kosovo and do not pose a significant challenge in the country's development, or that this is only a materialized discourse detached from reality that "only comes out of the mouth", as a senior public official from the Kosovar Ministry of Diaspora (MoD) tried to make me believe; the second-generation Swiss-Kosovar entrepreneurs and their business just do not seem to be affected by it that much. Their workaday life is dominated by other equally surprising obstacles which have a much more immediate impact on their businesses. But what are the obstacles for these entrepreneurs? And how do they cope with them? Is there a difference to other entrepreneurs? These questions are going to be answered in this chapter.

It was striking to find out that the entrepreneurs' accounts of the obstacles in their daily business life seem to be heavily depending on the characteristic of their entrepreneurship. There is no consensus on what the most challenging problems to conduct a business in Kosovo are among all the different sorts of entrepreneurs that I have interviewed. Factors like the business field, the size, connections to foreign countries, the nationality of the owner and the location of the company all determine what the most pestering obstacles are. Generalizations, widely used in diverse location studies, reports on the business climate in Kosovo and descriptions of experts, are once again not expedient. Kosovar entrepreneurs for instance told me that the most prevailing obstacle is the impossibility to access markets abroad, besides maybe Macedonia, Montenegro or Albania. Due to continuing visa restrictions, they cannot travel to conferences or to meet with potential customers in Western Europe, if they are only Kosovar citizens. This profoundly limits both their key market and their development potentials. Representatives of larger companies, whose main customers are in Kosovo, indeed mention the corrupt legal system, especially in economic matters, that makes it almost impossible to sue a business partner or customer in case of disagreement. The second-generation Swiss-Kosovar entrepreneurs are only marginally bothered by these problems. They are most concerned by their employees.

7.3.2 CHALLENGING EMPLOYEES

When learning about the unemployment rates in Kosovo, which are, depending on the source and the mode of calculation, between 30% and 50%, I did not initially think that employees causes second-generation entrepreneurs quite a headache. But as I started talking to the young entrepreneurs, it soon became clear that staff issues keep them really busy and that this problem has already found its way to the

sphere of different aid organizations. There are two different issues with respect to employees that causes concern among the entrepreneurs featured in this thesis: First, it is difficult to find suitable staff per se, who are willing to accept the working conditions and are well-educated. Even people with university degrees in computer science or German can often not live up to the professional standards the entrepreneurs require. And second, they fight with low loyalty and analogous high fluctuation rates. These two issues are discussed in the next sections.

Finding eligible employees in Kosovo is not easy for the entrepreneurs, because the labor market is very tight. At a conference in Pristina that I attended in March, the Norwegian Ambassador to Kosovo and Albania, Mr. Jan Braathu, has neatly summarized this surprising contradiction in a speech:

> "The paradox is that in this country, where around thirty percent, maybe more, maybe even less, are unemployed, there are bottle necks. Companies cannot find the skilled workers they need in order to produce what they want to produce." (Ambassador Jan Braathu)

Even though he referred to production in particular, this is also valid for companies providing specialized services. Fitim, who describes employees as his "biggest problem", advertised ten internship positions last year. He was not able to fill them all, despite the fact that he was offering a relatively decent wage and the perspective to continue as a regular employee. Drilon has made similar experiences with interns in the past as well. This problem is even accentuated when they try to find highly skilled employees:

> "You have people on the market, who have really just little experience. In reference to that, it is difficult when you look for seniors, when you look for professional people."[38] (Drilon)

Albert, the first-generation returnee and boss of a large ICT company that only operates in Kosovo, has an explanation for this phenomenon: Most of the talented people find a well-paid job in Western Europe or in the United States or build an own company. The education system at the same time cannot flexibly react to the increase of demand for IT specialists at the same time, resulting in a dry labor market. Everybody working in or knowing the IT sector in Kosovo that I have been talking to has confirmed this difficulty. Jonida is a bit excluded from this, as she does not primarily need technically skilled employees, but people who speak German. She regularly faces a different problem when looking for new personnel: Many applicants have lived in a German-speaking country before they have moved back or, in other cases, have been sent back to Kosovo because they have committed a crime. She has no instruments to check the criminal records of the applicants, as it is the case in Switzerland with the 'Strafregisterauszug', and hires potentially dangerous crimi-

[38] Original: "Du hast Leute auf dem Markt, die wirklich wenig Erfahrung haben. Im Bezug auf das ist es, wenn du Seniors suchst, wenn du professionelle Leute suchst, schwierig."

nals at times, some of which have caused severe security problems in the history of her company.

She is depending on the returnees, because she cannot rely on local graduates, who studied German at a Kosovar university. The quality of the academic studies is, according to her, very poor, with people obtaining German degrees with very limited knowledge of the actual language. Fitim is observing the same:

> "We have programmers who have completed their studies, who do not have a clue. I have to treat them like interns. I am sorry, but they have not a clue. These are the challenges."[39] (Fitim)

The education system in Kosovo is therefore not only incapable of reacting to market needs, but also does not deliver a high-quality education for their university students in many cases, who could, based on their field of study, theoretically be absorbed by private companies if their skills were matching the entrepreneurs' requirements. This all leads to a scarce labor market, creating a serious problem for the entrepreneurs.

The second issue for them is lacking loyalty. Once the entrepreneurs have managed to find proper employees, they are often confronted with very high fluctuation rates. This does particularly apply to experienced and highly qualified employees, since they are the ones that are really wanted on the labor market. Shpetim, a second-generation returnee with his own ICT business in Pristina, describes them as "jumping around like rabbits", who follow the highest financial offers. Contracts of employment are still a relatively recent phenomena in Kosovo, as the entrepreneurs unanimously report, so people just do not show up from one day to the other anymore with corresponding consequences for their employers. The same is true for interns, who might just find a slightly better paid job during their internship and then do not usually waste any time to quit, regardless of their job prospects.

7.3.3 FROM A LACKING INFRASTRUCTURE TO A LACK OF TRUST

Different problems with employees are understandably not the only obstacles these entrepreneurs face in their daily business. An insufficient and unreliable infrastructure in Kosovo is also hampering their business activities (see *Figure 3*). They are especially concerned by power outages and failing internet connections: "We need twenty-four-seven internet and power for our business, which the state cannot ensure"[40], says Jonida. The degree of reliance has significantly improved over the last couple of years, as they admit, but these problems still persist, as I have witnessed myself by regularly sitting in a dark hotel room or restaurant. In addition, almost permanent traffic jams in Pristina, a massive lack of parking space and a

[39] Original: "Wir haben fertig studierte Programmierer, die nichts können. Ich muss die wie Praktikanten behandeln. Es tut mir leid, aber die können nichts. Das sind die Herausforderungen".

[40] Original: "Wir brauchen für unser Business vierundzwanzig Stunden Internet und Strom und das kann uns der Staat nicht sichern.

Figure5: Power Infrastructure in Gjakova

confusing public transport system are also mentioned by the entrepreneurs among the most eminent infrastructural challenges. Jonida is most affected by this, as she employs the most people, many of whom live in the suburbs and commute to the office, which is in the very center of Pristina.

Interactions with the Kosovar state are also often cumbered with obstacles in the workaday life of second-generation Swiss-Kosovar entrepreneurs. This mostly concerns problems with taxes. The tax laws in Kosovo, especially the one regulating the VAT, are currently undergoing profound reforms, leading to all sorts of legal uncertainties. Local authorities, heavily under pressure to generate public revenues, aggressively try collect the nontransparent taxes and quickly make use of high fines in case of disagreement. The entrepreneurs usually refer to this as an “example of corruption”, but in my opinion, the primary problem is the nontransparent and at times unfair application of the law. Fast changing laws and difficult interactions with state authorities are thereby definitely a daily burden for most of the entrepreneurs in Kosovo.

It is not that they only face problems in Kosovo, but also in Switzerland. Apart from the struggle to find lucrative and durable customers to make deals with, they have an issue with trust. Swiss customers are somewhat reluctant to work with a company that sourced its production to Kosovo. This has mainly to do with the improvable reputation of Kosovars and Kosovo as country in the public discourse in Switzerland. I have personally observed this diffidence at a convention in Basel, Switzerland,

where Swiss-Kosovar and Kosovar companies were introducing themselves to a couple of senior representatives of different Swiss companies, inter alia Fitim and Jonida. The organizer of this event stated openly that he wants to have at least one agreement of collaboration between a Swiss-Kosovar-/Kosovar- and a Swiss company and asked a couple of these Swiss business people to state their opinion after the companies had presented themselves. It was both striking and impressive how reluctant they were to even only consider a future collaboration, seeing them only talking about the "nice event", the "good efforts", their "personal reasons" of attendance and other platitudes. Unsurprisingly, no deal was negotiated in the aftermath of this event.

Fitim has mentioned an additional concern he has in Switzerland: his fear of imitability. He talks about this in connection with his plans to hire a sales manager in Switzerland, stating that he only wants to recruit people without an Albanian background. A Swiss-Kosovar like himself, who speaks the language and "knows the both backgrounds, Switzerland and Kosovo", as he says, could easily imitate his business idea after gaining experience for a couple of years at Fitim's company. Others, according to him, do not pose a threat to him:

> "A German or a Swiss does not have this possibility. No chance. Maybe with an Albanian partner, but you cannot build a company as a Swiss yourself in Kosovo, this is almost impossible. Just because of the people, there are too many differences (...)."[41] (Fitim)

There are two interesting aspects to this statement: First, this seems to be a distinct problem that only second-generation Swiss-Kosovar face, thus marking an important difference to the other problems featured in this chapter. And second, he emphasizes how his business idea is exclusively practicable for the second generation of Kosovars in Switzerland, a fact that calls for more reflection in the discussion at the end of this chapter. The other problems and obstacles that I have described in this subchapter do not seem to exclusively affect second-generation entrepreneurs, but seem to be generally common in the context of Kosovo. However, it is important to analyze the difficulties they encounter during their workaday life to in a first step to examine how they cope with them in a second step. This again offers fascinating insights into the distinct characteristics of second-generation entrepreneurs, as I will show in the next chapter.

