Returnee Liability in Developing Countries:
The Experience of Returnee Entrepreneurs operating in the Technology-Enabled SME sector in Nairobi, Kenya

By

Pamela Adhiambo Mreji
Student Number: 15398243

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University of Pretoria

Supervised by: Prof Helena Barnard

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DECLARATION

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Student number:	15398243
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DEDICATION

To Tracy, Ashely and James Kyle,

I can never thank you enough for the sacrifices you made during this hectic period of my life. Growing through your teenage years and becoming young adults, going to school and coming back home to find mum hunched over her desk as usual, and yet still remaining my great cheerleaders deserves the greatest gratitude from me!.

You've loved me every step of the way and allowed me the space for the commitment and intensity this journey required. The countless trips abroad to attend modules and presentation of my work in progress, the missed school events, the missed family outings; yet you never complained or wavered in your support even once.

Eventually, we made it together as a team.

Love,

Mum

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LIST OF ABBREVIATIONS AND ACRONYMS

IDRC:	International Development Research Centre
ILO:	International Labour Organisation
IOM:	International Organisation for Migration
MNE:	Multinational Enterprise
MNCs:	Multinational Corporations
OECD:	Organisation for Economic Cooperation and Development
RE:	Returnee Entrepreneurs
SME:	Small and Medium Enterprises
UNDP:	United Nations Development Program
UNFPA:	United Nations Population Fund

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Abstract

This study explores the barriers and constraints that confront returnee entrepreneurs in developing countries in Africa. It focuses on 'returnee liability'; the emerging evidence in returnee studies indicating that individuals going back to set up new ventures in their home countries may not always successfully exploit their entrepreneurial potential. The study argues that returnees seeking to set up and run new ventures in developing countries in Africa are likely to suffer 'returnee liability' as a consequence of several interrelated factors that bar them from access to resources from the home environment. Through a narrative inquiry into the experiences of returnee entrepreneurs operating in Nairobi- Kenya, the findings confirm the presence of returnee liability which is experienced at two distinct levels; the institutional and the interpersonal level. While a majority of the returnees are able to overcome their institutional level liabilities through rhetoric strategies and symbolic action that convey legitimacy, the interpersonal liabilities remain a great challenge; creating information asymmetries and raising transaction costs for the returnees, to the advantage of local entrepreneurs who have never left the country. The findings of this study should expand our understanding of the migration – development nexus in the context of developing countries in Africa and be a reference point for returnees seeking to develop new ventures in their home countries. Furthermore, they could guide strategic policy interventions towards 'brain gain' strategies for technological upgrading and enhanced economic development in countries operating behind the technological frontiers.

Key Words: returnee liability, migration- development nexus, legitimacy, brain gain

1 Introduction

1.1 Background to the study

The current thinking in human capital development through reverse migration suggests that for developing nations that previously suffered the destructive effects of brain drain, when many professionals left for studies and subsequently lived and worked abroad, the phenomenon could have been a blessing in disguise (Daugeliene & Marcinkeviciene, 2015; Saxenian, 2002, 2005). The literature indicates that as these individuals study and then work in foreign host countries for several years, they absorb technological knowledge, gain managerial competencies and accumulate financial, human and social capital which they bring back to their home countries upon their return (Docquier &Rappaport, 2012; Saxenian, 2001).

In this growing body of literature set within the Migration- Development nexus, scholars seek to better understand, among other things, the contribution of diaspora communities to their home countries while still abroad (Riddle & Brinkerhoff, 2011; Brinkerhoff, 2006, 2008; Harima et al., 2011) and that of returned skilled professionals, commonly referred to as 'returnees', through discussions which tend to be reformulated in terms of 'brain gain' and 'brain circulation (Dumont & Lemaitre, 2005; Kenney, Breznitz, & Murphree, 2013; Saxenian, 2005).

The concept of returnees; individuals who have lived in a foreign country for a while before returning home to their countries of origin (Saxenian & Hsu, 2001), is receiving increased attention in literature since the early 2000s, when the economic downturn in the Western economies forced many migrants to return to their home countries to seek better economic opportunities (Saxenian, 2002). The concept has mostly been discussed in the context of East Asia and other newly industrialized countries like China, India and Taiwan where the returnees are theorised to have contributed greatly to these countries' recent leaps in technological upgrading and economic development (Filatotchev et al., 2011; Liu et al., 2010; Wang et al., 2012).

Apart from transfer of frontier knowledge and skills, the returnees also represent vital linkages to economic resources abroad and have the ability to forge close connections with venture capitalists and other influential resource holders which can enhance opportunities for bilateral trade and international business between their host and home countries (Dai & Liu, 2009; Luo, Lovely & Popp, 2014; Sun & Zhou, 2011a; Wang, Zweig, & Lin, 2011; Wright et al., 2012)

Returnee entrepreneurs are migrants returning from work or education sojourn in a developed economy to their home country to set up and run new ventures. A developing research stream has analysed the unique roles played by returnees in filling important entrepreneurial gaps in emerging economies (Li et al., 2012; Qin and Estrin, 2015; Saxenian, 2006; Wright et al., 2008). Although much attention has been devoted to the performance of businesses created by these returnees (Kenney et al., 2013; Liu et al., 2010; Wright et al., 2008), there is still little understanding regarding the process of their venture creation activities, particularly with regard to developing countries most of which are still operating behind the technological frontiers and are typically known for having weak institutions. Studies have shown that the time spent converting an idea into a business is particularly important in markets that feature great uncertainties and fast changes in market opportunities (Lévesque and Shepherd, 2004), such as in developing countries in Africa and it would important to explore how these changes shape the experience of returnee entrepreneurs in these countries.

Based on the evidence from emerging economies, governments and policymakers in many developing countries in the developing world have come to believe that returnees could be the key to the formation of Silicon Valley-like electronics clusters that can help close the technological gap between them and the developed world (Bredtmann, Flores & Otten, 2019; Lucas, 2006) and are reported to be proactively looking for strategies to attract back home their diaspora communities as part of 'brain gain' strategies. For example, the governments of Mexico, Armenia and South Africa are reported to be actively pursuing measures to tap expatriate networks as sources of domestic technological learning and industrial development (Bercovitz, Martens & Savage, 2013; Docquier & Rappaport, 2012; Kuznetsov, 2006, 2013), while in West and Central Africa, there's increasing evidence of policy programs to motivate migrants to return to their homes as part of national development strategies (Adepoju, 2010; Asiedu, 2005; Black, King & Tiemoko 2003; Oucho 2008).

However, so far, there is no literature examining the role of returnee entrepreneurs in developing countries in Africa, and especially the barriers and constraints they are likely to face in these countries. Little is known about the mechanisms shaping their return and entrepreneurial journey in these home countries. While recent studies attribute the high rate of returnee entrepreneurship to alluring business opportunities becoming available in their home countries, however, only a fraction of these returned migrants are reported to be successful (Li et al., 2012; Qin, 2015) and it would be important to explore how the returnees perform in developing their home countries in Africa.

After several years living and working in some of the most developed economies in the world, the returnees have often accumulated frontier knowledge and skills, financial and even social capital in their host countries that can be utilised in setting up new ventures when they return to their home countries (Dai & Liu, 2009; Filatotchev et al, 2009; Liu et al, 2010). However, their ability to put these resources to effective use in the home country may be hampered by various barriers and constraints they are likely to face by virtue of having been away from the home country for a period of time (Obukhova, Wang & Li, 2012; Li et al, 2012; Qin, Wang& Gao, 2015).

Most of the studies on returnees were undertaken in emerging economies in East Asia such as China and Taiwan where there is evidence of concerted policy efforts to support returnees in their return home and provide a conducive environment to enhance their entrepreneurial prospects and it would be important to explore the role of returnee entrepreneurs in the developing world where no such programs exist.

Previous studies focusing on the role of returnees in resources orchestration in their home countries have shown that in the contexts of weak institutions and a lack of viable social support frameworks (Wang et al., 2012), such as those found in developing countries in Africa, embeddedness in viable social networks becomes critically important in gaining access to local resources. Embeddedness in local networks has been found to raise legitimacy of returnees (Li et al., 2012; Obukhova, Wang & Li, 2012), yet legitimacy is itself both an institutional and organisational factor that derives its importance from the perception of external stakeholders within the prevailing environment (DiMaggio & Powell, 1991; Hannan & Freeman, 1984).

Because of the social, cultural and institutional changes that may have occurred in their absence, or due to the length of time way, the returnees may not have a comprehensive understanding of the home market or understand how to conduct business in it, thereby likely to suffer high transaction costs compared to their local counterparts who have never left the country. The returnees may face a seemingly familiar, yet markedly different institutional environment that requires them to adjust accordingly and conform, in order to gain access to local resources. However, the conformity itself creates a challenge when it comes to the novelty of their businesses or ideas, which are often a source of competitive advantage to them, especially within a technology-enabled sector. Taken together these arguments give legitimacy a central role to play in the ability of returnee entrepreneurs to gain access to complimentary local resources and successfully exploit their entrepreneurial potential in the home country, especially in the context of developing countries with weak institutions and lacking viable social support frameworks for entrepreneurial development. The central role of legitimacy in returnee studies is as depicted in the figure below:

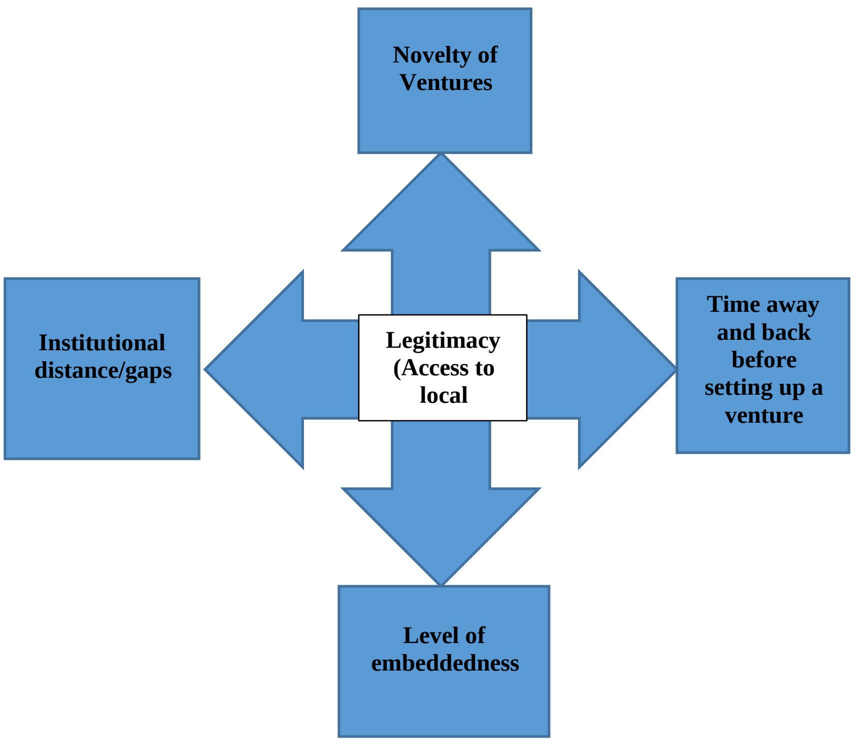


Fig 1: The central role of legitimacy in returnee studies

The few studies that have examined the role of returnees in developing countries in Africa; mainly in North and West Africa (Adepoju, 2007; Black& Castaldo, 2008; Black, King and Tiemoko, 2003; Kleist, 2011) have established that most returned migrants suffer great readjustment difficulties in these countries. However, the mechanisms of these difficulties, especially with regard to developing new entrepreneurial ventures are still unknown. Most of the studies in this region have focused on returnees experience when in formal employment (Castaldo 2009; McCormick & Wahba, 2001; Wahba and Zenou, 2012) and the welfare state of returnees who were forcefully sent back to their home countries (Adepoju, 2007, 2010; Black, 2004), while the few that have dealt with returnees entrepreneurs mainly focused on quantitative measures of their venture performance and their motivation for entrepreneurship (Ammassari, 2004; McCormick & Wahba, 2001; Wahba & Zenou, 2009; Wahba, 2015).

On the other hand, studies from emerging economies where most returnee studies have been undertaken have mainly considered the returnee's experience at the macro institutional level; in the context of knowledge and human capital transfer (Liu, Lu & Choi, 2014; Saxenian, 2002; Qin, Wright & Gao, 2017) and economic contribution to countries of origin (Filatotchev et al., 2009; Liu et al., 2010; Wang, Zweig & Lin, 2011; Wright et al., 2012). Furthermore, these studies treated each factor that inhibit returnee performance, such as institutional gaps, lack of local connections and lack of legitimacy in isolation, while in reality there exists both a virtuous and a vicious interrelationship between these three factors in terms of entrepreneurial development (Lin et al., 2019; Wang & Zweig 2013, Wang et al., 2008).

We still do not know much about the micro perspectives of returnee experience in the home countries; i.e. their experience at the interpersonal level as shaped by the more informal institutional arrangements such as the prevailing systems of beliefs, norms, values and cultural attitudes and how these interrelate with the formal institutions to shape their overall experience in the home country.

This study seeks to address these gaps in the existing literature by focussing on 'returnee liability' and the barriers and constraints that confront returnee entrepreneurs in the home country, but not likely to be faced by local entrepreneurs who have never left the country. It goes further to explore the strategies employed by the returnees to overcome these barriers and run successful ventures in the home country.

1.2 The purpose of the research

The purpose of this study is to explore the barriers and constraints that confront returnee entrepreneurs in their efforts to set up and run new ventures in developing countries in Africa and examine the strategies they employ to overcome these challenges. Theoretically, the study aims to extend the literature on the emerging perspectives on returnee liability in home countries, which falls within the migration – development nexus, by focusing on the ability of returnees to effectively apply their frontier accumulated resources and skills to effective use in the home country.

Previous studies have shown that most returnees are often coming back from highly developed OECD host countries to their typically less developed home countries (Saxenian, 2001) and it is expected that they will suffer some level of liability. However the nature of this 'returnee liability' and the mechanisms by which it shapes the returnee entrepreneurs experience return home has previously been explored in the context of developing countries in Africa.

Just as witnessed in the emerging economies, the economic downturn in Western economies in the late 2000 (Saxenian, 2002, 2005; Kerr & Kerr ,2011) coupled with great improvements in political democratization and governance in many countries in Sub Saharan Africa (Akesson &Baaz, 2015; Adepoju, 2010; Dumont& Lemaitre, 2005), has resulted in a steady increase in the number of skilled professional migrants making the decision to return to their home countries in the developing world. Studies undertaken in countries such as Egypt, Ghana, Senegal, Cote d'Ivoire and Kenya, among others, reveal that thousands of skilled professional migrants have gone back home in recent years (Akesson &Baaz, 2015; Adepoju, Naerssen & Zoomers, 2008; Adepoju, 2010; Kinuthia & Akinyoade, 2012; Kleist, 2011), a majority of whom are likely to venture into self-employment, rather than seek formal employment (Wahba & Zenou, 2012).

The empirical evidence from emerging economies indicates that this inflow of human capital, in terms of a large number of skilled professional migrants, can offer a major boost to economic development and technological upgrading of these home countries, if only these returnees can put the accumulated resources to effective use in their home countries. However, there is increasing evidence that returnees generally faced great readjustment difficulties in the home countries and many of them are often unable to successfully exploit their entrepreneurial potential in their typically less developed home countries (Akesson & Baaz, 2017)

Whereas the early literature in this field gave a positive report, showing that ventures set up by returnee entrepreneurs performed better than local firms led by individuals who have never left the country (Dai& Liu., 2009; Liu et al., 2010; Wright et al., 2008; Obukhova, 2009), subsequent studies give a more pessimistic view, indicating that returnee-led-ventures perform no better (Li et.al., 2012; Obukhova, 2012) and in many cases, grossly underperformed as compared to their non-returnee counterparts (Obukhova, Wang & Li 2012; Qin, et al, 2017). This has been found to be rather puzzling, given the returnees accumulated frontier resources and skills

While some scholars sought the answer to this puzzle from the institutional environment in the returnee's home countries (Ahlstrom &Bruton, 2010; Luca, 2006; Wright, 2012), arguing that the returnees are constrained by the institutional gaps between their host and home countries, others took a more interpersonal approach; arguing that returnees dismal performance in their home countries is due to lack of viable social connections that are necessary to support their reintegration back into the home country environment(Obukhova, Li and Wang, 2012; Li et al., 2012). Still, others have concluded that the returnees lack legitimacy in their home countries, which bars them from access to local resources (Qin, Wright & Gao, 2017).

Most of these studies were however undertaken in emerging economies in East Asia such as China where state policy placed great emphasis on the role of returnee entrepreneurs as "strategic national assets," and consequently economic incentives were introduced and policy frameworks upgraded to attract them back in large numbers (Bai, 2017; Meredith, 2007; Qin, 2015; Zweig, 2006). In addition, there were social support frameworks made available to them, through establishment of exclusive government-funded industrial parks that allowed for close interaction with other economic factors such as financial institutions and suppliers to harness entrepreneurial synergies through economic externalities (Liu, Lu &Choi, 2014; Peng &Luo, 2000), coupled with improvements of the overall ICT infrastructure and availability of advanced communication facilities to ease the creation and expansion of business networks (Wang & Zweig, 2010).

This is however far from what awaits returnee entrepreneurs seeking to set up and run new ventures in developing countries in Africa. The institutional environment in these countries is reported to be weak and generally not conducive to entrepreneurial development (Acemoglu, Johnson, & Robinson, 2002; Khan & Gray 2006; Naude, Szirmal & Goeddhuys, 2011). At the same time the policies regulating the private sector are reported to be greatly underdeveloped (Bercovitz, Martens, & Savage, 2013; Fosu &Naude, 2009). Worse still, there is runway corruption and weak governance structures(Khan & Gray, 2006; Ndulu et al., 2007a) with the legal systems reported to be some of the weakest links in the ease of doing business in these countries (World Bank, Doing Business-Kenya, 2019).

It would therefore be important to examine how the institutional environment affects the ability of returnee entrepreneurs, most of whom often come back from highly developed OECD countries, to exploit their entrepreneurial potential.

The main objective of the study was to explore the barriers and constraints that confront returnee entrepreneurs in developing countries in Africa and determine how these entrepreneurs overcome these challenges to exploit their entrepreneurial potential and contribute effectively to technological upgrading and economic development in these developing countries. The specific objectives were:

1. To explore the institutional environment that confronts returnee entrepreneurs in the technology-enabled SME sector in Nairobi, Kenya

2. To determine how the institutional environment influence the legitimacy-building processes of returnee led ventures in the technology-enabled SME sector in Nairobi, Kenya

3. To examine the strategies employed by returnee entrepreneurs to overcome the barriers and constraints they face to set up and run successful entreprises in the technology-enabled SME sector in Nairobi- Kenya

1.2.3 Research questions

Based on the objectives above, the main research question for the study was; 'what are the mechanisms of returnee liability that confront returnee entrepreneurs in developing countries in Africa? This research question was broken down into three researchable questions:

1. What are the characteristics of the institutional environment that confront returnee entrepreneurs in the technology-enabled SME sector in Nairobi, Kenya?

2. How does the institutional environment influence the legitimacy-building processes of returnee led ventures in the technology-enabled SME sector in Nairobi, Kenya?

3. What strategies are employed by returnee entrepreneurs to overcome the barriers and challenges they face in order to develop successful ventures in the technology-enabled SME sector in Nairobi, Kenya?

The study took an institutional view and embedded perspective in order to examine how the institutional environment interacts with interpersonal factors to influence the returnee's legitimacy building activities in order to gain access to complementary resources from the home environment necessary to exploit their entrepreneurial potential. The main thesis of the study is returnee entrepreneurs seeking to set up and run new ventures in developing countries in Africa are likely to suffer great 'returnee liability' as a result of the interaction between macro and micro factors that lower their legitimacy and bar them from access to local resources. Their ability to successfully exploit their entrepreneurial potential depends not only on institutional factors such as policy interventions to provide a conducive environment for entrepreneurial development, but more so on the managerial strategies they employ to gain and maintain legitimacy for continuous acquisition of resources through the life cycle of their ventures.

The study was based on a narrative inquiry into the lived-in experiences of returnee entrepreneurs operating in the technology-enabled SME sector of in Nairobi-Kenya. Primary data was collected through face to face interviews with 20 returnee entrepreneurs selected from a range of technology hubs within the central business district of Nairobi, Kenya. The data was analysed through use of content analysis with a focus on the three main factors that have been found to influence legitimacy and therefore most likely to contribute to returnee liability in home countries; the level of embeddedness, in terms of time away and back in the country before setting up a new venture, the institutional distance and the novelty of their ventures or business ideas.

1.3 The Setting for the study: Nairobi- Kenya

1.3.1 Overview of the Country

The research setting for this study is the technology-enabled SME sector in Nairobi, the capital city of Kenya. The city has experienced an unprecedented technological transformation over the last two decades; occasioned by the mobile telephone revolution and subsequent developments in ICT infrastructure, which have collectively provided a platform for emerging entrepreneurs to create start-up ventures based on indigenous innovations. These ventures have also attracted a great deal of international venture capital and received global acclaim as some of the leading technology centres in the global south (Ndemo & Weiss, 2013).

As a country, Kenya is perceived as one of Africa's leading economies, due to its vibrant financial, communication and telecommunication services sectors, coupled with a large number of highly skilled professional workers with a high level of computer literacy (Kenya: A Country Profile, 2014). This has been a great attraction to international bodies many of whom have located their Africa headquarters in Nairobi. The country's development agenda is currently defined under the Vision 2030 economic blueprint, whose objective is to transform Kenya into a middle income, industrialised nation by the year 2030; through accelerated GDP growth driven by innovation and entrepreneurship (Government of Kenya, GOK, 2010).

1.3.2 Technological, political and economic trends

The rapid technological transformation of Nairobi is accredited to the stiff competition among private telecom companies in the country in the early years of the 21^{st} Century. This motivated the setting up of a satellite earth station and landing of submarine cables in the port of Mombasa in early 2009; a development which triggered a rapid growth of data access in the country from 2G progressively to 3G and 4G over a short period of time (GSMA, 2014). Some of the notable success stories coming from Nairobi include Mpesa, the famous money transfer service recognised worldwide as a game-changer in financial inclusion in Africa, Wananchi online; which was one of the first internet firms in Africa and Ushahidi, a world-renowned crowdsourcing website that relies on user reports to map incidents that require urgent humanitarian action. The software was widely used to locate earthquake survivors in Haiti in 2010 with great success and has been hailed by world leaders including former US President Barrack Obama and Bill gates.

Venture capital funds and angel investors have been trooping into the country in large numbers over the past few years to scout for opportunities to engage, collaborate and partner with promising technology entrepreneurs in this sector, creating a thriving entrepreneurial ecosystem, commonly referred to as the Silicon Savannah of Africa (Bramann, 2017; Hain & Jurowetzki, 2018;: Ndemo & Weiss, 2013). In addition there has been concurrent improvements in infrastructure developments in the country; such as improvements in the road networks and the development of the standard gauge railway, which has transformed business across the country, while electricity penetration in the country is reported to have reached 73.42%; among the best in Africa today (World Bank, 2017-Kenya).

The other unique attributes of Kenya that make it critical for this study are the political events that have taken place in the country in the last one decade. The post-election violence which took place the country in December 2007 after the results of general elections were disputed led to the displacement of many Kenyans to neighbouring countries, as internally displaced persons (IDPs), while thousands of others ventured further abroad to western countries as asylum seekers, fleeing from ethnic violence (Kinuthia, 2013). This incident led to the setting up of a coalition government in 2008, a prelude to the promulgation of a new constitution in August 2010, which brought great optimism and hope among Kenyans in the Diaspora and saw an immediate increase in the number of Kenyans relocating back into the country (Kinuthia & Akinyoade, 2012).

Further statistics reveal a surge in the numbers of Kenyan diaspora trooping back into the country since 2005, when the referendum to change the constitution was first passed (Kinuthia, 2013), with another peak noted in 2010, when the event actually happened and even further increase in returnee activities was noted in the period leading to the first general elections held under the new constitution in 2013 (UNFPA-Kenya, 2017; IOM, 2010). The anticipation of better governance and prosperity envisaged in the new constitution, coupled with perceived emerging opportunities from the creation of new county governments seem to have made many Kenyans in the diaspora to make the important decision to return home, while the new constitution also brought in other beneficial changes like dual citizenship, meaning that they were now free to come back home and try out new business ideas with the option to migrate become to their host countries should things not work out.

1.3.3 The profile of a Kenyan entrepreneur

The success stories described in section 1.3.2 above represent only a minority of the Small and Medium Enterprises (SME) sector in Nairobi, concentrated mainly within the tech –communities, commonly referred to as the I-Hubs. A majority of the SMEs in the country, over 90%, operate in a harsh business environment, facing a myriad of challenges typical for most developing countries in Africa; including financial, institutional and technical challenges that often prevent them from scaling up and reaching their full potential (Gichuki, 2013). Some studies have highlighted a disproportionate access of venture capital to the youthful community within the high technology sector; mainly dealing with software development and technological innovations(Hain & Jurowetzki, 2018), with most of other entrepreneurs in the local SME sector having to leverage their own efforts to access resources such as finance and skilled labour (Mureithi, 2017).

A typical returnee entrepreneur coming back into the county after several years of study and work-life abroad does not fit the profile of a techno-savvy, upwardly mobile entrepreneur in a typical Nairobi I-hub likely to be the target of most venture capitalists. The latter predominantly consists of fresh graduates from their first degree, mostly in engineering courses from local universities and the many IT colleges scattered within the country, most of who get recruited into these hubs mostly while still at college. On the other hand a returnee entrepreneur is likely to be a highly-skilled, experienced and mature professional with many years of formal work or business experience abroad, often having accumulated resources that would enable him to start off a business venture immediately upon returning home, without necessarily resorting to venture capital funding or bank loans (Saxenian, 2001).

While a majority of SME entrepreneurs in the country are likely to be found in the informal sector; due to economic and institutional constraints they face(Gichuki et al 2013), the returnee entrepreneurs, by virtue of the accumulated financial resources, technological skills and managerial competencies are more likely to operate within the formal sector of the economy. Additionally, many are likely to have international connections and partnerships (Luo, Lovely & Popp, 2013), which necessitates operations within formalised contexts that require a great level of professionalism and transparency.

Their choice of locating withing the I-hubs is therefore more to do with the benefits of getting access to business networks in the shared co-working spaces and the fact that they are more familiar with these models of business spaces, than their local counterparts who are used to the traditional standalone office. These I-hubs therefore offered a great starting point for getting access to returnee entrepreneurs to interview for the purpose of this study.

1.4 The scope of the research

This study focuses on 'returnee liability'; the barriers and constraints faced by returnee entrepreneurs by virtue of the fact that they have been away from the home country for an extended period of time; and therefore not likely to be faced by local entrepreneurs who have never left the country. The study was confined to the technology-enabled SME sector in Nairobi, the capital city of Kenya, a developing country in Africa.

Most countries in Africa still operate behind the technological frontiers (Fosu &Naude, 2009) and many of them have weak institutions and lack social support frameworks for entrepreneurial development (Bercovitz, Martens, & Savage, 2013, Dumont & Spielvogel, 2008).On the other hand most returnee entrepreneurs often come back from highly developed OECD host countries and are therefore likely to experience great readjustment difficulties and barriers to entrepreneurial development, at both institutional and interpersonal levels. Although previous studies have examined how these challenges affect the returnees' venture performance in home countries (Obukhova, Wang &Li, 2012; Wright et al., 2012), most of these were undertaken in countries with active policy interventions to attract the returnees and provide a conducive environment to harness their potential. This study seeks to expand our understanding of returnee entrepreneurship in the context of developing countries in Africa where there is no evidence of such support.

1.5 Relevance of the study

This study makes a number of important contributions. First, it contributes to a deeper understanding of returnee entrepreneurship in the context of developing economies in Africa, with weak institutions and lacking viable social support frameworks for entrepreneurial development. Based on the empirical evidence from the emerging economies, many countries in the developing world are currently seeking strategies to enhance technological upgrading towards increased innovation, entrepreneurial development and enhanced economic growth based on brain gain strategies (Docquier & Rapport, 2012; Kuzestenov, 2006). The findings of this study could provide empirical evidence to guide strategic policy interventions towards this end. By strategically attracting returnees and developing supportive institutional and social support frameworks for their re-integration back into the local entrepreneurial ecosystem, these countries could leapfrog through the process of technological catch-up and economic development more effectively than countries that went before them.

Secondly, the findings of the study extend the emerging literature on migration- development nexus to developing countries in Africa and contributes to the discussions on legitimacy in entrepreneurship, in the context of weak institutional environment by capturing the variation of returnee's ability to gain and maintain legitimacy over a period of time in the home country. While most studies on returnees are anchored on the knowledge spillover theory to explain the transfer of knowledge from host to home economies, this study combines institutional theory with embedded perspective to explore the combination of factors, both macro and micro in the institutional environment that interact together to influence the legitimacy building processes of returnee entrepreneurs as the setup and seek to run successful business ventures in the home country. In addition, time as a variable in returnee studies has previously not been explored, with returnees often taken as a homogenous group likely to experience the home country environment in a similar manner, without categorising according to the length of time away and back in the home country before setting up new business ventures.

Finally the findings from the study offer important managerial contribution for returnee entrepreneurs going back to these countries. The returnee managers can find practical guidance on developing strategies to overcome their returnee liability and successfully exploit their full entrepreneurial potential in the home country and thereby contribute to technological upgrading and economic development of their home countries

1.6 The structure of the thesis

The rest of the thesis is structured as follows: Chapter 2 presents the theoretical foundations of the study; elaborating on current debates and schools of thought on returned migration, while highlighting their driving force, benefits and limitations. It then presents the conceptual framework for the study based on the returnee liability phenomenon as discussed on various scholarly perspectives and pinpoints the main observations, inconsistencies and gaps in the literature. The chapter concludes by explaining how these gaps are addressed by this study to enhance our understanding of the mechanisms of returnee liability in the context of developing countries in Africa. Chapter 3 discusses the methodological approach for this study. The chapter explains the research orientation, the strategy of inquiry employed, the data collection tools, data analysis technique, as well as the reliability and quality issues related to the research approach. Chapter 4 presents the empirical findings of the study, detailing the main categories and themes that emerge as constituting returnee liability faced by returnee entrepreneurs in their efforts to develop successful ventures in developing countries in Africa. Chapter 5 discusses the research findings; integrating the empirical findings with the theoretical underpinnings on institutions, legitimacy and Embeddedness to offer an understanding of the barriers, constraints of returned migration in developing countries in Africa. Finally, Chapter 6 gives conclusions of the study with recommendations for future studies in areas found pertinent, but were beyond the scope of the current study.

2 Literature review

2.1 Introduction

This chapter offers a critical review of relevant literature on migration – development nexus, focusing on returned migration and its role in technological upgrading and economic development in home countries. Specific reviews of previous works on ‘brain drain’, ‘brain gain’ and brain circulation literature is done, as is the role of institutions, both formal and informal in entrepreneurial development. The role of social frameworks in supporting entrepreneurial development is also discussed, as are the consequences of missing these frameworks to overall regional development. Finally the role of legitimacy and Embeddedness in mitigating returnee liability are reviewed, which then motivates the conceptual framework to guide the discussions towards a theory of returnee liability in developing countries in Africa.

2.2 International Migration and Economic Development

The literature on international migration has advanced rapidly from what was originally viewed as a destructive force of brain drain in the 60s and 70s, that denied less developed economies critical skills and relegated them to a position of economic laggards (Bhagwati & Hamada, 1974; Grubel & Scott, 1966) to the current literature on return and circular migration; which are seen as a beneficial channels for ‘brain gain’ and ‘brain circulation’ (Chacko, 2007; Saxenian, 2005) that can provide developing countries, especially those in Africa that initially suffered the destructive effects of brain drain, with financial, human and social capital for enhanced economic growth and technological upgrading (Bercovitz, Martens, &Savage, 2013; Daugeliene & Marcinkeviciene, 2015; Docquier & Rappaport, 2012).

In the previous literature on brain drain, the net movement in human capital stock, especially those with valuable professional skills, from less to more developed Western economies was thought to stunt the growth of developing countries (Bercovitz, Martens, & Savage, 2013; Docquier & Rappaport,2007). Apart from loss of skills and knowledge, they were further fiscal losses incurred in the typically heavy investment on subsidized public education which the sending countries typically invested in their bright young ones before sending them abroad, with the hope of receiving them back as highly skilled professionals who could lead the countries towards development (Dumont & Lemaitre, 2005). In some countries in Africa, this brain drain is thought to have resulted in serious reduction in the quality of essential services like health and education as the more experienced and qualified individuals left in droves for ‘greener pastures abroad’(Adepoju, 2010; De Hass, 2011; Ndulu et al., 2007a).

However more recently, in a process scholars describe as more akin to ‘brain gain’ and ‘brain circulation’, these engineers and entrepreneurs; aided by lowered transaction costs brought about by enhanced communication facilities and improved governance and political environment in their home countries, are seen to be returning back to their countries of origin in large numbers(Saxenian,2001, 2005), bringing with them much needed technological knowledge and knowhow, human and social capital (Lin et al., 2014; Liu et al., 2010).

