

Road Map of Immigrant Entrepreneurship in Japan*

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《Abstract》

The aim of this paper is to review published documents on immigrant entrepreneurship in conceptual, theoretical and empirical perspectives and summarize existing studies on immigrant entrepreneurs in Japan including Sri Lankans. Findings of this paper indicates several gaps to be addressed for further development of research on immigrant entrepreneurship in Japan as (1) it is a relatively new concept and a limited number of studies have been conducted due to small size of foreign born population and their scatted nature, wider language and cultural differences, insufficient macro-level data and difficulties in accessing micro-level information; (2) there are enough evidences to show that the number of immigrant entrepreneurs in Japan have been increasing in recent past and are predicted to increase in future; (3) most of the existing Asian immigrant entrepreneurs in Japan have emerged through migrant workers, assets generated in Japan and married to Japanese; (4) since services and ICT sectors have been expanding, foreigners have new avenues to start businesses in Japan (5) the large number of SMEs in Japan still focus on local markets with high technical abilities and suffer due to the limited access to Asian markets, although mutual benefits can be expanded if they have wider access to

develop linkages with immigrant entrepreneurs in Japan; and finally, (6) internalization of immigrant businesses in Japan (export orientation, mergers and acquisition of foreign firms and assets, joint ventures and FDI projects started in collaboration with Japanese banks) has been a new phenomenon in the literature of immigrant entrepreneurship in the 21st century. Therefore, immigrant entrepreneurship continues to remain as an unexplored research field in Japan.

Keywords: Immigrant Entrepreneurship, Immigrant Business, Japan, Review of Literature

1. Introduction and Conceptual Definitions

The purpose of this paper is to summarize published documents on foreign-born population, entrepreneurship and immigrant entrepreneurs in conceptual, theoretical and empirical perspectives and provide summary of former studies on immigrant entrepreneurs in Japan. A person who was born in one country and living in another country either for temporary (at least more than one year) or permanently, is known as a foreign born person. This definition consider initial immigrants or first generation migrants as well as kids born for foreigners in the host country (by descent) as foreign born population. Impact of increasing foreign born population due to international migration flows have been much debated in aspects of social

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sciences such as sociology, political science, labour economics throughout history. As globalization proceeds, studies on dynamic international migration flows tend to increase the significance of literature on foreign born population known as “diaspora” activities in host countries and influences on home countries since the latter half of 20th century. A *diaspora* is a Greek word to indicate scattered population whose origin lies within a smaller geographic locale. *Diaspora* can also refer to the movement of the population from its original homeland (Ember, Ember & Skoggard, 2004).

Contrary, there is no unified single definition for entrepreneurship (Gedeon, 2010). Historically, various definitions for the concepts of entrepreneur and entrepreneurship have emerged in an attempt to explain activities of an entrepreneur. The problem of defining the word “entrepreneur” and establishing the boundaries in the field of entrepreneurship has still not been solved (Bruyat and Julien, 2000). Originally Cantillon, Turgot and Say, Schumpeter (1934) laid the foundation for the meaning of entrepreneurship. Cantillon defined entrepreneur as someone who assumes the risk and may legitimately appropriate any profits. The entrepreneur “insures” workers by buying their labour (in production process) for resale before consumers have indicated how much they are willing to pay for them. The workers receive an assured income while the entrepreneur bears the risk caused by price fluctuations, changes in market conditions, innovations, regulations and policy changes. Turgot and Say point out that the entrepreneur obtain and organizes factors of production to create value. As one of the most influential writer in this field of study, Schumpeter (1934) related entrepreneurship to innovations. He argues that the essence of entrepreneurship lies in “employing existing resources in a different way, in doing new things with them, irrespective of

whether those resources increase or not” (Schumpeter 1934: 66-69). According to him, the innovative activity of an entrepreneur feeds a creative “destruction process” by causing constant disturbances to an economic system in equilibrium, creating opportunities for economic profit. Later he defined “entrepreneur as an individual who exploit market opportunity through technical and/or organizational innovations.” However, Drucker (1985) defined the entrepreneurship as “about taking risk” and later noted that the entrepreneur always searches for a change, responds to it and exploit it as an opportunity.