[41] Original: "Ein Deutscher oder ein Schweizer hat dieses Möglichkeit nicht. Keine Chance. Du kannst nicht als Schweizer selber, vielleicht mit einem albanischen Partner schon, aber selber kannst du dir kein Unternehmen aufbauen im

Kosovo, das ist fast unmöglich. Einfach wegen den Leuten, wegen der Kultur (...)."

7.4 COPING STRATEGIES

7.4.1 SPOILING THE EMPLOYEES

Successful entrepreneurs have to find a way to cope with problems they encounter when they conduct their business. The ways of second-generation Swiss-Kosovar entrepreneurs come under scrutiny in this chapter to answer the question of how these entrepreneurs cope with the obstacles they are exposed to in their workaday life and to see how these coping strategies are connected to their personal characteristic as being second-generation Swiss-Kosovar. As I have found out during the my fieldwork, there are several examples of how they have an advantage to deal with the daily challenges just because they are transnationally active second-generation entrepreneurs, whether they make use of this deliberately or unknowingly. There are also certain strategies to tackle other problems where this is not the case, but they are interesting nevertheless and will also find a place in the following paragraphs.

The handling of the entire employee situation requests a special effort from the second-generation entrepreneurs featured in this thesis in three different, but interconnected regards: the recruitment of employees, their training and the strengthening their commitment to the company. The first and the third are very much linked in the sense that long-lasting employer-employee relationships minimize the need for new recruitments. The entrepreneurs therefore put a lot of effort into lowering the fluctuation rate in their companies and have developed several strategies, which decrease their urge to hire new staff. They first all pay above Kosovar average wages to their employees to succeed in this regard, which is something that all the ICT entrepreneurs had claimed when I talked to them and is therefore not really informative. Their most popular strategy to lower the fluctuation, that is offering all sorts of incentives and amenities, deserves more attention. Fitim for instance provides financial contributions for fitness studio memberships to his employees, which is a smart and popular measure, considering that going to a fitness studio is really popular among the young people in Kosovo these days. He also offers free water, tea, coffee and small snacks to his personnel, which they can consume during work, as Drilon does as well. Jonida has even installed an own little bar in her office, which sells subsidized beverages and snacks to her workforce. They all also regularly organize little getaways like annual skiing trips or collective dinners at a restaurant for the staff. But they have also imported incentives to Kosovo they have come to know in Switzerland:

> “We also want to offer life insurance to [our employees], health insurance and the like, something that is just not a standard in Kosovo,

> something that nobody has or most people do not have, which are being paid for by the company."[42] (Fitim)

Jonida also refers to the implementation of Swiss standards in her company, or "bringing in the Swiss part, the Swiss mentality", how she calls it. By that she means a fair, transparent and rewarding performance culture with good intentions on her part and relatively flat hierarchies, something that Kosovar employers supposedly handle completely differently. Being a good employer is also one of Drilon's maxims to be an attractive company:

> "I am really correct (...), but I believe that this is also not something extraordinary, because when you have grown up in Switzerland, this is normal I think... to (...) simply obey the law and paying the [wages] and so on..."[43] (Drilon)

Both Fitim and Drilon try to solve problems they encounter with their Kosovar staff with solutions from Switzerland, something they would have not known of if they had not been working in Switzerland for Swiss companies for a while. They promote their own 'Swissness' to distance themselves from Kosovar entrepreneurs in order to be more attractive for Kosovar employees. But they also use another strategy that provides them with a comparative advantage compared to their Kosovar peers: They all offer short business trips to Switzerland to their senior employees, which is exactly the group that is hard-fought for on the job market. As all three entrepreneurs have their legal domicile in Switzerland, they are entitled to submit business visa applications of Kosovar citizens to the Swiss embassy. Given the fact that Kosovar citizens still need to go through a complicated and extensive process to obtain a Schengen visa[44], this simplified access is in great demand in Kosovo. The second-generation entrepreneurs are in a unique position to more or less offer direct access to the Schengen area as a highly appreciated incentive to their employees. Fitim officially calls it a possibility for them to "(...) get to know the customers, to get to know the company from a Swiss perspective and to broaden their horizon a bit (...)"[45], but knows exactly that the possibility to visit their families in Switzerland and Germany carries at least the same weight.

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[42] Original: "Wir möchten [unseren Angestellten] (...) auch, was im Kosovo halt nicht Standard ist, eine Lebensversicherung und Krankenkasse und so, was niemand hat oder die meisten nicht haben, anbieten, welche das Unternehmen bezahlt."

[43] Original: "Ich bin (...) wirklich sehr korrekt, aber ich glaube, dass ist auch nichts Aussergewöhnliches, weil wenn man in der Schweiz aufgewachsen ist, ist das normal, glaube ich... dass man (...) einfach das Gesetz einhält und die [Löhne] bezahlt und so."

[44] Switzerland, as well as Germany, Austria and all other Central European countries are part of the so-called 'Schengen Area', which is named after the 'Schengen Agreement'. The members of the 'Schengen Area' have agreed to abolish the border checks between each other and to focus on an external 'Schengen Boarder". Kosovo is not part of this agreement. Kosovar citizens cannot freely travel to the Schengen Area, but need to obtain a 'Schengen Visa', which members of the 'Schengen Agreement' issue in their embassies in Pristina (see Wichmann (2009) for more detailed information in the context of Switzerland).

[45] "(...) dass sie die Kunden kennenlernen, das Unternehmen aus der Schweizer Sicht kennenlernen, auch ein bisschen um den Horizont zu erweitern (...)".

These coping strategies have perceivably increased the loyalty and lowered the fluctuation in all of their companies. Persons leaving, but especially business growth, which is especially notable in Jonida's case, still force them to hire new people. Jonida is for example placing advertisements in large Kosovar newspapers, asks her staff to look out for friends who meet the requirements and need a job and maintains an up-to-date homepage and 'Facebook' profile. She also profits from the publicity of her company through regular public appearances in local newspaper articles, TV shows and conferences. Shpetim, the second-generation American Kosovar returnee, who has been introduced before, has developed another strategy to recruit personnel worth mentioning. He was working part-time at a university in southern Kosovo as a lecturer in computer science, where he had direct access to young talents. As soon as the course had finished, he offered the best of them a job at his own company and ceded some shares in order to attach them to the company in the long term. By now, he has recruited three of his employees through that way, which shows the success of this innovative coping strategy. The entrepreneurs have not been talking to me openly about this, but I also assume that they purposefully woo people away from other companies by offering them a good salary and the incentives mentioned above, as this just seems to be part of the game.

Internal and external education is their answer to make up for the imperfect and partly obsolete education of their employees. They put a lot of time and effort to train them in how to comply with the Swiss quality standards through internal seminars, one-to-one meetings and online further education programs and certifications. Jonida is making up for a insufficient academic education in German by sending her staff to the private 'Goethe Institut' to attend a writing course, which costs her hundred and fifty euros per person. As another example, Fitim instructs his employees to use one paid hour daily for their personal development, however they want to spend this time. As Drilon is not in Kosovo that often, he implemented these standards through the definition of operating processes, which he can supervise from his office in Zurich. These are all very costly and time-consuming activities, but they seem to be necessary to make up for the gaps in Kosovo's education system. From this perspective, it is not surprising anymore that Fitim and Jonida spend so much time in Kosovo.

7.4.2 FLEXIBILITY AND INNOVATION

The other coping strategies of the second-generation Swiss-Kosovar entrepreneurs are of no less interest, first and foremost their strategy to handle the unreliability of power and internet. Since the uninterrupted supply of power and steady access to internet are of the outmost importance to the execution of their businesses, they are forced to privately back up blackouts. Fitim has bought three powerful batteries, which allow him to bypass a power breakdown for five to six hours. This is a sufficient back-up time for him, as he noticed how the power infrastructure in Kosovo has been constantly improving in the last years. Jonida, who even needs more power, is a little bit more cautious. She has bought an own electric generator, which

kicks in and takes over the production of electricity in case of a power outage. Similarly, they both have contracts with various internet provider. Should one of them temporarily fail its operations, the other becomes available right away. "One has to create a redundant coverage in Kosovo, you have to do that[46]" says Fitim, while Jonida points out the increased fixed costs, which are caused by these security measures. Two of the local ICT entrepreneurs that I have interviewed have found another strategy to cope with this problem. They are renting a room in a business incubator in Pristina, which, sponsored by an influential embassy in Kosovo, is guaranteeing power and internet as part of their support package.

Another obstacle was the difficult interaction with Kosovar tax authorities and the permanent changes in the application of the law. Drilon's strategy to deal with this problem is to keep his business activities in Kosovo as low-key as possible. He neither attends local ICT conferences, nor does he want to draw public attention. Both Fitim and Jonida take a more proactive approach to this obstacle. They both speak publicly about the nontransparent and random application of taxation laws and complain directly to the Ministry, if they disagree with an official decision that affects their business. *Chapter 8* is dedicated to examine these relationships between the entrepreneurs and the state in depth and to analyze the leverage power they might be able to exert on certain state institutions.

Turning to Switzerland, the second-generation entrepreneurs face substantial trust issues with their products and services made in Kosovo. The most important measure to attenuate this is that they all have their legal domicile in Switzerland. Their customers thus make business with a company that is recorded in the Swiss commercial register and could therefore fight legal disputes in front of Swiss courts. This is essential, because no Swiss company would be willing to be depending on a Kosovar court in case a deal goes wrong - which is a major disadvantage of Kosovar companies who are trying to find a business partner in Western Europe. The young entrepreneurs therefore emphasize that a deal is always negotiated between two Swiss companies, while Kosovo is only the site or production. In addition, they try to not mention their connection to Kosovo until they meet the customers in person, so that they can first introduce themselves. They stress that they do not lie about this, but they simply do not make a big fuss about it either. In Fitim's experience, he is able to dispel initial doubts after he has met with the potential customer in person, which shows why his monthly trips to Switzerland are of such importance to him.