The concept of returnees, individuals who have lived in a foreign country for a while before returning home to their countries of origin (Saxenian, 2001), are receiving increased attention in literature since the early 2000s, when the economic downturn in the Western economies forced many migrants to return to their home countries to seek better economic opportunities (Saxenian, 2002, 2006; Kenny et al., 2013). The concept has however mostly been discussed in the context of East Asia and other newly industrialized countries like China, India and Taiwan where the returnees are theorised to have contributed greatly to these countries recent leaps in technological upgrading and economic development (Filatotchev et al.,2009; Liu et al., 2010; Wang et al., 2012). For example, the presence of returnee managers was found to be positively associated with export orientation and increase in R&D expenditure in Korean firms (Choi & Lee, 2014), while Chinese and Taiwanese returnees were found to be important conduits for technological and organisational knowledge from frontier host economies, which contributed to the rapid technological upgrading of these countries witnessed in recent years (Saxenian, 2006; Wright, Liu & Filatotchev, 2012).

Additional studies were done in India also revealed an increase in innovation and entrepreneurial development following the return of a large number of highly skilled engineers and IT professionals who came home from the US, after the economic downturn of late 2000 (Wadhwa et al.,2011; Kerr & Kerr, 2012). Indeed as Saxenian (2002) highlights, the Chinese and Indian engineers were responsible for operating over one-third of technology businesses in the Silicon Valley; accounting for more than $16.8 billion in sales and creating over 58,000 jobs in the USA before the 2000s, when many of them decided to return home, creating a phenomenon of reverse brain drain that has been the subject of many studies on ‘brain gain’ and brain ‘circulation’ perspectives(Saxenian, 2001, 2002, 2005).

Whereas the re-entry of a large number of highly-skilled, highly resourced professionals is seen to present a viable opportunity for technological upgrading for developing countries in Africa, more recent literature suggest that many home countries may not fully harness the potential of their returnees, unless by complementary government and policy efforts to create a conducive environment in which they can effectively exploit their entrepreneurial potential (Li et al., 2012; Obukhova, Li & Wright, 2012; Qin, Wang & Gao, 2017).

Nowhere is this more critical than in Africa, where studies have uncovered a serious dearth of institutional and social support frameworks for entrepreneurial development (Naude et al., 2011; Ndulu et al., 2007b;). Scholars argue that the key barriers that confine developing countries in Africa to a laggard state, in terms of technological upgrading and economic development, are their weak institutions and dysfunctional social capital (Acemoglu& Robinson, 2005). In most of these countries, policies regulating the private sector are still greatly skewed towards political control (Naude &Fosu,2009; Khan &Gray, 2006), with business leaders reporting the political and regulatory sector as being the most complicated and least predictable part of business; thereby posing the greatest challenge to the success of their businesses.

More recent literature on migration in the context of African countries indicate that, just like flows of commodities and capital, flows of human labour between the North and South has increased dramatically in recent years, with statistics showing that the number of African population currently residing outside their nation is over 30 million and rapidly growing (OECD, 2017). The number of legal immigrants entering OECD countries, mainly from Africa is currently estimated at about 3 million annually with scholars increasingly seeking to understand not only the dynamics but also the consequences of this increasing human mobility across regions.

Some scholarship work in this field has branched off to a stream of research located within the emerging global war for talent (Kapur& McHale, 2005; Kotabe, 2013; Newland & Tanaka, 2010), focusing on the reverse brain drain being felt by the developed host countries that previously held the advantage of international migration through enhanced human and social capital. These studies discuss the explicit strategies increasingly employed by host countries to attract or retain skilled migrant professional due to their significant social and economic impacts. While some countries employ the use of targeted Visas to attract professionals or motivate skilled immigrants to remain (Docquier &Rapport, 2012), others employ selective policies to increase the quality of professional migration to their countries. For example Australia and Canada have developed international competitions to attract highly skilled migrant workers (Davies,2007) while the USA uses the category H1-B visa from the 1990s to import or retain skilled workers(De Haas,2006).

On the other hand, policymakers in Africa are also increasingly waking up to the reality of the development potential of their skilled migrants while still abroad, because of the huge amount of remittances they bring into the country as Diaspora (Riddle and Brinkerhoff, 2011), and the potential contribution to home country development by those who return to stay (Ackesson & Baaz, 2015; Adepoju). A few countries in the region; such as Senegal, Ghana and Cote d Ivoire have gone further to develop strategies to attract their skilled professional migrants back; with Ghana offering their diaspora incentives for favourable investment opportunities that are exclusive to them, such as massive tax breaks for their new businesses when they return home to stay (Ratha et al., 2011). In addition, the country ensures those who invest at home are publicly acknowledged and their development projects shielded from frustrations that typically arise from unnecessary government bureaucracies and other unfair business practices (Ratha et al., 2011).

However, there's still very little in terms of literature examining the barriers and constraints that confront returnee entrepreneurs in these countries. Even where policies and frameworks are available, scholars argue that the empirical evidence concerning the relationship between returned migration and development in Africa is too fragmented and contradictory to draw any conclusions and formulate any concrete policy interventions (Ratha et al., 2011). The findings have been found to vary significantly due to critical factors such as the volumes of migrants concerned, the personal characteristics of the migrants e.g. their age, sex, education level, motivation for return and the prevailing institutional and market conditions (Akensson & Baaz, 2015).

Some scholar's note that much of the literature on returned migration to these countries is predominantly concerned with the welfare implications of immigration; due to the high number of unskilled migrants in this population (Adepoju, 2007; Okoth, 2003). Many of these previous studies took migration back home as an involuntary process where 'failed migrants' are repatriated back to their home countries against their will and others forced to return home on their own when they fail to get viable economic opportunities abroad. In this context Black, King and Tiemoko (2003) give a succinct categorisation of returnees in these countries in four groups based on the reasons for their return; return of motivation, return of innovation, return for retirement and returned failures which describe the different profiles of returnees who are likely to have different experiences in the home country.

Based on this categorization this study focuses on the two groups: those who return with motivation to contribute to the development of their home countries as form of giving back for the chance they were given to study and stay abroad and upgrade their economic potential and those who returned for innovation seeking to try out new ideas and concepts those saw work in their host countries and which they hope could help create solutions to some of the prevalent problems facing their home countries such as poverty, disease and low illiteracy level. Since innovations are brought to market through the vehicle of entrepreneurship (Schumpeter, 1934), both groups are more likely to set up and seek to run new ventures as the choice vehicles to realise their motivation and innovation

2.3 International migration in Kenya

Kenya has a dynamic international migration history and the country is considered a diasporic state (Oucho, 2008) with many individuals who have migrated abroad for long periods of time and are dispersed all over the globe (Migration in Kenya, A country profile, 2015). The country is ranked among the top five countries of origin of African migrants abroad and is singularly valued as a source of highly skilled workers in most OECD countries (Kinuthia & Akinyoade, 2012). While the available literature gives conflicting statistics on the exact numbers of Kenya abroad, there's evidence of a large number of Kenyans abroad that are significant enough to change the economic and technological outlook of the country should they opt to come back to stay (IOM, 2015).

The trends of migration in Kenya shows mixed migration characteristics; thus the country is both a destination as well as a source of migration flows to other countries (A country profile, 2015). The country is currently the leading migration destination for migrants in Africa (Nguluvu, 2010) and at the same time one of the top migration corridors in sub-Saharan Africa (World Bank, 2011a.), making it an important setting for studies on international migration in this region. The attractiveness of Kenya as a migration destination is its geographical location; right in the middle of Africa, coupled with its relative economic and political stability, as well as its fairly advanced infrastructure (Kinuthia, 2013). The country is often considered a safe haven for people running away from political and economic strife in the region such as Somalia, Sudan and even Ethiopia, apart from being a financial hub and a transport corridor for its landlocked neighbours like Uganda (Okoth, 2003).

While international migration from Kenya earlier targeted mainly neighbouring countries as well as the colonial power destinations of UK and US (Rutten& Muli, 2008), the economic crisis and poverty that arose from several successive bouts of drought and a decline in political stability in the early 1990s which resulted in the implementation of structural adjustment programs, saw a large number of Kenyans seeking better opportunities in diverse countries all over the world (Kinuthia, 2013).

Like most of its counterparts in the region, much of the literature on international migration in Kenya is overwhelmingly dominated by remittance literature and the fate of refugees seeking shelter in the country (Rutten & Muli, 2008) and there are virtually no discussions about the role of returnee entrepreneurs. Some scholars (Ghai, 2004; Okoth, 2003) examined the proposed reforms for incorporating diaspora in development agenda of the country, but fell short of discussing any programs or agenda to support their eventual return home. The studies mainly dwelt on the build-up to the first Kenya diaspora investment forum which took place in the UK in 2006, where discussions mainly focused on the opportunities available for the diaspora to invest their hard-earned resources in the home country, while still abroad (IOM, 2006). Other scholars (Oucho,

Oucho and Ong’ayo, 2013; Kinuthia& Akinyoade, 2012) have dwelt on Kenya as a regional and global source for labour and human capital, with highly skilled Kenyans being assisted to acquire international jobs abroad; rather than on discussions on how to attract and retain Kenyans at home, as skilled professionals for domestic human capacity building and economic development.

A survey done in the UK, US and Canada reported that 89 % of Kenyans in these countries intended to go back home in the near future (Kinuthia & Akinyoade, 2012). An earlier one done by the International Organisation for Migrations just after the promulgation of the new constitution (IOM, 2010b) revealed that up to 78% of Kenyans in the diaspora had intentions to return home soon. The motivation given for their intention to return was almost similar in these studies and included economic opportunities; to take advantage of upcoming job opportunities likely to be created by the upcoming new counties, and the motivation to offer their professional experience to the development of home country, while some felt that with the new constitution the country was likely to experience better rule of law, less corruption and better governance than it was when they left (Kinuthia, 2013).

However the contribution of Kenyan migrants has often only been highlighted in literature in terms of diaspora remittance and refugees, with little attention given to the intellectual capital transfer and human capital development that Kenyans who have been abroad for many years can bring back into the country. The best-known form of international migration by most Kenyans, including the policymakers and the planners is the high refugee inflows from the volatile regions of sub-Saharan Africa such as Sudan and Somalia, which are as a result of diverse disruptive forces such as civil wars, political upheavals (Oucho, 2008). Ethnic strife in neighbouring countries, and the attendant vagaries of climate change including floods and drought have also resulted in a great number of individuals trooping to Kenya as refugees, making them the focus area of many policymakers and development partners dealing with international migration in the country.

The current move towards a diaspora policy still puts a premium on remittances with the adoption of the Citizens Act 2011, which was enacted just before the first diaspora homecoming conference held in Nairobi in December 2011 to woo more Kenyans abroad to invest at home (Mwakilishi, 2011). The article notes that attempts to engage the diaspora in development are usually mostly to encourage them to invest in the country and not really to come back home. With the country promising to generate one million jobs each year and often falling short (Oyelere, 2007), the policy thinking seems to be that highly skilled professionals should rather seek employment opportunities abroad and those with jobs there should hold on to those jobs and send back remittances for investment; rather than come back to compete for the few available opportunities in the home country.

However, from the literature from emerging economies the return of a critical mass of skilled professional with years accumulated technological knowledge, financial, human and social capital resources, coupled with parallel efforts to create a conducive environment in which they can thrive, could go a long way in creating a virtuous cycle of innovation and entrepreneurial development that could help address a wide range of developmental challenges facing these countries including youth unemployment, poverty disease and illiteracy among others.

2.4 Returned migration in the rest of Africa

The realization that returnees can be key actors in their home countries development agenda, however seem to have been taken more serious by countries in the Western side of Africa, such as Senegal, Ghana, Côte d'Ivoire and also in South Africa which are actively designing strategies to attract their professionals back from abroad and put in place measures to provide a conducive environment in which they can thrive (Kuzestenov,2006; Ratha et al., 2011). Some countries like Ghana and Cape Verde have gone further and designed the concept of ‘policy ideal returnees’, who possess sought after skills, who are selectively given support to return home, in the hope that they will contribute to human capital development towards economic growth (Kleist, 2011).

There are some reported cases where donors are helping returnees set up ventures back in their home countries, but these are exclusively in welfare type of return programs, both forced and voluntary for rejected asylum seekers and irregular migrants (Kleist, 2011). Some studies have shown that even where programs exist to assist skilled professional returnees to come home and contribute to home country development, most returnees often have no knowledge of the existence of these programs(Ratha et al., 2011) and in many cases they do not even think they need them, until they are well back in the country and struggling to set up and run new ventures; when they suddenly realise that they are on their own, with very little knowledge of how things work in the home country (Ackesson &Baaz, 2015).

In general it would appear that policy in most developing countries in African currently gives preference to have most of their professional migrants abroad in order to benefit from increased remittances to the home country, where the value is known, rather than explore opportunities for returned migrant’s contribution to the home country development, whose potential is currently unknown. In Kenya it is reported that by 2017, remittances by Kenya diaspora had reached an all-time high of Ksh197.1 billion, making it the highest foreign exchange earner for the country; surpassing traditional sources like coffee, tea and even tourism (Central Bank of Kenya, 2018) and it would therefore at first seem self-defeating to ask these professionals to leave their lucrative jobs abroad and come back home.

Some studies have however confirmed that the remittance sent by migrants from abroad to their home countries is a very small fraction of the potential contribution of migrants to their home countries when they go back (Tarrazas, 2010). The study indicates that apart from knowledge and skills transfer, the returnee's savings and investments abroad amount to huge sums of money, which if efficiently invested at home can bring about great advancements in entrepreneurial development and economic growth that can have a multiplier effect on poverty reduction and even sustainable development. In support of these findings Plaza &Ratha (2013) document that savings by African diaspora in the USA could be anything above 53 billion by 2011, which if invested in entrepreneurship development back home, could result in a virtuous cycle of innovation, technological upgrading and economic development, just as seen in the emerging economies of East Asia.

2.5 Potential contribution of Returnees to their home countries

2.5.1 Role in entrepreneurial development

The established literature in returnee studies indicates that because these individuals have studied and worked abroad for several years, they have absorbed technological knowledge, gained managerial competencies and accumulated entrepreneurial resources which they bring back to their home countries upon their return (Docquier& Rapport, 2012; Kenney, Breznitz& Murphree, 2013). Further evidence shows that the returnees also have the ability to forge close connections with venture capitalists and other influential stakeholders abroad. These connections can enhance opportunities for bilateral trade and international business (Filatotchev et al.2011; Liu, Lu & Choi, 2011).

Armed with this frontier knowledge and their set of international connections and human capital, these individuals have been found to be more likely to venture into new businesses upon return home (McCormick and Wahba, 2001) and often in newly emerging field in the technology sectors where they are likely to have competitive advantage against their local counterparts who have never left the country (Luo, Lu and Chi, 2014; Saxenian, 2006). Scholars note that the many professional skilled migrants from China, India and Taiwan who returned home after the economic downturn in the Western economies in the late 2000 (Saxenian, 2006), could have been the catalytic factor for the enhanced innovation and entrepreneurial growth that greatly changed the economic landscape in these countries, culminating in the phenomenon commonly referred to as the 'Asian miracle'.

Studies reveal that China, which was formerly a planned economy, deliberately undertook fundamental transitions toward a market-based economy from the early 80s, in efforts to spur entrepreneurial development and provide a conducive environment that could attract returnees and help them exploit their potential towards economic development in the country (Meredith, 2007). Both the central and regional governments in China strategically developed and operate costly programs aimed at luring returnees back home in large numbers in the hope that they will bring about a great wave of entrepreneurial growth and transform the local dynamic to a higher growth curve (Kenny, Breznitz and Murphree, 2013).

The changes in policy were seen as a timely intervention to attract returnees who had initially established firms in Western economies where institutions were friendly to business and would need a similar environment at home to thrive. However this is not likely to be the case for returnee entrepreneurs who despite having accumulated entrepreneurial resources and connections abroad, may not successfully exploit them in the home country environment due to prevailing l barriers and constraints.

2.5.2 Returnee role in innovation and technological upgrading

The returnee's technical expertise and global perspective have been shown to provide enhanced human capital in terms of missing skills and technological know-how in their home business environment, which is a necessary prerequisite for enhanced innovation and technological upgrading (Luo, Lovely & Popp, 2013; Sun & Zhou, 2011). Besides the classical resources of labour, capital and land, there is a growing recognition in the entrepreneurship literature of the importance of other 'intangible' resources such as technology, ideas, creativity, and innovation (Lundvall, 1992, Lundvall et al., 2002). Behind these intangibles lies 'human talent'; the capacity of individuals to develop ideas with higher economic value and exploit them commercially (Woodruff & Zenteno, 2007). Through human capital transfer, returnee entrepreneurs can offer their home countries not only new ideas and skills, but other economic resources such as venture capital, familiarity with systems developed abroad and access to international connections; all which are invaluable for upgrading capabilities for innovation and technological upgrading (Lundvall & Lema, 2014)

In addition to technological know-how and skills, the presence of returnee entrepreneurs in the local entrepreneurial ecosystem was found to spur the innovativeness of local firms through their boundary spanning roles (Dai & Liu, 2009; Li *et al.*, 2010; Wang, 2012, 2015), thereby raising the absorptive capacity and ability to recognise the value of new technology knowledge, attract it and successfully assimilate it for own commercial benefits (Cohen&Levinthal, 1990). Local firms in these countries were seen to creatively adapt new technological knowledge in subsequent years to their local conditions (Wang, Zweig, & Lin, 2011; Liu, Lu, & Choi,2014; Luo, Lovely and Popp, 2013). It is reported that by 2006, more than 275,000 overseas Chinese scientists and students had returned to China, setting up over 5000 successful new high-tech ventures in the country, which kick-started a virtuous cycle of technological upgrading and economic development (Filatotchev et al.,2009; Liu et al., 2010; Saxenian, 2006).

Scholars note however that while organizational features such as similarity in expertise and absorptive capacity between returnee led ventures and local entrepreneurs can boost knowledge transfer success, contextual differences in the host and home country environment, such as cultural differences, or differences in business practices and missing skill sets might hinder successful knowledge sharing between returnee led and local firms(Kostova& Zaheer, 1999).

2.5.3 Role as knowledge and investment brokers

Some studies suggest that returnees possess special leverage when it comes to development through international connections than any other channels of international trade (Wang, Zweig &Lin, 2011, Wang, Ketchen& Bergh, 2012; Wang, 2012). These studies indicate that returnees who maintain strong linkages with their home countries while still broad are better placed to communicate to development partners abroad about the development priory areas of their home countries. (Wang, Zweig & Lin, 2011). On the other hand upon return home, some returnees often maintain their international connections long after return (Bai, 2017), often using them to attract venture capital, new technologies and opportunities for FDI and international joint ventures. Adepoju (2010) discusses how some returnees were instrumental in using their international connections to enhance economic development in Ghana and Senegal, helping their countries to transition smoothly to democracy, while Akesson &Baaz (2015) highlights the role of returnees in helping international investors determine viable business opportunities in Congo, as part of their business in investment brokerage.

Further south, Barnard and Pendock (2013) highlight how world-leading researchers in South Africa, previously exposed to cutting edge research facilities in developed foreign economies, are helping to accelerate the introduction of new research knowledge in their home country, due to their close connections and collaborations with world-leading researchers in their previous host counties. Wang, Li & Zweig (2015) on the other hand focus on returnees' role in China's going out strategy, using their Embeddedness to global networks to negotiate for the successful inclusion of Chinese firms in global partnerships. Having been involved in the 'new economy' while studying in prestigious universities abroad, the scholars note that the returnees had high legitimacy with global partners and some even held venture capital abroad, which made it possible to connect Chinese firms with partners abroad and readily gain acceptance into global markets.

2.6 Institutional perspectives on returnee liability

2.6.1 Summary of institutional perspectives on returnee liability

Whereas the earlier literature in this field gave predominantly positive outcome for returnee entrepreneurship; suggesting that ventures set up returnee entrepreneurs performed better than local firms led by individuals who have never left the country (Dai & Liu 2009; Filatotvek et al., 2009; Liu et al., 2010), more recent findings shed a pessimistic light on the process of returnee entrepreneurship, noting that returnees face great readjustment difficulties and constraints in their home countries that could cancel out their beneficial roles in the home country (Li et al., 2012; Obukhova, Wang & Li, 2012; Qin, Wang and Gao, 2017).

Two schools of thought have emerged in literature attempting to explain the negative outcome of returnee entrepreneurship; the institutional perspectives which argue that returnee entrepreneurs are constrained by the difference in the institutional environment between their host and home countries (Ahlstrom&Bruton,2010; Drori, Honing& Wright,2009) and the interpersonal perspectives which argue that returnee entrepreneurs often lack embeddedness in their home country, viable social connections that can support their successful reintegration into the home country (Obukhova, Li &Wang, 2012; Li et al.,2012; Qin, Wang and Gao, 2015).

For the purpose of this study, we take Grannovetter's definition of embeddedness, which refers to the extent to which a returnee is integrated into a network of people, organizations, and institutions; which can grant access to resources that belong to that environment (Granovetter, 1985).

2.6.2 Institutions and entrepreneurial development

Seminal scholars in institutional theory view institutions as the "rules" that structure the economic "game" (North, 1990; Scott, 2004).The theory considers the processes by which structures; including schemas, rules, norms and routines become established as authoritative guidelines for social behaviour over time. The scholars view institutions as existing external to agency, as constraints on rationality and as enforcement mechanisms for social and economic relations, and thus may encourage or discourage these activities in terms of entrepreneurship development among other economic activities such as innovation, trade, foreign direct investment, industrial growth and the overall economic development (North, 1994).

Institutions are divided into formal and informal institutions; the former refers to the objective constraints and incentives arising from government regulation of individual and organizational actions (Bruton, Ahlstrom, and Li, 2010; Scott, 2004) while the latter refers to the more implicit, culturally transmitted and socially constructed systems of norms, values and beliefs of a given society (Scott, 2004). The two collectively provide the institutional environment.

Scholarship has established that a strong institutional environment provides great incentives for entrepreneurship to thrive as entrepreneurs invest in new ideas in expectation of high returns on their investment (Schumpeter, 1934), whereas a weak institutional environment causes frictions in economic exchange processes, resulting in information asymmetries and high transaction costs that challenge the ability of firms to compete effectively (Acemoglu et al., 2014).

Three main streams of thought have emerged based on the application of institutional theory in entrepreneurship research. The first stream concerns the institutional setting: which includes direct actions in maintaining institutional frameworks that are conducive to entrepreneurship development; such as building science parks and incubators to nature young businesses to stability, establishing social connections and providing access to various resources required for starting up and successfully running new ventures (Bruton, Ahlstrom& LI, 2010).

The second stream focuses on institutional legitimacy; defined as the right of an organization to exist and perform in certain ways that considered to be right and appropriate by institutional stakeholders (Wry et al.,2011), while the emphasis in the third stream is on institutional entrepreneurship; which is the development of the institutional partnerships and making necessary social connections by the entrepreneurs themselves in order to better structure their business to realize its full potential (Lounsbry & Gynn, 2001). These three streams highlight the role of institutions in entrepreneurship development as depicted in the diagram below:

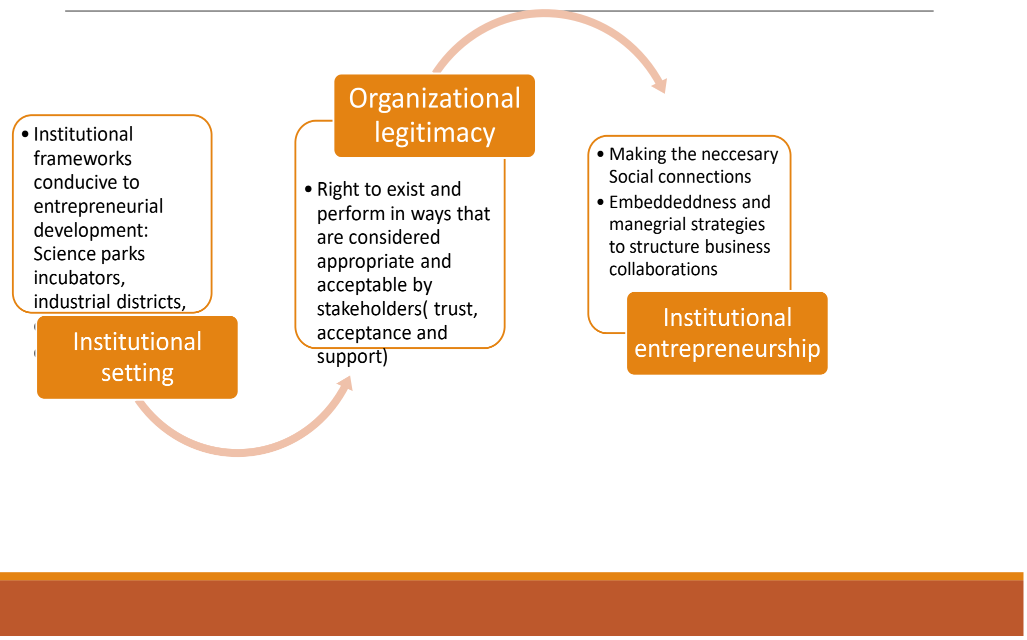


Fig 2: Institutions and entrepreneurial development (Based on Scott, 2004)

For an institutional environment to be considered strong and effective in supportive entrepreneurial development, these three streams must be fully developed and well-aligned to support each other (Freeman, 2004). For example, the literature on returnees focussing on China indicates that state policy placed great emphasis on the role of returnees as “strategic national assets” and consequently the institutions were strengthened to provide a conducive environment, with focused regulatory systems to support them.

In addition, the institutional setting was changed through the introduction of economic incentives and upgrading policy frameworks to motivate more returnees to come back home and venture into entrepreneurship (Dai & Liu, 2009; Qin, 2015). At the same time, different types of social supportive frameworks were introduced through the establishment of government-funded industrial parks that allowed for close interaction between the returnees and other institutional stakeholders like banks, suppliers and venture capitalists to enable their firms to thrive from economic externalities (Li et al, 2012).

However, the institutional environment that confronts returnee entrepreneurs seeking to set up new ventures in developing countries in Africa is markedly different from this. These countries are generally characterised by a weak institutional environment (Beck, Demirguc-Kunt & Levine, 2005; Becky, 2003; Pietrobelli& Rabatolli, 2011; Naude et al., 2011) and the policies to provide a conducive institutional setting for entrepreneurship are reporting to be at their nascent stage(Ndulu et al., 2007b). While local entrepreneurs may have developed coping mechanisms for survival in such a business environment, this institutional environment is however likely to put great constraints on returnee's ability to exploit their entrepreneurial potential in these home countries and contribute effectively to economic development

Indeed scholars argue that the key barriers that confine developing countries in Africa to a laggard state, in terms of technological catch-up and economic development, are their weak institutions and dysfunctional social capital (Acemoglu & Robinson, 2014). In most of these countries, policies regulating the private sector are still greatly skewed towards political control (Ndulu et al., 2007b) with business leaders reporting the political and regulatory sector as being the most complicated and least predictable part of their business; thereby posing the greatest challenge to the success of their ventures (Khan & Gray, 2006).

Studies in return migration has established that most skilled professionals returnees are often coming back from highly developed OECD host countries, with strong institutional environment that encourages and greatly rewards entrepreneurial behaviours and seeking to set up new ventures in their typically less developed countries with weak institutions and often lacking in social support frameworks for entrepreneurial development (Obukhova, 2012). This is bound to create a liability to them in direct competition with local entrepreneurs who have never left the country. Indeed some studies undertaken in China have established that returnees coming back from well-established, more progressive economies performed poorly compared to those coming from environments that were not markedly different from the institutional environment in the returnee's home country, alluding to the challenge of institutional distance (Zhou & Hsu, 2011).

2.6.3 The institutional distance challenge

Some institutional challenges of returnee entrepreneurship are based on the institutional distance between the returnee host and home countries. Institutional distance is a construct derived from institutional theory; defined as the extent of similarity or dissimilarity between the institutional environments of two countries (Kostova& Zaheer, 1999). The construct was initially developed to explain the strategies employed by MNEs and their subsidiaries abroad to navigate the foreign environment but is increasingly finding use in entrepreneurship studies(Xu, 2012). The construct is important for this study since it has been linked to two aspects of economic activities that are critical to the study of returnee entrepreneurship; the establishment of legitimacy in the home country environment and the successful transfer of organizational practices from the host to the home country (Kostova & Zaheer,1999; DiMaggio & Powell, 1983).

The institutional distance can also be viewed as a distance based on the length of time a returnee has spent away from the country, hence less able to comprehend the changes that may have taken place in his / her absence. Therefore a longer time away from the country and setting up a business immediately upon return home may create a higher institutional distance challenge compared to a returnee who was away for a shorter period of time or took time while back in the home country to understand how things work before setting up a new business venture

Additionally, this distance can be discussed in terms of the institutional gaps: a wide difference in the existing institutional frameworks and support structures in the returnees' host and home country increases the institutional distance which may challenge the ability of returnee entrepreneurs to successfully exploit their entrepreneurial potential. The returnees have often adopted the business practices and ideas of the developed host country which may not fit seamlessly within the prevailing institutional frameworks in their home country. In addition their ventures may not easily adopt the organizational forms, practices, and behaviours that are expected by institutional stakeholders in the home country (DiMaggio & Powell, 1991), or exhibit the correct symbols and labels that reduce ambiguity about their ventures through categorization (Kennedy, Lo, &Lounsbury, 2010; Navis& Glynn, 2010), which conveys lack of legitimacy and inability to access resources from the home environment. These structures, behaviours and organizational forms are known to allow new firms to flourish by establishing the necessary trust, acceptance and support with different stakeholders; allowing them to gain access to local resources necessary for their entrepreneurial performance.

2.6.4 Institutional distance and lack of fit of ventures

Studies have shown that returnee entrepreneurs are more likely to have ideas or have adopted frontier business strategies and organizational practices that are best suited to their host countries developed economies context, but poorly suited to the home country business environment (Obukhova, Wang & Li, 2012; Wang et al., 2015).

Some scholars have established that ventures founded by returnees tend to have high levels of innovation compared to their local counterparts (Dai & Liu, 2009; Liu et al., 2010) and they also tend to operate predominantly in newly emerging fields such as the high technology sector, which are prone to many uncertainties (Filatotchev et al., 2009; Liu et al., 2010; Wang, 2012). These uncertainties are amplified in a less developed country context with gaps in infrastructure such lack of stable electricity or access to internet or mobile network in most parts of the country, which could hamper their ability to exploit their entrepreneurial opportunities.

A returnee entrepreneur may spot a potential business opportunity in the more advanced host country and might be motivated to import a variant of that idea with him back home, thus introducing a new product or service in the home country with the potential to upgrade local skills in that field. While creative imitation is one of the best-known strategies for technological upgrading, as documented for example in the work on South Korea (Kim, 1997), it has also long been established that this type of 'newness' is always to some extent considered "illegitimate" in a new context (Mahmood & Rufin, 2005), because it requires changing how the organisation operates and even changes in the institutions that are expected to support it. Therefore, while this novelty should ideally offer a great competitive advantage to the returnees competing with local entrepreneurs who have never left the country, it instead portends great liability to them.

It is possible that this novelty may also make the ventures not fit well within the existing infrastructure and prevailing institutional frameworks in the home country. Consider for example a mobile application innovation that depends on steady internet availability, yet many parts of the country may not have internet or most customers may not afford the type of smartphones that can download the software or even understand how to navigate the software. So although the software may be very useful in solving an existing problem in the society, it may not fit within the infrastructure that is currently available in the country and may therefore not gain traction.

At the same time, institutional stakeholders who hold the key to important resources such as the government often do not have the capacity to anticipate the consequences of the adoption of the resultant new technologies and thus likely to judge them as too risky and not worthy of support (Mahmoud, 2007).

Therefore, although the upgrading potential of returnees rests in the fact that they bring in new, more sophisticated ideas to an underdeveloped context, those introducing new-to-the-context innovations in some way are seen to “violate" the status quo in the existing environment in the home country, which inevitably carries an associated risk of a ‘lack of fit’ and lack of support in the home environment (Mahmood & Rufin, 2005).

2.7 The interpersonal perspectives of returnee liability

2.7.1 Summary of interpersonal perspectives on returnee liability

Studies on interpersonal perspectives highlight the social dimensions of economic actions and suggest that economic behaviour is closely embedded in networks of interpersonal relations, as earlier suggested by the seminal work of Granovetter (1973).

The interpersonal perspectives on returned migration contend that returnee entrepreneurs often lack viable social connections in their home countries that can help them successfully re-integrate (Obukhova, Wang and Li, 2012; Li et al, 2012). Many returnees, having been away from home for a while may lack social capital in their home environment; the embeddedness in viable personal and business networks that can support their seamless re-integration back in the home country and may offer them affective support in their entrepreneurial journey. These networks have been found to hold unique social capital; involving both relational and structural resources that are critical to both personal and business development (Eisenhardt & Schoonhoven, 1990; Li & Zhang, 2007; Zeng, Zang & Du, 2011).

Whereas the early theories of entrepreneurship focused on the personality of the entrepreneurs, contending that people are different and these differences matter in entrepreneurial performance (McClelland, 1961), subsequent scholars criticized this view because it ignored the influences of the external environment within which entrepreneurship takes place (Aldrich, 1990). These scholars suggested a population-ecology perspective which tries to explain the rate of survival and death of entrepreneurial organizations, based on the external influence of the environment; such as institutional factors, government policies, political events, cultural norms etc.