Hirschmeier (1964) examined the history of entrepreneurial development in Japan and defined entrepreneurship as “the will to develop. To invest, to take risks and to break with traditional business attitudes” He classified Japanese entrepreneurship into three categories, first as Romantic entrepreneurs, who open started new business, often changed their industry, type of business or management styles and established many businesses to achieve maximum wealth. According to Hirschmeier (1964) romantic entrepreneurs tended to found companies, one after the other in Meiji period in Japan. There were less concerned with maintaining or expanding the businesses. The prototypical romantic entrepreneur was Shibusawa Eiichi, who had a hand in founding of more than 600 companies over the span of his career. Second as classical entrepreneurs, who carried out similar entrepreneurial activities for a long period. According to him classical entrepreneurs might have found other businesses, but these new companies were usually extensions from the original line of business. A third type of entrepreneurs were semi-romantic entrepreneurs who fell somewhere between the romantic and the classical entrepreneurs.

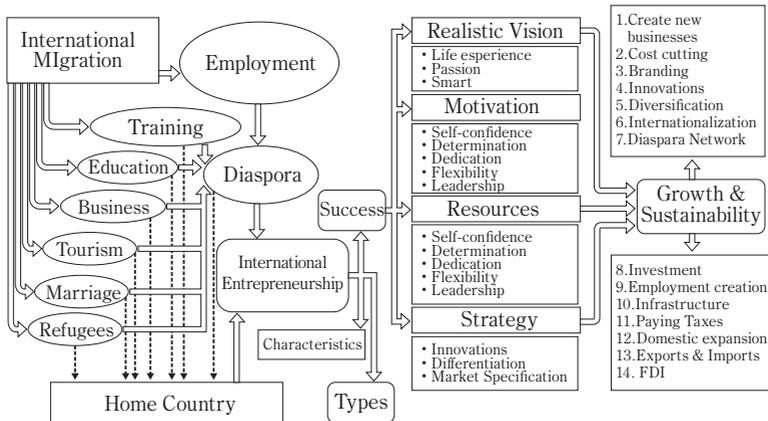
Alternatively growing importance of China Towns, Hispanic Towns and villages, concentration of Africans, Indians, Koreans and Japanese into

some places in the United State of America led to an increase in explorative research studies on ethnic economies/immigrant businesses and developed useful conceptual theses since early 1950s. Among them “sojourner” thesis (Siu 1952), the “protected market hypothesis” (Light 1972), “ethnic economy” (light 1972), “middleman minority” (Bonacich, 1973), “Ecological succession and racial segregation thesis” (Aldrich 1975), “the blocked mobility thesis” (Li 1976), “enclave economy” (Wilson and Portes, 1980), the “class and ethnic resources” (light 1984), “social embeddedness” (Granovetter, 1985) the “transplanted cultural thesis” (Goldberg, 1985), “bounded solidarity” and “enforceable trust” (Portes and Zhou, 1992), “mixed embeddedness” (Kloosterman et al 1999) became conceptual vocabulary among the immigrant/ethnic entrepreneurs who wrote on United States of America and Europe. Later some of these aspects of entrepreneurship extended into immigrants when scholars defined immigrant entrepreneurship. Subsequently, Light and Gold (2003) defined immigrant’s self-employment groups, its employees and their co-ethnic employees and their unpaid family workers as ethnic economy, which in turn became the most significant research area in recent past. Number of studies devoted to examine the link between immigration and entrepreneurship (Dana 2007).According to Volery (2007), immigrant entrepreneurs are defined as persons who have immigrated to a new country and started a business there. This paper also uses a term “immigrant business owner” as a synonym to an ethnic entrepreneur. The definition of ethnic entrepreneurship includes those individuals who employ themselves as well as those who employ others in host country.