Last but not least, Fitim's fear of imitation can be stopped quite simply by the implementation of an elaborate staffing policy. In the case described above, Fitim is simply installing a Swiss or a German without an Albanian background as his sales manager in Switzerland. He fills other key managerial positions, which involve regular travelling between Switzerland and Kosovo, with persons of trust, who have shares in the company. Jonida has witnessed the rise of many rival call centers in Pristina,

[46] Original: "Man muss sich im Kosovo redundant absichern, das muss man."

many of which have a dubious business model, but believes in her personal know-how and talent as a manager and her developed network that give her business a uncatchable advantage. All these examples of coping strategies show that these second-generation Swiss-Kosovars flexibly and creatively adapt to preexisting and immutable constraints. This high degree of flexibility and adaptivity can be considered to be a specific strength of these entrepreneurs.

7.4.3 HAVING A SWISS PASSPORT MAKES A DIFFERENCE

After examining how second-generation entrepreneurs react to the obstacles they encounter during their daily work, distinct characteristics of their approach become apparent once again. They can only apply certain coping strategies because they know how to socially navigate in two geographically different contexts, Switzerland and Kosovo. The first one is the transnational transfer of best practices, which is the promotion of the Swiss way to run a business in Kosovo. These entrepreneurs have been occupationally socialized in Switzerland and adjusted themselves to the local working conditions and the quality level, which they now want to implement in their companies in Kosovo. In an environment with a tight labor market, this ability gives them an advantage compared to Kosovar entrepreneurs. But they also know the Kosovar context and have gained the cultural and linguistic ability to implement these measures through their parents. This shows how one has to necessarily be a second-generation Swiss-Kosovar to implement Swiss standards in a Kosovar context. Another example is their ability to file in a visa application for their employees, which is only possible, because they own a business that is registered in Switzerland, but also allows them to advantageously cope with a daily obstacle by offering an interesting incentive to their staff.

There are other instances that support this argument as well. One has again to do with corruption, to resume the topic from above. I stated earlier that corruption surprisingly does not seem to affect the entrepreneurs in their daily business life. They might refer to some doubtful and nontransparent activities of the public authorities as being corrupt, but while even this label remains debatable, the negative financial impact of these activities is marginal. But why is corruption not a more widespread issue among Fitim, Jonida and Drilon? There are two answers to this: First, the characteristics of their business limit the corroding surface for corruption, because they do not import or export physical goods, they do not need a lot of space to conduct their business, as for instance industrial enterprises, and they do not own a lot of expensive equipment. Second, their Swiss citizenship might protect them from being more prone to corruption as well. Jonida for example has an excellent relationship to the Swiss ambassador in Pristina. She could directly report attempts of blackmailing, serious violations against the law by state organizations and the like to the powerful Swiss embassy, which has significant leverage power in the Kosovar political context. The same is true for other Swiss citizens in Kosovo like Fitim and Drilon, who are being supported by the official Swiss representatives in

case of a serious incident. All these reasons make these entrepreneurs with their companies unalluring targets for corruptive activities.

While the examples above require at least the entrepreneurs' partial awareness of their distinct features to use for certain coping strategies, others do not and are automatically inherent in their setting as Swiss citizens. One is their ability to travel freely between Switzerland and Kosovo as many times as they wish. Posing a serious challenge to Kosovar entrepreneurs, this is just taken for granted by the second-generation Swiss-Kosovar entrepreneurs, but allows them to establish a two-sided transnational exchange between these two countries.

7.5 DISCUSSION

This chapter aimed at giving a practical overview of how second-generation Swiss-Kosovar entrepreneurs operate their business, with a special focus on the obstacles and problems they encounter during their workaday life, and the according coping strategies. It thereby answered the research questions of set B:

> *How does their workaday life look like in Switzerland? Is there a difference between their tasks in Switzerland and in Kosovo? What are the obstacles they face in the conduction of their business? And how do they cope with them? Is there a difference to other entrepreneurs operating in Kosovo?*

The aim of this discussion is to identify some common patterns among the three second-generation Swiss-Kosovar entrepreneurs to provide the academic arena with some first theoretical claims about this phenomenon. The focus on the operation of Fitim's, Jonida's and Drilon's business is very well suited to reflect more on the distinct characteristics of their economic activities. The first concerns a systematical analysis of the transnational characteristics of their operational business activities, which crystallizes in various different ways as I have showed above. The distinct features of them being members of the second-generation also requires a reassessment in the second part of this subchapter.

Reflecting Transnational Characteristics

The empirical evidence presented above clearly shows how explicitly transnational the enterprises of Fitim, Jonida and Drilon are. The nature of their businesses necessarily requires them to fulfill tasks both in Switzerland and in Kosovo. The interesting feature about these duties is that they can be divided in three different categories with varying references to a distinct geographical location: First, the three entrepreneurs are mainly concerned with customer relations in Switzerland. This task is strongly tied to Switzerland, as this is the place where the majority of their customers are. Second, they are involved in various team management duties in Kosovo, which is again strongly connected to this specific location. Third, there are duties that seem to be spatially independent, such as the development of business

strategies, the invention of products and services and other strategic considerations. The former two tasks that are linked to a specific geographical location force them to conduct their business transnationally. In addition, they are sometimes required to simultaneously intervene both in Kosovo and in Switzerland, which adds to my emphasis on the transnational characteristics of their activities. They therefore all adopt the form of 'circular entrepreneurs' (Landolt et al. 2002), who constantly move forth and back between two locations.

This transnational conduction of the business is only possible, because the three second-generation Swiss-Kosovar entrepreneurs have the skills and instruments to navigate through the two differing social environments of Kosovo and Switzerland; Most importantly, they are required to speak both German and Albanian fluently, but they also need to understand the cultural and social codes of conduct in both environments. Growing up in a transnational social field, through which they have learned these skills without personally being in Kosovo, is therefore an irremissible precondition to the transnational conduction of their business.

The three entrepreneurs have also gradually built a transnational network through their operation in both Switzerland and Kosovo. Interestingly, as I described in the last chapter, their initial decision to establish such an enterprise was only marginally influenced by their existing transnational network, as they observed business opportunities themselves. However, they now profit from their transnational network in various ways: First, they constantly obtain information about the market need through their personal contact to customers. This allows them to reassess their offered products and services in order to stay competitive. The access to this information might also provide them with new business ideas, which is underlined theoretically in my conceptual framework (Saxenian 2002; Riddle 2007). Second, their existing customers might recommend their services and products to others. And third, a growing network in Kosovo might allow them have better access to potential employees and state institutions.

However, this dynamic might be altered in the near future. As the three entrepreneurs scale up their businesses, they also start to install business structures, which enable them to focus on the third, spatially independent set of task - basically the strategic orientation of their enterprise. This function is less tied to a specific spatial context, which implies a decrease of their personal travel activities. This is not to say that their whole enterprise becomes less transnational, but that they themselves increasingly settle in one specific location according to their personal preferences. My empirical evidence already shows the beginning of this dynamic, as Jonida has strikingly decreased her travelling activities due to the task sharing with her husband. With the quick appointment of a sales manager in Switzerland, Fitim is going in the same direction, so does Drilon with his elaborate technological communication system. This settlement process makes them increasingly depending on their transnational network, as they do not obtain the information directly through their observations or exchanges with their customers anymore. This reflection is echoed by Portes et al. (2002: 287), who describe transnational entrepreneurs as

being depending on their “contacts and associates”. My observation suggests that this dependency increases as the transnational business grows, because the entrepreneurs start to delegate tasks to their staff that they have previously fulfilled themselves.

Yet another feature of their transnational activities is the transfer of Swiss culture to Kosovo, which they obviously perceive to be more advanced and beneficial than the Kosovar one. This “cultural change”, as Drilon has called it, first of all indicates the vast influence of their previous life and job experiences in Switzerland on how they form their own business. This includes more tangible features like the introduction of life and health insurances, but also soft qualities like the “correct” treatment of employees (Drilon) or the proliferation of the “Swiss mentality” (Jonida). As I have showed above, they primarily utilize their ‘Swissness’ as an advantage in the contested employment market. However, this cultural transfer also stimulates reflections about its influence on certain structures in Kosovo. As I will show in the next chapter, especially Fitim and Jonida feel the urge to actively and directly try to improve the business climate in Kosovo by exerting influence on government institutions and representatives, with yet manageable results. But there seems to be an influence on the business environment in Kosovo inducted by this transfer of Swiss culture as well. As Fitim, Jonida and Drilon start to create more supportive working environments in their enterprises, other companies might also redefine their own working conditions in order to stay competitive on the tight ICT job market in Kosovo. This might step by step influence the transformation of existing structures in Kosovo.

This empirical chapter about the operation of the business has shown the enormous importance of cheap travel and modern communication technologies for the conduction of their businesses. The simultaneity of their spatially fixed tasks forces them to physically or at least virtually travel forth and back between Switzerland and Kosovo. The maintenance of such an inherently transnational enterprise would have simply not been feasible a couple of years ago. This proves that this kind of transnational entrepreneurship marks a novel phenomenon that was only able to emerge and develop with increasingly cheap air travel and the introduction of new, inexpensive means to communicate internationally.