On its part, the ecological perspective has drawn criticism for its overemphasis on the environmental factors by scholars who instead direct attention to exploring the “entrepreneurial process as defined by opportunities. This research orientation was later refined by Shane and Venkataraman (2000) whose definition of the field of entrepreneurship as the discovery and exploitation of opportunities, accentuates the importance of individuals and opportunities, rather than the environmental factors and their consequences.

2.7.2 Towards an embedded perspective on entrepreneurship

Critiques of the above traditional approaches to entrepreneurship however contend that all these approaches failed to account for the embedded nature of social behaviour, proposing an alternative approach based on sociological perspectives that have pointed to the general embeddedness of economic activity (Burt, 2004; Granovetter, 1985; Polanyi, 1957). Embeddedness refers to the extent to which an individual is situated in a network of people, organizations, and institutions which can grant access to resources that belong to that environment. The perspective was originally developed in law and sociology but has since been adopted successfully in several disciplines including entrepreneurship studies, where it can be used to explain how social structures provide access benefits in inter-firm and interpersonal interactions(Burt ,2004).

The concept of embeddedness captures the idea that the actions individuals choose are refracted by the social relations within which they function(Grannovetter, 1973). It can be expected that greater embeddedness or integration in local networks deepens an individual's connection to the institutional environment, which in turn, leads to higher levels of understanding, trust, acceptance and support, all which convey high legitimacy leading to ready access to resources((Suchman,1985). Lesser embeddedness on the other hand leads to a lack of legitimacy and reduced access to local resources necessary to successfully exploit their entrepreneurial opportunities.

Upon embarking on new ventures, all entrepreneurs potentially face many challenges, including the daunting task of making their ventures known, apart from the need to make beneficial business connections, all which are critical to business performance (Ashford & Gibbs, 1990; Stinchombe, 1965). For returnee entrepreneurs who have been away from the country for a long period of time with very little contact back home and seeking to set up new ventures immediately upon return home, the liability of newness challenge facing his firm is compounded by his own lack of social capital.

The earliest notions of embeddedness in entrepreneurship literature relate to the social networks of entrepreneurs. Scholars in this field have shown how interpersonal relationships (ties) can enhance an entrepreneur's ability to succeed. For instance, by granting them access to idiosyncratic information, access to resources on favourable terms and even legitimizing the entrepreneur and his venture (Baum, Calabrese, and Silverman, 2000; Burt, 2000, 2004; Thornton, 1999). The entrepreneur thus derives advantages from a beneficial position incorporated in social structures and those who lack the embeddedness in specific contexts miss out on these resources.

Further developments in this field have established that entrepreneurs' social networks are critical factors not only in the performance of their business but for their own personal development as well as ventures (Shane &Stuart, 2002; Stuart & Sorenson, 2005). For example Dahl & Sorenson, (2012 found that for nascent entrepreneurs, prior working experiences in a region provides important opportunities to build local social connections that help them gain access to different types of resources including new friendships and social support networks. Other scholars have shown that a manager's social capital; such as their ties with external constituencies are instrumental in helping new ventures not only overcome resource constraints but also help in exploiting external opportunities (Eisenhardt & Schoonhoven, 1990; Li &Zhang, 2007). Other studies have gone further to show that in contexts where strategic factor markets and entrepreneurial frameworks are not well established, such as those in developing countries in Africa, local connections become even more crucial for entrepreneurial success (Peng and Luo,2000; Zhang & Li,2010; Zhang, Li& Schoonhoven, 2009).

Unlike the local entrepreneurs, the returnees often possess dual embeddedness in both host and home countries, each with defined institutional and social dynamics and there are likely to be cross-cutting relationships between various economic actors in these contexts that need to be accounted for. To get a full perspective on the experience of returnee entrepreneurs in home countries, scholars recommend a mixed embeddedness approach which generally advocates the positioning of returnees activities in both home and host country environment (Beckert, 2003; Dahl & Sorenson, 2012; Dahles, 2013). This concept of mixed Embeddedness helps to capture the returnee's social reality in the institutional environment at home, which largely defines the structure and practices for their business ventures upon return (Li et al., 2012; Lin et al., 2019).

2.7.3 The mixed embeddedness of returnee entrepreneurs

Scholars contend that the dual embedded nature of returnee entrepreneurs is especially important for understanding the managerial practices and strategies they employ to mobilize resources and strategically utilise opportunities available in both the host and home countries (Wang 2008; Wang et al., 2012). For example, a returnee who held prestigious work or community positions abroad and had acquired a high level of legitimacy with institutional stakeholders may expect to be able to transfer this legitimacy back home and utilise it when setting up a new venture. However studies have shown that legitimacy cannot be transferred from one environment to another but must be negotiated afresh in each new environment, based on its operational systems of norms, values and beliefs (Suchman 1985; Qin, Lin & Gao, 2017).This assumption may result in failures to undertake actions necessary to acquire legitimacy in the home country, with great repercussions for his business

Furthermore, some studies have shown that high legitimacy abroad may actual lower ones legitimacy at home due to suspicion by institutional stakeholders in the home environment, such as government bodies, who may find it hard to trust that firms with partners or equity stakeholders abroad have the best interest of the home country and will instead extend their resources to local firms, at the expense of the returnees (Wang et al., 2008; Obukhova, 2012).

The notion of embeddedness has been used to explain the importance of other forms of context for migrant entrepreneurship other than the social. Scholars within the mixed embeddedness perspectives have established that institutional and spatial contexts also serve as a source of information, resources and legitimacy, if the entrepreneur is embedded in multiple contexts (Kloosterman, 2010; Kloosterman & Ratha, 2001). These studies have found that immigrant entrepreneurs leverage their embeddedness in both home and host contexts to gain access to various types of resources. Key to the mixed embedded approach is the matching process between migrants' skills and resources (the human and social capital) and opportunity structures created by contextual conditions in which they are embedded (Kloosterman & Ratha, 2001). In these studies the impact of migrant entrepreneurship is seen to go far beyond the economic benefits; to include benefits of social integration, since a successful self-employment experience was found to increase migrants' social integration in the host country (Ratha, 2001).

The study of the social, spatial and institutional embeddedness of returnee entrepreneurs can thus enhance our understanding of heterogeneity of returnees entrepreneurial responses to contextual conditions in the home country, as well as demonstrate how structural factors influence their entrepreneurial practices and processes at the micro-level (Thornton, 1999), thereby contributing greatly to the agenda of new economic sociology, by keeping together agency and structure in explaining markets and economic outcomes

In previous studies from emerging economies, the Interpersonal ties and connections were found to empower returnees to transfer knowledge between their host and home countries more effectively (Saxenian, 2005), which is critical for technological upgrading. Studies have shown that knowledge transfer is a highly interactive process that requires close repeated interaction between the transferor and the receiver (Meyer & Rowan, 1983). For example, scholar trace the start of Taiwan's successful semiconductor sector to returnees' cross-border ties which enabled them to "identify promising new market opportunities at home, raise capital, build management teams and establish partnerships with specialist producers located far away in their home countries, even before their physical return home (Saxenian& Hsu, 2001).

Other benefits of embeddedness highlighted in previous studies include assistance with settling back home; proving emotional support in times of failure and offering moral and material support when necessary(Pruthi, 2014). The scholars note that the general welfare support extended to returnees, especially in the early days of their return by various networks, contributed greatly to help them overcome not only the usual challenges of starting up a new business back home, but also gave them the necessity motivation to pursue their entrepreneurial goals despite the challenges faced; given that entrepreneurship is an inherently risky undertaking, fraught with many uncertainties.

Studies from the management and sociology disciplines have established that embeddedness in viable social networks is an important ingredient in the entire entrepreneurial process; including enterprise founding, scaling and growth stages. These studies indicate that Embeddedness in viable local networks could allow returnees, in particular, to offset a wide range of institutional and social-cultural barriers, at various stages of their entrepreneurial journey (Gronum, Verreynne, & Kastelle, 2012).

For entrepreneurs going back to home to countries with weak institutions and lacking social support frameworks for entrepreneurship, their embeddedness in local networks is found to be even more crucial to gaining resources from the local environment (Peng& Luo, 2000). Indeed studies have shown that in emerging and developing markets where strategic factor markets are not well developed, local connections and access to local knowledge are crucial for doing business (Li & Atuahene-Gima, 2002; Peng& Luo, 2000; Zhang& Li, 2010).

This includes knowledge of sources of viable finance, reliable suppliers, effective channels of distribution and even consumer preferences. Using a unique, hand-coded dataset of Chinese high-technology firms in Beijing, the scholars documented that the returnee entrepreneurs with local connections performed better than those that were not similarly embedded and also better than their local counterparts. Similarly, Li et al., (2012) while examining the performance differences between new ventures led by returnees and those led by locals in China's technology industries found that that, on average, new technology ventures led by returnees underperform those led by locals, but state controlling ownership, older ventures and having many local connections, narrowed performance gaps between the two groups.

However some recent studies have challenged the lack of local connections views in returnee studies, arguing that returnees' social influence in their home country networks could span time and space (Qin, 2019), and their poor performance in the home country could be due to other underlying reasons including personality factors such as age, gender, family background and motivation for entrepreneurship.

2.7.4 The concept of returnee liability

'Returnee liability' is a term that can be used to describe the institutional and interpersonal barriers and constraints faced by returnee entrepreneurs, but would not ordinarily affect local entrepreneurs who have never left the country (Obukhova, Li & Wang, 2012). The term is coined from two previous 'liability' perspectives on entrepreneurial development; the liability on the performance of new ventures; known as the liability of newness (Stinhcombe,1965) and the liability of foreignness perspective on internationalization strategies of multinational enterprises(MNEs) in foreign countries (Zaheer, 1995).

In the liability of newness perspectives, new ventures are thought to have higher failure rates than more established incumbents because they often have limited resources and have not yet established stable connections, which are critical to their performance; such as links with financial institutions, suppliers or even clients (Stinchombe, 1965). Previous studies have shown that both a managers' human capital; such as their technical skills and managerial competencies, and social capital; such as their ties with external constituencies can help new ventures to not only overcome resource constraints, but also make connections with important constituents in the new business environment (Eisenhardt & Schoonhoven, 1990). For returnee managers who have been away from home country for a while and seeking to set up and run new ventures in it, they are certainly bound to lose out in competition with local managers with strong connections with a variety of stakeholders in the home country.

The liability of foreignness perspective on the other hand contends that firms operating in foreign markets face distinct disadvantages in the host markets compared to their local counterparts (Zaheer, 1995). Their products and organizational practices may not fit seamlessly into host countries institutional and social contexts; given the different cultural, social, economic, political, religious, and even regulatory dynamics at play in the two countries. These firms are thus likely to suffer costly information asymmetries and incur extra costs in adapting and adjusting to the many facets of the foreign country, to the advantage of their local counterparts.

The 'returnee liability' concept combines these two perspectives to explore the liability likely to face returnee entrepreneurs in their efforts to establish 'new ventures' in 'foreign' home countries; making them susceptible to a combination of both liability of newness and liability of foreignness in the home institutional environment which is markedly different from institutional environment in their host country. They are thus likely to be viewed as 'institutional or cultural foreigners in their own home country.

While advancing the concept of returnee liability, Obukhova, Wang and Li, (2012) contend that upon return home, returnees face a seemingly familiar, yet markedly different institutional environment that requires them to adapt or adjust accordingly. Many of them may not fully appreciate the changes that have taken place in the home country in their absence, both at the institutional and interpersonal level (Li et al., 2012). Thus their liability may not only be because of the actual changes that have taken place, but more markedly because of their 'perception' of those changes and their belief that being their home country, they know how things work there and how to conduct business in it, which can result in costly mistakes

Having often acquired professional knowledge and skills through the scientific and technical training abroad and have accumulated managerial competencies of the developed world (Liu et al., 2010) the returnee entrepreneurs may also have ideas and business practices which may not fit in well within the established institutional arrangements in their typically 'less developed' home countries and may technically make them 'institutional outsiders' who are likely to be barred from access to local resources(Li et al., 2012: Wang, 2015). Local firms will have an advantage in this situation.

Some scholars have highlighted the perception of the lack of commitment to homeland institutions by returnees due to their commitments to stakeholders abroad as another likely reason for being denied access to local resources (Rindova & Fombrun, 1999). Such returnees would not readily gain the trust and support of important local stakeholders like government agencies or political leaders who are known to command great influence on private businesses in most developing countries in Africa (Khan & Gray, 2006; Ndulu et al., 2007b).

The consequence of these barriers and constraints is a 'returnee liability' wall that the returnees must surmount, often at an extra cost, before they can successfully exploit their entrepreneurial potential in the home country. The returnee liability generally exhibits in two ways; information asymmetries such as missing crucial information leading to frequent costly mistakes and failure to gain trust, acceptance and support of important institutional stakeholders leading to lack of access to both tangible and intangible resources from the home environment or acquisition of such resources at much higher costs, thereby making them less competitive in the home market.

2.8 Legitimacy and Entrepreneurship development

2.8.1 Summary of legitimacy perspectives

Legitimacy theory suggests that organizational growth and survival depends not just on tangible resources such as knowledge and skills, but also on intangible resources such as the organization's legitimacy in the eyes of stakeholders or constituents who hold the key to important resources in the environment (Powell & DiMaggio, 1991). Suchman (1995) defines legitimacy as the “generalized perception or assumption that the actions of an organization are desirable, proper, or appropriate within a social system” (p. 574). Generalized connotes resilience to particular events, yet legitimacy depends on the history of other events, while the assumption connotes that legitimacy is a perception construct that represents the reaction of observers to the organization, based on ‘how they see it’.

Legitimacy is thus depicted as a set of constitutive beliefs and norms that exert pressure on organizations to conform to established norms, values and beliefs systems in a given environment in order to gain the support of important stakeholders who hold the key to vital resources (Powell and DiMaggio, 1991). The legitimacy perspective within the institutional theory emphasises how sector-wide structuration dynamics generate cultural pressures that transcend any single organizations control (DiMaggio& Powell, 1991; Hannan & Freeman, 1984; Meyer & Rowan, 1997).

As a critical feature in organizational growth and survival, scholars have explored legitimacy through a diverse range of theoretical lenses; including institutional theory (Scott, 2004), resource dependency theory (Pfeiffer & Salancik, 1978) and organizational ecology (Aldrich, 1979; Hannan & Freeman, 1984); all with the ultimate goal of establishing how organizations gain and maintain legitimacy for continuous access to resources from the environment throughout its entire life cycle. In all these dynamic views, legitimacy generally denotes congruence between social values implied by the organizations’ structure and activities, and the norms accepted in the large social system (Tolbert, David, & Sine, 2011).

2.8.2 Legitimacy and resource acquisition

Studies on the role of legitimacy in resources acquisition have converged on two main approaches to the process of legitimacy acquisition: the strategic approach (Ashford& Gibbs 1990; Pfeiffer 1975; Pfeiffer and Salancik, 1978) adopts a managerial perspective, describing the actions that managers and corporate boards take to gain and maintain legitimacy for their organizations. This approach generally deals with how organizations instrumentally manipulate and deploy evocative symbols and other rhetoric strategies to garner societal support (Zott and Huy, 2006; Lounsbury& Glynn, 2001; Suddaby & Greenwood, 2005). Legitimacy here is depicted as an operational resource that organizations extract, often competitively, from their cultural environment and employ in pursuit of their entrepreneurial goals (Ashford& Gibbs, 1991, Dowling and Pfeiffer, 1975), which assumes a high level of management control over the legitimation process with purposive, calculated strategies.

On the other hand the institutional approaches (DiMaggio and Powell,1983; Meyer and Rowan, 1997; Meyer and Scott,1983; Powell and DiMaggio, 1991) takes a more detached stance that emphasizes the way in which sector-wide structuration dynamics generate cultural pressures that transcend any single organizations control(Suchman, 1995). Legitimacy here is depicted as a set of constitutive beliefs and norms that exert pressure on organizations to conform, so as to be granted access to resources held by key stakeholders in the environment. In this view, organizations do not simply extract legitimacy from their environment, but rather the external constituents construct and interpenetrate the organization in every aspect to decide on its legitimacy (Suchman, 1995).In this view legitimacy is seen as a conferred status; controlled by others outside the organization and therefore depends on the organization ability to acquire and maintain this legitimacy in order to access resources from the environment throughout its life cycle.

This study operates with the remit of both spheres of legitimacy for resources acquisition, contending that returnee entrepreneurs could suffer returnee liability due to lack of legitimacy are both institutional and strategic level.

The dominant literature on returnees indicates that these individuals often have accumulated human, financial and social capital from the host countries which they can use for entrepreneurial development upon return back to their home countries (Dai & Liu, 2009; Liu et al., 2010). At the same time their managerial competencies and global perspectives ideally give them a clear advantage not only in sporting new business opportunities in the home country, but the managerial competencies to be able to exploit them effectively. However, their ability to put these resources to good use in the home country is increasingly found to be hampered by their inability to gain access to complementary resources from the home environment (Obukhova, Wang & Li, 2012; Li et al., 2012; Qin, Wang & Gao, 2017).

Organisations are considered more legitimate when they are more recognizable and their practices are understandable to stakeholders who hold key resources (Tolbert, David& Sine, 2011). These stakeholders need to not only recognise their existence but to understand what they do and believe that what they do is good, which may often negatively affect returnee entrepreneurs whose foreign ideas, business structures and practices may not be easily recognisable nor readily understood by local stakeholders hold the key to important resources. They are thus less likely to be supported against local counterparts with more recognisable and understandable business models, especially within the resource-constrained environment of the developing countries.

Individuals, groups and organizations that come into contact with the new venture such as customers, suppliers, and funders will often evaluate the emerging organization’s purpose and capability in order to decide whether or not to accept and support it (Delmar and Shane, 2004; Dowling& Salancik, 1975). Some scholars note that the process of gaining and maintaining legitimacy is more difficult when the organization's activities are uncertain, hence easily assumed to be risky (Ashford and Gibbs, 1990), such as in the case of highly innovative ventures in a newly emerging technological fields, such as those likely to be set up by returnee entrepreneurs in developing countries in Africa. In this case the organizations need to put in extra efforts and resources to gain and maintain legitimacy than their counterparts with more conventional products and services, often with whom they are in competitive rivalry, thereby often increasing their transaction costs.

2.8.3 Levels of legitimacy

Legitimacy has been found to operate at two distinct levels: at the macro level is institutional legitimacy, which refers to the sector-wide structuration which confers constraints on organizations to conform in order to gain access to resources while at the organizational level is the strategic legitimacy, which are the measures put in place by an organization to acquire and maintain legitimacy throughout its life cycle (Suchman, 1995). The organizational level of legitimacy thus develops in the internal environment of the organization, while the institutional level of legitimacy develops in the external environment surrounding the organization, in conjunction with external stakeholders (Powell and DiMaggio, 1991). Spanning these two levels gives the reflection of the organization in society as a system, as depicted in the figure below:

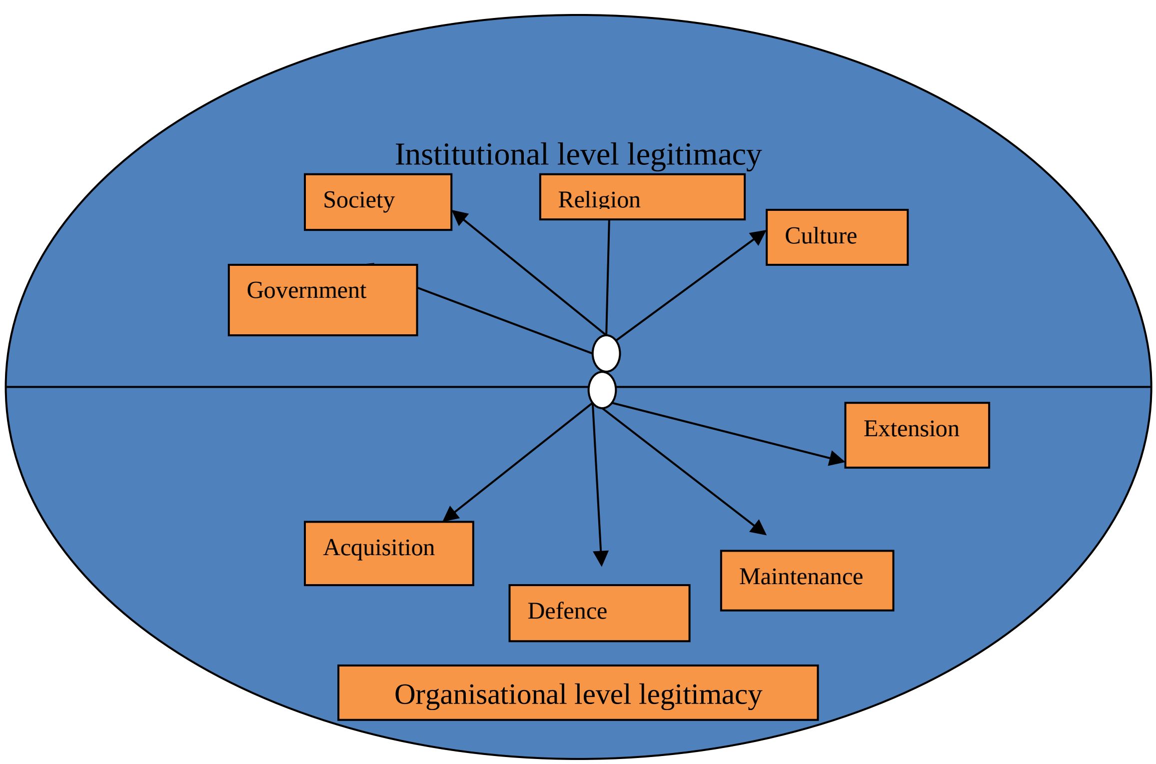


Fig 3: Layers of legitimacy in which an organization operates (Adapted from Tilling, 2004)

Therefore, the fact that an organization has adopted organisational structures and practices that gives it the right to exist and perform its activities in that environment. At the institutional level, the organization is trusted, accepted and likely to given support of a transactional natures in terms of access to the critical resources such as government tenders, trading license, credit finance or even supply networks or left to undertake its business without interference e.g. from regulatory bodies, while at the organizational level it enjoys cordial interactions, honesty and trust of other actors like other businesses, associates, family, community, friends and colleagues; on a more relational basis.

The relational, more interpersonal perspective is particularly relevant to understanding the barriers and constraints faced by returnee entrepreneurs in the context of developing countries in Africa with a dearth of institutional and social frameworks for entrepreneurial development. Scholars have established that in such cases where institutional frameworks are weak, social networks take on a more prominent role in economic development (Inkpen& Tsang, 2005; Reagans & McEvily, 2003). These studies have shown that embeddedness in viable local networks allows organisations to offset a wide range of institutional barriers to successful entrepreneurship.

This study focuses on how returnee entrepreneurs can acquire, maintain and defend their legitimacy, both at organizational level and also at the institutional level where macroeconomic actors such government bodies and policymakers can proactively provide conducive institutional and social support frameworks that can offer incentives and motivation for the returnees to successfully exploit their potential in these countries, as part of brain gain strategies.

Legitimacy acquisition has been seen to operate in a virtuous cycle where institutional and social barriers lead to lack of legitimacy, which in turn leads to lack of institutional and social support and inability to access resources for the exploitation of entrepreneurial opportunities. This leads to a lack of growth, which signals low legitimacy and further lack of access to resources leading to the eventual death of the ventures (Pollock &Rindova, 2003) as depicted in the figure below.

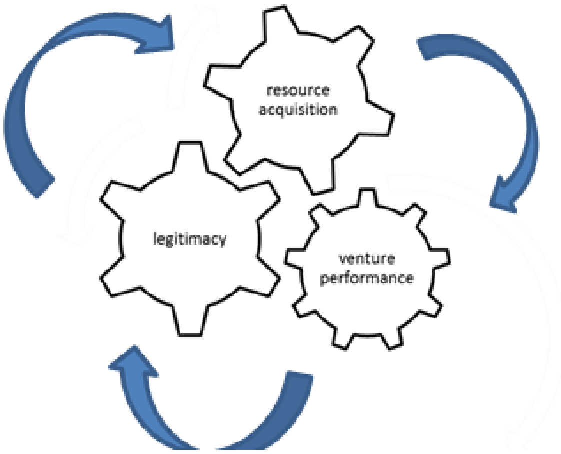


Fig 4: Cycle of legitimacy, resource acquisition and organizational performance

2.8.4 How legitimacy mitigates 'returnee liability'

As seen in the previous sections, unlike their more established counterparts, new ventures, such as those set by returnee entrepreneurs immediately upon their return home, need to devote a substantial amount of effort and resources to build new structures and put in place organisational practices that conform to prevailing social norms and values, and at the same time design strategies to gain audience with important stakeholders**.** However, studies on legitimacy have revealed that when organisations activities are unconventional, with few precedents in the environment such as those likely to be set up by the returnees, they are likely to be judged to be more risky or unnecessary and therefore not worthy of support (Wry, Lounsbury & Glynn, 2011). Such organisations must often work harder and utilise more resources, compared to those with more familiar products and business models which signifies a returnee liability.

Further findings indicate that organizations lacking legitimacy will not only fail to access important resources from the environment, but are also more vulnerable to claims of irrationality or being unnecessary compared to those deemed to be legitimate (Peake &D'Souza, 2015), which could further enhance the liability faced by returnee entrepreneurs in their home countries. .

Legitimacy is therefore seen as an antidote to 'returnee liability', since it allows the returnees to bridge the institutional and social gaps in their home countries and help them gain the trust, acceptance and support of resource wielding stakeholders in the home environment, thereby mitigating against a wide range of barriers and challenges to exploitation of entrepreneurial opportunities. Since the socially constructed systems of values, norms and beliefs are markedly different in the home and host countries, a returnee may have acquired high legitimacy abroad, however this legitimacy cannot be transferred with them to their home country, but must be negotiated afresh in the new environment (Wry, Lounsbury & Glynn, 2011).

Therefore, although the process of returnee entrepreneurship represents great benefits in terms of enhanced human capital and frontier knowledge and connections that can greatly contribute to enhanced entrepreneurial development in developing countries in Africa, their evaluation by institutional stakeholders serves as the filters that determine whether the accumulated resources and skills are effectively exploited for their benefits and that of the home country.

Drawing directly from the foundational work of Parsons (1956) that makes legitimacy an anchor point on a vastly expended model of institutional theory; addressing both the normative and cognitive forces that constrain, construct, and empower organizations; the conceptual framework for this study is anchored on the role of legitimacy in mitigating 'returnee liability' in the home country environment. It is based on the role legitimacy plays in resource acquisition in the home country environment based on previous studies that have established that for an entrepreneurial venture to access resources in a given environment; its structures, practices, and behaviours must align with the prevailing institutional and social norms in that environment (Tolbert, David, & Sine, 2011).

2.8.5 The conceptual framework

Taken together the discussions in the sections above lead to the conceptual framework below, which describes the mechanisms of the interaction between institutional and interpersonal factors that create 'returnee liability' for returnee entrepreneurs. The returnee liability depicts a lack of legitimacy and inability to aces resources needed to successfully exploit entrepreneurial opportunity in the home environment as depicted below:

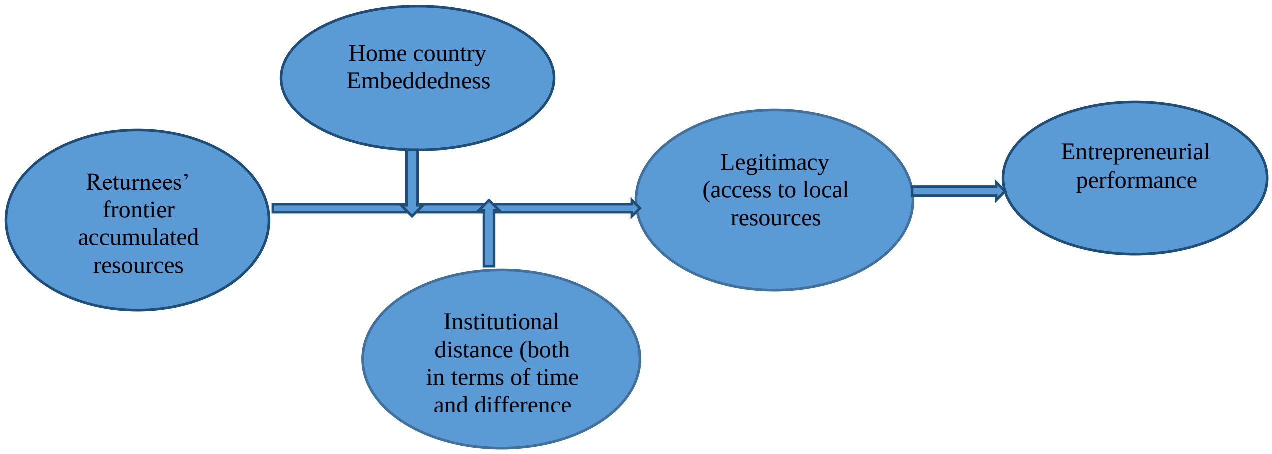


Fig 5: Conceptual framework for returnee liability

This framework serves as a useful guide towards answering the key research question for this study;' what are the mechanisms of returnee liability that confronts returnee entrepreneurs in developing countries in Africa. Returnee liability was defined as the barriers and constrained that confront returnee entrepreneurs but would not ordinarily affect local entrepreneurs who have never left the country. The liability is therefore based on the fact that the returnees have been away from the home country for a period of time and are therefore prone to institutional distance challenges, both in terms of inability to comprehend the changes that may have taken place in their absence and also in terms of the actual institutional differences between the host and home countries.

At the same time the returnees have often lost local embeddedness; the viable local connections that could help them integrate back home successfully and support them in their entrepreneurial journey..

2.8.6 The Assumptions built in the model

Since the returnee entrepreneurs can build local connections and have a better understanding of the home business environment over time, becoming more engaged both at personal and professional basis, it is expected that returnee liability should diminish with the length of time the returnees have been back in the country before setting up a new business venture. This helps to reduce their institutional distance and the attendant challenges that come with it. Previous studies on the legitimacy and the liability of newness have found that after two years in operation, most ventures are comprehensible to their context and acquire organizational legitimacy distinct from that of their founders (Stinchombe, 1965; Wright, 2015).

The second assumption is that a returnee becomes an entrepreneur right from when he first comes up with an idea for a business or based on his motivation for entrepreneurship, even before the real start-up of the venture begins. This is based on Schumpeter's definition of entrepreneurs as individuals who are ready and willing to take up risks to transform an idea or invention into innovation through entrepreneurship (Schumpeter, 1934). The scholar notes that the process of entrepreneurship involves the entire spectrum of activities which includes opportunity recognition, evaluation and ends with its successful exploitation to create and capture value. The moment a returnee comes up with an idea for business back home and undertakes the process of gathering resources and involves in other risk-taking activities , such as resigning from their jobs abroad, leaving the comfort of high standards of living in host country, to come back to relatively less developed home countries; they are already considered as entrepreneurs.

A third assumption is that since the returnees are all highly educated, skilled professionals; those who have been away for a relatively longer period of time will have accumulated greater resources in terms of financial and human capital and may also have made more international connections than those who were away for only a short period of time. However, they are also most likely to have higher institutional distance challenges since they have spent more time away from the home country.

3 The research methodology

3.1 Introduction

This chapter discusses the methodological approach for this research. The main objective of the study was to explore the barriers and constraints that confront returnee entrepreneurs in developing countries with weak institutional and social support frameworks for entrepreneurial development. Specifically the study explored the business environment that confronts returnee entrepreneurs at both the institutional and the interpersonal level, in order to determine how factors in this environment interact together to affect the legitimacy building processes of returnee led ventures. The study went further to explore the strategies employed by returnees to overcome these challenges and develop successful ventures in the home country.

For the purpose of this study, three main factors that have been found to influence legitimacy are selected for capture and analysis; length of time away from the country; which determines level of accumulated resources, length of time back in the country before starting up a new business venture and the level of Embeddedness in home and host country networks.

The study was based on narrative inquiry that captured lived-in experiences of returnee entrepreneurs operating in the technology-enabled SME sector of in Nairobi, the capital city of Kenya. Data was collected through face to face interviews with a sample of 20 returnee's entrepreneurs, which lasted between 90 to 120 minutes each and were captured in audio files.

As in the original Silicon Valley, much of Kenya's innovations and technology-based entrepreneurship currently take place inside small informal tech communities and social groups locally known as I-hubs; which are more of informal meeting spaces than formal offices, partitioned from large office blocks and fully furnished, complete with work stations with shared amenities such as high-speed internet, coffee facilities and conference rooms where software developers, engineers and other creative minds come together to brainstorm new ideas and make business connections. With time these hubs have seen the entrance of all types of entrepreneurs from different fields, including traditional non-technology sectors such as real estate, human resource consultancy and even the transport sectors; all with the common characteristic of harnessing the power of technology to make their business ventures more competitive and at the same time get access to reliable, affordable ready-made business premises in the highly subsidized, well-marketed buildings.