As shown in Figure 1, conceptual relationships among international migration, diaspora, immigrant entrepreneurship, entrepreneurial networking, business success, growth and sustainability of immigrant

entrepreneurs have been illustrated by the recent researches on immigrant entrepreneurship. In addition, contemporary researches on immigrant entrepreneurship have been focusing on characteristics of immigrant entrepreneurs or types of their activities, networking styles and level of innovations. As Rahman and Fee (2011) pointed out, although management literature on entrepreneurship focusses on innovation, ethnic business studies tend to overlook the importance of innovations in broader perspectives. Therefore, innovations in migrant entrepreneurship should be highlighted in an analysis of contemporary migrant entrepreneurship, especially in Asia. Since contribution of innovations, small and medium size enterprises and their relations with large firms, technological advancement and export orientation had been significant in the economic development process of Japan, it is worth to investigate existing literature on immigrant entrepreneurs in Japan to understand their assimilation level into Japanese

Figure 1 Conceptual Relationships among Migration, Diaspora, Immigrant Entrepreneurship, Entrepreneurial Networking, Business Success, Growth and Sustainability of Immigrant Entrepreneurship



Source: Authors' creation based on U.S. Department of State/Bureau of Information Programs "Principles of Entrepreneurship" . <https://www.ait.org.tw/infousa/zhtw/DOCS/enterp.pdf>.

economy and society.

2. Review of Theories on Immigrant Entrepreneurship

The phenomenon of immigrant entrepreneurship have been explained by four main theories known as: (1) the market disadvantage theory, (2) cultural perspective, (3) neoclassical perspective, and (4) institutional perspective (Chrysostome, 2010). *The market disadvantage theory* was introduced by Light (1979) and extended by Ladbury (1984), Jones, Macevoy, and Barrett (1994). According to this theory immigrants face many problems that prevent them entering job market of their host countries. Therefore, they engage in self-employment activities, which remain the only alternative for them. Among the problems they face are, language barriers, lack of recognition for academic and professional achievements in their home countries, limited knowledge on host country culture, resources, production techniques and markets, lack of mobility due to limited information and income, discrimination in the host-country job market are well noted in the literature on immigrant entrepreneurship (Light, 1979; Ladbury, 1984; Light & God, 2000; Min & Bozorgmehr, 2003; Volery 2007; Chrysostome, 2010). Alternatively, *the cultural perspective* considered several factors influencing on establishment and sustainability of immigrant entrepreneurship in western developed countries. Ethnicity differences in level and types of businesses, cultural traditions of home country, pre-migration entrepreneurial mentality, ethic and social networks, ethnic resources and niche markets were important ingredients of cultural perspective.

According to *neoclassical perspective*, immigrant entrepreneurship is a result of arbitration between the earnings expected from highest possible

employment opportunity (wage) and self-employment (profits). Therefore, information collection and usage, innovative ideas, management skills, and risk management skills are more effective elements of establishment and sustainability of immigrant entrepreneurship in western countries (Chrysostome, 2010). On contrary, *institutional perspective* of immigrant entrepreneurship highlighted importance of government and institutional support for effective development of immigrant entrepreneurship (Linskey, 2004). According to Scott (1995), there are three different institutional structures, known as relative structures, cognitive structures, and normative structures. Kostova (1997) explain these three structures as government policies, widely shared social knowledge and value systems. As Ibrahim and Galt (2003) emphasized, the role of government policies in generating immigrant entrepreneurs and their sustainability in western countries have been significantly effective.

3. Models on Immigrant Entrepreneurship

The essence of the above-mentioned four theories have been integrated into two models attempting to explain the immigrant entrepreneurship phenomenon and widely known as *the middlemen minority (interactive) model*, and *the mixed embeddedness model* (Volery, 2007). The middleman minority model emerged from the primary explanations for ethnic entrepreneurship in economic perspectives. As explained by Waldinger et al (1990), at the turn of twentieth century, the concept of ethnic business was first observed among increasing number of Jewish and Italian immigrants in New York City, with the latter group not even having sufficient funds for new investments. When number of people from one ethnic community is increasing and regionally concentrating in host

countries, accumulating capital with employment and other opportunities in advanced countries, entering into information flows, international marriages, access to host country networks and resources, the supply of ethnic resources and services for late comers become a good opportunity of a foreign born people in that country. Therefore, Waldinger et al (1990) suggested that opportunity structure in terms of market conditions, access to ownership, job market conditions as well as legal frameworks and availability of cultural, traditional resources and ethnic social networks are important for the development of immigrant entrepreneurship.