Second-Generation Characteristics

The empirical evidence presented in this chapter not only indicates the distinct transnational characteristics of these three entrepreneurs, but also interesting observations regarding the unique features of the second-generation. They have several advantages compared to local Kosovar entrepreneurs, which they also consciously utilize. The most striking is their ability to travel freely both to Switzerland and Kosovo without any restrictions, since they all three have a dual citizenships. This is not only an essential precondition to their business idea, but also marks a crucial difference to their Kosovar peers. Kosovar entrepreneurs can neither easily go abroad to attend expert conferences or further education programs, nor to connect with potential customers outside of Kosovo. The three Swiss-Kosovar entre-

preneurs featured in this thesis do not have these problems just because of their Swiss citizenship. Their Swiss citizenship also serves them in a second way, namely as a security backup, which protects them from corruptive practices in Kosovo.

As I have showed above, there are not just advantages in combination with them being Swiss citizens, but also because of the experiences they have collected in Switzerland. They use these experiences to create a work environment that should motivate their employees to stay with them in the long term and therefore offer various incentives, which are typically found in Switzerland as well. This is a perfect example that shows how Fitim, Jonida and Drilon can rely on their own experiences to identify innovative and flexible approaches to cope with emerging obstacles and problems in Kosovo. I will examine the exchange between the three second-generation entrepreneurs and Kosovar state institutions in the next chapter to obtain some hints on their political leverage power.

8 LEVERAGE

8.1 INTRODUCTION

The last two chapters were aimed at giving a comprehensive overview of second-generation Swiss-Kosovar entrepreneurs by examining their business ideas, the ignition of their enterprise, their workaday life and the coping strategies they developed as response to daily obstacles in conducting their business. I have indicated to several distinct characteristics that distinguish them from other, better-known and more widespread forms of entrepreneurship in the same geographical context, proofing the relevance of analyzing this yet under-investigated phenomenon of transnational second-generation entrepreneurship. This chapter opens up the scope of analysis to bring in the political context, in which their economic activities happen. The focus will thereby be placed on exploring the relationship between these entrepreneurs and the Kosovar government institutions by answering the research questions of set C (see *Chapter 1.3*). The assumption is that the young entrepreneurs might have gained respectable political leverage power through the creation of jobs, payment of taxes, influx of technical knowledge and business relationships to Western Europe, which are all effects of their economic activities and declared goals of the Kosovar government at the same time. As I will lay out in detail in this chapter, the reality looks a lot different though and their political leverage power is rather limited due to a number of factors. In part one, I will approach the topic by examining the overall relationship between the entrepreneurs and Kosovar state institutions. This includes an illustration of yet another contradiction, an analysis of government support for entrepreneurs and an emphasis on the expectations and political claims, for which they could use some political leverage power to get politicians to include them on their political agendas. This will lead me to analyze different forms of the entrepreneurs' political exchanges with politicians in the third subchapter to show that attending conferences currently seems to be the most effective way to get in touch with high-ranking government representatives. Part four is an in-depth reassessment and discussion of this chapter's empirical findings.

8.2 THE RELATIONSHIP BETWEEN ENTREPRENEURS AND THE STATE INSTITUTIONS

8.2.1 A CONTRADICTION... AGAIN!

The argument seems plausible right away, not only because it is backed up by theory and similar examples from different contexts (see Gillespie et al. 1999; Riddle et al. 2010): The current economic situation in Kosovo puts its government under pressure to announce the creation of jobs to counter the high local employment rates, which is lively debated in the Kosovar public. If the politicians do not manage to deliver this public demand, they lose political capital and hence the next elec-

tions. The attraction of people, who are willing to invest in the creation of a business in Kosovo and hire people to work for them, must therefore be a top priority of governing politicians. Attracting them includes supporting and comforting them in their endeavor, which would give some political leverage power to the entrepreneurs, for instance as they confront the politicians with certain requirements, which must me met or at least tackled, should they really invest in Kosovo. This dynamic would result in a mutual benefit – governing politicians could announce the creation of jobs and thereby increase their popularity, while the entrepreneurs could profit from improved frame conditions in Kosovo. These improvements could then again attract even more investors, giving the Kosovar economy a new positive dynamic. All is well that ends well, right?

No, not really, as I found out during my fieldwork. The actual situation is much more complicated and dodgier than that, which leads me to disclaim this theoretical argument in the context of Kosovo as it stands above. This finding is somewhat surprising after I have been listening to the high-ranking Kosovar political representatives at the conference in Winterthur that I have mentioned before (see Chapter 6.2.1). President Jahjaga directly addressed her government's feeling of "obligation" to copiously assist entrepreneurs from the diaspora in running a business in Kosovo and promised "institutional support" for the investors. She reconfirmed this position by calling the attraction of investors from the diaspora a personal top priority and offered an open ear to anybody thinking about starting a business in Kosovo. She would personally take care of these inputs to improve business conditions for entrepreneurs, so President Jahjaga.

This direct concession of political leverage power to entrepreneurs from the diaspora was also echoed by her two Ministers. Mrs. Bajrami for example underlined the high importance the Kosovar government ascribes to the creation of jobs in the private sector and presented a package of measures to reach this goal. Mr. Murati explained the purpose of his Ministry as some sort of mediation between the Kosovar government and the entrepreneurs from the diaspora and also offered a permanent open ear and broker services to entrepreneurs. Listening to these high-ranking Kosovar officials led me to believe that entrepreneurs from the diaspora are not only highly appreciated in Kosovo, but may also profit from direct channels to the political elite in Kosovo, which, in combination, would give them a considerable amount of political leverage power – and to think that my original thesis must be confirmed.

I was already forced to question the statements of the Kosovar politicians and my resulting impression the next day. As chance would have it, I was sitting exactly in the seat behind President Jahjaga in the plain bound for Pristina the next morning, which brought me to my second fieldtrip and her back to her office. I had to realize that she quite literally did not have an open ear for her fellow passengers, notably mostly members of the Kosovar diaspora in Switzerland, as her bodyguard not only harshly turned down requests for selfies, but also for quick chats or handshakes. This is partly comprehensible, as she had to work during the flight, but she thereby

sent out a strong signal of aloofness to the diaspora, which stands in contrast to what she had said just a couple of hours earlier at the conference. This was already a hint that there might be a striking discrepancy between the official Kosovar stance and the actual reality – an impression that was reinforced during my second fieldwork. Neither has any of the second-generation Swiss-Kosovar entrepreneurs featured in this thesis ever been talking to one of the aforementioned officials, nor can they count on a regular exchange of information with government institutions. Overall, their political leverage power is very limited and restricted, which will be discussed in detail in *Chapter 8*. Before that, I first have a closer look at this proclaimed "institutional support".

8.2.2 GOVERNMENT SUPPORT

The sketchy illustration of the contradiction between official statements and the actual circumstances calls for an in-depth scrutiny. I will thereby focus on a core promise, President Jahjaga's declaration of "institutional support" for diaspora entrepreneurs. Her government presents tangible measures to support this group of entrepreneurs, which have already been implemented, mostly consisting of several changes in tax practices. However, the three entrepreneurs featured in this thesis do not notice any form of assistance. And yet, government support could not only enable entrepreneurs to access relevant politicians and officials through the implementation of regular exchanges, but might also permit a more reciprocal relationship between private and state actors, as entrepreneurs are for example obtaining advisory functions. It turns out that the government's provisions to support and cater to entrepreneurs from the diaspora are not tailored to ICT businesses, but more to companies with physical products such as factories or farms. The people in charge of these state measures must therefore find new and innovative ways to also adequately support ICT businesses.

Institutional support for entrepreneurs can be implemented in manifold ways and is a popular way for governments around the world to cater to their private economic actors (see Gillespie et al. 1999; Riddle et al. 2010). This discourse has also reached Kosovo a couple of years ago and the government developed an action plan to support private entrepreneurs, which should especially address business people from the Kosovar diaspora willing to invest in Kosovo. Mrs. Hykmete Bajrami, the Kosovar Minister for Trade and Industry, has presented this action plan for state assistance at the conference in Winterthur and it consists of six focal points: fiscal advantages for diaspora entrepreneurs, minimizing bureaucracy at customs, lowering VAT, no taxes no earnings, administrative advice for companies and special support for agricultural enterprises. Mrs. Bajrami also reveals the government's plan to improve the infrastructure, but remains vague about its precise implementation. Apparently, from their perspective, reforming some fiscal policies is the most urgent need for action, as half of these measures concern taxes. It is also clear that it is particularly made for enterprises that produce physical goods in Kosovo, as custom processes and lowered VAT strike ICT entrepreneurs only marginally.

This might also explain why all three entrepreneurs do not perceive any state institutions as being supportive to their enterprise. Fitim thereby does not make a difference between support from the national government and the community of Pristina – he just simply does not feel any support at all: "Well, the support is very, very, very... no, nonexistent."[47] However, they do not agree on whether the government is just not supportive, or even detaining. Fitim states that he thinks the government is more hindering than helping his business activities in Kosovo, while Jonida draws a more neutral conclusion: "Nobody has been interested in us. Well, nobody has put obstacles in our way, but nobody has been interested in us either."[48] The same is true for Drilon, who also does not notice any negative impacts from the government either. Interestingly, the two first-generation returnee entrepreneurs that I interviewed have a much stronger opinion about this, as they really perceive the state as disturbing their businesses. This fact might be explained by their longer experiences and their accumulated frustration after being disappointed over and over again.

It is positive that the Kosovar government has noticed the need to actively reach out to entrepreneurs and to implement an action plan to support private companies. However, they missed to incorporate channels for exchange and therefore do not offer an active role in participating in political processes to ordinary business people. This also implies that they do not lay out a plan of how the government's "open ear" could be translated into practice. The second-generation entrepreneurs have therefore virtually no official political leverage power they can use to influence Kosovar politics. In addition, ICT companies can only negligibly profit from the offered institutional support, as it is aimed at physical production such as agriculture. After all, there are no official instruments that concede any political leverage power to the entrepreneurs from the diaspora, which means that they do not profit from any advantages just because they create jobs in Kosovo and therefore are not able take in an extraordinary position in the political landscape in Kosovo.