There are often a handful of venture capitalists that frequent these tech communities to scout for viable options for investment, the most recent case being that of the founder of Facebook, Mark Zuckerberg who spent two days with these entrepreneurs in 2016, indicating his willingness to work with some of them to support innovations in the area of mobile money. In 2017 they received a visit by Jack Ma who donated a large sum of money for the advancement of the largest I-hub, the Nailab where he also promised to partner with some of the entrepreneurs in developing e-commerce ventures in the country. The I-hub networks are especially popular with returnees who use them as places to catch up with colleagues about their lives abroad, while seeking opportunities for collaborative projects and thus provides a good starting point to engage with returnee entrepreneurs in the country.

The choice of the technology sector for the study of returnee entrepreneurs was important since this sector is known to be growth-oriented and key milestones could readily be assessed. Studies on returnees have appropriately concentrated upon the technology-intensive/ technology-enabled sector because it offers relatively low entry barriers and less capital intensive entry points as well as multiple paths for upgrading (Rodrick, 2006). In many of the countries where returnee studies have been undertaken, the technology sector was usually seen to be the first to fragment and globalize, and indeed was the upgrading vehicle of choice in the successful cases highlighted in returnee literature (Dai& Liu 2009; Liu, Lu and Choi, 2014).

Fig 6: A typical I-hub in Nairobi

For the purpose of this study, a returnee led venture was taken as any technology-enabled SME led by a returnee as the ‘legal representative’ under whose name the business is licensed and who is in charge of the day to day operations of the venture. This distinction is important since some ventures are led by returnees who are not the founders and they may not directly influence the legitimacy of the firms they manage.

3.2 Epistemology /Research paradigm

The epistemology for this study is the interpretive approach, which lays emphasis on building theory that is grounded on empirical observations of a social phenomenon in its natural context (Rowland, 2005). Interpretive positions are founded on the theoretical belief that reality is socially constructed and fluid in nature, thus what we know is always negotiated within social-cultural settings, and relationship with other people. (Bryman & Bell, 2011). From this perspective, validity or truth cannot be grounded in objective reality but is negotiated through dialogue and as such, the findings or knowledge claims are created as an investigation proceeds i.e. the findings emerge through dialogue in which conflicting interpretations are negotiated(Bryman & Bell, 2011).

Given the objective of this research was to explore how returnee entrepreneurs exploit their entrepreneurial potential in developing countries in Africa, there was need to analyse their experiences across cultural and institutional boundaries, the interpretive approach was found useful as it recognizes the fact that human actors are infused with values, intentions, attitudes and beliefs; all which must be recognized in order to come up with more holistic research results. In this paradigm people are seen to interpret their environment and themselves in ways that are shaped by the particular cultures and social context in which they live (Lincoln & Guba, 1994). These distinctive cultural orientations in turn shape what they do, how they do it and how they interpret their experiences.

The interpretive approach relies on inductive research, mainly qualitative methods which analyse data from direct field observations, using in-depth open-ended interviews, surveys etc. The data collected would be about personal beliefs, values, feelings, opinions etc. thus the researcher must take note of the importance of meaning and interpretation of different people in real-world settings

The approach was found suitable for this study as it allowed for analysis of subjective accounts of returnee entrepreneurs, while recognizing the fact that each of them as individuals are infused with personal experiences, values, intentions, attitudes and beliefs, all which must be taken into account both at data collection, at data analysis and in the final reporting in order to come up with more holistic research, on such a phenomenon that so deeply touches on their lives.

3.3 The Research Method: Inductive approach

The inductive approach is a method of reasoning in research which starts with many observations upon which generalizations are made and theories are formulated only towards the end of the study, as a result of the observations made (Bernard, 2011). This approach involves the search for patterns from observations and the development of explanations or theories for those patterns (Neumann, 2003).In this case, the observations made were from the analysis of data captured from narrative stories provided by the selected returnee entrepreneurs.

Beginning only with a topic of research, the research progressed through face to face interviews which were recorded as live stories to come up with observations from which generalizations were made. Next was the identification of preliminary relationships among emerging codes of interest as the observations from the different interviews were analysed, and the analysis progressed through several iterations of the recursive, reflexive process from coding to categorization until the end when themes were developed on returnee liability in developing countries.

This approach was useful due to the exploratory nature of this study, which seeks to explore how returnee entrepreneurs exploit entrepreneurial opportunities in developing countries, since the context is new for returnee studies and there are virtually no known theories that have so far been developed that takes into account the institutional and social support gaps between the typically highly developed host countries and less developed countries in the global south.

3.4 The Research design/strategy

This study employed the narrative inquiry, which focuses on capturing the personal stories of particular individuals in a literary form, in order to better understand a particular situation or persuade others to take action (Connelly &Clandinin, 1990). The research strategy relies on spoken words (narratives) or visual representation and typically focuses on the lived-in experiences of individuals as told through their own subjective accounts and embedded within social-cultural, institutional familial political and linguistic narratives. The research strategy which is especially suited for studies like this which needed to capture and share the personal experiences of a given phenomenon, either as individuals or tell related stories together to influence action from external stakeholders, such as policymakers (Clandinin, Caine and Lessard, 2018).

The key characteristics of a narrative inquiry that was most useful for this study is that it captures individual experiences in great detail, including the subjects personal views and opinions, and their social interactions with other stakeholders in the environment; reliving them as stories in a chronological sequence with a past, present and future (Chase, 2011). The stories are collected in a data form that can easily be retold, i.e. reorganised for coherence and relevance to conform to the objectives of the study, without losing the voice of the storyteller. It was especially important in this study that the voice of the returnee entrepreneurs is heard because previous studies on returned migration has often used the unit of analysis as the returnee led ventures and often qualitatively determined the factors affecting their growth and performance, without capturing the human element; the voices of the returnees, their goals, opinions and general feeling have often been missing in the returnee discussions.

This is more so in studies in the migration – development nexus in developing countries in Africa where quantitative measures are often used to discuss returnee contributions to their home countries development like remittances; merely measuring levels of monetary flows, business indicators and taking metric performance of returned migrants without necessarily taking into account the voice of the individuals involved in these processes. While these studies have been crucial in providing a better understanding of the general patterns of migration and their benefits; they do not offer an in-depth view of the actual processes involved in migration and return to these countries.

The qualitative nature of this study is useful because of its exploratory nature, which sought to explore how returnee entrepreneurs exploit their entrepreneurial opportunities in developing countries in Africa. The context is new and there is a scarcity of theory that takes account of the institutional gaps between the typically highly-developed returnees host countries and their lesser developed home countries in the global South. Furthermore, time away and back before setting up a new venture have not previously been explored in terms of how they affect the legitimacy and the ability to gather resources from the home environment.

The interview process was a close interactive process made up of two persons seeking knowledge and understanding in a common conversational endeavour. This makes it more of a dialogue than a question and answer session, which introduces a novel departure from other professional interviews in qualitative research which often exhibits a power asymmetry where the interviewees are often in a weaker position relative to interviewers, due to their perceived professional knowledge in the subject matter (Czarniaswska, 2004) which might hinder the free flow of information. In the narrative strategy there is a general sense that nobody knows the subject better than the interviewee, as it is his story, which gives him the motivation to tell it as best as he can and the interviewer then shares this story with others.

With the basic assumption that the organizational world is socially constructed, the narrative inquiry employs another crucial and actionable assumption: that the interviewees are ‘knowledgeable agents,’ who can explain their thoughts, intentions, and actions(Czarniawska, 1997) and thus the researcher does not have to impose prior constructs or theories on the informants as some sort of preferred a priori explanation for understanding or explaining their experiences, but instead, gives voice to the interviewees right from the early stages of data gathering and at data analysis and also represent their voices prominently in the reporting of the research. This creates rich opportunities for the discovery of new concepts, rather than affirmation of existing concepts.

In the data collection stage, the strategy gives room for common themes emerging from both within or between different stories as told by different respondents, which allowed for triangulation and finally, the strategy allows one to capture data on context i.e., under what conditions the story occurred; which was especially critical to this study, which seeks to explore contextual conditions in terms of the experience of the institutional environment that confront returnee entrepreneurs in their efforts to set up and run successful ventures in the country.

Due to the emotional nature of the relieved stories of the returnee entrepreneurs, most of who had returned back home to escape the lonely and impersonal relations in the developed host countries only to encounter the same at home, the other major advantages of narrative enquiry for this particular study was that it allowed the respondents to fully express their feelings and personal opinions while allowing the researcher to see, understand and capture those emotions in audio recording and in terms of detailed field notes. The close interaction and collaboration between the researcher and the storytellers allowed active involvement of both parties, which ended in a rich in-depth account of the phenomenon of returnee liability in developing countries. In summary, this strategy relies on its interpretive nature to capture not only the human experiences, but more importantly, how the individuals themselves make sense of these experiences.

3.5 Population sample and sampling techniques

The returnee entrepreneurs interviewed for this study were selected from across the technology-enabled SME sector in Nairobi, Kenya. Twenty returnee entrepreneurs were purposely selected from across the range of I-hubs located in central business district Nairobi. Although not all the returnees were in the IT sector, all of them leveraged on technology in their various businesses across various sectors such as retail, real estate, finance and even logistics in order to gain a competitive edge in the market. Since the experience of an entrepreneur can only be realistically measured by the performance of his business venture, (in this case the extent to which he has achieved his key milestones set for the business), the criteria defined for selection was based on returnees who run their own business ventures and have done so for the last three years, leveraging on technology. The selected returnees were divided into four groups of five each, using a defined criterion based on the length of time away from the country, the length of time back before starting up the new business venture and the level of Embeddedness in host and home country environment.

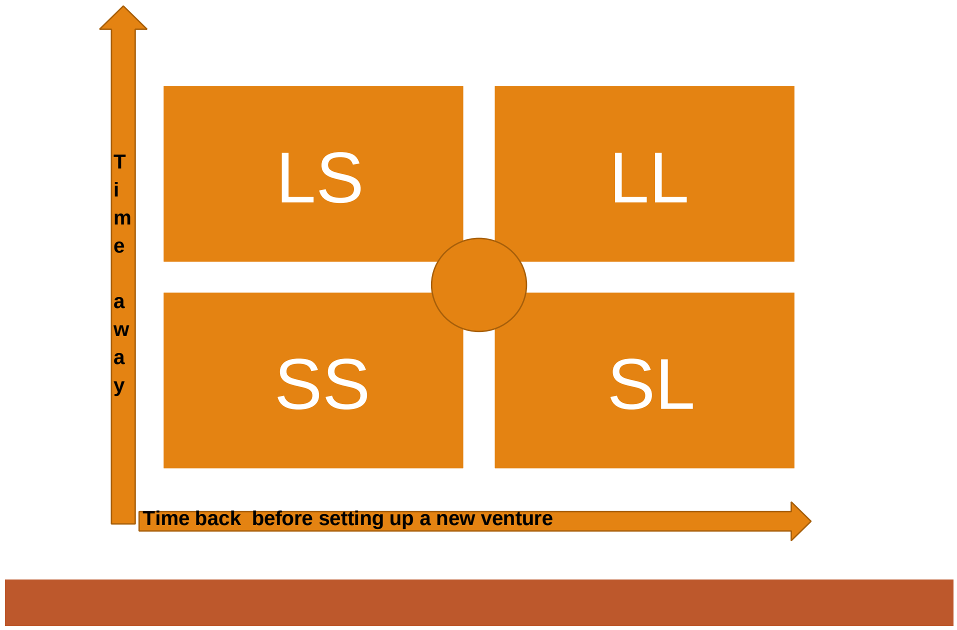


fig 7: Returnee groups based on time way and back before setting up a venture

The defined criteria for the four guardant of the diagram represent:

- **LL:** Long time away, long time back before setting up a new venture: Returnees entrepreneurs who had been away from the home country for more than ten years and were been back for more than two years before setting up a new business venture

- **LS:** Long time away, a short time back: Returnees entrepreneurs who were away from the home country for more than ten years and set up a new venture immediately upon return

- **SS:** Short time away, a short time back: Returnee entrepreneurs who were away for five years or less and set up a new venture immediately upon return home or within 6 months

- **SL**: Long time away, long time back: Returnee entrepreneurs who were away for five years or less and were back for more than two years before setting up new business ventures

The defined criterion of ten years is important for this particular study since there have been major transformations in Kenya in the last decade in terms of governance structure and technological developments, which affected the dynamics of migration and entrepreneurial development in the country. These include the post-election violence that took place in December 2007 after the general elections were disputed leading to the migration of a large number of Kenyans to neighbouring countries like Uganda and Tanzania as internally displaced persons. This was followed by the promulgation of a new constitution in 2010 which brought with it many changes, including dual citizenship and the new elections in 2013 which ushered in 47 new county governments in Kenya. The dual citizenship meant that Kenyans abroad who had previously entertained the idea of trying out new ideas in the home country but were afraid of losing their host country citizenship could now comfortably come back and try out their ideas without first having to denounce their host country's citizenship and go back if things didn't work out.

The creation of 47 new county governments from the previous one central government on the other hand signalled the availability of entrepreneurial opportunities especially within technological sectors as the counties were touted to be aspiring to become digital counties. The country has had great leaps in technological transformations in the last 10 years, based on mobile telephony and the famous Mpesa services which have greatly transformed how business is done in the country and the general day to day way of life. Any entrepreneur coming back into the country after more than 10 years away is bound to suffer returnee liability at both institutional and interpersonal level.

An absence of 5 years or less was considered short for the purposes of this study, which concerns the accumulation of entrepreneurial resources for the exploitation of entrepreneurial opportunities in the home country. Given that most of the individuals initially went abroad for study, the time is just enough to complete an undergraduate degree, masters or PhD. Even if the returnees worked after graduate studies, this leaves them with insufficient time to have gathered significant financial, human and social capital abroad. And finally the period of two years back in the country is based on previous studies on legitimacy which have shown that after two years most organisations have accumulated adequate level of legitimacy different from that of their owners.

The respondents selected for this study were well-educated, skilled professionals most of whom held well-paying formal jobs in their host countries. Most of them left the country in the 90s when the country experienced its worst economic and political turmoil in history, leading to a mass exodus of Kenyans from the country to seek opportunities elsewhere. (Oucho, 2008) defines skilled professionals as individuals whose jobs require knowledge and experience equivalent to a university degree and above or those with a high level of experience in scientific and technological fields. These professional are found in a wide range of professional fields including management, accounting, law, medicine, engineering and even entrepreneurs, which aptly describes the returnees who participated in this study.

The subjective account of returnee entrepreneurs in each category was captured through their individual stories, with interview questions organized in chronological order, while laying focus on the relatedness and differences in the categories based on the set criteria. The profile of the returnee entrepreneurs interviewed in this study is represented in the table below:

Table1: Personal profile of returnee entrepreneurs

Returnee	Sex	Age	Years away	Time back before venture
RSolar	M	47	15	Immediately upon return
Rcapital	M	35	31	3 months
Rwellness	F	32	5	Immediately upon return
RFitness	M	35	7	Immediately upon return
REducation 1	F	50	23	2 years
R ecommerce	F	49	12	Started before return
R Hr	F	48	7	Immediately upon return
R Retail	F	48	20	Immediately upon return
R Project	M	37	24	2 years
R Mgt consult	M	35	8	Immediately upon return
R BPO	M	34	13	Immediately upon return
R BDO	F	46	8	4 months
R Incubate	M	35	12	2 years
RTechtrain 1	M	38	14	3 years
R Education 2	F	38	8	1 year
RTech train 2	M	42	10	6 months
RI-hub	M	40	15	2 years
RTransport	M	47	12	3months
R Passion	F	50	10	Immediately upon return
R BPA	M	45	7	3 months

3.6 The assumptions made

This study focused on three contextual factors that have been shown in returnee literature as likely to affect resource acquisition; legitimacy, level of embeddedness and institutional distance between the host and home countries and novelty of ventures. Being skilled professional returned migrants, the participants were assumed to have accumulated frontier knowledge and connections, technical skills and managerial competence in varying degrees that could give them a clear advantage in entrepreneurship in the home country. However, their ability to put into good use these resources depends a great deal on the extent to which they can gain access to gain access to complementary resources from the home country environment such as government support, suppliers, customers and even business partners with local knowledge.

Considering the important role of legitimacy in the acquisition of entrepreneurial resources, it is expected that factors that increase the legitimacy of a returnee led venture will mitigate their 'returnee liability'; such as interpersonal and business connections and knowledge of the local market. Since legitimacy has no material form and is an abstract concept that exists only as a symbolic representation of the collective evaluation of stakeholders who hold the key to important resources in the environment, its value can only be objectively measured by the volume of resources that flow to the organization (Bitektine, 2011). Therefore the level of legitimacy in this study was captured by the reported level of trust, acceptance and support extended to the entrepreneurs by different stakeholders such as the government agencies, financial institutions, suppliers, other businesses and even the customers

Embeddedness refers to the extent to which the returnees are integrated with the home networks at both a professional and personal basis. Greater integration has been shown to deepens one's connection to a given environment, which in turn, grants greater access to the resources that are embedded within that Environment. Embeddedness was captured by the number and quality of personal and business connections, types and level of activities undertaken in both host and home countries, frequency of calls and physical visits home while still based abroad and the length of stay on each visit.

Because the returnees can build local connections and get a better understanding of the home business environment over time, it is expected that returnee liability should diminish with the length of time an entrepreneur has been back in the country before setting up a new business venture. In studies on the link between legitimacy and liability of newness, it has been found that after about two years in operation, most ventures are able to acquire their own comprehensibility and organizational legitimacy, different from that of its founder (Wright et al ,2008). In the same way we can expect that a returnee entrepreneur can acquire an adequate level of legitimacy within two years of being back in the country to successfully exploit his entrepreneurial potential.

The third assumption made is since the returnees are highly educated professionals who would have held well-paying jobs abroad, those who have been away for a longer period of time had accumulated greater resources in terms of human capital, experience, technological skills and international connections , more than those who were abroad for only a short period of time. For returnees who were away for 5 years and less, this is just adequate time to complete an undergraduate degree or a PhD and even if they worked after Graduate studies, would not have had adequate time to gather significant financial and human capital resources and the social connections that would give them an edge in the home market.

The size and age of the firms was kept constant to ensure none of the firms would be subject to any other liability such as liability of smallness or newness (Sitcombe,1965). The criteria used to define an SMEs was that adopted from the OECD (2015), which is aligned to the Kenya Micro and Small Enterprise Act 2012, which defines micro-enterprise as those with less than 10 employees, small as those with 10- 49 employees, medium 50- 250 employees and large firms have over 50 employees. In this study most of the returnee led firms were in the small category with 10- 49 employees. The age of the firms was kept constant between 3-5 years which is the time most firms in this region are considered to have stabilized and can have an adequate history for discussion (Gichuki, 2013).

3.7 Data Collection techniques

The narrative strategy allows for a number of data collection methods that can be used concurrently. In this study, primary data was collected in the form of interview recordings (audio) of the stories as narrated by returnee entrepreneurs, with field notes taken of the non-audio observations such as the surroundings and gestures made by the respondents. Secondary data was collected from field observations, company documents, media articles and business journals relating to the performance of the returnees in the country.

3.7.1 The interview questions

The study followed a comprehensive interview guide in order to streamline the recordings and reporting of the narratives with emphasis placed on the respondents' perception of both the host and home country institutional environment. The unstructured questions were designed to elicit personal narratives and capture detailed subjective accounts of each respondent's experiences over time; both professional and social, both in the host and home country and their perception of the institutional environment in both countries; laying emphasis on the opportunities and challenges faced in getting access to resources to develop to start-up and develop their ventures (See Appendix 1).

The flow of the questions allowed the respondents to reconstruct their experience within the topic under study, for example explaining which resources they have requested and did not get and what they believe is the reason for not getting access to those resources tells something about their individual beliefs, opinions and personal biases. The interview prompt was divided into three parts; the 1st part captured the returnee's personal information including age, gender, and the host country, reasons for leaving and for coming back to the home country. The 2nd part covered activities engaged in the host country; educational, formal and informal employment and even community engagements to capture the level of integration in the host country and how this ultimately shapes the returnees experience back home. Finally part 3 was about the experience back home, focusing on legitimacy and acquisition of resources and how that contributes to returnee liability. This part further covered their level of integration in the country and whether their business objectives and goals have been met or not, captured as millstones.

There was room left for further probing to get detailed, richer accounts of the returnee's narratives. The guidelines for designing the questions were based on Riesman (2005), who recommends creating tools for data collection that capture both form and content i.e. both what is said and how it is said. In this case, the narrative aspects of the text were preserved by sequencing and structuring of narratives plots and turning points along with the interview protocol. To guide the story along a chronological path without interrupting the flow of the story.

3.7.2 The data collection process

The collection of data for this study took place from January to September 2017. The first stage of data collection involved physical visits to the various I-hubs across Nairobi over several weeks; which includes the Nailab at Strathmore University, I-hub main at the Nairobi Garage, Andela, Metta, among others; to make acquaintances of the personnel working there and the presence of returnee entrepreneurs among them. These visits resulted in a few referrals and contacts of several residents and non-resident returnee entrepreneurs and also an invitation to attend some upcoming events in the next few weeks; where a few more returnee entrepreneurs were found.

The second stage involved sending out formal requests for an interview with the returnee acquaintances, to be taken at a time and place of their convenience. This email detailing the process involved the length of time required and the ethical considerations given to ensure privacy.

The final stage involved sending a reminder to the respondent a few days to the interview to confirm and making adequate preparations to ensure all the materials needed for the interview such as the recorder and back up were ready. To allow for clear audio capture and avoid any interruptions during the interview session, the interviews were often taken in a closed environment in the returnee entrepreneurs office, or at home or even in the country club, at the I-hubs, provided it was done in a well-secluded corner that could allow for a clear recording and as little work interruption as possible, although this could not be avoided always.

Detailed field notes were taken during the interview process to get a reflective account of the interview setting and also capture the unspoken aspects of the interview such as the facial expression of the returnees, their gestures and the general surroundings. The specific steps followed in dealing with the data collected are as depicted in the diagram below, following the recommendations in Connelly &Clandinin (1990):

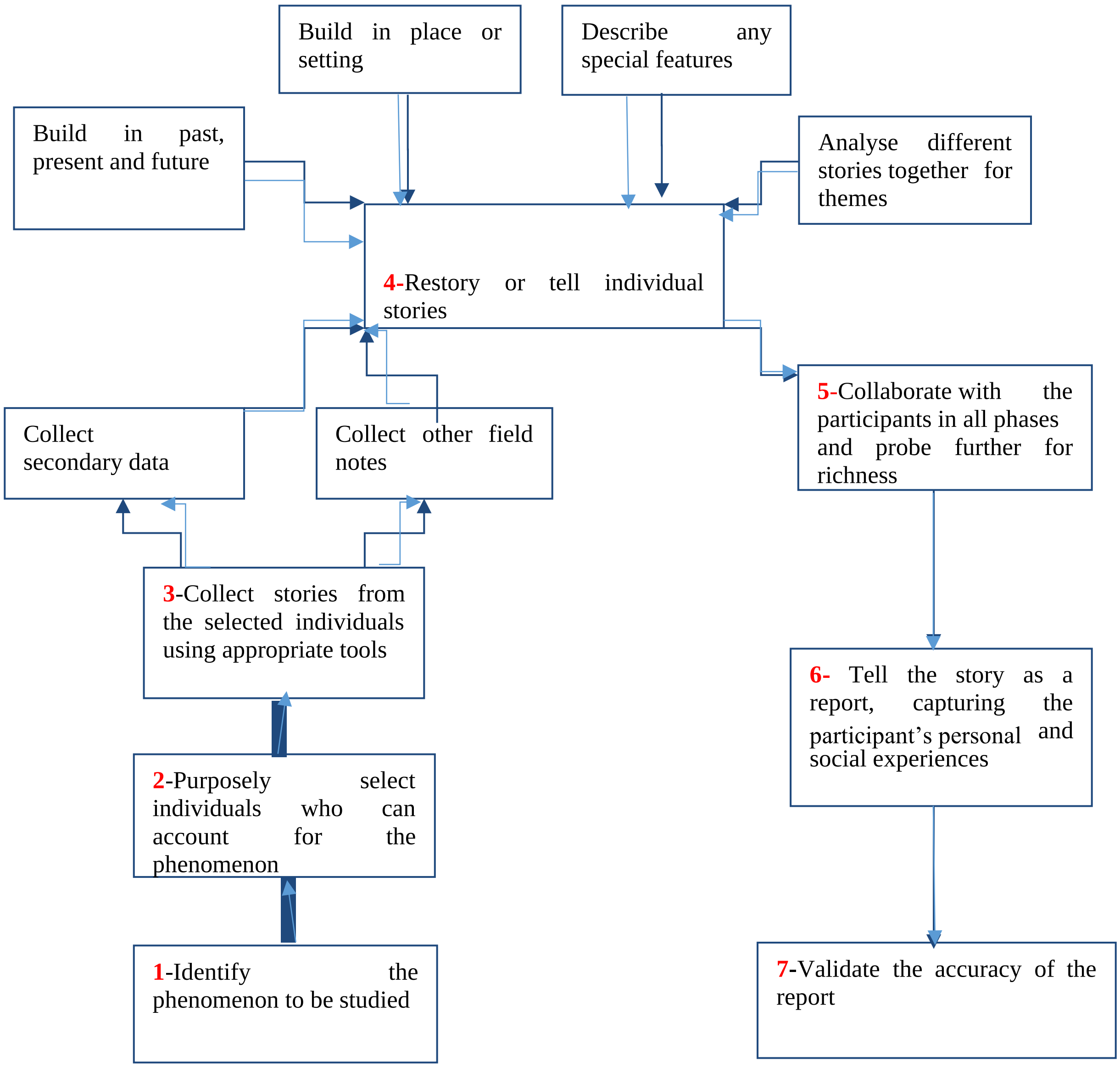


Fig 8: Sequence of conducting a narrative study (Adapted from Connelly& Clandinin, 1990)

An important consideration taken here was that the returnees may wish to present themselves in a positive light, and therefore gloss over the returnee liability. To address that possibility, two strategies were used. First, the researcher was a returnee and introduced herself as such. That made it easier to not only to schedule interviews, but also to win the trust of the returnees during the interview process, knowing that they were talking to someone who was one of their own and fully understood the situation they were in. The returnees seemed relaxed and answered questions in detail, and in a number of cases expressed the confidence that they were dealing with 'one of their own' who would have had similar experiences.

Secondly, the questions that covered the returnee experience with negative connotations such as poor business performance were framed in terms of returnees reporting in retrospect. They were asked to advise prospective entrepreneurs intending to come back home from the diaspora on the challenges and barriers they are likely to face and the types of mistakes they could easily make. It was quite clear from the narratives that the advice given in fact reflected the experiences of the returnees themselves. For example, when elaborating on the advice, returnees would often give personal examples of what they went through.

3.8 Data analysis

3.8.1 Summary of analysis

The study employed qualitative content analysis through the use of Atlas Ti. Content analysis is the process of transforming raw data into a standardized form that enables the researcher to make informed judgments about the meanings of contiguous blocks. (Hsei & Shannon, 2005). In this case conventional content analysis was employed, which is generally used with a study design whose aim is to describe a phenomenon, in this case returnee liability in developing countries. The design is appropriate when an existing theory or research literature on a phenomenon is limited, such as in this case as it allows the researcher to avoid using preconceived categories.

The audio files collected from the interviews were professionally transcribed, with care taken to ensure all of the transcribing was verbatim. The draft transcripts were edited with the help of the actual audios to ensure the stories were a true reflection of the stories captured and were then named and filed before being transferred into the Atlas to program for analysis. The main assumption taken in this technique is that the codes of interest have already been discovered beforehand, and are therefore recognizable to the researcher as the analysis commenced (Freise, 2014). In this case the study was to determine the mechanism of returnee liability in developing countries i.e. the barriers and constraints likely to face by returnee entrepreneurs but not likely to affect local entrepreneurs who have never left the country. From its definition this liability was likely to be as a result of institutional gaps and distance, lack of embeddedness in the home country or novelty of ideas or business practices that are easily recognisable to institutional stakeholders. Starting with the key research questions and coming up with coding rules to the process, the researcher looked out for distinct concepts as they emerged from, the data based on actual field observations to form the basic units of data analysis. Extra efforts were made to give voice to the informants in the early stages of analysis, creating rich opportunities for the discovery of new concepts, rather than the affirmation of existing concepts as recommended in (Gioi & Corley, 2012).

With the ultimate goal to uncover patterns, determine meanings, construct conclusions and finally develop themes towards a theory 'returnee liability' in developing countries, the rest of steps followed in the analysis are depicted below.

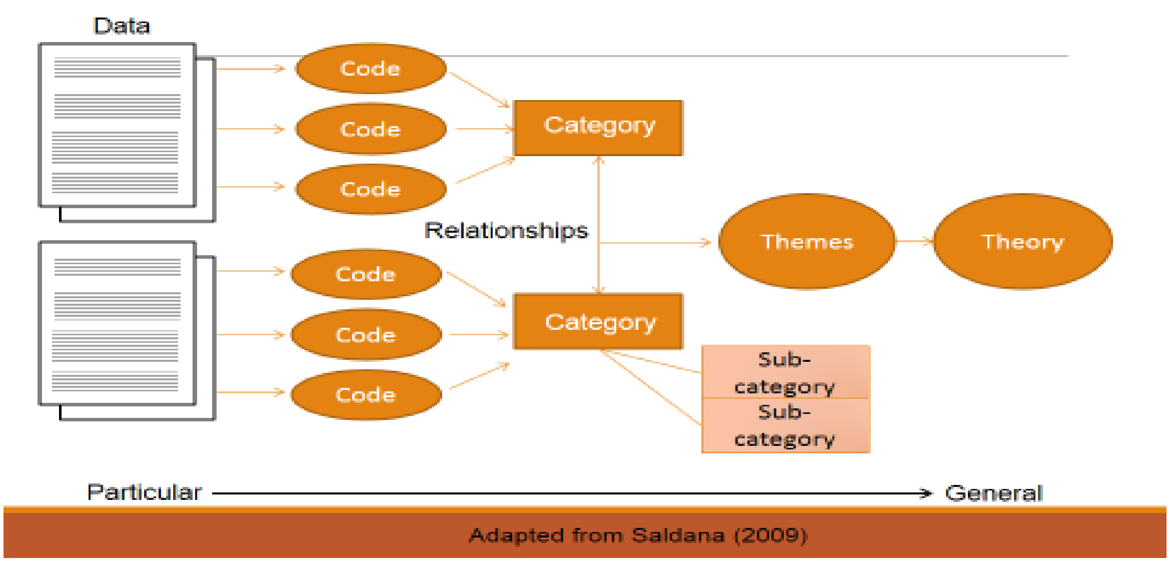


Fig 9: The data analysis process: Adapted from Saldana (2009)

3.8.2 1st level coding

The data analysis commenced through a 1st order and 2nd order coding as recommended in (Gioi& Corley, 2013). The coding method employed in the 1storder was open coding, which is an analytic process by which concepts (codes) to the observed phenomenon are attached are selected directly from the text material during qualitative data analysis (Strauss and Corbin, 1990). The aim of this type of coding is to develop substantial codes describing, naming or classifying the phenomenon under consideration and involves segmenting data into meaningful expressions and describing them with relevant annotations and concepts. The linguistic categories used by the respondents were explicitly examined to describe certain elements of the phenomenon under study, which in this case was the returnee liability, operationalized as the barriers and constraints that confront returnee entrepreneurs in developing countries. At this 1stlevel the codes selected were mainly involved with respondent -centric terms to create the initial codes

The codes were linked to paragraph sections in each transcript so as to break it down and develop categories from which themes could later emerge. The emerging categories were given labels or phrasal descriptors as described in (Gioi & Corley, 2012), retaining informant terms such as the 'jungle' to describe the scary nature of the business environment in Kenya or 'chai', to describe the 'below the water' corrupt practices of most business transactions in the country (as described by most respondents). Little attempt was made to distil the emerging concepts and so the number of codes initially exploded to 420 in the initial stages of the analysis, many of which were later merged based on their similarities in describing a given concept, to generate a more manageable list of 200 codes set in 25 code groups, attached to the text and supported by code notes explaining the content in each group.