On the other hand, the mixed embeddedness model introduced by Razin and Light (1998) is a further development of ethnic resources and opportunity structure. According to them structures of local economy and legal institutional factors exert a strong influence on the creation and existence of immigrant businesses. This model was based on three main assumptions on business opportunities as (1) must not be blocked by barriers of entry or government regulations (2) must recognize through potential entrepreneurs, (3) entrepreneurs must able to seize it in tangible way. This model recognizes ethnic strategies, ethnic networks and financing ethnic businesses as important dimensions of venture creation and business performances among immigrant entrepreneurs.

In addition to the above two models, Chrysostome (2010) suggested five categories of survival factors of immigrant entrepreneurs. The first as ethno-cultural factors he recognizes (1.1) size of the ethnic market niche; (1.2) the ethnic social networks; (1.3) size of the ethnic labour pool (1.4) the level of ethnic emotional support. The second as financial factors, (2.1) access to start-up capital and (2.2) access to emergency loans were recognized. The third as managerial factors (3.1) level of education in home and host country and (3.2) previous work experience identified. The Forth

as psycho-behavioral factors (4.1) the level of risk aversion and (4.2) the level of commitment was recognized. Finally as the fifth, institutional environment factors (5.1) the institutional support, (5.2) the access to counseling programs and (5.3) the system of tax incentives were presented. These factors can be used in modeling the growth, structural changes, successfulness as well as survival of immigrant entrepreneurs in the modern world.

4. Review of Empirical Literature on Immigrant Entrepreneurship

The current phase of globalization has shown a steady growth of immigrant entrepreneurs in western countries. This has led to generate large number of empirical researches on immigrant entrepreneurs and entrepreneurship during the past three decades (Kloosterman and Rath, 2001, Kerr & Kerr, 2015). Covering many empirical studies in recent past, Aliaga-Isla and Rialp (2013) reviewed 45 articles published in academic journals based on their objectives, theoretical frameworks, methodologies and suggested several gaps in the empirical literature on the immigrant entrepreneurship. The important aspects of this survey article was that they identified six common dimensions of recent studies on immigrant entrepreneurship as; (1) most papers published were in the context of USA, Europe and Oceania; (2) mostly based on the individual level of analysis (3) deductive perspective was widely used (4) dearth of theory building (5) lack of effort to create official data on immigrant businesses (6); advocated the importance of qualitative and mixed methods to provide a more nuanced understanding of the immigrant entrepreneurship phenomenon.

5. Trends in Studies on Immigrant Entrepreneurship

There are three main long-term trends in studies on immigrant entrepreneurship: The first, prevailing literature have mainly focused on the reality of the USA, followed by Europe and Oceania due to significant number, long term history, high magnitude of their contribution to economy and society as well as the large number of studies. The second, since 1980s, several new concepts such as economic enclaves, ethnic business, and immigrant entrepreneurship were gradually emerged as useful literature with respect to growth and structural changes of foreign born population in western advanced countries. Some of those studies have pointed out conceptual definitions as alternative methods to investigate ethnic, minority or enclave immigrant entrepreneurs in the western context (Kloosterman & Rath, 2001, Zhou, 2004, Volery, 2007). The third, path-breaking research studies on structural changes of foreign-born population, emergence of ethnic or immigrant entrepreneurs and their activities, impacts on host countries have essentially emerged from sociology, anthropology and labour economics perspectives rather than management and entrepreneurial perspectives. As Volery (2007) pointed out research into ethnic entrepreneurship can be traced back to classic work such as those of Weber (1930), Sombart (1914) and Simmel (1950). These scholars' concepts such as the stranger as traders, social structure of society, pervasive religious cannons have influenced subsequent literature and study of immigrant entrepreneurs.