8.2.3 EXPECTATIONS AND POLITICAL CLAIMS

Not having a simplified access to influence political decisions does not mean that the entrepreneurs do not have expectations and political claims. It is informative to explore them, in order to see in the next chapter what kind of possibilities they have to state their opinions nevertheless. Political demands targeted at the political stakeholders of Kosovo developed over the time, as the three second-generation entrepreneurs featured in this thesis did not expect anything in their initial phase due to a lack of trust. It is not surprising that their expectations and political claims have developed in conjunction with the emergence of problems and obstacles they encountered during their workaday life, like reforms of and investments in the edu-

[47] Original: "Also die Unterstützung ist sehr, sehr, sehr... nein, nicht existent."

[48] Original: "Niemand hat sich für uns interessiert. Also niemand hat uns Steine in den Weg gelegt, aber niemand hat sich für uns interessiert."

cation sector, the improvement of the infrastructure and an overhaul of the current tax system (see *Chapter 7.3*). But they also hanker for a sign of appreciation, or mere recognition, from Kosovar state institutions, which the President and her Ministers explicitly offered, but do not seem to translate into practice.

Neither Fitim, Jonida, nor Drilon expected anything from the Kosovar government when they initially launched their Kosovar part of their start-up. Kosovar state institutions were rather a necessary evil than a potential partner or source of any support in their eyes, which can be explained with the bad reputation of Kosovar politicians and politics among the members of the diaspora[49]. They did not trust Kosovar institutions to have effective and efficient instruments, which could be helpful for them, so they did not actively try to establish a connection to government institutions at the beginning. Consequently, the efforts of the Kosovar government to reach out to potential investors from the diaspora and to encourage them in their intentions neither had an influence on their decision to become self-employed, nor were they able to appeal to them in the first place. This leads me to draw three conclusions: First, the government's endeavors to attract investors from the diaspora are ineffective, because these entrepreneurs do not trust it and because they do not feel addressed. Second, the second-generation entrepreneurs did not expect to gain political leverage power through early interactions with the government. And third, they accordingly did not have a network containing political institutions in Kosovo when they started, because they established their business independent of any connection to the government. However, such a network could have facilitated the access to influence the political process later on.

It took some time until the entrepreneur's expectations and political claims developed. Not surprisingly, they are now very much related to problems they encounter during their daily business life. This is why their two shared top priorities are demands for the improvement of the education system and the infrastructure in Kosovo:

> "There eventually must be public funds flowing in the ICT sector, to the universities in order to educate good people, to the infrastructure. We still have problems with the internet, we still have problems with the power, that is to say that these problems must be wiped away at last (...). Well, these are actually the most important points: infrastructure [and] education (...)."[50] (Fitim)

Fitim and Jonida also expect the implementation of tax reforms by the Kosovar government, because they are not happy with the intransparent and ever changing

[49] Regardless of whom I have been talking to during my fieldwork, everybody harshly criticized the Kosovar government. It is linked to corruption and self-enrichment, which is a dominating and powerful public discourse both among Kosovars in the Swiss diaspora and local Kosovars.

[50] Original: "Es müssen endlich öffentliche Gelder in den ICT-Sektor fliessen, in Universitäten, um gute Leute auszubilden, in die Infrastruktur. Wir haben immer noch Probleme mit dem Internet, wir haben immer noch Probleme mit dem Strom. Das heist, dass dort endlich einmal die Probleme bereinigt werden (...). Also das sind eigentlich so die wichtigsten Punkte: Infrastruktur [und] Aubildung (...)."

application of the tax regime, regardless of government's promise to reform parts of it. Jonida wants the government to have multidimensional perspective on tax issues and proposes a concrete measure, which would also have a positive effect on another problem she faces:

> "It would be good, if we had more incentives to send even more people to training courses, if we were able to deduct these costs from taxes."[51] (Jonida)

Except for the last example, the three second-generation entrepreneurs remain relatively vague about the concrete steps, which would be necessary to measure up to their expectations. It is notable that the improvement of the infrastructure and of the educational- and fiscal system are very comprehensive political claims with various opinions and interest, heaps of different stakeholders and a complicated political process, which are all factors that would considerably limit their political leverage power. But they also formulate more specific political claims, which could be implemented more easily by government institutions, if they showed some interest in the entrepreneurs' activities. For instance the demand for appreciation or at least recognition of their economic activities in Kosovo:

> "Nobody knows that we exist, except the accounting clerks at the tax office. Atifete [Jahjaga] has no clue, Shpend Ahmeti[52] has no clue that we exist. Nobody came here [to my office] and said... you also notice, that I am eager to tell you that, this is airing my frustrations."[53] (Jonida)

This feeling is not only shared by Fitim and Drilon, but even by Enver, the country director of a major Swiss corporation, who also criticizes the lack of appreciation and recognition on the part of the government. This shows two very interesting things: First, it once more unmasks the President's and the Ministers' statements at the conference (see above) as lip services. And second, it shows how hard it is for the three entrepreneurs to make their voices heard and to apply pressure to the politicians to change certain things.

This subchapter illustrates that the three entrepreneurs indeed have expectations and political claims targeted at Kosovar politics, which developed over time as they encountered serious problems during their workaday life. This emergence of political demands makes it necessary to have access to political institutions in order to place

[51] Original: "Es wäre doch gut, wenn wir mehr Anreize hätten, um noch mehr Leute in die Schulungen zu schicken, wenn uns dieser Betrag von den Steuern abgezogen werden würde".

[52] Sphend Ahmeti is the current mayor of Pristina.

[53] Original: "Niemand weiss, dass es uns gibt, ausser die Sachbearbeiter beim Steueramt. Atifete [Jahjaga] hat keine Ahnung, Shpend Ahmeti hat keine Ahnung, dass es uns gibt. Niemand ist hierher gekommen und hat gesagt... du merkst auch, ich bin durstig, um dir das zu erhählen, für mich ist das Frust ablassen."

them. I will discuss different forms of such an exchange between the entrepreneurs and state representatives in the next chapter.

8.3 DIFFERENT WAYS TO BRING YOUR POINT ACROSS

8.3.1 SPECIFYING EXCHANGE AND PARTICIPATION

As I have shown above, the Kosovar government is neither actively outreaching to entrepreneurs from the diaspora in practice, nor has it created proper and transparent channels for the exchange of information, for instance through regular meetings, an institutionalized participation of entrepreneurs in political processes and so on. However, this does not mean there is no interaction between the entrepreneurs and the government at all. I have observed several forms of exchanges between the second-generation entrepreneurs and Kosovar state institutions during my fieldwork, which will be discussed in this chapter in detail to answer the following questions: How does the interaction between the entrepreneurs and the Kosovar government look like? What strategies do the entrepreneurs use to present their political claims to government representatives? What does that tell about their political leverage power?

Two different aspects of these exchanges must be examined and specified first for being able to pull out the relevant information: The reason for interaction and the entrepreneurs' grade of engagement to air their political claims. Running a business in Kosovo requires routine interactions with Kosovar state institutions. The first one, which the three second-generation entrepreneurs have experienced, was the legal registration of their business at the 'Kosovo Business Registration Agency (KBRA)'[54]. This agency then issued a 'certificate of registration'[55], which allows the operation of the business in Kosovo. Contrary to the public discussion about the Kosovar bureaucracy as being inefficient and slow, all three entrepreneurs were surprisingly satisfied with this registration process, as Fitim's representative statement shows:

> "[It was] extremely easy, much easier than in Switzerland, much faster. The company was registered within three days. Totally uncomplicated, totally easy. They have supported me, counseled me, everything for free without cost. Very, very fast and clean."[56] (Fitim)

This is very interesting, as this marks a major contrast to their general sensation about government support and interaction. They also do not complain about other

[54] In Albanian: 'Agjencia e Regjistrimit të Bizneseve të Kosovës (ARBK)'

[55] In Albanian: 'certifikatë e regjistrimit'

[56] Original: "[Es war] extrem einfach, viel einfacher als in der Schweiz, viel schneller. In drei Tagen war die Firma gegründet. Total unkompliziert, total einfach. Man hat mich unterstützt, gut beraten, direkt, alles gratis ohne Kosten. Sehr, sehr schnell und sauber."

regular interactions with public authorities, which are part of running a business. This illustrates two different levels of their interaction with the government: One that is indispensable for the daily operation of their business, which they perceive as quite supportive, and one that is more abstract and deals with their integration in political processes on another level, which they perceive has having a lot of potential for improvement. The observations presented below refer to interaction of these entrepreneurs with the government on the latter level. This gives me the chance to carve out and examine how they might gain and exert political leverage power to influence political processes and decisions in Kosovo through various channels.

Having a political opinion or expectations about certain topics does not automatically entail political involvement and interaction with the government. This also applies to the three young entrepreneurs featured in this thesis, who have different approaches to deal with their dissatisfaction with certain political issues in Kosovo. Drilon has taken a very passive position and tries to stay as invisible as possible in order not to attract any attention from the government under these circumstances. He does not seek leverage power to change certain issues politically, but hopes that things improve without his inputs. Fitim and Jonida try to play a much more active role in influencing political processes in Kosovo and therefore put a lot of effort in making their voices heard. Hence, the following observations are mainly based on them and less on Drilon. As in the other chapters, findings from other entrepreneurs and experts are also displayed to obtain a more comprehensive picture.