3.8.3 Axial coding

The second level of the analysis involved axial coding; which was used to relate emerging codes (categories and concepts) to each other, via a combination of inductive reasoning as recommended in (Gioi & Corley, 2012). This stage involved seeking similarities and differences among the many codes emerging; a process that first defined the code groups into 2 main categories, representing the levels of returnee liability as institutional and interpersonal. Further analysis within each of these categories resulted in three subcategories each, which eventually led to 6 key thematic areas that define the macro and microelements of returnee liability in developing countries, as depicted in the table below with regard to the interpersonal categories of returnee liability

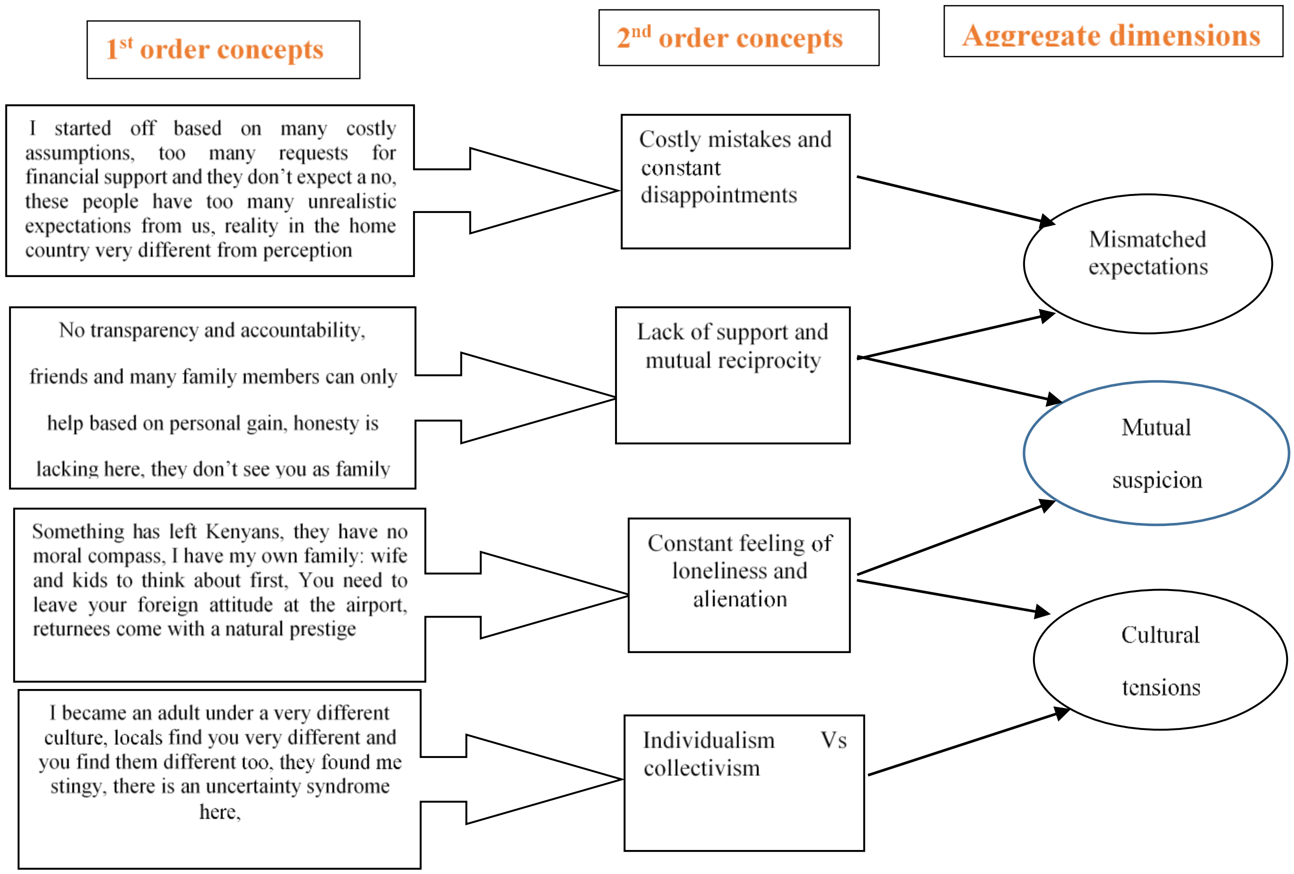


Fig 10: Data analysis structure based on (Corley and Gioi 2012)

The implicit theoretical framework used to identify these subcategories followed the recommendation by Strauss and Corbin (1990) who propose the use of a "coding paradigm", to include categories related to 1st, the phenomenon under study, 2nd the conditions related to that phenomenon (context conditions, intervening /structural conditions or causal conditions, 3rd, the actions and interactional strategies directed at managing or handling the phenomenon and finally the consequences of the actions/interactions related to the phenomenon.

3.8.4 Selective coding

The fact that entrepreneurs face challenges in new venture creation does not constitute a returnee liability; it is normal for any returnee staring up new ventures to experience constraints and challenges due to liability of newness (Stinchombe, 1965). This analysis focused on codes that reflect the specifics of the returnee experience based on the fact that these individuals were away from the home country for a while and were likely to experience some constraints and barriers that are unique to this absence from home. Therefore from the axial codes developed at the 2^{nd}level stage, some unique categories emerged that were key as the thematic representation of the main barriers and challenges. At the institutional level the thematic codes emerged as lack of local knowledge, inefficiency in the system and unethical practices while at the interpersonal level the unique themes that emerged were mismatched expectations, cultural tension, and mutual suspicion.

3.9 Data coding tools

Table 1 below illustrates examples of the content-coding employed. All questions in the interview protocol were open-ended to allow for full description and further probing to capture fully not only the stories but the meaning behind them, as regards the phenomena of 'returnee liability' in developing countries with weak institutional and social support frameworks. It was important for the structure to remain open for other possible codes that may only become evident as the data analysis progresses and which were not among the initial content identified in the literature as depicted in the table below:

Table 2: Example of codes set in the content analysis

Code	Description	Examples in coding
Returnee liability	Barriers and challenges faced by returnee entrepreneurs by virtue of having been away from the home country for a period of time. These are therefore not likely to be faced by locals who have never left the country e.g. local consumer preferences, local business knowledge, reliable suppliers, and viable sources of affordable credit; all which collectively create information asymmetries and increase transaction costs for returnee firms against their local counterparts.	Mismatched expectations, wrong perceptions, conflicting cultural interpretations, frequent misunderstandings, wrong assumptions, poor judgement, frequent costly mistakes that raise high transaction costs and lead to frequent delays and poor performance
Legitimacy	Returnee entrepreneur feels that he and his business are **valued, trusted, accepted and supported** by stakeholders in the home environment; At the institutional environment: such as by the government, other businesses, financiers, customers, suppliers and all other players At the interpersonal level by immediate family, extended family, own community, friends, colleagues and associates	-Access to requisite resources like prime contracts, tenders, credit facilities, licences, businesses premises, , head of state commendation, admission to elite membership clubs, valuable supply networks, serving elite customers etc. -Getting recognised publicly, being invited to make contributions in business forums, recognition awards, an appointment to corporate boards, getting mentioned in the media often etc. - Frequent and quality contact and engagement with family members, community, friends and colleagues
Embeddedness in personal and professional networks	Level of participation or engagement with or integration in professional and personal networks such as membership in professional organisations like the Marketing Society of Kenya, Association of Kenyan Accountants(AKA), Kenya Law Society etc. and also membership in private clubs, active participation in local churches, Membership in local Chamas (local investment societies) etc. Personal contacts and level of engagement with extended family, community, churches, close friends etc.	Personal feelings, understanding and opinion about the quality (intensity and emotional closeness) of their connections and benefits, if any that accrue from them.
Institutional distance/gaps	Differences in the institutional environment of the host and home country, the changes that have taken place in the social, cultural, or institutional environment during the returnee absence/ distance in terms of time away	Personal perception of differences in the social-culturall and institutional frameworks in home and host countries, changes that have taken place and what they mean to the returnee in terms of opportunities and challenges they present

3.10 Quality control measures

The issues of trustworthiness of data in terms of narrative truth and utility of data are often key quality considerations when it comes to narrative research. Some scholars have suggested the importance of collecting extensive data that would lead to saturation as one way of addressing this(Creswell, 2007).They note that there is need to consider how wide and indeed how far in-depth participants should be probed and how far one should go in examining the data from individual stories that capture the phenomenon under study.

To ensure conformity with quality standards, this study adhered to the above reccomendations and therefore in the intial stages, 30 returnee entrepreneurs were contacted for this study and twenty-six interviews were conducted in the intial phase of data collection, lasting about 1.5 to 2 hours each.However, going into the second phase, 3 respondents were left out of the process due to identified challenges of self preservation and their narratives were thereby dropped from the study, leaving a total of 23 respondents. 3 returnee did not make it for the final part of the interviews and in the final analysis only 20 returnee interviews were transcribed and captured in atlai ti.

At the same time, the interview guides were designed with this recommendation in mind, in order to gain a full and in-depth understanding of the institutional environment that confront returnee entrepreneurs in Kenya, the barriers and constraints faced in this environment and the strategies employed by the returnees to exploit their entrepreneurial potential. Relevant probing questions were asked at each stage to personalize each interview based on each participant's personal story.

At every stage of the data collection, the researcher kept in mind that participant's recollection of past events may be selective and they could forget some important details, exaggerate or confuse their accounts. Therefore the qustions were set in chronological order , following a set structure that ensured that every respondent answered the same question but with room to adapt it to their own context. Since the focus of the study was to capture the facts as told and not proving the past as it actually existed, the data collected was adequate for the purpose of the study. Furthermore, the study sought the respondent's interpretations of those facts and how their interpretations shaped their entrepreneurial experience in the home country as suggested by Polkinghorne (2005).

A second quality issue addressed in collecting narratives is on how to keep a keen eye to identify the key content in the source material gathered (Creswell, 2007, p. 57). In this aspect, the researcher drew a lot from extensive literature review on returnees over a long period of time; over 5 years of extensive engagement with literature on returnees including in PhD academies and international conferences on returned migration. Personal experience as an interviewer with previous experience in research consultancy and in the corporate sector interviewing customers in market surveys also came in handy.

A further quality issue established in narrative research includes the level of active collaboration between the researcher and the respondents needed to create a balance to ensure the voice of the respondent is represented prominently in the final report without compromising on the main aim of the study . Some scholars recommend that researchers should discuss not only the interview process but even the analysis with the participants to allow them to understand and reflect on the way that the researcher helped to shape their responses (Creswell, 2007; Polkinghorne, 1991). While this recommendation was beyond this study due to time and resource constraints and due to the fact that data collection for this study took place at a very trying period in the country; it was an election year and elections in the country tend to be a very volatile period, with many business people relocating from the country for a while to see how things will go. It was therefore very difficult to get individual respondents to commit to further interviews after the first time,leave alone creating time to analyse their responses within the context of the entire study.

So in this case, the data captured were refined by asking each respondent to listen to their stories after each interview session and confirm if it truly reflected what they wanted to say. Any sections that they were not happy with were often deleted and repeated until they were happy. This helped to enhance a feeling of collaboration and trust.

3.11 Ethical considerations

Scholars recommend that researchers engaged in narrative research need to understand that ethical treatment of the data includes the researcher and participant negotiations in terms of respect, mutuality and openness (Clandinin, 2006; Riesman, 1993). This study drew on these recommendations and also on personal and social aspects of the research to come up with a viable framework to allow for ethical considerations from one interview to another and in the flow of the exchange of information over the entire study period.

The researcher maintained a respectful and open relationship with the respondents throughout the research period and often willingly provided information on the progress of the research whenever a returnee would call to find out. To maintain their anonymity, the respondents were given pseudonyms that were maintained throughout the retelling of these stories in the final report.

Before the interview commenced, the respondents were often assured of complete anonymity and ethical usage of the data captured and even in cases where they would unwittingly narrate stories that would give away their identity, this was addressed at the end when they listened to the audios and the sections were deleted and redone. All this was in addition to the ethical consent form that was sent to each of the respondents before the date of the interview. (Appendix 7)

Other scholars recommend that researchers should always engage participants in active collaboration throughout the research (Polkinghorne, 1991) but should analyse the data with care to reflect on the constructive contributions made by both the respondents as well as the researcher (Creswell, 2007; Polkinghorne, 1991). This study addressed this issue by ensuring the final narratives were a genuine representation of the participants' life experiences and not a reflection of the researcher's personal bias based on experience in the country. In the final research report, extensive quotes in verbatim were used which makes it possible to hear the participants' voice in the text so that the researcher's place in the research is further clarified.

Finally, throughout the process of the research, as recommended by Goodson and Sikes (2001), the researcher kept a detailed guide through a reflective journal that was used to track personal reflections of the researcher on the research process and to chronicle any issues arising. The journal entries ranged from personal reflections on the returnees' experience in the country and how this relates to researchers own experience and to the literature review. It also captured how the researcher felt and was affected by the research process and the emerging stories, perceived relationships with the respondents and even compare each returnees experience with regard to the others. The journal thus helped to maintain a clear perspective on the research process and also allowed the researcher to reflect on positionality, transparency, and any possible bias in relation to any of the respondents that might affect how their story is retold.

This reflective journey was key in maintaining both quality and ethical considerations in each interview. At the data analysis, while the reflective journal was not part of the data analysed, looking at these reflections against the interview transcripts and then in relation to the literature reviewed, ensured an ethically sound and quality process as the research was easily able to address issues such as giving prominence to the voice of the respondents.

4 The Research findings

4.1 Introduction

This chapter presents the findings of the study with reference to the research objectives which were to explore the institutional environment that confront returnee entrepreneurs in the technology-enabled SME sector in Nairobi, to determine how the institutional environment influence the legitimacy-building processes of returnee led ventures and examine the strategies employed by returnee entrepreneurs to overcome returnee liability and run successful ventures in the country.

4.2 Summary of research findings

The general findings of this study conform to the findings in returnee studies from emerging economies that returnee entrepreneurs do indeed confront great barriers and constraints in their efforts to set up and run successful ventures back in their home countries. However, the study unlocked two key novel findings. First, the findings indicate that returnee entrepreneurs are not a homogenous group based on their experiences at home, but rather a heterogeneous group whose experiences are shaped by individual characteristics such as level of their embeddedness in the home and host country environment, the length of time back before setting up new ventures and the novelty of their business ideas or ventures. All these factors influence the legitimacy of the returnees, thus their ability to gain access to complementary resources from the home country environment.

In addition, the study findings indicate that returnee liability is experienced at two distinct levels; the institutional and the interpersonal level. While most returnee entrepreneurs were able to overcome most of their institutional level liabilities through a mixture of rhetoric strategies and symbolic action, the interpersonal liabilities remain a great challenge, creating information asymmetries and raising their transactions costs to the advantage of local entrepreneurs who have never left the country.

The main themes that emerged as causing the greatest returnee liability can be grouped into two; macro-level institutional barriers and constraints and micro-level interpersonal challenges. The thematic representation of the institutional liability includes information asymmetry, inefficiency, ethical challenges and adaptation versus novelty challenges. The inefficiency and information asymmetries led to wrong assumptions and frequent mistakes that often resulted in raised transaction costs. The thematic representation of the interpersonal liabilities includes mismatched expectations, cultural conflicts and mutual suspicions which often led to personal alienation and lack of support leading to the lack of effective integration back into the home country.

4.3 The entrepreneurial profile of the returnee entrepreneurs

The respondents were all married with children, in their mid-30s to late 40s, with the youngest being 32 years old and the oldest 50 years. All were educated to Masters Level except two; one with an undergraduate degree and one who had a doctorate. All had been engaged in formal employment abroad, predominantly in the technology fields with two reporting having engaged in running side businesses in the host country while still in the formal employment. On the length of time away from the home country, the shortest stay abroad was 5 years while the longest was 31 years. On the level of embeddedness in the host country, half of the respondents i.e. ten of them reported active engagement in diaspora activities while abroad, with 3 of them holding official positions in diaspora communities that included organising diaspora welfare events and maintaining active business networks. Most of the respondents reported being actively involved in church activities in the host country and two even held leadership positions as pastors and Sunday school teachers.

The profile of the returnees is depicted in Table 3 below:

Table 3: Reason for migration and level of Embeddedness in host and home countries

Returnee	Reason for going abroad	Reason for return	Business milestones achieved	Pre-return contact home	Level of Embedded abroad	Level of Embeddedness at home	Host country
RSolar	Job transfer	Job transfer	Met some	Frequent short visits	High	High for both	Nigeria
RFinance	Studies	Death of parent	Not met	Almost none	Medium	High proff/ low interp	UK
RHealth	Family relocation	Divorce	Met most	Frequent calls	Low	High for both	UK
RFitness	Studies	Envisaged opportunity	Met a few	Frequent visits/calls	Low	High proff/ low interp	UK
REducation	Family relocation	Death of parent	Met most	Frequent calls	High	Low proff/ high interp	USA
REcommerce	Family relocation	Envisaged opportunity	Met most	Frequent visits	Medium	Medium for both	South Africa
RHR	Studies	Family health concerns	Met a few	Frequent calls/visits	Low	Low proff/ high interp	UK
RRetail	Studies	Death of parent	Not met any	Frequent visits	Medium	Low for both	USA
RProject	Studies	Job transfer	Met most	Occasional calls/ visits	V.High	High proff/ Low interp	UK
R Mgt consult	Job Offer	Job transfer	Not met any	Frequent visits/not calls	V.High	High proff/low interp	Somalia
R BPO	Studies	Envisaged opportunity	Not met any	Occasional visits/calls	Low	High proff/ low interp	Germany
R BDO	Studies	Death of parent	Met some	rarely	V.High	High for both	USA
R Incubate	Studies	Envisaged opportunity	Met most	Frequent visits/not calls	Medium	High for both	USA
R Techtrain1	Studies	Job transfer	Met most	Infrequent calls/ visits	Medium	High for both	Canada
REduc 2	Studies	Envisaged opportunity	Met some	Rarely	Medium	low for both	Tanzania
RTechtrain 2	Studies	Envisaged opportunity	Not met any	Frequent calls/ visits	Low	High proff/ Low Interp	UK
RI-hub	Studies	Envisaged opportunity	Met most	Frequent calls/ visits	Medium	High for both	USA
RTransport	Studies	Family welfare	Not met any	Frequent visits/few calls	V high	Low for both	USA
RPassion	Family relocation	Death of parent	Met few	Occasional calls/ visits	High	High proff/ low interp	Rwanda
RBPA	Studies	Envisaged opportunity	Met some	Frequent calls/ visits	High	High for both	UK

Proff = Embeddedness in Professional networks Interp=Embeddedness in interpersonal networks

4.4 Reasons for going abroad

The majority of the returnees, 16 out of 20, reported going abroad to further their studies, mostly at the undergraduate level, but three left for graduate studies; which was followed by a working stint. The other four reported going abroad due to marriage and family relocation. On whether they had a date of return, the returnees predominantly reported that they had no pre-determined date of return home and as they were all on the lookout for opportunities to better their lives and that of their families back home, and would eventually return home once their objectives in the host country had been met. Most of them explained that came from very challenging backgrounds with most family members depending on them and it therefore made sense to stay abroad as long as possible to help change their lives for the better collectively.

Sticking to the theme of family and economic empowerment, some of the returnees reported getting married and starting families abroad, which made it even harder to just pack up and come back home, opting to remain abroad until the young ones were economically able to take care of themselves. Therefore the most quoted reason for a long stay abroad was economic empowerment as RIncubate who relocated back home after 12 years in the US explains

> *I was young and adventurous and really did not have a well laid out plan on how it would end. I had come from a very humble background where my family lived in a slum and this was my opportunity to change the course of my family's life and I wasn't going to go back until I had achieved that goal.*

4.5 Reasons for return

Most of the respondents reported having been planning to return home sometime in the 'future' but always did not feel the time was right yet. However in the end they were specific trigger events that made them come home, ranging from sickness of a family member and need to be there with them, to death of a family member or loss of a job. There was a clear gender difference in the events that triggered the actual return home. For most of the women, their return was triggered by emotional family events; in most cases death or serious illness of a parent or divorce while for the men, their actual return home was often triggered by economic considerations like loss of formal employment abroad, availability of a more lucrative business opportunity back home or possibility of job transfer back home.

Consequently most of the women ended coming back home abruptly and in an unexpected way which did not give them adequate time to accumulate entrepreneurial resources such as finance, business partners or equipment for business unlike their male counterparts who reported taking their time to gather resources, which included financial savings, looking for business partners and venture capital once they had made the decision to return home.

RTechtrain1, a male respondent who operates an IT training school after 14 years in Canada explains:

> *I always knew that I will come back home someday and that I'll run my own business. But with a family and bills to take care of, I couldn't just drop everything and come back, I was always looking for a safe way to transition back. The job transfer gave me such an opportunity and I was able to start the business later, in partnership with some people I met at my workplace*

For most of the women respondents however, their return was often clouded in emotional turmoil and their narratives were often laced with deep regret in their voices, almost as if they felt guilty for having stayed away for so long and felt they had neglected their family member and probably contributed somehow to their illness or death. This is, for example, the case of RPassion who packed her bag and left America, never to return, after her mother collapsed and died at the airport while coming back home from a hospital in the city.

She narrates below:

> *Yes, she died at the airport upon landing back home and I was just like, you know what, there were no two ways about this. Of course a lot of people thought I was being emotional; I had a lot going on for me in America, Africa was going to be hard and whatnot, but my mind was set and I felt that was the final sign to go back home. It was painful for me because anytime I ever thought of coming, I always postponed and it's something that took me a long time to deal with.*

4.6 Returnees experience upon return home

4.6.1 Summary of returnee experience upon return

The narrative of experience upon return home seems to holds a lot of important significance for the respondents, given the amount of time they each dwelt on this question and the passion displayed when narrating it. This narrative can be divided into two, the experience immediately upon return home and the experience in starting up new business ventures in the country. The narrative of the initial experience was a more positive one; of being warmly welcomed back home with open arms and feeling so happy being close to family members they had not seen for a while, enjoying indigenous meals and the friendly mild Kenyan weather after stints in the cold winters and hot summers abroad. RProject who came back after 12 years stint in the UK narrates below:

> *It was quite good actually, I was quite happy, I was so happy to meet my family and friends and they were happy to meet me too. So, ya, but it was mixed. I tended to find that people who we had gone to university with, and were doing fairly well, we tended to get along with them and we had things we could talk about and were very excited to listen and learn from me without expecting too much*

R I- hub on the other hand narrates the transition in experience from the euphoria of initial return to the reality of what lay ahead;

> *Off course the family members were only too happy to have their prodigal son back after so many years away, and several busloads of relatives actually came to pick me from the airport and many goats were slaughtered in several welcome back home parties, both at our rural home and also in town. However I soon noticed that many people expected a lot from me, especially those who felt they had contributed a lot especially in my going abroad and soon off course I had to start pulling back on my expenses since I knew I now had no regular source of income.*

It is in the later experience of setting up new business ventures when things seem to start going very wrong for the majority of the returnees according to their narratives. The narratives increasingly became more negative; of how family, friends and even colleagues and business associates were not as supportive as expected or previously promised. Apart from the common lamentations of the hostile business environment that was often described as a ‘jungle’ or ‘crocodile infested swimming pool’, there were narratives of dishonesty within the entire system with common themes of people’s ‘selfish interests’ in most engagements and returnees feeling unwanted and unsupported, which was totally unlike what they expected.

These later narratives were dominated with stories of frequent misunderstandings, wrong perceptions, cultural conflicts, and feeling of betrayal which often led to the returnees alienating themselves from further interactions with the locals. At the same time most returnees felt that the underlying reason was that most locals had ‘changed for the worst’ and had ‘very high expectations’ of financial assistance from them, which they could not honour given that unlike before when they were based abroad and had steady income, they now had limited resources, with specific objectives for use in setting up their businesses and they could not therefore just dish it out as the locals expected. R I-hub who had left the comfort of a successful IT career stint in the US narrates this experience:

> *Money was going out every day with expenses at home and many people coming to seek assistance with various projects they were trying out. Even though I was really enjoying the quiet life in the village, I soon had to take off to the town to start building the base for my businesses.*

Then he adds how this created conflicts due to mismatched expectations at several levels

> *I was soon labelled a stingy person and most of them started keeping off from me one by one. Many even tried to offer me their daughters and sisters etc. for marriage, thinking that I was now a rich man and would not take it kindly my telling them that I had left my girlfriend abroad, who was finishing her studies and would soon be joining me. We still laugh with my now-wife when we remember those conversations.*

The entrepreneurial experience of the returnees seem to be shaped at two distinct levels, the institutional level of experience where the returnees talked of the structural and policy changes that had taken place in their absence, changes in governance structures such as the creation of new county governments, new licence requirements and new infrastructural developments such as new road networks and massive malls; which often left them confused and disoriented. Then there was the interpersonal level of experience between the returnees and the people part of the home environment, which was more relational and social and this is where the returnees decried how much the people in the country had changed for the worst.

The findings from the data analysis converged on six main thematic areas of returnee liability in developing countries;3 based on institutional level liabilities and 3 based interpersonal level liabilities as depicted in the table below

Table 4: Thematic representation of returnee liability in developing countries

Institutional level returnee liability	Interpersonal level returnee liability
Lack of local knowledge :Lack of knowledge of how things work or where to find certain information eg data on growth sectors, market information, information on local consumer prefences etc, differences in interpretations of accepted norms and values in business, of adaptation vs. maintain novelty challenge, information assymetries and raised transaction costs	**Mismatched expectations** : Expectation of 'unrealistic' demands from both ends,wrong perceptions, differences in relational/ work culture ,differences in interpretations of cultural norms , value and belief systems leading to frequent clashes
Inefficiencies in the system: Perception of inefficiency in conducting business both in public and private firms eg number of days to acquire a business permit, number of licences required,lack of frameworks and structures to support business e.g. incubators, science parks etc. missing infrastructure eg poor road newtork, different regulations, inefficiency in market operations and govenment bureaucracy	**Cultural conflicts**: Wrong assumptions, differences in cultural orientation either collectivist or individualistic leading to communication barriers, cultural profiling leading to loneliness and personal alienation
Lack of business ethics: Missing evidence of trust/ acceptance and support through access to resources even when qualified, decision to support premised on other considerations other than business, informal business networks that support only the'insiders', systemic corruption / strong work ethics is lacking	**Mutual suscpicion**:Lack of honesty and trust leading to lack of acceptance and support , lack of affective consideration. People have changed and become more capitalist: selfish/ self-seeking, dishonest, cannot be trusted/ non supportive

The net result of these barriers and challenges was that all the returnee entrepreneurs in this study suffered varying degrees of returnee liability which made them unable to successfully exploit their entrepreneurial potential in the country. Apart from not getting access to requisite resources like bank credit and government contracts, the liability confronted by these returnees exhibited more of costly mistakes such as forging partnerships with wrong people, setting up businesses in wrong locations or investing in wrong types of businesses based on untested assumptions.

4.7 The institutional environment that confront returnee entrepreneurs

4.7.1 Sumary of Institutional barriers and constraints

At the institutional level, most of the returnees seemed to have a similar experience of the institutional environment upon return home, despite the difference in their personal profiles in terms of age, gender, time away and even the business sector they operated in. The challenges and barriers at the institutional level ranged from simple changes in infrastructure, policy and regulations to more complicated differences at the informal institutional level; in terms of prevailing systems of norms, beliefs and values in their host and home countries that the returnees had to deal with in their efforts to set up new business ventures in the country (Ref Appendix 3). In the end these barriers and contraints converded on three thematic areas: lack of local knowledge, inefficiency in the system and unethical business.

Even those who were away for a relatively shorter period of time seemed to be just affected by changes in the home country as those who were away for a much longer period. These returnee in particular seem to have expected the country to remain the same and often narrated their surprise with the changes that had occurred within such a ‘short period’, which often led to mistakes such as getting late for meetings or missing out on deadlines. These returnees reported that while they had expected that there would be some changes, they were quite unprepared for the big changes that had taken place in the country; both in terms of infrastructure development and also in governance mechanisms and political dispensation in the country.

TR Wellness who had been away the shortest, slightly less than 5 years highlights her experience:

> *I was very surprised that so much had changed in the short period I was away. heheh, imagine the Thika superhighway was opened and I kept getting lost every time I went to visit my friends, always taking the wrong turn and getting lost and going back to try again and eventually missing my appointment. And then there were lots of malls coming up and so many high-rise buildings.*

On the other hand REduc1 who had resided in the USA for 23 years narrates just how much the changes in the country affected her upon return;

> *I was very confused most of the time, I felt disoriented especially about the political changes, very confusing. When I left there was nothing like KRA, there was no NSSF, everywhere you go now its NSSF, KRA, and do you have that? Is your ID there? When I left I didn’t have an ID yet and it’s not been easy getting one. The process is so complicated. There’s a*

lot of traffic, you can't go for an appointment and you can't make it on time, you can't go anywhere!, you are stuck constantly, if you are supposed to be going to town to keep an appointment, you have to take off like leave your place like 3 or 4 hours before. Why would I do that, it's very hard, of course I have to go, I have to make an appointment, but it's not the same anymore, it's very hard.

Many of the respondents described the process of return at this point as being 'scary ', like going into a 'jungle' as one was often dealing with many changes at the same time, with no clearly defined way on how to respond to those changes.

RTechtrain1 who relocated with his family from Canada after almost 15 years narrates

Walking back into that land that you haven't known for fifteen years, that you have never lived in as an adult, for the first time and you have a family relying on you was quite scary and daunting but it was an interesting challenge as well. What made it easier and what I would recommend to any people is, if you have a company that can relocate you, do that.

The description by one returnee that succinctly summaries the feeling of most returnee entrepreneurs in this study was given by R project who narrate below:

'The business environment in Kenya resembled a fish farm with very many crocodiles lurking in it', *having very many opportunities but dangerous to explore'.* In comparison with the business environment in the UK which he describes as *'a fish farm with very few fish but such beautiful and calm waters that one can relax and just swim in it!'*

4.7.2 Barriers and constraints in setting up new business ventures

On the processes involved in starting up new business ventures, most narratives were of great frustration and disappointment; often due to lack of the knowledge of 'how things work in the country'; lack of market knowledge, specific industry knowledge, knowledge of where to get accurate business information, assistance or support or even knowledge of local customer preferences which is key to designing relevant products and competitive performance. Therefore one of the main themes that came up is that of lack of local knowledge that often leads to information asymmetries. Most of the respondents felt this often gave a clear advantage to their local counterparts who have never left the country, or who were away only for a short period of time. As R project explains below:

They know the local market more, they know the culture more, they are aware of how things work, so that takes time for us to build. And they have networks; they have connections – which is important

Confirming having lost business opportunities to the locals due to these disadvantages, he adds

They are competitive; you see they have longer experience, here. So if I come and I am maybe just one or two years old in the market, if my peers who have started and have already ten years lead, which I spent in the UK – and that is not really counted when you come here – so definitely they do have a competitive edge ahead.

At the same time the returnees felt that the legal mechanisms that give oversight on how business is done in the country were weak, also gave an advantage to the locals who knew how to navigate around such inefficiencies in the system;

He continues in his narrative;

Yeah, it can take you down! Like I said, if you are new to that environment then you become very gullible. Because you come and clients know you are gullible, so they give you work, they tell you 'do this, do this, do this' – so you find yourself extremely busy, you are recruiting and doing work. But when it comes to paying they keep telling you 'okay, tomorrow, tomorrow and eventually you don't get paid and there's little you can do about it. Locals know that and they don't take those jobs.

Apart from the frequently quoted missing business support frameworks and inefficiencies, there was the informal institutional environment that includes issues to do with cultural norms, values and beliefs where most returnees drew the line, and felt that the country had generally changed for the worst.

R Retail2 who had been away for 14 years narrates below how the cultural differences affect her:

On the challenging side, I think I would say it was for me first of all cultural, I think the culture is quite different, the way people were, the way business was done there and here is so different. It takes a bit of time to understand that. The environment, the business environment is a lot harsher here.

On his part R capital who virtually grew up in the UK and was there for over 31 years after leaving with his family at the age of 13 years, it was not a surprise that he would find the environment totally different and very challenging. He decries the aspect of lack of business ethics and values in the country, with corruption being taken as a norm as he narrates below:

> *However to be honest the biggest challenge to business in Kenya today is corruption, it permeates through all levels of the society and it's almost like you cannot make it if you do honest business in this country. I believe it's what differentiates us and most developed countries. Those countries have corruption too but when caught you are dealt with decisively, which inhibits it to a great extent. Here it seems that the more corrupt you are, the higher you are exalted. It just does not make sense'*

R Educ1 gives a narrative about the cultural norms and beliefs related to gender that affected her when she took over the running of her school from her mother who had just died. In her narrative she decries the many lost opportunities for business and time lost in cultural conflicts just because the workers, most of who were older male felt they could not take orders from a young female with a foreign accent:

> *You know some of the workers were older than me; they were like nooo… and then me being a female! That was challenging. They were like No, they are not taking orders from a female. They would go out there and form a group and start talking behind my back, 'I can't take all this from that woman*

In comparing the institutional environment in the home country with that in their host countries, there was a general consensus among the respondents that the home country had more opportunities for business, given that there were still a lot of problems to be solved ranging from hunger, to poverty eradication, diseases and infrastructure. However the main barrier was in exploiting those opportunities due to what the returnees felt were missing business support frameworks, lack of clear structures and policy guidelines to regulate how things are done, which often led to inefficiency which only seems to affect the returnees

As R Retail narrates:

> *In Kenya, the market is there, but Kenya is the most unfriendly place to start a business. It is like the system is set up to prove to you that you cannot do it; whereas in the US the system is set up to prove to you that you can do it, if you work hard.*

Probed further to explain her point she adds:

> The *business environment out there is well structured; they have clear policy guidelines and rules, and people tend to follow them. I think the…um, how would you put this… employees*

tend to comply. Or maybe it was because I worked in the bank and I was lucky, but people tend to take responsibility for their work, what they are doing. That is not the same case here.

R BPA who came back from Germany on his part explains:

The only thing I appreciate about the business environment in Europe is that innovations are truly supported because that's the way forward and innovators are respected in a manner that allows them to thrive. So there is that lack of appreciation of new things in Kenya, when you compare.

On policy frameworks available to offer support for resettling or setting up a business, most returnees reported that these were totally lacking, yet a necessary part of entrepreneurship development in the country, based on what they saw work abroad. In most of their narratives, there was evidence of constraints felt due to missing business development support frameworks. Most returnees felt that their entrepreneurial experience would have been much better if there was a central place that all information relating to business advisory could be found such as the sectors of the economy that were growing, the main requirements for setting up of businesses, tax information etc.