6. Review on Entrepreneurship and Immigrant Entrepreneurs in Japan

Japan has been an exceptional country with respect to above-mentioned

three trends in global immigrant entrepreneurial studies due to absence of long term history and large concentrated immigrant groups. Therefore, newly emerged concepts, theories and models have not yet been much tested or debated in the context of Japan. However, as Sato (2004) highlighted, even though number of foreigners have been slowly increasing, composition of them have been diversified and many of them have assimilated into Japanese society and economy. As he emphasized, diversification was noticeable in terms of ethnicity, gender, visa category, and international marriages in Japan in recent past. Further, Kudo (2015) highlighted as, an increasing in the number of cross-border marriages since the 1980s has added a new element to the growing cultural diversity in Japanese society. Rahman and fee (2010) showed that 40,000 Bangladeshi migrants including students, dependents, regular and irregular migrants were in Japan at the end of 2010 and that constituted a strong base for the development of Bangladeshi migrant businesses in japan. Furthermore, according to Kharel (2016), there are already 3,000 Nepal restaurants and over 55,000 Nepal migrants in Japan by the end of 2015. Therefore, although Japan has been considered as an exceptional case and late comer to immigration literature, diversification of its immigrant population and emergence of immigrant businesses in recent past qualifies to conduct research studies on immigrant businesses in Japan. (Karunaratne 2009, and 2010, Billore 2010, Rahuman and Fee 2011).In contrast to western countries, especially Asian immigrant entrepreneur in Japan can learn lessons from special characteristics of Japanese economic development and management techniques adopted by strong SME sector in Japan such as use of new technology, lean management styles, team work and groupism, strong networks among entrepreneurs, strong sub-contacting system, and export orientation.

One of the secret of post-war Japanese economic development has been adopting well-designed public policies baked by scientific research studies and practical situational analysis (The world bank, 1993). Recent changes in migration policy in Japan has not been an exception to this. As Omura (2011) empirically found and highlighted “the increasing in foreign born population boosted Japan’s GDP by 0.16 percent without capital accumulation and by 0.24 percent with capital accumulation during the period of 2000-2009”. According to Simasawa, and Oguro (2012), permanent migration flows of 150,000 will improve the Japanese economy and welfare of current and future generations. Not only economic growth, but also to increase business start-up rate, adaptation of new technologies and innovations for small firms, presence of high skilled immigrants are vital for Japan.

In recent years, immigrant entrepreneurs have come to occupy a prominent place in the SME sector in many cities in developed countries, with varying degrees of success (Sahin et al 2014). On contrary, according to Imai and Kawagome (2015) the pace of new company formation has been declining in Japan, and it has been lower than other industrial countries for a long time period. Specially declining trend of business start-up rate may be worrisome for it may indicate waning entrepreneurship and weakening mechanism of resource allocation and economic growth. Therefore, in this era, promotion of immigrant entrepreneurship at least among long term foreign residents and highly assimilated foreigners in japan is vital for overcoming long term economic recession in Japan. However, scientific studies on immigrant entrepreneurs in Japan have been limited due to relatively low number of immigrant entrepreneurs and their scattered regional distribution pattern, relatively new phenomenon, lack of access to macro-level data and hardships in generating micro-level data (language

and cultural barriers for Japanese scholars and less opportunities and high cost for foreign scholars) in Japan. A very few Japanese scholars have paid attention to immigrant entrepreneurs in Japan due to lack of macro-level data availability (such as regular surveys), relatively new phenomena, smallness of their economic activities in comparison to business activities in Japan, language differences, limited access to immigrant entrepreneurial networks, and scattered nature of them in Japan. Mostly cited widely available studies on immigrant entrepreneurial activities in Japan are represented by Karunaratne (2009a, 2009b and 2016), Higuchi (2010), Rahman, and Fee (2011), Billore et al (2010), and Billore (2011), Kudo (2009 and 2015), Kharel (2016). Summary of these important articles are given before the concluding remarks of the section as follows;