8.3.2 INVITATIONS AND PERSONAL CONTACTS

The thriftiest exchanges with political figures and institutions in Kosovo for the entrepreneurs are if they get invited for a meeting or through personal contacts to politicians. Both Fitim and Jonida have been offered to come talk to representatives of different Ministries, but they had the feeling that their counterparts did not really listen to what they had to say. In addition to these individual invitations, the MoD is organizing annual networking events for all diaspora entrepreneurs in their countries of living, which, in the eyes of Fitim and Jonida, are not really helpful in tackling pestering political issues, so they have never participated. Another easy way to access the political establishment is through personal contacts to politicians and officials. Neither Fitim, nor Jonida seem to have direct access to such individuals, but Shpetim, the second-generation American-Kosovar returnee, and the two senior Swiss-Kosovar entrepreneurs Albert and Enver have. Being a second-generation member of the diaspora and entrepreneur of a transnational company might be a disadvantage in this particular case, because they were not able to build a network in Kosovo from the early age, as the have lived in Switzerland. In addition, their peers are not yet in powerful political positions, as politicians tend to be older, so they might also simply be too young yet.

Rare invitations to talk in front of representatives of the government about certain topics is the only form of exchange initiated by state institutions that Fitim and Jonida have been experiencing. Early this year, Fitim was invited to the Kosovar

Ministry of Economic Development to talk about his story and how he was able to establish a company in Kosovo. Jonida was invited to the Ministry of Trade and Industry a year ago, only because they were on a tax list, as she suspects, but she is not happy with the way this meeting went:

> "The topic was how private companies could be supported. But the guy, who led the discussion, talked about how good he is for one and a half hours and only asked us what should be changed for ten minutes (...)."[57] (Jonida)

Even though the initial intention of this invitation was positive, that is listening to what entrepreneurs would change in Kosovo, the self-righteousness of the official in charge of this exchange annoyed Jonida, which to her proves once more that state institutions just do not care about what she has to say. This invitation had nothing to do with her being an entrepreneur and investor from the diaspora, but being an entrepreneur *per se*.

I was interested in finding out more about the government's perspective on these kind of invitations and whether entrepreneurs of the diaspora, which bring in foreign capital, could benefit from special government treatments, so I interviewed a senior MoD official. This official told me that his Ministry regularly organizes events in several countries to bring together business people from the diaspora. According to him, an important goal of these events is the creation of an international business network for people, who already did or who want to invest in Kosovo, but also to foster an exchange between investors and different Ministries. This official proudly showed me images of some of these events, which mainly feature fast cars, luxurious locations and sumptuous buffets. He also tells me about one American-Kosovar businessmen, who always uses his private helicopter to come to this event. It almost seems as though his own personal motivation to initiate and attend these events are not so much potentially better economic prospects for Kosovo through the attraction of foreign capital and the creation of jobs, but that he and the other participants have a good time. This lack of constructive political debate is also one of the reasons why neither one of the entrepreneurs I interviewed has attended such an event. Asked about whether the Kosovar government is treating second-generation entrepreneurs from the diaspora any differently than others or makes a special effort to attract them, the official answers with no. This all shows impressively how the events of the MoD do not meet the needs of young and innovative entrepreneurs and why their old-fashioned character hinders the establishment of a steady and regular exchange between diaspora entrepreneurs and government institutions.

Another easy access to take part in political processes would be through personal contacts and bilateral talks, but neither Fitim nor Jonida apparently have direct con-

[57] Original: "Das Thema war, wie private Firmen unterstützt werden können. Aber der, der das geleitet hat, hat eineinhalb Stunden erzählt, wie gut er ist und uns zehn Minuten lang gefragt was man ändern könnte (...)"

nections to high-ranking politicians and officials. The fact that they have spent most of their life in Switzerland and not in Kosovo might be a disadvantage in this regard, as their network in Kosovo was limited to family members and some friends. They are also still young, while politicians and senior officials generally tend to be older, so that it might take another decade until individuals of their network obtain such influential positions. This may explain why Albert and Enver state that they have connections to some national politicians. Enver is convinced that this is the only way in which political processes in Kosovo can be influenced:

> "The people, who know people, who know people, do not need interest groups, because they have a direct line to the rulers, who can steer these things in the direction that is expected from them, and than it happens."[58] (Enver)

Shpetim was able connect to some politicians through his chair in an influential chamber of commerce, has a more distinguished opinion on this. He refers to this as "political economy", meaning that politicians in Kosovo are only convinced to undertake certain reforms or political actions, if one shows them how they can turn their commitment into political capital. This is why Shpetim invests time to talk to politicians and, by telling how his company can be a part of the solution for their problems, confronts them with very specific topics, which are tailored to their fields of interest. As indicated above, he owes this relatively strong position to his membership in an influential and exclusive lobby organization, which is yet another way to gain political leverage power for the entrepreneurs and will be discussed in Chapter 8.3.4.

8.3.3 CONFERENCES AND THE SUPPORT OF INTERNATIONAL ORGANIZATIONS

One working in a professional environment in Kosovo will definitely encounter one distinct and almost omnipresent phenomenon: conferences. It seems to be the most popular strategy to assemble a wide variety of different stakeholders from politics, administration, economy and donors. Attending some of them is a very important function of both Fitim and Jonida when they are in Kosovo, because they fulfill several useful purposes for them: They are opportunities to present their companies and to make their name known, they mostly guarantee some media attention, and most importantly, they allow to connect and exchange with influential people, which are usually not accessible for them. Many of these conferences are organized by international players, which make use of their existing connections to high-ranking officials and politicians. Entrepreneurs not only draw on their connections, but also on their broker skills, as these powerful organizations may represent the entrepreneurs' opinion in talks with the government. On the other hand, the entrepreneurs

[58] Original: " Die Leute, welche die Leute kennen, welche Leute kennen, brauchen keine Interessenverbände, weil die einen direkten Draht zu den Machthabern haben, welche diese Dinge in die Richtung steuern könnten, welche erwartet wird und dann ist es geschehen."

have considerable leverage power over their international partners, because they need to present success stories in order to justify their programs. After all, conferences may be the most efficient tool for young entrepreneurs to make their voices heard and to state their political expectations in front of relevant people.

A very interesting phenomenon that I have observed during my fieldwork is the exceptionally high density of conferences in Kosovo. Organized by all sorts of different associations, private initiatives, international organizations, NGOs and embassies, conferences play an important role in enabling entrepreneurs to exchange views on political topics with politicians, officials, peers and other people. Fitim and Jonida dedicate a considerable part of their time in Kosovo to attend such conferences and to sometimes even hold short speeches about various topics. They profit in three different ways: First, they spread their own and their company's name, which is important not only to build a good reputation for potential employees, but also to gain recognition among different stakeholders. Second, most of these conferences are covered by local media, who provide the entrepreneurs with a platform to display their political claims publicly to a larger audience. Third and most importantly, these events enable them to get in touch with people they would have no access to otherwise, like high-ranking officials and politicians, ambassadors, business people and other personalities. They build up a network of people, through which they get invited to other conferences, which enlarge their network even more and which enables them to steadily increase their reputation, recognition and, eventually, leverage power.

As already indicated above, these conferences are often interlinked with the organizational, financial or thematic contribution of international organizations or embassies in Kosovo. These players mostly come up with a topic they feel needs to be discussed, provide contacts to potentially relevant participants and, if necessary, allocate financial funding for the conference. Being in a network of such an organization is therefore very helpful for the entrepreneurs, not only in order to be invited, but also to collaborate on their political agenda. Fitim for instance works hand in hand with the Swiss NGO Helvetas and the United States Agency for International Development (USAID) to come up with effective proposals to lower the unemployment rate among young Kosovars. The most popular solution for this is a demand to revise the education system in Kosovo, one of Fitim's personal, most urgent political claims. These organizations then organize conferences to this topic, where Fitim directly gets to talk to representatives of the government about this.

These organizations can also assume a broker function by adopting and presenting the entrepreneurs' political standpoints in discussions with political figures. The entrepreneurs benefit from the recognition and the leverage power of these international organizations and therefore do not really rely on their own political leverage power. Interestingly enough, Fitim, as well as Jonida, in turn have considerable leverage power over such international organizations. They stand under the constant pressure to justify their programs, which is why they want to present Fitim and Jonida, two perfect examples of young and innovative entrepreneurs in Kosovo, as

their own success stories. Both of them have been actively approached by such organizations and were offered financial contribution and support in exchange for official, presentable collaboration. This is an exciting constellation, where they both benefit from one another and where different leverage powers exist, because both parties have something that the other wants – contacts and recognition on the one hand and a successful example of aid on the other. As this subchapter illustrates, conferences are a very effective way for entrepreneurs to state their political claims to usually inaccessible government representatives and to steadily increase their leverage power through increasing their degree of familiarity. Another possibility is their participation in a lobby group, which will be discussed in the next part.

8.3.4 INTEREST GROUPS AND LOBBYING

As I have shown above, the second-generation entrepreneurs have very similar expectations and political claims and want politicians and officials to include them in political processes. This similarity could be the perfect hook to cluster different actors in the ICT sector in interest groups, which could then initiate lobbying activities, as it is already the case in other sectors. In fact, all three second-generation entrepreneurs are either already part of such an association or plan to soon join or even establish one themselves. However, many of these interest groups do not really get up to speed to increase their political scope and influence. The main reason for this seems to be the overshadowing competition between the entrepreneurs, which impedes the communication between them. The ICT sector is still young and maybe needs yet a couple of years to settle, before powerful interest groups emerge.

Switzerland is a prime example of how powerful interest groups and associations can take part in political processes through both direct inclusion and lobbying. They represent the clustered interest of hundreds or thousands of members and therefore have substantial political leverage power in Switzerland. Dozens of similar groups also exist in Kosovo today and some of them, like the American Chamber of Commerce in Kosovo, are even heard by high-ranking officials and politicians. However, there is no influential interest group representing the interests of the ICT sector, even though, as I have described in *Chapter 8.2.3*, the entrepreneurs share very similar expectations and political claims. All three entrepreneurs have stated to me that they already are or want to become actively involved in an interest group, but all of them primarily want to establish one of their own: Fitim has already launched an IT association, Jonida wants to start lobbying with “other” companies as they grow and Drilon thinks about establishing a Kosovar employers association.