As R Passion explains in her narrative below:

Out there they have government support programs that bring business development and advisory to small and medium enterprises, provide skills and tools to help entrepreneurs create, manage and field thriving enterprises. Yes. That is lacking here and that is why I started this.

Answering to the question on retrospect, what they would do differently to ensure they could effectively exploit their entrepreneurial potential in the home county, the returnees response were focused on two key area; the need to accumulate adequate resources before coming back and the need to take time while back to study the home market before starting the business. The returnees explained that while abroad most of them seem to underestimate the power of the shilling against the dollar and falsely believe that the money they had accumulated was enough, not knowing on the other hand how much things like rent and food have gone up tremendously since they left. Many of them narrated how they were shocked to find that the prices they paid for things like rent and food at home were much higher than what they paid for the same commodities abroad.

As RCapital summarises this in his narrative advice to any prospective returnee entrepreneur in the country:

I would advise anybody who has intentions of returning to Kenya to first do their homework very well. Study the environment before you set up anything, make frequent visits home before you invest. Be careful in the kind of investments you make. Do your homework well and get to understand how the business environment here operates and make sure you save enough money. Things here are not as cheap as you assume based on the exchange rates you see while abroad.

R Transport on his part stressed the importance of starting small and growing slowly as one studies the environment and adjust accordingly to the home market conditions as the key to business survival in the home country's hostile business environment. He explains below:

I think for me it is just doing it a bit more slowly. I think I went too fast. I went too fast, I think do it a bit more slowly, maybe come and visit a few more times, establish the business slowly and not all at once.

The above narratives point to the fact that although the returnees felt they were clear constraints and barriers in the home institutional environment, these could be managed with time; by taking time while back to gather the necessary information, or coming back home more frequently and often saying for a while to get the feel of things in the country before eventually relocating back, which points to the role of local embeddedness.

4.7.3 Lack of fit of ventures or business ideas

The other major barrier that was noted by the returnees is closely tied to the lack of knowledge was do with the lack of support for their new venture ideas and lack of fit of these ventures with the prevailing institutional and market conditions in the country. There were several narratives of returnees coming up with ideas which they felt were very useful for the country but were for some reasons often not accepted nor supported.

RBDO narrative about the challenges he faced with a technology he had developed to assist Nairobi City Country to streamline its operations due to lack of understanding and inefficiency

Because of the level of novelty and professionalism, this was the direction you'd want things to move so that you can offer your services towards your country. The issue was that you'd provide consultancy services and write documents then the implementation is not done right *because they do not understand it, which is discouraging for somebody who wants to see it done right from beginning to end. And also one who is used to seeing things done professionally.*

R Project on the other hand narrated the big vision he had for streamlining the process of delivery of large infrastructural projects in the country and how this was often frustrated:

So the big vision I had and still have is to replicate the company that I have worked for in the UK. To be able to bring those skills here and to sell clients on big projects because I think there is a problem in this country in delivery of projects. So really the idea is to bring that end to end service that we can give our customers value, yes, international best practice, and be able to deliver on that.

He believes he has not been able to achieve this vision due to lack of support by institutional stakeholders like financial institutions who often do not seem to understand his business model and therefore cannot offer him loans, lack of government support and also because the structures and infrastructure to support his ideas is currently not available in the country. This he says has made him wary of institutional stakeholders and he is better off when he does not expect much from them.

My expectations have been fairly low of these institutions, so I have not expected much say with government, that there is anything that government is going to do. So I have not really followed up on that. If it is banks ya, banks are okay in terms of if you are transacting, but if you are looking for a loan, you know, they want assets, they want collateral to be able to start a business, and if you are starting then you don't have those assets

Tied to the lack of fit of ideas was also the aspect of missing skills, especially in the technology fields which many of the returnees had to contend with in setting up novel business ventures. Many returnees with ventures that were new in the market explained how hard it was to get skilled workers and government regulations made it hard to bring in people with such skills. As Project narrates:

So there are people there in terms of quantity, if you put out a job advert they are there, people will be coming along, but in terms of having the skills set and being able to meet what you want, there is a mismatch with that. Yet the regulations as they stand do not allow you to get the skills from abroad.

This also was the case R wellness whose business of corporate wellness and staff mental health was foreign in the home-market. She narrates her experience in getting qualified personnel

I would make advertisements for employees, which again was a very costly process, but all the people applying thought I was looking for salon girls who massage people… (Laughs). That was not it, I was looking for trained wellness personnel and they were simply not there. Eventually I had to look for people based on their personality and attitude, of course with some level of education and then painstakingly take them through the training, for weeks until I was sure they could handle a client on their own.

The other major constraint noted was in terms of institutional gaps and general inefficiency in government operations and the bureaucracy at each level that grossly delayed the process of starting up a business in the country.

As R Project narrates this in terms of opening an account for business

Yah, out there you go online, you submit your forms and within 24 hours your account is up and running. So literally, it is just you know, within a day you can have everything done. I don't need to get advice from anybody, and I am just ready to go to market. So it is quite straightforward. But here it is different, at the time to register a company you had to get a name, and then you submit the name, and then it takes about a week for them to come back only to learn that name is taken, then you know citing a name is a bit of to and fro you know? This one is taken; try this or that – until you find the one you want. Now having to submit a name, go and then come back and so on and so forth.

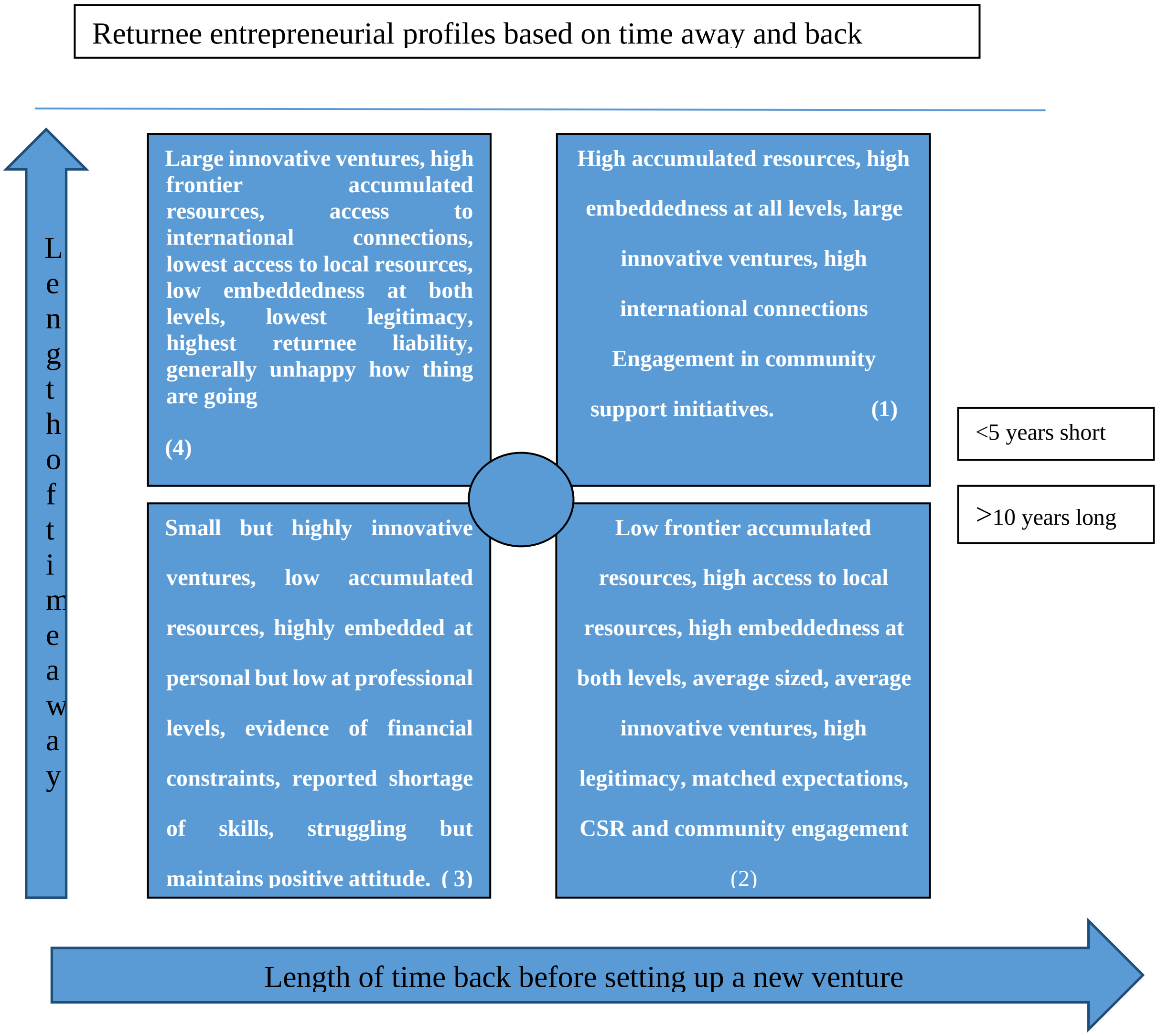
In summary many of the respondents felt frustrated and many seemed quite depressed that they were not able to fully integrate back into the community and effectively utilise the resources they had accumulated abroad for development in their home country. Indeed some felt that their frontier accumulated skills and resources were actually being wasted if they could not be utilised in the home country due to factors which they felt could easily be addressed if there was goodwill as Recommence succinctly narrates below :

You have acquired so much skill and knowledge and experience but you are not realizing your full potential when you are here, because it takes time before you integrate and also before you find a position where your skills will be utilized freely, that is one of the biggest challenges and you can easily find yourself getting depressed in Kenya, asking yourself why did I come back, you know,… seriously I was thinking why did I come.

4.7.4 Heterogeneity of the returnee entrepreneurs based on institutional factors

When it comes to effectively exploiting their entrepreneurial potential in the country, there was a clear difference in the returnee entrepreneurs based on the returnee's embeddedness and the novelty of their business. The returnees were grouped based on the length of time they had been away and time they were back in the country before setting up a new venture, which reflects their level of embeddedness in the country and their legitimacy. Further evidence came from the difference between the returnees who frequently came back home for visits and often stayed for long compared to those who never came back at all or only came back for very short visits. These differences especially exhibited in the returnees' ability to gain access to requisite resources in order to exploit their entrepreneurial potential and realise the key milestones set for their businesses. The differences also reflected in the size of their businesses and the novelty of the business ventures they were able to set up and run. These differences are depicted in the table quadrants below:

Fig 10: Characteristics of returnees profiles based on time away and time back before venture



The tables below give the various characteristics of returnee-led ventures based on time away and back before setting up venture.

1. Long time away, long time back before venture (LL)

Key Characteristics of their business ventures
• Large, moderately innovative ventures • Several international connections and funding from abroad • Highly embedded in both professional and interpersonal networks • Had met most of their milestones and returnees were happy with the way things were going • Highly engaged in community support activities to give back to society

These returnees seem to have had the best entrepreneurial experience of return home among all respondents and suffered the least returnee liability at both the institutional and interpersonal level. Most of the returnees in this group had come back home through formal job employment and only set up business ventures after several years in the country; when they had accumulated industry and market knowledge, had attained some level of embeddedness and got a good understanding on how things are done in the country. Given that most of the challenges and barriers at the institutional level were based on inefficiencies, lack of local market knowledge and limited understanding of how things are done in the home country business environment, these returnees seem to have overcome most of these constraints by the time they seceded to set up their new business ventures.

Consequently they were able to set up large innovative ventures, successfully drawing on the accumulated financial, human and social capital abroad and incorporating these with ready access to complementary resources in the home country such as local partnerships and easy access to lucrative government tenders that made it possible to come up with large innovative ventures that had met most of their milestones by the time of the study. They had successfully integrated the best of both worlds, taking the resources accumulated abroad; and incorporating them well with local resources to set up and run successful businesses that could contribute greatly to innovation, entrepreneurial development and economic growth in the home country.

Most of them reported utilising their initial time back in the country to study the home market to see exactly how their new ideas would fit in and reacquaint with cultural norms and values in the home country. They were therefore able to set up successful ventures, which set them up on a path of pleasant returnee experience compared to the rest of their counterparts. Most of them reported making many new business connections which translated to opportunities for further large businesses offers and consultancies and the group had the highest number of those who reported putting back some of their resources in community empowerment programs as part of their efforts to give back to the community.

An example from this group is R I-hub who had been away for 12 years and set up a business within two years of coming back, utilising his time back to undertake detailed market research and fundraising, both locally and internationally as he narrates below:

> *We have done well for our business even if I can say so myself. Our company was recognized in 2015 by the Head of State in his State of the Nation address. We were also among those chosen to represent the country at the global entrepreneurship week hosted by the ex-US president Barrack Obama. This recognition really gave us mileage, even with our international partners who feel they can trust us more. Because of that we have received much more consultancy work from the private sector and from international organizations as well.*

The same case applies to RTechtrain2 who came back through formal job transfer before setting up a business with some partners 3 years later.

> *I cannot complain. We have done well and have even won several local and international awards for best IT practice and innovation in the ICT sector in Nairobi and have been mentioned in almost all major media outlets in the country, and some international ones. This has brought us great recognition, improved our brand image and brought us a lot of business within a short while. It has been a great few years for us.*

2. Long time away, a short time back before venture (LS)

Key Characteristics of their business ventures
• Large, highly innovative ventures • Many international connections and funding mainly from abroad • Embedded in professional/ business networks but very low in interpersonal networks • The business model had changed several times • Most milestones not yet met • Not happy with the way things were going

The narrative for this group of returnees who were away from the home country for a long period of time and set up their business ventures immediately upon return home was markedly different from the first group. Despite the fact that these returnees had the largest and most innovative ventures, they also seemed to have had the worst returnee experience among all the groups interviewed in this study and suffered the greatest level of returnee liability. This group composed mostly of the returnees who had done well in their host countries (which could have been one of the reasons for their long stay abroad) and were highly embedded there, with many of them having attained high level of legitimacy; in terms of reported international connections and recognition abroad, community leadership positions abroad and had thereby also accumulated great resources in terms of human, financial and social capital

The explanations most of them gave for starting up their ventures immediately upon return was usually that they had new innovation that they needed to set up immediately otherwise such opportunities are fleeting and others could exploit them before they did, in case they waited. Others did not see the reason of waiting since they already came back with the idea for the business and they had the most important resources which are usually the main constraints in these countries (Gichuki, 2013) such as financial capital and skills. At the same time waiting may have meant the risk of spending the capital accumulated on other pressing basic needs of family members such as food, health and education, which would have left them with no resources for starting up the business.

There was however a marked difference within this group based on whether the returnee came home often and typically stayed home long while still based abroad. Those who came home often and typically stayed longer had a slightly better entrepreneurial experience than the rest who hardly came back home but as most of them explained in their narratives; visiting and staying longer and coming home back home to stay permanently are totally different things.

As REcommerce narrates below

> *A lot has changed in Kenya both on the side of the environment and the people. I see now that living here again is actually very different from visiting. When you visit, even during the time we came here for holidays, the reception you get from people is very different, when you come to stay people are hardly available to even assist you with the hurdles that you encounter, but when you visit they are very welcoming.*

Despite the fact that she was among those in this group whose experience was a bit better than the rest and reported having met some of her milestones. She came home frequently as she was undertaking some family projects back home and typically stayed for long periods at each visit. The good reception while still based abroad became a great liability upon return home due to mismatched expectations that she would still be received well and really found it hard to cope with the cold treatment she received from close family and friends which made her retreat to seek community and friendship from her local church.

At the institutional level, most returnees in this group reported starting off their ventures based on many untested assumptions of the business environment, which often lead to costly mistakes and raised transaction costs. Many of them had done well and accumulated high levels of legitimacy which they wrongly assumed they could transfer back home with them. This kind of overconfidence was reflected for example in the large size of their projects and the novelty of their ventures. However most of these ventures had not achieved any of their milestones by the time of the interview and some were outright failures based on their narratives and from what could be observed in the office space and the surroundings. Many of them expressed regret and disappointment on how things had turned out as represented by the voice of R Transport in the narrative below:

> *I tried something big and it failed. I had trained as a mechanical engineer so I had had this ambition of having my own company providing Wi-Fi connections along the highways and doing stuff like that, but soon realised that it just could not work. That market is taken up by the big players in the mobile market and the regulations and cost needed to penetrate are far higher than what an individual can raise. I had to change tact quite a bit and eventually ventured into the transport business that I am currently doing.*

Clearly, being away for a long time lead to a loss in an understanding of the local environment. Not waiting before starting a new venture led to great returnee liability based on wrong assumptions which led to frequent mistakes and raised transaction costs for this returnees, apart from lack of integration and inability to gain access to local resources.

3. A short time away, long time back (SL)

Key characteristics of their business ventures
• Medium-sized, innovative ventures that are growing very fast(based on number of employees) • Few but supportive international connections • Highly embedded in professional/ business networks and interpersonal connections • Matched expectations with most stakeholders in the local environment • Met most of their milestones • Happy with the way things are going

The returnee entrepreneurs in this group had the second best experience of coming back home and in setting up a new business ventures, proving that a long stay abroad with high accumulated resources does not necessarily translate to clear advantages for entrepreneurial performance in the home country, as compared to local embeddedness and having knowledge of home country. However having been out there and seeing how things are done is clearly beneficial.

Although they had not been away from the country for long, the respondents in this group seem to have come back with innovative ideas and frontier knowledge, skills and connections which they were able to put to good use in the home country. These entrepreneurs were typically younger than the previous two groups, and had worked abroad for only a short period of time or not at all after completing their studies, and therefore did not accumulate great resources in terms of human, financial and social capital compared to the other groups. Still they seemed to have had just adequate time to get frontier experience and new ideas which they took time to test their viability in the home country before they successfully implemented them into viable businesses.

Moreover, this group seemed to have not lost their much of their home embeddedness and consequently did not report a lot of cultural conflicts, mismatched expectations with home country constituents, or many untested assumptions that could have resulted in many mistakes and delays in setting up their businesses. Instead they were able to understand how things are done in the home country, to make viable business and personal connection and utilise their meagre frontier resources to attain some level of business success in the country; thereby reported having met most of the milestones by the time of the interview as RHr Narrates below in her success story:

> *So far so good. We have done well and the businesses that work with us are now very productive and their business turnover has grown. If I were to give figures, they have been able to grow from khs18 million gross sales a month to about 50 million gross sales a month. So that is the kind of impact that we have been able to give to these businesses.*

4. A short time away, a short time back (SS)

Key characteristics of business ventures
• Small, highly innovative ventures • Few international connections and no funding from abroad • Reported financial challenges and a shortage of requisite skills in the home market • Highly embedded at a professional level but low Embeddedness at interpersonal levels • Maintaining a positive attitude.

This group seemed to have an experience that was neither too good nor too bad. The fact that they were away for a short while meant that they still had most of their local embeddedness and therefore had a pretty good understanding of how things are done in the country. In their narratives the reasons for starting up a venture immediately upon return home was because they were able to see viable business opportunities in the home country, which they previously had not seen, which was a direct result of their exposure abroad and the wanted to take up those opportunities before others did as summarised by Rwellness below in her narrative:

> *I think the favourable factor in Kenya is the opportunities, they are many for one who is looking to start a business and there's a lot which we saw abroad that can work here. Also the infrastructure has improved a lot and the roads are now very well done, traffic is slowly dying off and our mobile phones are now cheaper and affordable, our internet speeds are among the best in the word and very affordable to most people*

Rfitness too narrates his amazement at the changes that had taken place in the country in the last few years he was away

> *Honestly I didn't expect that… I think Kenya changed a lot in the 7 years I was away more than it had ever done any other time. It was a shock.*

However, many of them seemed to have often led to lack of setting up of the business based on untested market assumptions since as they explained they had been away for only a short while and therefore they thought they had a pretty good idea how things are done in the country, assumptions which often led to costly very mistakes as R Wellness narrates below.

> *Well, that was a nightmare. First the clearing prices got inflated and eventually I learnt that it was going to cost me almost three times what I had purchased them at. Apparently it was due to how I had addressed them, not for beauty but that they were meant for health i.e. wellness. At a point some people even tell you to part with some money so that they can help you clear them with very little money but later you learn they were just conmen brokers.*

Because they had been away for only a short length of time, assumed they knew the home business environment quite well and as such did not need to undertake any detailed market study which compounded their returnee liability compared to those in other groups. They also seemed to suffer the greatest financial and skills constraints due to the fact that they had not been away long enough to accumulate financial resources, mostly having spent their time abroad as students with limited visa allowance for work, yet at the same time they had these great ideas which they felt they needed to implement as soon as they are back. Apart from the inability of the local institutional stakeholders to understand and support their novel ideas, they were also often unable to get competent staff to actualise those ideas and often met barriers of infrastructural support as narrated by RBPA who had come back from Germany with very novel ideas for business support systems as he narrates below:

I think that the only propelling force is you the individual, because in most cases even the things that you tell people that you want to do sound so out of this world, and so unbelievable that nobody is willing to support your idea, until you prove it. But how do you prove it when you do not get the support, such as funds to commercialise it?

R wellness on her part explains her frustration with getting skilled personnel who could understand her business model:

Eventually I had to look for people based on their personality and attitude, of course with some level of education and then painstakingly take them through the training for weeks, until I was sure they could handle a client on their own. Initially I had to hang around them to ensure they were doing the right thing, and it took long for them to catch up.

4.8 The Interpersonal mechanism of returnee liability

The narrative of interpersonal barriers and constraints is based on the social interactions that could eventually lead to proper integration back in the home country. This included relationships with a cross-sector of people including family members, friends, the larger community, former colleagues, business associates and even government officials. The returnees voiced their concern frequently on how ‘the people’ in the country had changed for the worst; becoming more ‘capitalist’ or selfish in nature. The prevalent narrative in most of the stories was that local people were often not willing to assist unless they got some personal benefits in the process which the returnees felt was very different from their host countries where people did what was expected of them and waited to be paid only their dues. If they offer to assist for free, then they would usually follow through with these promises.

This seemed to be a great source of remorse for the returnees who could not often comprehend the kind of reception they were receiving from people across the spectrum from community to professional level. From their narratives, it was evident the felt that people around them should be grateful for their coming back home to help in the development and those like the community-owned them gratitude for the period they have assisted them in one way or another through remittances while abroad. There was a sense of betrayal as many of them mentioned that most people in the country could not be trusted and there was clear difference in the way they understood things; resulting in frequent conflicts due to mismatched expectations or perceptions or assumptions leading to mutual suspicion and cultural conflicts which often compromised business transactions and personal relations.

Unlike the institutional barriers and challenges that directly affected the returnees entrepreneurial transactions; the interpersonal, more relational barriers were seen to affect the returnees at the core of their reintegration into the home country which would have offered them the beneficial connections they needed to negotiate the 'hostile' business environment described above. This relational experience thus seemed to affect the returnees in a more pervasive way, given the emotions displayed during these particular narratives (Ref Appendix 4).

The case for R Finance who came back home after 31 years in the UK when his mum died and the fact that he had acquired a distinctly foreign accent which often made him a target of ridicule and rejection by people both at community and professional level exemplifies just how much the interpersonal challenges affected the returnees

> *The burial itself and the practicals of everyday life in the village, like using the pit latrines and eating the traditional food were all so foreign and my foreign accent did not help much, with people often not understanding what I said and many of them could not understand why I could not speak Kikuyu, which many took as pretence.*

He therefore decided to keep off from close interactions with most people as he felt he was being 'culturally profiled' and opted to confine himself to his nuclear family of wife and child. When he eventually embarked on the journey of setting up a new venture, this challenge seems to have grown as he narrates that most people could not take him seriously and often labelled him a joker and worse still, he soon realised that the few people who still hanged around him and had promised to help in one way or another negotiate the business environment, was often based on self-interest and what they expected to get from him.

He narrates further his experience below;

> *It soon became clear to me when I was running around putting up the business that what people tell you while you are abroad and what is actually the situation on the ground was very different. A lot of promises by different people to help you with this and that were lacking and you soon learn that most of them made the promises with the intention of making something from you' Soon you actually find yourself alone if the goodies are not forthcoming as expected*.

There was a however a clear difference in the experience of returnees who came back through formal job transfers and did not therefore initially need the support of family and friends in running around to set up new business ventures. These returnees had a more pleasant experience and were comparatively not too worried about finances; how long their accumulated resources would last or how they would survive as they still had steady incomes from their formal jobs after relocation home and thus could afford to spend on the locals as expected as RProject narrates below:

> *And off course not worried about finances since I had the comfort of a formal job and was really spending on my friends, which made them very happy. So it was only much later that I said 'okay, now I need to think seriously', I have to make hard decisions now that the job here is coming to an end and we are expected to relocate back to the UK or I have to resign if I want to remain here.*

However, the rest were not so lucky. Many of them seemed to be so deeply affected by the cold reception they got when they could not guarantee support, to the extent that many of them decided to completely cut off constants sometimes in order to protect their sanity as RECommerce who returned back from 12 years in S. Africa narrates;

> *I found it very strange that a lot of woman friends, the warmth and whatever was there before, people have sort of changed towards you, there is this drive to look for material things which is all consuming, which has made people almost forget other things, including friendships. So you find that where you need help to integrate back, to do certain things with people, you struggle to get them to be available for you. Yes, it's different now*

After a pensive pause, she explains how that has affected her:

> *It's true and that is sad, I find that very sad and I can tell you that like personally I have decided to not pursue those relationships anymore because sometimes you kind of feel like you are imposing yourself onto people and it's better to just start afresh*.

Some of them reported looking for personal connections in other places such as in church or at professional membership clubs where they felt it was easier to interact without being judged as these people did not expect financial support from them. As Rcommerce explains below:

> *I am a Christian; I go back to my church, so through my church, through activities in the church, Bible study etc., I have joined the Mothers Union and we have like training for months. I used to go every Saturday and incidentally when we were divided into groups I became a group leader. So I found that through that, especially now I came to know many people in the church, so I don't feel alienated anymore.*

Given the poverty levels in the country, there was definitely a mismatch of expectations between the returnees and the people who knew them before. While the returnees generally expected that the people they left behind would be very glad to see them back and would certainly extend any type of support requested, this was not forthcoming and they soon realised that most people did not really welcome them without expecting something in return and feel that the returnees had it much and they should share their good fortune. As R capital explains below:

> *I learnt that people here expect a lot from people coming back. Maybe it's a cultural thing but you would be surprised the number of people who stopped talking to me, including my close family members when I could not give jobs to their sons and daughters once I set up the business.*

He further adds:

> *Those who had promised to link you up with big people in the counties who could help you get businesses and tenders also disappeared as soon as they learnt that other than an occasional lunch or dinner, you were not going to be dishing out cash in envelopes'… I think Kenyans have become brokers of everything in life.*

Fitness on his part opts to see the funny side of this reception when he gives his narrative on how most people in the country thought that he had come back with development !:

> *The reception was good because everyone believed that since you have been out there in this developed world, you came back with development! (Laughs) Basically. So they assume that you came back and you have the finances to do not only your own things but their things too. So at first they try to be very close to you so as to benefit.*

4.9 Strategies employed by returnees to overcome 'returnee liability'

4.9.1 Summary of managerial strategies

This section discusses the strategies employed by returnee entrepreneurs to overcome the challenges they face in the business environment in order to set up and run successful business ventures in the country. Entrepreneurship has been defined as the process of creating value by bringing together a unique combination of resources to exploit an opportunity (Schumpeter, 1934). The scholar notes the risky nature and uncertain nature of entrepreneurial action and highlights that in most cases an entrepreneur is one who will not stop until he achieves his goal. The key characteristics of need for achievement, risk-taking propensity, determination, resilience and self-drive ensures that an entrepreneur will often defend and nurture his idea to full implementation despite the challenges faced.

4.9.2 Rhetoric strategies and Symbolic action

Many returnees in this study, either knowingly or unknowingly employed several strategies to help them cope or overcome returnee liability; the barriers and constraints they faced in the home country and which did not affect the local entrepreneurs. Many of the returnees employed various types of partnerships with locals, either as individuals or organisations who, as they explained knew 'their way around' and had a good knowledge of 'how things worked' in the country, while some had the prestige and reputation needed to overcome legitimacy deficit and signal success in the eyes of institutional stakeholders. Some entered into informal arrangements with trusted local people whom they often referred to as their 'personal assistants' who went with them everywhere; to interpret for them what was really going on, or to give them the feeling of 'localness' that would make the institutional stakeholders they were targeting to acquire resources from to accept them (see appendix 6).

R project for example narrates his choice of local partners as one of the key strategies they employed to build their brand below;

> *Not directly, but indirectly, the partnerships help in terms of visibility, building the brand and just being able to network, because you attend those meetings with them, you are able to meet other people, and it is more on the brand building and also sometimes a requirement, for NCA – you have to be NCA registered.*

He explains further how the local networks have helped him get access to some key local resources;

> *They do help in terms of building networks and getting referrals. Because the key thing you find in networks is that as much as there are 100s of opportunities, these opportunities are not always advertised, and even if something is advertised, that is something that has already been taken, people have already got through.*

On his part R Fitness narrates his experience of acquiring a local partner and the differences in opinion that came with such partnerships as well;

> *Okay, so I sought a local partner, someone who understood the market, someone who understood how things worked in that line of business and finally when I got him we had to*

start our discussions and making partnership agreements. We needed to align our thoughts so that we are speaking the same language. This was not as easy as it seems often what I said looked so totally different from what he knew and while he thought we needed to do it the way it's done here, I told him that's how we came in, we wanted to be different. not the same as others. The question was how different and would we still be relevant to that market

His quote above also brings out the ever-present paradox of adaptation versus novelty challenges that the returnees were often subjected to. The respondents narrated their frustrations that local stakeholders expected them to adapt their ideas to fit what is recognisable and acceptable in the home country, before they could be granted access to resources such as government contracts, yet it is this novelty they felt was what they were bringing to the home market and which they felt should give them a competitive edge. Therefore adapting to fit or look like what everyone else was doing often meant giving up their main advantage, yet they often had to do it in order to get the requisite support as RBPA explains

Some returnees used their foreign partnerships for prestige to gain legitimacy while some saw this as a double-edged sword. While some felt having partners abroad or being funded by international funders such as venture capital gave them high legitimacy and signalled that they were worthy players, narrating how international suppliers and elite customers found them more prestigious by virtue of having foreign partners or having been registered abroad, others felt that this was a great liability that cost them trust, acceptance and support from local stakeholders such as government bodies that issue licences or large tender or even when it came to taxation where they were often taxed as foreigners, thereby greatly increasing their transaction costs. Many lamented how the newly created counties that were their main targets for business when coming back home, predominantly preferred to deal with locals who understand their 'language' of business, i.e. giving something back so that they can get tenders and major contracts. As R Capital explains:

Having foreign partners is both good and bad. Many times we have suffered major setbacks because of having foreign partners and because the business is registered abroad, we have missed out on some very lucrative tenders. However having foreign partners has also helped to boost our profiles especially with international partners and especially with venture capitalists. Customers many times don't get to know, but when they do, I guess it gives them some sense of honesty given that many businesses here are not honest. Also maybe it looks prestigious to do business with us, which is again good for business.

Other respondents like R Educ1 employed the use of local individuals as informal contacts, referred whom as she explains were key to her stay in the home country as she felt that without them, she would have closed the business and gone back abroad a long time ago. With tears in her eyes, she narrates the vital role played by these local contacts in helping her navigate the hostile business environment she found herself in.

> *Oh, without that group I swear, I don't think I would have been back here this long, I would have gone back. They've been everything to me, they've been like my brothers, and they've been like my family. They've walked me through everything, since they've been in the business that long, they walked me through how my mother wanted the business to be, how she was running it, everything and with them I was able to get the financial records, everything was straight so that made it a lot easier for me.*

For some like RSolar, the use of local consultants who had experience in the home market was key to navigating the home business environment as he explains below in his advice to prospective returnee entrepreneurs;

> *I would advise them to get a local partner, someone who has been around who either co-runs the business with them or will sort of guide them over a period, sort of a consulting period. Even if it's a 3-month contract, it has to be someone who is seasoned. Someone who knows how things work in this country because even from talking to friends who have also come back recently to start businesses, the not knowing how things work here has really cost them huge sums of money. Your role is to make sure that I don't fall into any local pitfall I didn't think about. It will be money worth investing.*

Finally some returnees explained how negotiating for publicity or media coverage and putting their brands out there in the open helped them to gain access to resources such as major contracts and support from both local and international stakeholders

> *Our company was recognized in the 2015 State of the Nation address by H.E President Uhuru Kenyatta that was aired extensively and that was something that really gave us mileage even with our international partners who feel they can trust us more and they also believe we can deliver. Because of that we have received much consultancy work from the private sector and from international organizations as well.*

In summary, most of the returnee entrepreneurs in this study had not met most of their venture milestones by the time of this study due to barriers and constraint that confronted them in the home business environment. These barriers and constraints or 'returnee liability' in this case were found to be experienced at two distinct levels; the macro institutional level which was based on transactional activities and the micro more interpersonal factors which were based on relational exchanges.