As Karunaratne (2007a) pointed out, Sri Lankans migrated to Japan mainly from late 1980s as seventh wave of migration from Sri Lanka and their earnings were more than 10 times in Sri Lanka in 1990s. According to Karunaratne (2009), most of Sri Lankan immigrant entrepreneurs in Japan were either (1) married to Japanese, (2) fluent in Japanese language, (3) most of them have started their career in Japan as migrant workers, tourist or business visa holder, (4) concentrated into used automobiles exporting automobile dismantling and parts exportation trade. (5) started as community supporters by exporting used automobiles to Sri Lanka and later gradually diversified as cultural entrepreneurs by importing Gem or Tea to Japan. Therefore, most of the problems cited by the market disadvantage theory has not been reflected from the Sri Lankan immigrant entrepreneurs in Japan. However, commitment and determination of Sri Lankan entrepreneurs led to diversify their businesses with and out of the Japan and long-term sustainability. According to Karunaratne (2007b) Sri Lankan restaurants, spice shops, gem traders, tea traders, and multi-

faceted Sri Lankan product and service importers can be considered as Sri Lankan cultural entrepreneurs in Japan and their estimated percentage was below 25 percent of all Sri Lankan entrepreneurs were in Japan. This study is designed to investigate their inter-temporal change from 2007 to 2016. As Karunaratne (2009a) pointed out Sri Lanka immigrant entrepreneurs in Japan gradually emerged through the migrant workers and almost all entrepreneurs have raised the capital from Japan. This study is designed to investigate more characteristics highlighted by the neoclassical perspectives from Sri Lankan immigrant entrepreneurs in Japan. Karunaratne (2009b) presented analysis on ten socio-economic characteristics of Sri Lankan immigrant entrepreneurs in Japan, namely; (1) ethnicity, (2) religion, (3) age, (4) marital status, (5) education, (6) length of experiences in Japan, (7) Language ability, (8) origins in Sri Lanka, (9) location in Japan and (10) types of businesses they engage. Primary data were collected from 100 participants using in-depth interviews from October 2007 to December 2007 in Japan by adopting snow ball techniques. Findings indicated that Sri Lankan immigrant entrepreneurs in Japan were dominated by Sinhalese (88%), Buddhist (82%), average age was 43 year, 89% were males and 56% were married Japanese and living in Japan with their spouses. In light of business proliferation, and operation, Karunaratne (2009b) presented analysis on business proliferation, operation and stabilization, and empirically investigated ethnic resources utilization of Sri Lankan immigrant entrepreneurs in Japan. Findings indicated that apart from used vehicle traders, Sri Lankan entrepreneurs in Japan did not rely on ethnic resources in any stage of their businesses. Due to increasing intra-group competition and changes of vehicle import policies in to Sri Lanka, they have shifted from community supporters to ethnic entrepreneurship and then gradually shifted into cultural entrepreneurship

and generalist. Finally, Karunaratne (2016) focuses on development patterns of immigrant entrepreneurs in Japan and their implications for Sri Lanka and Japan. Especially policy alternatives such as promotion of financial literacy among Sri Lankans, policy inconsistency in Sri Lanka as well as lack of information on Sri Lanka in Japan have been pointed out as important things in this study found that.

Higuchi (2010) examined migrant networks across borders and confirmed missing links between pre-migration and post migration social networks among Brazilian immigrant entrepreneurs by investigating 78 Brazilian immigrant entrepreneurs in Japan,. This study found that while most entrepreneurs were dependent on social capital in the initial phase of businesses and they relied less on social relationships transplanted to Japan than on other sources. Among the Brazilian immigrant business owners' family network was transplanted but found little evidence on chain migration, beyond family networks. He found that Brazilian entrepreneurs selectively uses different sources of social capital in different level of their businesses.