But why is this process of teaming up in interest groups so stagnant and fragmented? The three entrepreneurs explained it with the hard competition in the ICT sector. The partially nasty fight for qualified employees and mandates left some marks on the relationship between entrepreneurs, which also weakened the communication between them, as Drilon states: “We do not really speak with each other, you know.

From the same industry, I think, you know."[59] Another second-generation German-Kosovar entrepreneur determines a lot of mistrust among her peers. Bad experiences in the past make them think that their partners will trap them eventually, which is not a particularly good basis for an interest group. In addition, heads of older ICT companies increasingly resign and lost the hope that something will change or that they actually get the chance to make changes as organized interest groups, so they lose the motivation to get involved in such associations.

The discourse about interest groups and lobbying is very present among Fitim, Jonida and Drilon. They obviously perceive such associations as a promising way to gain political influence to present their claims to relevant figures. However, the ICT sector in Kosovo is still relatively young and has not yet consolidated, which is why self-serving interests, personal animosities because of the highly competitive environment and a general lack of trust are still predominating and prevent the crystallization of one or two powerful interest groups among the younger generation of ICT entrepreneurs. Time will show whether this sector will be able settle the internal differences and to establish a strong special interest group.

8.5 DISCUSSION

So far, this chapter has shed light on the connections between the three second-generation Swiss-Kosovar entrepreneurs and Kosovar state institutions and representatives. I both identified their actual political claims they want to convey and several strategies that they apply to make their voices heard. All in all, this chapter has aimed at answering the research questions of set C:

> *How does the interaction between the entrepreneurs and Kosovar government institutions look like? What strategies do entrepreneurs use to present their political claims to government representatives? What does that tell about their political leverage?*

There are certain aspects of this topic that require further reflective scrutiny. I first want to compare the available theory to the actual situation that I have encountered in Kosovo. This will be followed by a reassessment of the multiple 'trust'-issues between the different actors in Kosovo, as they seem to be prevalent in this context. I close this chapter with a short discussion about the future development of the entrepreneurs' political leverage power in Kosovo.

Kosovar Reality Conflicts with Theory

As I have shown in the conceptual framework, scholars who have been involved in studying transnational entrepreneurship have used the term 'creative foreign investment strategies' (Gillespie et al. 1999) to show how some governments issue

[59] "Man spricht jetzt nicht gross untereinander, weisst du. Aus der gleichen Industrie, denke ich mal, weisst du."

certain policy measures to attract diaspora investments and economic involvement by connecting to their citizens abroad. According to this argument, this especially applies to countries that have difficulties to attract other, non-diaspora investments - therefore also to Kosovo (Riddle et al. 2010). However, as my empirical results presented above indicate, I have not observed promising measures initiated by the Kosovar government to outreach to its diaspora other than concealed pleasure events organized by the MoD and the lip services of the President. Hence there is no trace of a 'creative foreign investment strategy' in the case of Kosovo. The Kosovar government has not institutionalized channels through which it could directly connect to highly-skilled professionals or potential entrepreneurs, as other countries have done with the installation of scientific and technological centers, which are aimed at enabling knowledge transfers and fostering investments from the diaspora (Portes & Yiu 2013).

This passivity of Kosovar state institutions bears two consequences for the transnational entrepreneurs featured in this thesis: First, even though they want to share their experiences and their ideas for improvements with Kosovar state institutions, they have simply no possibility to do so, as there are no official state bodies which they could turn to. Second, this lack of institutional interconnectedness to the Kosovar state negatively influences the entrepreneurs' political leverage, because their political claims are not being heard and remain unanswered.

While Drilon accepts the situation as it is, Fitim and Jonida try to find other ways to bring their claims across to the political establishment in Kosovo. They attend various conferences, accept invitations to talk in front of Ministries and collaborate with NGOs to work on policy papers and political agendas. Their efforts allow them to at least talk to relevant political figures, but it remains highly arguable whether these noncommittal exchanges have an enduring effect on political processes in Kosovo. I conclude that the second-generation Swiss-Kosovar entrepreneurs featured in this thesis *de facto* do not have noteworthy political leverage in Kosovo. The Kosovar state does not equip them with powerful political tools, which would enable them to actively mold the institutional structures in Kosovo, as Drori et al. (2009) suggest. Instead, they remain "passive adherents" (ibid.: 2003) who have to comply with the existing institutional constraints and to find coping strategies to minimize them.

Omnipresent Trust Issues

My empirical evidence shows that the three second-generation entrepreneurs operate in an environment that is highly affected by a prevalent trust deficit, as they neither trust Kosovar politics, nor administrative bodies, nor other entrepreneurs in the ICT sector. This might also be the reason why neither of them is in a political party in Kosovo, which would be the most obvious chance to gain political leverage. This lack of trust has a major negative implication for their political leverage power: It becomes extremely difficult to convince other entrepreneurs to form a nimble-witted ICT interest group or lobby organization, in which their mutual interests could be clustered to gain political leverage. However, they all embrace the idea of such an organization, but instead of joining an existing one, they all three want to found

their own interest group, which they can control themselves. Not surprisingly, the results of this dynamic is a multitude of fragmented interest groups in the ICT sector, which have mostly very little vigor – and thus do not confer specific political benefits for its members.

I discovered one exception of this trust deficit in Kosovo: Both Fitim and Jonida trust international NGOs in Kosovo, with whom they regularly collaborate in various projects. This relationship is based on mutual trust, as both the NGOs and the entrepreneurs profit from each other, which I have illustrated above. NGOs could maybe use this fundament of trust in the future to conciliate between the different ICT entrepreneurs as a more or less neutral trust broker, which could end the entrepreneurs' isolated activities in Kosovo.

Future Prospect of Leverage Power

I have discovered and described many advantages of second-generation Swiss-Kosovar entrepreneurs in the course of this thesis, but they might be significantly disadvantaged regarding their political leverage power in Kosovo, which has two major causes: First, they are still very young, whereas politicians tend to be older, and second, they have lived in Switzerland during most of their lives, which hindered the development of an extensive network in Kosovo. Because of these two factors, the political network of the three entrepreneurs is very limited in Kosovo. Together with an intra-industry trust deficit in the ICT sector, which is caused by tough and at times unfair competition, this accentuates their isolated position in the political context of Kosovo, which results in very limited political leverage power.

However, they are still in the process of finding their position in the political context of Kosovo. As the ICT sector will settle and consolidate in the future, chances increase that the tensions between the entrepreneurs decline, which might commence the generation of mutual trust in this industry. NGOs might mediate between the different parties in this process as trust-brokers. The establishment of a powerful and broadly supported interest group could lead to an increase of the entrepreneur's political leverage power at the end.

9 CONCLUSION

Over the last sixty years, thousands and thousands of Kosovars have migrated from Kosovo to Switzerland. Most of them fled during the devastating war just before the turn of the millennium, but a substantial number of them were also migrant laborers, who literally helped to build Switzerland during the economic revival of the 1970s. These migrants, both refugees and laborers, traditionally maintained strong social, cultural and political, but especially also economic connections to Kosovo, their country of origin. They have routinely sent a share of their salary back to Kosovo to support family and friends, who had stayed behind. These financial remittances were and sometimes still are essential pillars in the livelihood of many people in Kosovo. However, as scholars such as Haxhikadrija (2009) or Iseni (2013) have recently remarked, the financial commitment of the Kosovar diaspora in Switzerland is continuously decreasing. This trend seems to be accentuated with regard to the second-generation Swiss-Kosovars. These children of original immigrants, who have spent most if not all of their life in the receiving country, are believed to economically engage less and less with their parent's country or origin (Perlman 2002; Levitt & Waters 2006; Akkaya & Soland 2009). Interestingly, I have made an observation that contradicts these claims: I have met second-generation Swiss-Kosovars, who have established a transnational enterprise between Switzerland and Kosovo. In contrast to the general expectations, these second-generation migrants thereby restrengthen the economic transnational ties between Switzerland and Kosovo. I tentatively asked whether this new phenomenon might deserve to be called 'remittance 2.0', referring to the emergence of the first transnational economic ties between Switzerland and Kosovo some sixty years ago.

The primary goal of this thesis has therefore been to examine and describe the phenomenon of transnational entrepreneurship by second-generation Kosovars from Switzerland, which is reflected in the overall research question of this thesis: *Who are second-generation Swiss-Kosovar entrepreneurs and how do they practically conduct their business in a transnational context?* I have chosen a qualitative approach to access this topic, as I have focused on a case study of three second-generation Swiss-Kosovar entrepreneurs, Fitim, Jonida and Drilon. This research assumed an explorative character, as I seem to be one of the first to participate in the debate on second-generation transnational entrepreneurship. I have analytically divided up the topic in three different parts, the 'ignition' of their entrepreneurial activity, the actual 'operation' and the political 'leverage' power. I will summarize some key results of these three different domains first, before I reflect on the contribution of this thesis to existing literature and present some prospect for further studies. I will reassess the question of whether 'remittance 2.0' is a well-chosen and appropriate term to grasp transnational entrepreneurship by second-generation Kosovars from Switzerland at the very end of this chapter.

Ignition

Scholars working on transnational entrepreneurship have repeatedly referred to the importance of a transnational network during the ignition process of an enterprise (Yeung 2002; Drori et al. 2009; Riddle et al. 2010). However, my empirical results indicate that the three second-generation entrepreneurs featured in this thesis could not count on a supportive *a priori* transnational network at the beginning of their economic activities, but only started to build such a network once their business operations started. All three entrepreneurs have discovered promising business opportunities because they took advantage of combining their direct observations and experiences from both Switzerland and Kosovo to identify new market needs. Their transnational upbringing has equipped them with the social tools to socially navigate through both the Swiss and the Kosovar social context, as they know both languages, cultural peculiarities and codes of conduct. This is why they were able to span the 'structural hole' (Burt 2004) that exists between the social worlds of Switzerland and Kosovo. This might provide a valuable hint to the special advantage of second-generation entrepreneurs, as they thereby seem to be in a particularly privileged position to discover transnational business opportunities.