There was found considerable evidence of the agency of these entrepreneurs and many of them did manage to overcome their institutional level challenges through a mixture of rhetoric strategies and symbolic action that allowed them again access to some requisite resources from the home environment. However they interpersonal challenges remain a great barrier to their effective exploitation of their entrepreneurial potential in the home country.

The thematic representation of the main challenges that create returnee liability in these countries are therefore found within the micro perspectives an included mismatched expectations, mutual suspicion and cultural conflicts, which resulted in personal alienation that could not allow the returnees to integrate back home effectively and conduct business effectively.

5 Discussions

5.1 Introduction

This study explored returnee liability in developing countries in Africa by laying a focus on barriers and constraints that confront returnee entrepreneurs, but would not ordinarily affect local entrepreneurs who have never left the country. The aim was to examine the business environment that confronts these returnees and how it affected their legitimacy building processes, hence their ability to gain access to local resources to successfully exploit their entrepreneurial potential in the home country.

A majority of the respondents in this study reported having not met most of the milestones they had set for their businesses and many had accepted that they could have been over-optimistic in the expectations of their likely performance in the home country. While all respondents confirmed that they had expected to meet some challenges, based on the fact that they had been away from the home country for a while and therefore expected to confront some challenges, they however seem not to have been adequately prepared for the magnitude of the challenges they faced and many of them did not anticipate the direction from which most of their challenges would come from.

While most of them seem to have anticipated that the institutional challenges would be the most difficult to deal with and had prepared how to deal with them, most of the liabilities however seemed to come from the interpersonal level, which was more relational in nature posing challenges which in most cases the returnees seemed unable to find ways to cope with. These challenges thus offered the greatest returnee liability that barred these returnee entrepreneurs from effectively exploiting their entrepreneurial potential in the home country

At the institutional level, the respondents faced barriers and constraints that generally raised their transaction costs, to the competitive advantage of their local counterparts who had never left the country. The number one reason seemed to be to lack of knowledge of the home environment; the market conditions, specific industry knowledge or how things are generally done in the country, with many of them ending up making several costly mistakes such as investing large sums of money in the wrong location or partnering with the wrong people. The other two themes that emerged in this category was the unethical business environment and the paradox of local adaptation or conformity versus maintaining novelty of ventures

At the interpersonal level, the thematic areas of convergence were mismatched expectations, mutual suspicion which then led to cultural tensions that often resulted in personal alienation and inability to effectively integrate back into the home country. The definite factor that ties these two levels of returnee liability was a lack of legitimacy in the eyes institutional stakeholders who in this case included not only institutional stakeholders such as government agencies and financial institutions where relations were more transactional in nature but also stakeholders at the relational interpersonal level such as friends, colleagues and even community members whose support was necessary for quick integration in the country.

In general, it would seem that the years spent away from the country, which confers on returnee entrepreneurs their main advantages of experience, accumulated resources and international connections may also be their greatest challenge upon their return back home; posing a returnee liability which the returnee must overcome before they can set up and run ventures successful ventures in the home country. Because of the length of time spent abroad, the returnees seem no longer familiar with institutional arrangements and social norms and beliefs back home which often led to their being considered institutional or cultural outsiders and often not supported to the level they expected.

5.2 The institutional environment that confronts returnee entrepreneurs

5.2.1 Summary of the institutional environment in Kenya

This section discusses the institutional environment that confronted returnee entrepreneurs in the technology-enabled SME sector in Nairobi, the returnee liability faced in setting up and running successful ventures. The section describes the institutional environment at both the formal and informal levels and goes further to analyse how several factors in this environment interface to shape the legitimacy building processes of returnee entrepreneurs in the country.

Whereas the respondents in this study confronted the same institutional environment at the formal level while operating in the technology-enabled sector within the CBD Nairobi, their individual experience of the home environment was quite different; shaped by their personal characteristics such as their individual level of embeddedness, legitimacy, relations at the professional and interpersonal level. The relational nature of the interpersonal environment compared to the more detached transactional nature of macro institutional environment also meant that there would be a great variation in the way the returnees experienced the home country environment based on their own subjective accounts. Three thematic areas at the macro-level and institutional challenges discussed include the lack of local knowledge, inefficiencies in the system and unethical business practices that often created barriers to the returnees, while offering advantages to local entrepreneurs who have never left the country.

Armed with their frontier accumulated financial, human and social capital and the innovative ideas which they come with from their developed host countries, the dominant literature in returnees studies indicate that these returnees should be able to set up and run very successful ventures in the home country and contribute greatly to the home countries technological upgrading and enhanced economic development (Filatotchev et al., 2009; Liu et al., 2010; Saxenian, 2002). However, the 'returnees liability' they face in these home countries is the filter that prevents them from successfully exploiting their entrepreneurial potential.

Scholarship has established that a strong institutional environment provides great incentives for entrepreneurship to thrive as entrepreneurs invest in new ideas in expectation of high returns on their investment, whereas a weak institutional environment causes frictions in economic exchange processes, resulting in high transaction costs that challenge the ability of private firms to compete effectively (Acemoglu et al., 2014). However, it is noted in literature most developing countries in Africa feature distinctive institutional environments that are, in many aspects, be it regulatory, normative, or cognitive quite different from those in developed economies where most of the returnees were hosted, and this difference is bound to create a liability to the returnees based on the institutional distance construct (Hoskisson et al., 2013).

The returnee entrepreneurs may well have become immersed in the host institutional context to such an extent that their home institutional context appears unfamiliar, which may pose a challenge in understanding how business is conducted in it. This may result in them appearing as clumsy as foreign multinationals in navigating the local institutional context as discussed in the literature on the liability of foreignness (Zaheer, 1995). A key function of the institutional environment is to provide predictability and meaning (Scott, 2003), and if new ventures set up by the returnees cannot appropriately draw on the local formal and informal institutions, then they will certainly be an advantage in the competitive challenge against local firms run by local individuals.

5.2.2 Inefficiency in the system

At the macro institutional level, the bureaucratic nature of the government operations and inefficiency and corruption was seen to be the greatest barriers to returnee's effective performance in the home country. In their narratives, the returnees decry the complicated and inefficient way they were often served in government offices e.g. the number of days it took to get a business permit, often having to go through brokers and cartels in manoeuvres that often cost more both in terms of time and extra expenses.

There was also a suggestion of a strong gap between the expectations of returnees and that of institutional stakeholders. For example while the returnees felt they were often more qualified for the contracts and government tenders that were ultimately given to their local counterparts, there is a possibility the government had different criteria they used to give out the contracts. Scholars studying returned migration in developing countries note that when faced with acute resource constraints, as often seen in most of these countries, the governments often set priority based on development policy objectives as set in the economic blueprint and resources are often directed towards these sectors, a fact that a returnee coming back into the country from long stay abroad may not be aware based on their lack of local knowledge (Ackesson & Baaz, 2015).

R Solar in his narrative attests to this when he notes that while previously his competitors had advantages on tenders, as they aligned their proposals to government priority areas, he is now aware where to get this information as he explains below:

> *The other thing returnees may not know is if you do business with government, something that I learnt the hard way, every government almost accidentally tells you where they are going to spend money, through their strategic plans, but not many returnees read those strategic plans. It is something valuable I have learnt with time since coming back and it has helped a lot in helping us target our money in the right sectors.*

In many cases the returnees' business objectives may not often be aligned to the policy priority in the home country, making their businesses appear less legitimate than those set up by their local counterparts. To get such acceptance and support, the returnee entrepreneurs need to have local knowledge including the current priority areas of the economy, in order to adapt their business ideas accordingly.

At times the decision to issue those contracts is based on unspoken rules of business, which is understood only by the insiders, such as where corruption is concerned. Local firms are more tenable in such cases and are likely to give 'kickbacks' as expected to those awarding these tenders and the later would transact with them rather than the returnee entrepreneurs who may not understand 'how these things work' or may even report them to authorities as narrated by R Mgt consult narratives, when he felt that there is more to the reason why his competitors often seem to get the more lucrative tenders. The returnee liability could also be due to the fact the returnees firms also often display a high level of innovation and novelty which local resources wielding stakeholders not used to such novelty, may judge as being too risky to support due to the uncertainty of the outcomes.

Some studies on returned migration in Africa have reported that due to the high level of state and political interference in private business in these countries, such governments would ordinarily only release resources and support the business they can control. This however would not work for most returnee led firms, especially those with foreign partners or international funders.

Scholars note that in such cases as in developing countries where the overall institutional environment is drastically changing and at the same time, formal institutions are still underdeveloped, knowledge about institutions can often only be obtained through personal experience in the local environment and local networks. For instance, Zhu et al. (2012) find that regulations faced by small and medium-sized enterprises in China are frequently unclear and, in particular, the proceedings concerning enterprise establishment approval and registration are complicated and time-consuming and those who can negotiate them well are those with prior local knowledge, which gives competitive advantage to the locals..

5.2.3 Lack of local knowledge

From the findings of this study, it can be said that the greatest consequence of returnee liability at the institutional level was lack of access to local knowledge, which often resulted in costly information asymmetries and raised transaction costs for the returnees, to the advantage of their local counterparts. Lack of local knowledge and the information asymmetries that result from it was one of the dominant themes across the returnee groups and many respondents highlighted the tendency to act based on wrong information for example on the customer needs in the country as a big contributor to their inability to successfully exploit their entrepreneurial potential in the home country. Their beliefs on the opportunities available in the home market and how best to exploit them were often far from reality on the ground. Many for example ended up locating their businesses in very expensive premises which they initially thought matched up to their status as returnees from abroad, only to realize later that this was an unnecessary expense in the home country's economic context where every penny counts.

Studies in returned migration have shown that migrants are often uprooted from their domestic social contexts and hence often lacking access to information about home country entrepreneurial opportunities upon return and when they do they often would not know how to exploit them effectively (Wahba and Zenou, 2012). These countervailing forces are found to influence returnees business decisions and the subsequent performance of their ventures back home, which often could lead to costly mistakes and raised transaction costs (Li et al., 2012). These scholars note that the implicit focus on social connections alone within a given local or regional environment is found to be at best incomplete because social space cuts across geographic boundaries and the returnees activities are bounded on both social and contextual factors in the host and home country.

5.2.4 Lack of local knowledge and lack of fit of ventures

Studies have shown that in general, ventures founded by returnees tend to operate in newly emerging fields of technology that inherently abound with many uncertainties (Filatotchev et al., 2009; Liu et al., 2010; Wang et al., 2008) and those uncertainties could be amplified in an underdeveloped country context, where institutional stakeholders often do not have the capacity to anticipate the consequences of their development and adoption of the resultant new technologies, while at the same time the technological infrastructure to support them may not be in place.

Therefore, while it is acknowledged that long exposure to a host country environment can spark ideas for new venture development; there exists a clear risk of limited fit of these ideas with the existing institutional and social support frameworks operational in the home country as well as an understanding of the ideas by the local stakeholders, which often results in their rejection and lack of support e.g. by financial institutions, local suppliers or local investors. Furthermore, as time passes, potential returnee entrepreneurs find it harder to not only remember their home country environment and 'how things work' in it, but more importantly, to what extent and in what ways things may have changed. Thus it is ultimately the passage of time that makes it hard to judge the fit of a proposed venture with the home environment.

Scholars examining the entrepreneurial consequences of returnees have shown that technology ventures founded by returnees also tend to have higher levels of export intensity and higher innovation performance than those founded by local entrepreneurs and thus likely to contribute more to technological upgrading in the home countries(Filatotchev et al., 2009; Liu et al., 2010). However other studies have shown that returnees starting up ventures with innovative technology are generally slower to set up due to higher levels of liability of newness and liability of foreignness (Qin, Wright & Gao, 2017).The scholars found that returnees are slower in enacting their entrepreneurial opportunity in the home country, compared with homegrown entrepreneurs and it generally took longer for them to set up the business. However, when done, their presence can significantly expedite the entry of other ventures backed by foreign capital and involving innovative technology that greatly accelerates the pace of technological upgrading and spurs economic development in the country.

This all suggests that there is likely intrinsically some level of lack of fit between a returnee-led venture and the home country environment. The potential to drive local upgrading lies precisely in the tension between the more novel offering of the returnee entrepreneur and the less developed local context. In most of their narratives, the returnees in this study praised the technological changes that had taken place in the country in the past few years and hailed them for being positive and conducive to their business development. For example REcommence narrated how she was enjoying the fact that she could now apply and acquire a new business license online from the comfort of her home, something she never expected and which was a long way from the previous long distances and time one had to endure to get to government offices and stay in long queues to get the same just a few years back.

Previous studies have shown that the capability of returnees to make better use of advanced technological know-how and foreign capital resources resulting from their experience abroad may be one of the advantages they have in the home country, which could also help them to speedily overcome the hurdles in establishing their ventures at home (Wright et al., 2008). However, by virtue of having been away from their home market they may lack knowledge about how far the technological capabilities in the home country may be able to support the novelty of their technological ventures, nor how those ventures are likely to be received by institutional stakeholders such as the government agencies that licence them, not the consumers that use them..

This view found support in this study which indicated that returnee entrepreneurs who were away from the county for long and took time back in the country to study the market and slowly get back their local embeddedness (LL), were more likely to set up successful new innovative ventures than those who set up ventures immediately upon return home and also had a great support from international venture capital and other partners. These returnees took time to understand the local market conditions and adjust accordingly, without losing the novelty of the ideas and were therefore able to effectively exploit their entrepreneurial potential and in the country.

An example is I-hub who was able to set up a highly acclaimed business incubator after he took two years back in the country to study the market and to seek venture capital and partnerships, both from within the country and abroad including from Silicon Valley where he was able to get financial support. His success has been recognised by a Head of State commendation and earned him support from global players such as Microsoft, goggle and IBM who have partnered with him in business incubation in the country

On the other hand ECommerce narrative shows how despite being technology savvy, the lack of adequate local knowledge can result in costly mistakes. She narrates how she initially under-priced her apartments in the Airbnb business, based on two wrong assumptions; that most of her customers would be locals, most of whom still did not understand the technology and furthermore could not afford high prices like those she had been used to in South Africa and Dubai and secondly that the internet penetration in the country was still too slow to support e-commerce business on a large scale.

She was however pleasantly surprised to find that she was wrong on all counts and that the local customers understood the technology, could afford the prices and the internet penetrating and speeds in Kenya was actually much better than in most countries in the world. Although this was good for her business, her initial assumptions had cost her great loss in revenue and also some reputational loss when she had to adjust her pricing upwards without good reason.

R Retail on her part narrates an interesting case of her Kenyan neighbour in America whose garage is full of broken-down analogue desktop computers which he has accumulated since the 90s, hoping to ship them back to Kenya one day to start a cyber café business. In her own words she describes the costly mistake that awaits her neighbour;

> *The man will collapse in shock to find that the technology space in the country is far advanced with most people, including those in the villages accessing high-speed internet through sophisticated digital handsets and latest laptops, and no one even remembers what cyber cafes were for.*

She further narrates how she herself was surprised to find that most of her family and friends owned expensive electronic gadgets like iPads and the latest iPhone in the market, which as she reports are still out of the reach of many even in the advanced economies. Such narratives indicate that although the returnees are more likely to operate within the technological frontiers than the locals, and may have businesses with higher novelty and entrepreneurial potential than the locals, their liabilities in local knowledge could still challenge their ability to successfully exploit the potential in those ventures.

Indeed Qin, wright and Gao (2017) contend that although the capability of returnees to make better use of advanced technological know-how and foreign capital resources acquired abroad may help them speedily overcome the hurdles in establishing new ventures at home, however, by virtue of having been away from their home market they may lack knowledge about home market institutions would support the technology and furthermore they lack social capital from not being able to develop local networks, which may slow their ability to establish these ventures. Hence, contextual influences on the different resources available to returnee entrepreneurs may have positive or negative influences on the time it takes to set up new innovative ventures at home.

5.2.4 Local adaptation versus novelty of ventures

Another major theme the paradox of adaptation versus maintaining novelty. Many returnees narrated the indecision they faced on whether to adapt their venture ideas, organisational forms and practices to what is familiar to institutional stakeholders, so as to access local resources or to remain with their novelty and/or differences that offer them competitive advantage in the local business environment While the returnees felt strongly that they needed to be different and maintain novelty as a competitive advantage, they at the same time recognised that in many cases this difference was costly in terms of gaining the level of acceptance and support necessary to be granted access to resources, and the main challenge therefore was how to maintain the balance between local adaptation and novelty.

In their narratives many expressed disappointment with the fact that although they had superior knowledge and skills that could enhance entrepreneurial development in the home country, somehow local stakeholders did not seem to want to support these ideas and often seemed to suggest that they needed to adjust their ideas ‘backwards’ to fit within what is known and understood in the country in order to make them more acceptable as RBDO explains below:

> *They felt that my idea was not for now but in 20 years to come and wanted me to design a system for them which is more like what they already had, which they could understand better how to use.*

This often created an adaptation versus novelty challenge that respondents felt would erase their competitive advantage and inhibit their creativity and ability to contribute to innovation and technological upgrading in the home country.

Contemporary institutional theorists argue that in order to survive, organizations must conform to the rules and belief systems prevailing in their operational environment (DiMaggio& Powell 1983; Scott, 2004; Meyer and Rowan 1977). Through this conformity, institutional isomorphism; both structural and procedural, earns the organization the legitimacy it needs to acquire resources from the environment. These arguments form the basis for the Legitimacy theory, which contends that organizational growth and survival depends to a great extent on the organization's legitimacy in the eyes of important

Meyer and Rowan (1977), observes that formal organizations are systems of coordinated and controlled activities that arise when work is embedded in complex networks of technical relations and boundary-spanning exchanges within a given environment. In modern societies however, formal organizational structures arise in highly institutionalized contexts where professions, policies, and programs are created alongside products and services that they are understood to produce rationality. Thus emerging organizations are driven to incorporate the practices and procedures defined by prevailing rationalized concepts of organized work and institutionalized in society. Organizations that do so increase their legitimacy and their survival prospects, independent of the immediate efficacy of the acquired practices and procedures.

However, in the case of returnee entrepreneurs seeking to bring in new ideas and innovations in the country, and whose competitive advantage often lies in the uniqueness of their products, services or practices, this conformity to institutionalized rules and norms is seen to conflict sharply with efficiency criteria they have set for their firms and who they believe they are and therefore the need to control their activity in order to promote efficiency could undermine their ceremonial conformity and sacrifices their access to support, in terms of resources through legitimacy.

Scholars argue that to maintain such ceremonial conformity, organizations that reflect institutional rules tend to buffer their formal structures from the uncertainties of technical activities by becoming loosely coupled, building gaps between their formal structures and actual work activities (Bell, 1973).

5.2.5 Unethical business practices

The issue of ethics in business or personal transactions was also a dominant and a recurring theme in this study. It was represented mainly by the perspectives of a dishonest system that cannot support ethical business and give good returns on honest investment; such as the ones the returnees expressed their wish to make. The returnees narrated how they found it hard to deal with lack of trust in personal and business relations and the entrenched corruption at the institutional level, which was very different from what they experienced in their host countries.

Kenya and other East Africa countries have often been accused to have an institutionalized '*chini ya maji'* kind of institutions that generally translates to 'below the water' institutions which are so entrenched that many business people actually pay protection or facilitation fees to entrenched cartels in order to operate in certain sectors, such as the transport sector which is very lucrative (Khan& Gray, 2006). Failure to understand how these informal institutional operate or to conform to them may often result in fatality of the business and in extreme cases sometimes loss of life.

The respondents narrated how corruption was so deeply entrenched in the system that it had an official name, 'chai', which could only be understood by the 'institutional insiders'; often to the disadvantage of the returnees who often did not understand the language nor understand the symbols involved with it. They report that even in cases where they felt they were willing to pay the bribes asked so to get the services they urgently required, they usually did not know how much to give nor who exactly to engage with, and often ended up losing the money to the wrong people.

The locals will have an advantage in such cases, as they were reported to often know how to work the system and have often adapted strategies to survive, unlike the returnees who are often coming back from developed countries, some of which are ranked virtually corruption-free. It is therefore key to learn how to be compliant in this context before setting off to conduct business in some sectors and a returnee coming back home after many years in host countries where most small business activities are conducted above board, may suffer a returnee liability.

It would certainly take the returnees more time to build connections with local suppliers, clients, and distribution channels, as well as other important stakeholders due to a mixture of liability of newness combined with returnee liability, while gaining knowledge about these informal institutions and establishing networks with different stakeholders would certainly take a while. Since opportunities are usually time-sensitive, fleeting commodities ,with a window period for exploitation, there are chances that returnees could lose out on such entrepreneurial opportunities and therefore must create a delicate balance between time to embed in the home country and time lag to develop the new venture.

Trust as a symbolic resource has been found to be an important aspect of legitimacy that attracts acceptance and support (Suchman, 1995; Powell & DiMaggio, 1991) and its lack in returnee's relations with the local stakeholders in the home country could signal lack of legitimacy from both ends. The returnees narrated how they felt that honesty was totally lacking in the home country at all levels and it was virtually impossible to find people to trust anymore, while on the other hand, the local stakeholders may also have found it hard to trust the returnees, in terms of their foreign ideas and practices that were often not fully understandable nor comprehensible or simply conform to what is the norm. For example, R project reported that despite having superior technical knowhow on large infrastructure projects, their firm was often bypassed by county governments in tender issues and given to less qualified local firms because the officials involved felt that being a foreign registered, they would not give the 10% kickback which is taken as a norm of business in this context..

The other aspect of ethics was work culture in the country, which the returnees found to be very poor and affecting their business processes. On their part the returnees felt that migration abroad had provided them with strong work ethics and managerial competencies which they believed made them more focused, industrious, and honest and time conscious compared to the locals. This often created frictions in their working relationships with the locals. As R Educate narrated:

> *The years abroad have taught me the value of honesty and hard work and I find it virtually impossible not to demand those qualities from all my employees and so I keep changing them often.*

R Capital narrates how the name used to ask for a bribe is the word '*chai*, a Kiswahili name that actually means 'tea' in the normal use of the word, but often used to symbolize a bribe in the business world where it is known and accepted as a norm for facilitating timely service. The person seeking a service thus needed to buy tea for the person serving him to quicken the process. However having been away for over 31 years in the UK he only understood the normal meaning of '*chai*' and often thought these people were asking him for real tea which he often didn't know how to carry. Eventually his cousin told him the truth and he parted with the money requested, but could not fathom the number of lucrative tenders and government contracts he had lost because of a mere 2 dollars, which he needed to give the receptionist to be allowed access to her/ his boss.

5.3 Thematic representation of returnee liability at the interpersonal level

5.3.1 Summary of interpersonal level returnee liability

The findings from this study clearly confirmed the presence of returnee liability which is experienced at two distinct levels, the institutional and interpersonal levels. While most of the returnees are able to overcome the institutional level liabilities, using a variety of managerial strategies that convey legitimacy, the interpersonal liabilities remain a great challenge that compromised their ability to effectively exploit their entrepreneurial potential in the home countries. The thematic representation of interpersonal returnee liability converged on three key areas: mismatched expectation, cultural tensions and mutual suspicion as described in the sections under this chapter.

The respondents in this study frequently compared themselves and their inability to do business with local counterparts unfavourably. They based this perception on the locals' better command of how things are done in the home country. They also pointed out the fact that the inefficiencies and unethical practices that had been entrenched as part of the culture in the home country seemed to grant advantages to the local counterparts who had mastered how to manoeuvre their way through most of these constraints.

Gathering and analyzing the narratives of the twenty returnee entrepreneurs in this study allowed for the development of a model of understanding the interpersonal mechanisms of returnee liability in developing countries as depicted below:

Figure 11 : The mechanism of interpersonal level the returnee liability

The mismatched expectations feed into cultural tensions which in turn results in mutual suspicion that results in lack of trust, acceptance and support or legitimacy necessary for returnee entrepreneurs to gain access to complimentary local resources in the home environment

5.3.2 Mismatched expectations

It was clear from their narratives that the returnees expected support from locals when they returned from abroad to embark on the challenging entrepreneurial journey, in particular, they anticipated support in terms of local knowledge and effective support. However it dawned on them that this support was not forthcoming and if it did, it was usually pegged on the monetary rewards the locals would demand in exchange, which the returnees often could not justify or understand.

The returnees seemed to feel entitled to such support from a cross-section of local stakeholders, first because of having supported extended communities through remittances while they were abroad and secondly because they believed they offered the home economies value in terms of skills and resources gathered abroad. The literature on the importance of remittances in ensuring that communities in developing countries have access to basic necessities like food, education and healthcare in these countries (Ratha, 2011: Riddle & Brinkerhoff, 2011). While more recent literature point to the development potential of returnees to home countries in Africa (Akesson & Baaz, 2015; Baaz, 2005).

Responding to the question of how they felt the home country has benefited from their return; the returnees mentioned their accumulated resources from abroad which they believe could help in innovation and enterprise development that could address the many challenges facing the country such as poverty and runaway unemployment. Others mentioned the skills and competencies they introduced in the home business environment by training their workers on new skills sets not found in the country, while others noted the international connections and even venture-capital they attracted to the country to support business growth in terms of foreign direct investment.

Given their demonstrated importance elsewhere from emerging economies (Dai & Liu, 2009; Filatotvek et. Al., 2009; Liu et al., 2010), it would be fair that they should be accorded the support they required to help them successfully exploit their entrepreneurial potential, as this would eventually benefit both the country and the community at large. However, the community circumstances have not changed much with the remittances: most of these communities are still underdeveloped and poor, and therefore still greatly in need of external support that they expect the returnees to provide, especially now that they were back in the country and close. Various respondents commented on the expectations of locals that they would be able to provide financially for a range of expenses as R I hub narrates in the transition in experience from the euphoria of initial return to the reality of what lay ahead based on community expectations;

> *'' I was soon labelled a stingy person and most of them starting keeping off from me one by one. Many even tried to offer me their daughters and sisters etc. for marriage, thinking that I was now a rich man and would not take it kindly my telling them that I had left my girlfriend abroad, who was finishing her studies and would soon be joining me. We still laugh with my now-wife when we remember those conversations''*.

R Project narrative below points to the fact that in situations where there were no much expectations of financial support from him, the reception was good and there were no reasons for tensions or conflicts with returnees getting the affective support they required as he narrates:

> *'I suppose with people who hadn't done so well or even family members who were not doing so well, it was a bit one-sided because they were expecting me to support them, give them money, help them start businesses etc., but that was not really possible since I too had all this uncertainty ahead of me now that I was back with no stable source of income and really needed to be careful with the little I had, You know. I could, but not that much – not as much as maybe they expected. So it was a bit mixed reception'*

He compares this reception with that which he got from friends who were doing well themselves:

> *I tended to find that people who we had gone to university with and were doing fairly well themselves, we tended to get along with them and we had things we could talk about and were very excited to listen and learn from each other without expecting too much''*

From their narratives above, two important factors would make it harder for returnees to provide financial support to local communities. First, the returnees are no longer earning in "hard currency" as they were while abroad, in fact they are no longer earning at all. Second, the returnees were trying to stretch their savings as they embark on an entrepreneurial journey in the home country with limited resources for their own upkeep and to start up the new business in an environment which in their own words was hostile and described as entering a jungle. It would therefore not be possible to extend the same level of support they did before.

RTechtrain however notes in his narrative just how much pressure it was as a returnee coming back home with all these expectations riding on his back and the need to be prudent with his funds:

Walking back into that land that you haven't known for fifteen years, which you have never lived in as an adult for the first time and you have a family relying on you together with others was quite scary and daunting, but it was an interesting challenge as well.

However the locals too would have their reasons for believing the returnee has more and would share. Generally speaking, most migrants from Africa remain in contact with their family members back home while abroad, regularly sending remittances back home for their upkeep(Baaz, 2005), often making investments back home, mainly in the lucrative real estate sector e.g. building houses for rental income, buying land and also investing in the private sector business. Many of them often come back home on lavish holidays to enjoy the sun whenever they can, often bringing with them massive resources to let the locals know just how well they are doing and many to demonstrate just how well they are doing abroad to the community members and colleagues left behind (Akesson& Baaz, 2015). It is therefore only reasonable for the locals to expect to reap some of those benefits now that the returnees are back home.

Therefore, while the locals expect the returnee to continue the same level of financial support they offered while abroad, the returnees expect the locals to offer them affective support and access to local networks in order to get access to local knowledge and other resources. Yet instead of mutual support, there was often tension between the two groups.

5.3.3 Cultural tensions

By the time they return to the country, many of the returnees have changed because of their experiences abroad, yet most of them seemed not aware of these changes and instead felt it is the locals who had changed. First, many returnees have often experienced and probably had to overcome a number of challenges typical to migrants abroad. Kloosterman, (2010) and Kloosterman and Ratha (2001) in their studies on mixed embeddedness note that migrants are often considered outsiders in the host country and, are more likely to find themselves with financial challenges and not knowing few others like them. Furthermore, there are often very few employment opportunities for them or low type of employment available to them, which pushes many of them into low cadre jobs, despite their qualifications or into necessity driven entrepreneurship (Chrysostome, 2010).

R fitness narrative indicates the kind of struggles he went through in the UK as a migrant before making the decision to return home:

''Things didn't pan out as I had hoped for, so things started getting harder and harder, and I really could not get a good job commensurate to my level of studies. Most jobs I got were

just lower-level temporary jobs, which I felt were not contributing much to my development as a person so I decided to come back home. Jobs for outsiders were no longer easy to get even if you studied there''

Additionally, he explains how he tried to dabble in self-employment by buying and sending assorted goods back home to be sold, but this did not work out either, since the people back home often did not send back the money after selling the goods, but instead considered it as part of remittance to support them.

Mustafa and Chen (2007), explored the ability of immigrants to utilize transnational family networks such as those employed by R fitness, their case studies show that although family ties are of greater strength than other types of social networks, since they these relationships do not need frequent contact in order to be maintained, and family members often remain committed to each other in spite of geographic distance. However others have noted negative side of these networks especially within the collectivist context of the African culture as the dark side of social capital (Ackensson & Baaz, 2015), establishing that it is easier for family members to feel entitled to returnees money, even when it is clearly meant for business purposes.

The returnees were experiencing these challenges typically in an individualist society where the individual is key to his or her own welfare. In many cases, they had developed a more individualistic approach to their welfare. But they had left – and came back to – a collectivist society, defined as a social pattern consisting of closely linked individuals who see themselves as parts of one or more collectives (family, co-workers, tribe, nation), are primarily motivated by the norms and duties imposed by those collectives are often willing to give priority to the goals of these collectives over their own personal goals (Triandis, 2018).

Individualism on the other hand is described as a social pattern that consists of loosely linked individuals who view themselves as independent of collectives; are primarily motivated by their own preferences, needs, rights, and the contracts they have established with others; give priority to their personal goals over the goals of others, and emphasize rational analyses of the advantages and disadvantages to associating with others (Triandis, 2018).

Scholars note that one of the most important aspects of culture is "unstated assumptions'' (Triandis et al., 1989). The assumption that the people are bound together into tight groups of interdependent individuals is fundamental to collectivism, whereas the assumption that people are independent entities, different and distant from the group, is fundamental to individualism. Such basic unstated assumptions are so fundamental to understanding how the change from an individualistic to a collectivist environment would result in cultural tensions between the returnees and the local community, especially given that the locals understand the returnees as part of the collectivist culture, just as they knew them before. They would therefore not understand the changes in them, which leads to cultural tension.

For example, many returnees were able to go abroad only because of the collective support of a community – many (poor) people in a community will have pooled resources to allow the individual to venture abroad and thereby upgrade his or her economic status. But this did mean that there were expectations of reciprocal generosity to that entire community as RIhub narrates below

> *''Of course the family members were only too happy to have their prodigal son back after so many years away and several busloads of relatives actually came to pick me from the airport and many goats were slaughtered in several welcome back home parties, both at our rural home and also in town. However I soon noticed that many people expected a lot from me, especially those who felt they had contributed a lot especially in my going abroad and soon off course I had to start pulling back on my expenses since I knew I now had no regular source of income''*

In their studies on culture and re-entry Adler (198I) found similar results while discussing the cultural perspectives of migrant's re-entry back into the home country. Although the study was conducted on employees in a formal job relocation setting. The returnees found re-entry into their home country more difficult than the initial move to the foreign culture. More notably, although the returnees had acquired a number of commonly valued skills and competencies while working abroad, home-country stakeholders tended neither to recognize nor to utilize these skills and competencies. Furthermore, the perceptions and expectations of behaviour by home-country managers and by the returnees were often strongly mismatched.

Recent studies on the returned migration in the African context notes that in some cases, the returnees themselves could be the ones undertaking the 'cultural profiling' of the locals in their home country (Ackesson & Baaz, 2015). Based on some of their negative experiences abroad and probably the racist contexts in which they could have found themselves may have made them internalize that their home countries are underdeveloped and inferior and should therefore feel 'privileged' to be receiving them back, which may create barriers between them and the locals, leading to lack of support.

Kanno (2003) and Yoshida et al., (2009) note that the presence of friends or communities that accept returnees for who they are may positively influence their re-entry process, to shield them from other negative factors. For instance, Kidder (1992) found that "some returnees manage their re-entry by finding the spaces where their difference goes unmarked" (p.384). In other words, if returnees have access to spaces or communities in which they are treated like everybody else, their re-entry would be less "bumpy" and they would reintegrate faster in the home country. This is for example the case of R Ecommerce who initially found the reception back home very hostile and felt very alienated but later refuge in her church community and used it as a start point to integrate back and even found business resources such as repeat clients as she narrates below.