Drawing on the experiences of Bangladesh immigrant entrepreneurs in Japan, Rahman, and Fee (2011) examined how international migrants reposition themselves from the rank of irregular workers to that of entrepreneurs under the conditions of temporary migration. Because of the uncertainty and costliness of temporary migration, Bangladesh migrants seemed way and means to regularize their status to gain entry into engaged in business activities. Those who become immigrant entrepreneurs, were forced to innovate and seek overseas markets in order to survive. However, they were transnational entrepreneurs in the transactions of halal food, ethnic restaurants and apparel, and used tires, and multinational in the transactions of used automobiles, electronic accessories, calling

cards and Japanese herbal products (Rahuman and Fee, 2011).

Billore (2010a) looked at the issues facing by Indian female immigrant entrepreneurs in Japan by exploring immigrant businesses across stages in a business life cycle. Based on a sample survey of 56 Indian immigrant entrepreneurs in Japan, key motivators, challenges and barriers that most immigrant female's face in business creation and development in Japan was evaluated. By administering survey among 44 female immigrant entrepreneurs in Japan, Billore et al, (2010b) reported on status of female immigrant entrepreneurship as a developing sector in Japan's entrepreneurial economy and explored the experiences and challenges they face at the initial stage of businesses in Japan. It highlighted the areas where changes in governance structure and social acceptances to create positive environment to build up and the relationship between Japan and the immigrant entrepreneurs can be strengthened. Moving in the same discipline, Billore (2011) investigated Indian immigrant female entrepreneurs in Japan and found hindrance to start and continue female immigrant businesses due to social/cultural influences, lack of government initiatives and support facilities to promote female immigrant entrepreneurship in Japan.

Kudo (2009 and 2015) provided in-depth analysis on cross-broader marriages between Japanese women and Pakistani migrants paying attentions to transformation process of workers to transnational immigrant entrepreneurship of Pakistanis in Japan. Especially ten characteristics can be identified from publication of Kudo (2015) on Pakistani business community in Japan as; (1) In 2012, with spousal visa and permanent resident visa accounted for 42 percent of the total 10,597 Pakistanis registered in Japan. The number of marriages between Pakistani men and Japanese women increased steadily during the 1990s; (2) prolonged

recession in Japan and lack of competencies on written Japanese hindered them from being employees in a Japanese company; (3) self-employment was a way to overcome their marginal position in Japan as foreign worker; (4) completion arose among Pakistani immigrant entrepreneurs in Japan due to initiation of similar kind of businesses such as restaurants, spice shops, travel agencies, buying and selling as well as exporting used cars from Japan; (5) they could build network through construction of mosques in Japan; (6) they obtained resources such as knowledge on Japanese language, business places from Japanese wife; (7) Japanese wife could help Pakistani businesses by giving up employment opportunities and mobilizing ethnic network they have in Japan; (8) Pakistanis in Japan also mobilized their ethnic resources and networks for businesses initiated in Japan and other countries; (9) they were brought kins and relatives for businesses; (10) mosques provided a venue for the new entrepreneurs to meet and exchange information about their businesses in Japan; (11) overseas Pakistani network helped them to develop their business into third country.

Kharel (2016) explained the growth and expansion of Nepalese restaurants and Nepalese Cooks in Indian restaurants in Japan paying more attention to migration networks, the formation of Nepali entrepreneurship and migration flows to Japan. According to him, more than 1,800 Nepalese have migrated from a single rural village to work as cooks in Nepal restaurants in Japan in the last few years. There were more than 3,000 Nepalese restaurants and over 55,000 Nepalese migrants in Japan, making it the largest South Asian community in Japan by 2015. Kharel attempted to explore causes and patterns of migration from Nepal to Japan and the nature of transnational ties between the Nepali migrants and their homeland. Unlike Higuchi (2010) showed about Brazilian migrant Businesses in Japan, Kharel (2016) demonstrated the complex relationships