I have identified a powerful public discourse about the factors that might trigger diaspora entrepreneurship in the course of my empirical inquiries, which only distinguishes between 'rational', profit-oriented and 'emotional', support-oriented motives. As I was able to show with my results, such a dichotomy fails to appropriately conceptualize the overlapping, coexisting motives that triggered and/or enabled Fitim, Jonida and Drilon to exploit the detected business opportunities. The range of factors necessarily needs to be complemented with factors such as family history, family background and personality. I found out that profit-oriented motives played a crucial part in the considerations of second-generation entrepreneurs, but never an exclusive one. The business ideas of the three entrepreneurs all involve the outsourcing of ICT services from Switzerland to Kosovo. Fitim, Jonida and Drilon thereby profit from low labor costs in Kosovo, which they can translate in very competitive offers in Switzerland. This shows that 'transnational' is a distinct feature of their business ideas.

Operation

The conduction of their business is explicitly transnational as well, as they have tasks in Switzerland and in Kosovo to fulfill. I identified three different categories of such operational duties: customer care and acquisition in Switzerland, team management in Kosovo and strategic development of the business without a connection to a distinct geographical location. This transnational set-up of their companies requires the second-generation entrepreneurs to simultaneously intervene in two locations that are more than a thousand kilometers separated from each other. They all extensively use modern telecommunication technologies such as 'Skype' or 'Viber' to overcome this spatial gap. In addition, they frequently travel between their offices in Switzerland and their offices in Pristina. The most excessive frequent traveler is Fitim, who commutes once a month between his two locations. This

transnational conduction of their business illustrates how important cheap communication technologies and favorable airfares are for them. As I have concluded before, their businesses would have not been possible for them to operate like that only a decade ago – which proofs the novel characteristics of this phenomenon.

I have specifically focused on the problems they encounter in their workaday life and how they try to cope with them. Somewhat surprisingly, corruption in Kosovo does not seem to affect them in their daily business life. They instead face different problems with the infrastructure and their staff in Kosovo. A high fluctuation rate caused by a contested labor market and lacking loyalty among the staff bothers them specifically. They try to counteract by offering various incentives to their employees, and import some of them from Switzerland. An illustrative example for that are health and life insurances, which they offer to their employees. In addition, they generally try to gain an advantage by promoting themselves as having Swiss characteristics, by which they specifically refer to the correct treatment of their employees and relatively weak hierarchies. They also promote their ability to obtain a business visa for the 'Schengen area' as an incentive to their personnel. After all, my empirical results have shown that the three entrepreneurs have developed very flexible and innovative coping strategies to meet the obstacles they encounter in their workaday life.

Leverage

Listening to some high-ranking Kosovar politicians talking about their desire to attract investments from the Kosovar diaspora led me to assume that second-generation Swiss-Kosovar entrepreneurs might receive substantial political leverage power in Kosovo as an exchange for their appreciated economic support. However, my empirical results have shown that this is not the case and that all three entrepreneurs have very limited political influence. Mostly reflecting the problems and obstacles they encounter during their workaday life, the second-generation entrepreneurs have developed political claims over time that they wish to present to relevant public officials or politicians. However, as the Kosovar government has not yet established wholehearted, institutionalized opportunities for an exchange between them and their diaspora, this proves to be a difficult task.

Especially Fitim and Jonida make use of other strategies to make their voices heard. A very popular one is the regular attendance of conferences in Kosovo. This often presents an opportunity to meet people they usually have no direct access to. In addition, Fitim and Jonida both collaborate with two influential NGOs in Pristina to contribute to the development of their policy agendas. However, it remains questionable whether this is just a collaboration of outsiders, or bears the potential to influence political processes in Kosovo. The formation of interest groups and lobby organizations could be another alternative to gain political leverage power, but an almost omnipresent lack of trust between the entrepreneurs in the ICT sector have yet prevented the genesis of a powerful clustered representation of interest. After all, the possibility to mold the institutional structures in Kosovo, as theory claims

for transnational entrepreneurs (Drori et al. 2009), is very limited. They instead rely on efficient coping strategies to avoid institutional constraints as much as possible.

Contribution to Existing Literature

The main contribution of this thesis is that I complement the academic literature in the field of transnational entrepreneurship with two novelites: First, I provide an analysis based on field research and thereby expand the focus from theoretical considerations about the motives and effects of transnational entrepreneurship to also include the practical operation of these enterprises. Previous studies have focused on the factors that enable transnational entrepreneurship and what effects it might cause, but there are no examples of studies that also focussed on how transnational entrepreneurs conduct their businesses in a transnational context. Second, I add the factor 'second-generation' to the scholarly debate about transnational entrepreneurship. This particular group of migrants has not yet drawn academic attention in the context of transnational entrepreneurship, but my findings indicate that this should change in the future. In addition, this thesis contributes to the thin body of literature covering the transnational relationship between Kosovo and its diaspora in Switzerland and additionally marks the first study to cover transnational entrepreneurship in this context.

Limitations and Prospects for Future Research

Most limitations of this study have a methodological nature, which I therefore have already discussed in the according chapter (see *Chapter 4.5*). As I have mentioned before, the selection of interview partners depended greatly on the accessibility of second-generation entrepreneurs. This resulted in a sole focus on Muslim, ethnic Albanians, who work in the ICT sector and who have established the Kosovar branch of their business in Pristina. This represents a certain onesidedness that could be enhanced in the future by identifying and incorporating other such second-generation Swiss-Kosovar entrepreneurs in similar studies.

The comprehensive approach of my study allowed me to identify an array of avenues for further research that could deepen the knowledge about transnational entrepreneurship by second-generation Kosovars from Switzerland. First, I have detected an interesting gender aspect during my empirical inquiries, as most entrepreneurs in Kosovo seem to be men. It could therefore be interesting to focus more on the meaning of gender in the establishment of a transnational business. Would have Jonida been able to start her venture without the help of her husband Albion? Are there additional social barriers for women, which they have to break through in their quest for self-employment in this specific cultural arena? Second, an emphasis of the distinct identity of second-generation Swiss-Kosovars and its tangible effects could also offer more detailed information about the relationship they develop to their parent' country of origin. This includes a more in-depth examination of their (transnational) social networks, both prior and after the establishment of a transnational enterprise. Third, there is also plenty of room for further studies regarding a more specific inquiry of the dynamics of political leverage power in the context of

Kosovo. My results did not allow to answer why the Kosovar government is not more pro-actively involved in outreaching to its diaspora abroad. However, a closer look at political practices in Kosovo might offer first hints to explain the 'irrational' political behavior of Kosovar institution. Fourth, future studies could open up the geographical scope of the analysis, for instance by also including second-generation Kosovars from other large Kosovar diaspora communities, such as Germany, Austria or the United State of America. This would enable studies to draw on broader samples to further refine the distinct characteristics of this type of entrepreneurship. Fifth, a detailed analysis of the entire second-generation of Swiss-Kosovars in Switzerland could enhance the general knowledge about the average transnational economic, social, cultural and political involvement of them. Sixth, even though I have not encountered transnational entrepreneurship by first-generation Kosovars from Switzerland, scholars might add this direct generational dimension to further specify the characteristics that might be attributed to a generation. Last but not least, follow-up studies to this thesis could feature the further development of these yet young enterprises to obtain more information about the sustainability of second-generation transnational entrepreneurship. All these prospects show that this field of study still offers plenty points of contact to further analyze different interesting aspects of transnational entrepreneurship by second-generation migrants.

Remittance 2.0?

After all, the question remains whether a terminological comparison between transnational entrepreneurship by second-generation Kosovars from Switzerland and the rise of financial remittances over half a century ago is valid. There are three different perspectives that lead to diverging answers. First, if this is a quantitative comparison between the financial remittances and second-generation transnational entrepreneurship in absolute terms of transferred money and people affected, then the answer is a clear 'no'. This form of entrepreneurship is definitely not a mass phenomenon. Quite the contrary is true, as the number of transnationally active second-generation Swiss-Kosovar entrepreneurs is vanishingly small as measured by the total number of second-generation Swiss-Kosovars in Switzerland. While sending remittances was and still is widespread among the Kosovar diaspora in Switzerland, transnational entrepreneurship is not. Second, if this is qualitative comparison between remittances and transnational entrepreneurship, then the answer might tend to be a 'yes', as both represent a form of transnational economic ties between Switzerland and Kosovo.

However, the term 'remittance 2.0' seems to be most convincing when the '2.0' refers to a qualitative improvement of a previous version, in this case the transfer of financial remittances. As Fitim's statement at the very beginning of this thesis indicates, the effects of transnational entrepreneurship might be more favorable and sustainable than ordinary remittances from a migration-development perspective. As financial remittances are usually directly flowing into consumption, transnational entrepreneurship might have broader and more long-lasting impacts on the economic and social development of Kosovo. I have highlighted the knowledge

transfer from Switzerland to Kosovo through Fitim, Jonida and Drilon. They do not only educate their staff, but also introduce them to Swiss working standards. They also start to offer social security measures, such as life and health insurances, to the context of Kosovo. Other business people might then adopt these measures in order to stay competitive on the labor market, which his how a dynamic of diffusion might be initiated. Second-generation transnational entrepreneurs also have a direct financial impact on the economy of Kosovo, as they create jobs and pay wages to their employees, which they primarily spend in the Kosovar economy. It will remain exciting to find out which perspective on second-generation transnational entrepreneurship will be prevailing in the future.

10 LITERATURE

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PERSONAL DECLARATION

I hereby declare that the submitted thesis is the result of my own, independent work. All external sources are explicitly acknowledged in the thesis.

Zürich, 30.09.2015

Oliver Neff