among social networks, social capital, migration and immigrant entrepreneurship of Nepalese in Japan. His article was devoted to show how social capital is important to obtain opportunities in migration process and provide incentives for families in the home country. By contrast to Massey et al 1987 and Goss and Lindquist 1995, Kharel provided example to prove that the migrant networks will not lead to reduce the cost of migration. According to him Nepali restaurant owner can earn US\$ 15,000 by bringing one Nepali into Japan, while Nepali cook needs to hard work for at least two years in Japan to earn this amount of money. However, apart from boom of Nepal restaurants, high poverty rates, location of Everest Mountain, low per capita income, earthquakes and natural disasters in Nepal can be considered as reasons behind the Japan-Nepal ties. As a result number of foreign students coming from Nepal has been increasing in recent past and after graduation from Japanese language schools, technical colleges or universities in Japan, majority of them start entrepreneurial activities in Japan. As described by Liu-Farrer (2009, 2011) unlike Chinese students, the majority of these young Nepali gradates still lack the Japanese language and cultural competencies to find work in Japanese companies. Therefore, they start travel agencies, remittance companies, graphic design and printing companies, specialized grocery shops, food processing and distribution, schools and media institutions, which are highly benefitting for Nepal community in Japan (Kharel, 2016). Finally it is possible to conclude that the Nepal immigrant entrepreneurs has limited themselves to ethnic enclave niches largely in response to strong competition from other ethnic minorities in Japan for salaried employment.

Apart from the above summarized individual studies on immigrant entrepreneurs in Japan, there were several research papers presented and published in Japanese language by the members of two migration related

academic societies in Japan, namely as “*the Japan Association for Migration policy studies (JAMPS)*” and “*the Japanese Association for Migration Studies (JAMS)*”. Among those publications, papers on immigrant enclaves and ethnic business of Nepalese in Tokyo was interested and categorized Nepal immigrant business in Japan into five types as (1) Family partnership, (2) Brotherhood partnership, (3) Nepalese partnership, (4) Nepal-Japanese partnership and (5) Nepal-multinational partnership. Since political and economic climate of Nepal is still not favorable for them to return and competition among Nepalese on ethnic market and restaurants have increased they have started to diversify their businesses into a third country than Nepal or Japan. Therefore, multinational orientation of Nepalese business in Japan can be identified as new phenomenon in immigrant business studies.

7 Concluding Remarks

Summary of the conceptual, theoretical and empirical literature on immigrant entrepreneurship in Japan (including Sri Lankans) indicates several gaps to be addressed for further development. First, immigrant entrepreneurship is a relatively new concept in Japanese entrepreneurial history and so far only limited number of studies have been conducted due to relatively small size of foreign born population and their scattered nature in Japan. Second, most of the Asian immigrant entrepreneurs have emerged through migrant workers (both irregular and regular) and their activities have not reported at macro-scale and scattered nature of their location need additional time and financial cost to collect information from them. It has not yet highlighted in Japan. Third so far Japanese scholars attempt is not adequate to development of this area of study due to language and cultural

gaps, insufficient macro-level data and difficulty in access to immigrant entrepreneurs in Japan. Forth, the evidences such as the number of business visa holders have grown by nearly three times in Japan during the past decade, the number of skilled migrants have given separate visa system to enter Japan and growing unprecedented foreign tourists and foreign students indicate that the number of immigrant entrepreneurs in Japan will increase in future. Fifth, current situation in the demographic transition, growing elderly population, increasing marriage age and growing cross broader marriages in Japan, growing out bound migration from Japan has led to create new avenues for foreigners in Japan to start immigrant businesses such as foreign restaurants, spicy shops, and other businesses using ethnic resources of immigrants in Japan. Sixth, large number of small and medium size enterprises in Japan still focusing local market with high technical abilities and suffering limited access to Asian markets. If they can merge with these newly emerging immigrant businesses in Japan, mutual benefits will increase for both immigrants, and Japanese SME holders. Finally, internalization of immigrant businesses in Japan has been a new phenomenon in the literature of immigrant business and immigrant entrepreneurs in 21st century. Therefore, immigrant entrepreneurship remains as an unexplored research field still in Japan.

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