> *'I am a Christian; I go back to my church, so through my church, through activities in the church, Bible study etc., I have joined the Mothers Union and we have training for months. I used to go every Saturday and incidentally when we were divided into groups I became a group leader. So I found that through that, especially now I came to know many people in the church, so I don't feel alienated anymore'.*

5.3.4 Mutual suspicion

The cultural tensions described above often spilt over into mutual suspicion. Returnees reported the locals perceiving them as having become stingy and that they had forgotten their cultural roots, having adapted to the 'capitalist' way of the Western world where it is "every man for himself". Yet on their part the returnees felt that it is the locals who had become more capitalistic in culture and unethical in both their personal and business dealings. Most of them expressed concern about the unethical behaviour of locals, and the apparent unwillingness to support anyone unless there was something in it for them.

As RRetail exclaims in her narrative describing the local people:

> *Something has left Kenyans; they no longer have a moral compass*

It is a point of departure of the literature on the benefits of returnee entrepreneurs that they return home more knowledgeable and with more resources than their local counterparts (Dai& Liu 2009, Liu et al., 2010). But in terms of forging strong connections with the locals, such a perception is not helpful. The returnees sometimes expressed views that they were more developed, knowledgeable and generally superior to the locals, given their experiences abroad. In some instances, there were suggestions that they may have internalized the narrative that their home country in Africa is inferior, and therefore should feel 'privileged' to be receiving them back. As R Solars narrative below indicates:

'The returnees come back with a natural prestige that should give them an edge in the market '

Under these conditions, it is hardly a surprise that returnee entrepreneurs sometimes felt culturally profiled and unfairly judged by the locals. A visible indicator of “otherness” was a major drawback for them. Many of them opted to alienate themselves and keep within their home to escape from these interpersonal challenges, which in turn created a barrier to their effective integration into the home country and poor accumulation of local networks necessary for success in entrepreneurship

R Commerce on her part seeing the drive towards money as being all-consuming in the country not leaving people time to socialize.

> *‘’There is this drive to look for material things which is like all-consuming and has made people almost forget other things including friendships. So you find that where you need help to integrate back, to do certain things with people, you struggle to get them to be available to assist you, yes’’*

RM consult narrates in the context of friends who no longer seemed genuine in their interactions hence the reason for his staying away from his previous social cycles:

> *‘Many of them are not genuine, they are on comparative analysis, and so they were comparing and contrasting us. They want to see whether you have a big house, whether you have a big car. So they want to confirm what you really have. That was the big challenge’*

Previous studies have shown that knowledge acquisition is a process of socialization which involves communication and trust so that knowledge holders and knowledge receivers need to develop mutual trust in order for knowledge to be transmitted successfully (Zou & Ghauri, 2008). Thus the returnee’s opportunity to communicate effectively with the local stakeholders and gain access especially to the most important resource they needed; local knowledge was greatly hampered by the mutual suspicion between returnees and the locals, which often ended up in their alienation and put a strain on their socio-cultural embeddedness in the home country (Bouty, 2000).

5.4 Strategies employed by returnees to gain legitimacy

5.4.1 Summary of strategies

This section summarises the role of legitimacy in resource acquisition and the strategies employed by the returnee entrepreneurs in this study to gain and maintain legitimacy in order to gain access to resources from the local home environment. On this aspect the findings from the study indicate that the returnees are not a homogenous group upon return home, but rather a heterogeneous group of individuals with different experiences in the home country based on their level of embeddedness and ability to gain access to complementary local resources. The returnees with higher levels of legitimacy reported having local resources accruing to them such as access to elite customers, invitation to participate in high-level business forums such as the Global Entrepreneurship Week which was chaired by the former president of USA Barrack Obama, acceptance to elite membership clubs, which often came with great prestige within the business community or invitation to grace community events, where they often ended up getting more recognition and business referrals.

5.4.2 Legitimacy and resource acquisition

From the research findings in chapter four, the returnees who suffered the highest level of returnee liability were those who had been away from home for long and set up their new business ventures immediately upon return, or those who were highly embedded in their host country and those in sectors that depended a lot on government partnerships, such as those in real estate and large infrastructure projects. These groups of returnees were often unable to access requisite resources compared to the rest of the respondents. However those in this group, who were able to employ the use of rhetoric strategies and symbolic action that convey legitimacy, were able to access those resources.

Scholars note that the dearth of institutional frameworks and strategic factor markets makes connections with important local constituents even more essential in entrepreneurship, as they represent important channels for accessing information and resources (Li and Zhang, 2007; Peng and Luo, 2000).

Legitimacy is often depicted as an operational resource that organizations extract, often competitively, from their environment and employ in pursuit of their goals (Ashford & Gibbs, 1990; Dowling and Pfeiffer, 1975); which suggests a significant level of management control over the legitimating process with purposeful, calculated strategies that can help organisations signal conformity and gain trust, acceptance and support needed to gain access to resources. More advanced studies in this field have noted that an organization does not have to remain a passive observer in the legitimating process, but can make itself known and understood through certain managerial actions including rhetoric strategies or symbolic actions that enable them to be favourably evaluated and supported by institutional stakeholders who hold the key to important resources (Lounsbury & Glynn, 2001; Suddaby & Greenwood, 2001; Zott & Huy, 2007).

It has been argued that stakeholders facing uncertainty regarding the perceived quality or worth of an emerging or new organization may rely on the perceived quality of those associated with the firm; such as their suppliers, business partners or even board members and associates, as a surrogate for the quality of the target organization (Podolny, 1993). This points to the importance of local embeddedness especially for returnees who have been away from home for long, as it can help bridge the legitimacy gap based on the perceived legitimacy of their local networks.

Earlier scholars in this field, DiMaggio and Powell(1991) and Meyer and Rowan (1983), observed that in uncertain environments, such as those found in developing countries with weak institutional and social support mechanisms; organizations pursue comprehensibility and taken for granted status through mimetic isomorphism; mimicking the most prominent and secure entities in the environment. Others were observed to establish hierarchical links with superordinate environmental units such as partnerships with government agencies, links with influential political figures or popular corporate bodies or by linking their actions to the external definition of authority and competence, in order to access resources.

Since legitimacy has no material form, and is an abstract concept that exists only as a symbolic representation of the collective evaluation of the institutional stakeholders, its value can only be objectively measured by the measure of resources that flow to the organization from the different stakeholders (Bitektine,2011). Scholars note that in some cases the stakeholders' decision to provide resources to organizations depend on the credentials of the individuals associated with them (Florin, Lubatkin, & Schulze, 2003).

The fact that some of them reported having a number of international connections and partnerships abroad, they stood the risk of being viewed by local stakeholders such as the government as likely to be more loyal to the stakeholders abroad which could lead to being denied access to local resources. For example local banks may find it hard to finance ventures with partners abroad. However on the other hand local stakeholders such as local partners, clients and international investors would find them more prestigious and therefore legitimate and would want to do more business with them. Therefore it would be contingent upon the managers to decide when to utilize their foreign partnership as an operational resource and when to leave it out.

Pfefer(1982; 23) suggest that managers can enhance the comprehensibility of their organization and its products through continually articulating stories which illustrate reality through lobbying, advertisements, events, sponsorships, litigation or even through published scientific research. Xin and Pearce (1996) argue that these connections can further work as substitutes for formal institutional support that can allow those with information asymmetries to access local knowledge and other resources through their networks.

Finally, the fact that many in these groups started up large innovative ventures could expose them to the phenomenal of lack of fit of ventures than the rest of their counterparts, as the infrastructure and existing support frameworks in the country may not fully support some of the business ideas, leading to returnee liability due to raised transaction costs.

5.4.3 Embedded perspectives on legitimacy

While most of the respondents in this study did not report having lost contact with their friends and colleagues, with many of them reporting actively re-establishing contacts prior to coming back home; they however felt that these local connection were no longer viable since there was no trust and honesty, instead felt that most of these interpersonal connections, including close friends, colleagues and extended family members wanted relations with them based on self-centred personal interest. Many of them felt compelled to cut off these ties, leading to narratives of personal alienation, loneliness, lack of proper integration back home and loss of opportunities to network further for business purposes. Indeed previous research has put emphasis on intangible resources such as emotional support, which reduces an entrepreneur's perception of risk and increases his access to different types of information and even access to local skills and talent (Davidson & Honing, 2003; Hao et al., 2017).

Studies on embeddedness focus on the strength of ties in the acquisition of entrepreneurial resources have established an inverse link between the strength of ties and the acquisition of resources. While some scholars argue on the strength of weak ties in being more important in acquisition of novel knowledge (Granovetter, 1973), others like Coleman (1990) argue on network closure argument, highlighting that strong ties enable better knowledge transfer (acquisition and assimilation) due to commitment, understanding and trust that naturally comes with it; which may therefore be more useful to returnee entrepreneurs in the initial stages of comeback and later in setting up of new business ventures.

Most of the studies in this field however converge on the idea that networks and social relationships affect legitimacy building and resource acquisition, which are critical to opportunity recognition, evaluation and exploitation (Ahlstrom & Bruton, 2008; Schumpeter, 1934). The returnee entrepreneurs could use their local networks to access both tangible and intangible resources such as supply networks and even trust and acceptance from a wide range of stakeholders, which is key to their entrepreneurial performance in the home country (Huang 2002, 2008; Zimmerman & Zeitz, 2002).

The returnee who had existing social capital in the home country, such as those who came home more frequently while based abroad, or even called and kept in touch through various forms of communication were seen to fair better even if they started their ventures immediately upon return. While past research has placed emphasis on resources associated with social capital for returnee entrepreneurship, this study found that the role of family and friends in helping the returnees to integrate faster in the home economy was not significant. Instead, the returnees found that the families and friends were a great disappointment that made the returnees alienate themselves due to the unending demands for financial support despite the returnees changed financial conditions.

Some scholars note that the role of networks in entrepreneurship has often been used loosely and it's important to define them, since networks have different dimensions which must be specified to get their full role in entrepreneurship resources (Coleman, 1990). This is more so in the context of returnee entrepreneurship where there is bound to exist trade-offs between the host and home country networks. In this particular study, the weak networks are the institutional and inter-organizational formally constructed business networks with formal linkages geared towards access to potential business opportunities and resources, while the strong networks are the more relational, interpersonal networks that provide effective support to the returnees in the process of return back home and later on support them in their entrepreneurial journey.

Some of the returnees who had enjoyed high embeddedness and legitimacy abroad and felt they could transfer this back home were often disappointed and tended to suffer great returnee liability due to overconfidence. An example is R transport who had enjoyed prestigious positions in large multinational firms abroad, was considered an opinion leader in Kenya Diaspora community in the US and was a respected church elder in his local community abroad. In his own narrative, he expected to do very well in the country despite the fact that he had been away for 23 years and hardly came back home for visits. His confidence could therefore only have come from his expectation that he could transfer his respect and prestige back home from the host country. This prestige abroad made him take on large and innovative infrastructure projects that ended up sinking with a great deal of his money.

In their study on durability of local networks (Lin et al., 2019) confirm that indeed returnee entrepreneurs are different in the extent of their home country embeddedness while they are overseas, which has consequences for their entrepreneurial performance upon return home. The effect of home country embeddedness is seen to improve the performance of returnee entrepreneurship via domestic resource acquisition, and this effect could be substituted by pre-overseas local ties and the presence of local top management team members.

Others studies have suggested that cultural embeddedness in the home country helps in creating a sense of identity with local stakeholders; the willingness to exchange information etc. (Bresman et al., 2010; Reagans& McEvily, 2003). Hence, the perception of sharing the same identity may help overcome barriers to local knowledge sharing while perceptions of cultural distance may inhibit motivation to share knowledge

Because the returnees can build local connections and gain access to local knowledge over time, it was observed that the ‘returnee liability’ generally diminished over the length of time an entrepreneur had been back in the country before setting up a new venture, whether or not they reported actively undertaking market research to get this information. Therefore those who came back and took up other activities such as formal employment before setting up business performed much better than their counterparts who set up their new business ventures immediately upon return

6 Conclusions and recommendations

6.1 Introduction

The aim of this study was to explore the barriers and constraints that confront returnee entrepreneurs in their efforts to set up and run successful ventures in developing countries in Africa and thereby contribute to technological catch-up and economic development in these countries. The study focused on the emerging evidence in returnee studies indicating that individuals going back to set up and run new ventures in their home countries may not always successfully exploit their entrepreneurial potential due to a variety of challenges they are likely to encounter. This study thus seeks to contribute to the scarce data on returned migration in the context of developing countries in Africa. Many countries in this region still operate behind the technological frontiers and are likely to miss out on the positive effects of globalising and technological transformations, if they do not build human capital, technological infrastructure and framework conditions to support innovation and entrepreneurial development (Lundvall & Lema, 2014).

The findings from this study indicate that return migration holds great potential for technological upgrading and economic development for developing countries in Africa, with the returnees reporting having accumulated different types of resources before coming back home: financial and social; including international connections and venture capital access. The returnees also reported coming back with new ideas and innovations that could address many challenges facing the home country such as diseases and high illiteracy levels. Furthermore, many of them were found to be keen on community development initiatives geared towards poverty alleviation.

However, the development potential of the returnee entrepreneurs was found to be contingent not only on contextual conditions in the home environment; which includes the state of institutions, level of infrastructure development, social amenities available and access to market information, among others but also on the personal characteristics of the returnees including their embeddedness in terms of the length of time they spent away from the country as well as the amount of time they spent, while back, before setting up their new ventures, their ability to gain and maintain legitimacy and the novelty of their ventures or business ideas.

Thus the conceptual framework for this study used a vastly expanded model of institutional theory that makes legitimacy an anchor point for the study; addressing the normative and cognitive forces that constrain, construct, and empower organizations in a given environment, yet gives room for discussions on the social perspectives of business relations. The framework highlights the important role legitimacy in resource acquisition in the home countries, as shown in previous studies that have established that for an entrepreneurial venture to access resources in a given environment; its structures, practices, and behaviours must align with the prevailing institutional and social norms in that environment (Tolbert, David, & Sine, 2010).

This framework was useful in providing guidelines for organising the organisational-environment relationships; with emphasis placed on stakeholder expectations, norms of behaviours; systems of values and beliefs as sources of pressure for returnees to conform, so as to be rewarded through trust, acceptance and support (Suchman, 1995). Those who do not conform face a 'returnee liability'; barriers and constraints that they must negotiate before they can fully gain access to local resources; giving a competitive advantage to their local counterparts who have easy access to these resources.

The development effects of returnees entrepreneurs, based on their ability to effectively exploit their entrepreneurial potential in the home country was found to be not a linear model of return equals development, as suggested in previous literature from emerging counties; but is an interactive and negotiated process associated on the one hand with specific host-country environment that influence returnees linkages with the community they left behind, and on the other, with the structural setting in home country; which influences their propensity to transform the resources accumulated abroad to advantages in the local home setting by gaining access to complementary resources.

Previous studies have shown that not only do the returnees provide human, financial and social capital that can aid the production and diffusion of technological knowledge to their home country, but their presence in the country spreads tacit knowledge of a more technological nature, more efficiently between individuals, across different organisational contexts and physical proximity than any other channels of knowledge transfer (Bercovitz, Martens & Savage, 2013). And as Lundvall & Lema, (2014) argue, the rapid economic catch-up of countries in the developing economy will depend greatly on the ability of these countries' entrepreneurs to absorb and creatively adapt international technological knowledge to their own local conditions.

Whereas this has often proved to be a challenge in the past, due to low absorptive capacity for technological knowledge in these countries (Naude et al., 2011; Onyeiwu, 2011), the literature on returnees suggest that with deliberate policy efforts, returned migrants can provide effective means for acquisition of new technological knowledge in the home country, and further aid its effective assimilation by local firms to create a virtuous cycle of innovation towards competitive economic renewal (Dai & Liu, 2009; Liu et al., 2010).

As Saxenian (2002, 2006) contends, the high rates of return of highly skilled professional returnees were an important driver for the high level of innovation witnessed in East Asia emerging economies including India, China and Taiwan, in recent years. Her studies indicate that much of the most valuable knowledge that kick-started the virtuous process of increased entrepreneurship and innovation was acquired informally by hands-on experience of the returned migrants from the original Silicon Valley, where they were the majority business owners (Saxenian, 2005), and then spread via the rapid movement of engineers and other technical workers going back home in the wake of the economic downturn in the western economies.

Prior studies have illustrated diverse practical ways in which countries of origin can benefit from skilled migration through both the Diaspora and returnees (IOM, 2010a; Kuznetsov, 2013). The scholars note the prospects of reaping potential gains from returnees are associated with two groups of factors; the first group are factors related to the individual profiles and associated social capital of migrants such as age, activity abroad, professional profile and type of skills, length of stay abroad; in other words, their level of Embeddedness in networks while the second group of factors are related to the structural and institutional context of their home countries (level of infrastructure development, strength of institutions e.g. incentive policies for engagement, availability of social support, frameworks etc.

The findings in this study converge with some of those findings, indicating that the returnees faced great barriers and challenges in the institutional environment, resulting in returnee liability which was experienced at two distinct levels, at the macro institutional level and at a more relational interpersonal level. However, this study goes further to give the mechanism of the interaction between the institutional ad interpersonal perspectives of returnee liability which occurs at the level of legitimacy making processes. The returnee liability exhibits as a lack of legitimacy and hence inability to gain access to local resources. While the returnees displayed the use of several managerial strategies in terms of rhetoric and symbolic action to overcome much of their returnee liability at the institutional level, the interpersonal liabilities remain a great barrier in their efforts to fully exploit their entrepreneurial potential in the home country.

The main factors that were found to contribute to returnee liability include institutional gaps between the returnee home and host country, level of embeddedness in both host and home country networks, length of time away and back before setting up a ventures, all which interact in different ways to lower the legitimacy of returnee led ventures and bar them from access to local resources. Therefore to harness the potential of returned migration in development in these countries, this study suggests policy and managerial interventions that can help the returnees gain legitimacy in the home country immediately upon return, and maintain it through the life cycle of their ventures, since legitimacy was found to be the main resource to mitigate returnee liability.

6.2 Policy recommendations

The policy recommendations that can be derived from the findings of this study include interventions at both levels of institutions; formal and informal. The former includes strengthening the incentives for exchange (prices, capital markets, information efforts, etc.), introducing new actors (building human capacity) and reducing the risks of participating in business; for example strengthening the legal frameworks that were found to be a great impediment to returnees participation in business, enhancing information exchange partnerships and reassessing the context of market regulations. Others include reducing bureaucracies that hamper start-up operations in the country such as the number of operating licenses and time required to access them, thereby establishing a favourable macroeconomic climate for entrepreneurship to thrive.

The other key policy recommendation is providing business support frameworks in these countries which are virtually lacking. These frameworks have been found to be key in providing a conducive environment for returnees that can shelter them from the harsh business climate in the home country and options here include developing business incubators and industrial parks exclusively for returnee entrepreneurs and provision of business support centres, as well as having more engagement with Diaspora abroad to expose them to changes happening back home and making them aware of any programs and incentives available for them.

These suggestions are aligned with the National Systems of Innovations approach which indicate that in the absence of proper government interventions and effective policies, the operation of markets not only result in underinvestment in new knowledge, but would not create adequate incentives for entrepreneurs to invest their resources and efforts in entrepreneurship Lundvall et al.,2002; Lundvall& Lema, 2014). While the returnee entrepreneurs may often come back with intentions to venture into entrepreneurship, as noted in their narratives, their motivation to start up innovative ventures and to maintain momentum despite the many challenges they face in the home market, would only be possible through the provision of economic incentives and social support received. The Studies indicate further that the role institutions play in entrepreneurial development does not depend on the effective functioning of markets alone. Because of the positive externalities inherent in an investment in new knowledge, technological upgrading and human capital; public policy with regard to R&D development and investments in Science and Technology have an equally important complementary role to play in fostering innovation and entrepreneurial growth that can lead to sustainable development (Lundvall *et al*., 2002).

Therefore building strong institutions in developing countries in Africa will not only require special attention with regard to policies in upgrading the functioning of the market, but capability building efforts in Science and Technology as well, if these countries are to achieve technological catch-up and participate effectively in the competitive global economy of the 21st century.

The fact that Kenya is currently at the brink of technological transformation provides a valuable window of opportunity for more returnee entrepreneurs to come back home and take advantage of the arising opportunities offered by the technological transformation of Nairobi into the Silicon Savannah of Africa. Also, there are new opportunities being created after the formation of 47 new Country Governments under the new constitution. At the same time the country's economic blueprint, the vision 2030, which aims is to make Kenya a globally competitive and prosperous country with high quality of life by the year 2030, provides an opportunity for policymakers to attract skilled professional migrants and provide a conducive environment that can harness their innovative potential towards achieving this goal.

In line with this vision, the government of Kenya has recently put in place concerted efforts to address evident challenges to innovation and entrepreneurship development in the country such as infrastructure development and setting up funds for the youth and women-led ventures among other interventions. However, as Gichuki (2013) reports, very little evidence exists to indicate a marked growth in the entrepreneurial ecosystem in the country over the last decade, and especially in the SME sector, pointing to the existence of other underlying, more critical factors inherent in the system that creates barriers to overall entrepreneurial development in the country.

Whereas the dearth of institutional and social support frameworks to support entrepreneurial development hampers the growth of all firms, it however spells doom for returnee entrepreneurs who are often coming back from highly developed OECD countries, with strong institutional and infrastructural support systems. While the country is lauded worldwide for its rapid technological transformations, which is a role model in Africa, reports indicate that it was not until recently, in April 2017 that the leading University in the country, the University of Nairobi was awarded a contract by the government and other development partners to develop the first master plan for Science and Technology parks in the country, with the first being the design of the famous Konza Technology city, a vision 2030 flagship (GOK, 2010).

Current efforts in the country to build effective structures to support entrepreneurial development are addressed under the Science and Technology (STI) policy. Yet the STI policy document itself decries the poor state of the country's technology policy and categorically states that the sector is fragmented, often losing benefits of synergy due to poor linkages between the various actors, while at the same time the research agenda itself lacks national cohesiveness necessary for its effective implementation (GOK, 2010). The paper further highlights poor internal funding and high dependency on external resources, which are often inadequate, as well as low science culture among the population as some of the challenges facing the sector; leading to weak, poorly implemented institutional support frameworks for innovation and entrepreneurial development.

6.3 Provision of social support frameworks

At the informal institutional level, interventions that were found to have worked in harnessing the potential of the returned migrants in China were the provision of social amenities and incentives. Right from the onset of the open policy, China's leadership proactively encouraged the country's STI policy especially in technology and education to send Chinese students abroad to expose them to frontier knowledge and managerial competencies as a way of upgrading the economy (Meredith, 2007). In the first plan in 1979, 3000 students and scholars were sponsored abroad each year for 5 years and by 2007, the Ministry of Education reported that 1.21 million students and scholars had gone abroad under the program and 30% had returned to work and set up businesses (Bai, 2017).

If introduced in developing countries in Africa, these frameworks could include social support programs that offer incentives to encourage seamless re-entry and reintegration of returnees entrepreneurs back home. These include for example programs for experiential travel back home to undertake a market survey, start-up new ventures and engage in investments before actual return home. Some of these programs, known as circular migration (Skeldon, 2008), are a type of gradual return that can be encouraged by policy strategists to allow the returnees to come back home in measured steps, and therefore not have to confront great returnee liability as noted in the study where most of the return was abrupt, often motivated by emotional and family triggers which often did not augur well for both the returnees and their family members left behind. The back and forth movements between the host and home country for several years was seen to give the migrants adequate time to acclimatize and get used to how things actually are in their home countries and even gain back some of their local connections before eventually making the final return home.

Studies reveal that in an effort to surmount the challenges of downward economic downgrading that could erode the returnees confidence upon returning home, different cities in China developed policies targeting to enhance the economic welfare of returnees entrepreneurs to enable them to maintain the standards of living they were accustomed in their host countries. Most of them offered a variety of incentives that included a choice of a variety of businesses which were off-limits to the locals, income tax exemptions, and changed policies so that income generated from the businesses could be converted to foreign exchange to be remitted to families left abroad. In addition qualified returnees were entitled to start-up grants, housing allowances to purchase houses at subsided interest rates and some cities even went further to promulgate regulations allowing returnees to get salaries commensurate to what they were getting abroad.

On the other hand the science parks were found to provide entrepreneurs not with affordable physical facilities and services but were more importantly they created links to laboratories, scientific knowledge, and access to government subsidies, customers, suppliers, and employees that would not otherwise be readily available to the returnee entrepreneurs during the early stages of their start-up process (Wright et al, 2008). The cross-organizational ties created in these entrepreneurial ecosystems thus provided ready access to resources and business networks that have been seen from previous studies to allow returnees to offset institutional and cultural barriers to successfully exploitation of their entrepreneurial opportunities in the home country (Obukhova, Wang & Li, 2012; Li et al., 2012)

As newcomers in these science parks, business clusters and incubators, the returnees can use these connections and partnerships to access local knowledge valuable to their new ventures and to realize opportunities utilise their frontier knowledge and resources more effectively in the home country and could also help raise the awareness level and motivation of local firms within these clusters towards overall higher level of innovation and entrepreneurship in the country (Wang, 2012, 2015).

Closer home, in some Africa countries such as Senegal, there is evidence of successful returnees prioritization policy programs where returnee owned businesses are given a priority in government tenders and contracts and are offered other incentives which are exclusive to them (Sinatti, 2018). The scholars note however, that even in this country, policymakers often underestimate the importance of access to local resources and often gave preference to frontier accumulated resources as vital to home country development, thereby overlooking the important role of legitimacy. Furthermore, they noted strong mismatches between the underlying logic of the returnees and the policy stakeholders, with the policy often attempting to control the returnee's economic initiatives; to bring them towards the economic priorities of the country and state-identified target sectors which could undermine the successful implementation of these programs.

Other scholars studying returned migration in Ghana (Kleist,2011) advice that due to resource constraints in these countries, policy programs should not target all returnees equally but there's need to come up with a criteria for policy ideal returnees, those with higher potential to contribute to the home country development based on their entrepreneurial intentions and level of accumulated frontier resource, who should be encouraged to come back and contribute to home country development by designing effective 'brain gain' strategies. Such policy program should include social support frameworks to help the returnees to readjust quickly, which has been found to be key to their subsequent entrepreneurial performance in the home country (Lin et al., 2012; Zhou& Hsu, 2011)

It is important however to note that institutional structures and frameworks vary considerably across nations, even for those with similar levels of economic development like in Africa (Acemoglu, Johnson & Robinson, 2005). Although no consensus exists on the desirability of a specific type of institutional framework to support entrepreneurial development in a particular context, available evidence so far suggests a more participative institutional environment that involves several stakeholders, including the government, the private sector and even foreign development partners to help in building trustful relations and social capital that improve the environmental 'commons' (World Bank, 2003), which could prove valuable for harnessing the benefits of returnee entrepreneurship in the context of developing countries in Africa.

6.4 Managerial strategies to overcome returnee liability

On the managerial strategies to gain and maintain legitimacy, whereas most of the returnees successfully employed rhetoric strategies and symbolism to overcome most of the institutional level returnee liability, their interpersonal level liabilities remained a great challenge. The returnees seeking to set up and run new ventures in these countries should first ensure they take time to study the home market environment and get embedded in the local networks, especially at the community level to allow them to overcome their information asymmetries and gain legitimacy for the acquisition of local resources. At the formal institutional level, the use of a mixture of rhetoric strategies and symbolic action was seen to allow returnees to gain a certain level of legitimacy in the home market.

From the narratives in this study, the success of these returnees go beyond their individual success but could act as a motivating pull factor for other skilled migrants abroad, who upon seeing their success could be encouraged to return back home, which would ultimately raise the human capital potential in the country for technological upgrading and economic development.

Given that returnee entrepreneurs in the study exhibited self-motivation to contribute to home country development, given support from stakeholders, their innovative ideas and skills will directly impact the economy of the home country, especially sectors of the community in need of poverty alleviation strategies that promote novel ideas. Many respondents reported seeing business opportunities in many problems facing the country such as youth unemployment, poverty and community health problems and felt they could easily carve out solutions to address them based on their experiences abroad. At the same time several of them narrated how their innovations could help the country during this period of installation of new country government e.g. in building new technological infrastructure for efficient revenue collection in the newly created counties and implementing innovative techniques of construction that could save these country governments millions of shillings in construction materials.

Therefore facilitating their quick reintegration in the home country and enabling them to transfer their skills and ideas would help to promote rapid technological upgrading and economic development in the home country. Furthermore the findings indicate that returnees who had positive experience upon return home felt appreciated and supported at both the interpersonal and institutional level and many of them were seen to engage in community uplifting programs either on their own, based on Corporate Social Responsibility, or as a participants where they joined hands with other bodies in efforts to uplift the lives of needy communities.

While exploring the level of participation in community was beyond the scope of this study, this is an area of study that can be explored in future studies, to investigate how the legitimacy of returnee entrepreneurs plays a role in their engagement in community social-economic transformation. It was evident from the findings that the returnees, who experienced success in the home country, were often those who felt that their roles as returnees were appreciated and supported by institutional stakeholders and they in turn felt obligated to do more by engaging in altruistic activities to give back to the community.

6.5 Recommendations for future research directions

Although disparate literature in returnee studies agree that networks are critical to returnees entrepreneurial success in their home countries, the findings in this study go further to show that there are varying levels of networks that are important for returnee entrepreneurship; institutional level and interpersonal level connections that mediate the relationship between returnees and access to different types of resources ,which would need to be explored further when exploring returnees role in home country development. Studies in the returnee field have established that these cross-organizational ties allow returnees, in particular, to offset institutional and cultural barriers to transferring knowledge as cross-border brokers (Saxenian, 2006).While this was beyond the scope of this current study, future studies could explore how these institutional and interpersonal challenges affect the role of returnees in transfer of frontier knowledge to home countries in the developing world.

Additionally, the findings of this study indicate that upon immediate return home, the returnees have access to bonding networks of immediate family members and friends but seem to lack bridging networks that have been found to be critical to gaining access to more novel resources (Scott, 2004). To help the returnees make viable business connections, the government should organise events where Kenyans who recently came home can meet other returnees and local entrepreneurs in regular networking forums or workshops designed to assist them to integrate back home faster and get useful local market information. This can help reduce the returnee's high dependency on close friends and community, thereby allow them to escape the negative effects of community and family dependency and mismatched expectations that often lead to personal alienation and withdrawal.

These finding aligns with earlier network research that focuses on differences between strong and weak social ties (Granovetter, 1983); whereby weak ties like those with acquaintances were seen to provide access to heterogeneous information outside an individual's network of friends and family and could be more useful in acquiring market information than close ties of family and friends that offered more relational support necessary for integration and readjustment. Burt (2004) further views these relationships with acquaintances as 'structural holes'; ties that span across networks to connect new and different communities and therefore more important in the acquisition of new and more useful information, knowledge, and resources for entrepreneurial development which is critical to returnees entrepreneurial performance in the home

However, further exploration of this view was beyond the scope of this study and future studies focusing on returnee liability should lay more focus on the role of weak and strong ties in the exchange of frontier and local knowledge between the returnees and local constitutues.At the same time , it may also be interesting to take a transnational perspective in future to explore if the returnee entrepreneurs who started their ventures in the home country before their formal return have a better performance than the returnee entrepreneurs setting up businesses only after return home

Finally, it may be interesting to examine if some returnee entrepreneurs in Kenya have been able to attract to Kenya the business of well-known western Multinational companies, given the business connections that they built in the host country when they were residing there.   .

6.6 Limitations and Delimitations of the study

In seeking to explore the experiences of the return entrepreneurs in developing countries with weak institutional and social support frameworks, this study employed a purely qualitative approach, based on a narrative inquiry which was found to be best suited to capture the nuances of lived-in experiences of return entrepreneurs in chronological order. Being a qualitative method is one of the main strengths of the narrative inquiry. However, the research strategy has often been subjected to some questions as to the accuracy of the stories, looked at from the subjective accounts of the participants (Riesman, 2005). Scholars have raised pertinent questions about the knowledge claims of participants; such as what their experience actually represent, given that they are own abstract perception, which may not be the actual case of how things are.

Thecontructivist nature of this study recognises that objective reality is often lacking and so the narratives captured the perceived realities of the returnees; their perception of institutional elements, limited to individual perceptions and biases. We cannot rule out, for example, that the frustrations displayed with the institutional environment came from the returnees' personal circumstances or challenges they faced at home and not really from institutional gaps or missing frameworks in the business environment. Some complaints could be simply because they are not used to working in that kind of system and are used to better institutions from their host countries.

This study recognises that the stories are essentially partial and may not accurately represent the reality of the business environment in the home country. Still, the stories are a useful contribution to a better understanding of the experiences of the returnees ,which can help move the discussion forward to understand the causes and effects of returnee liability, especially in the context of developing countries in Africa which is greatly under-researched. The stories convey important information on opportunities and challenges faced by these returnees, which is likely to be different from the experience of local entrepreneurs who have never left the country and indeed different from the experience of returnee entrepreneurs in emerging economies where most returnee studies have been undertaken.

Furthermore, the stories can be triangulated against each other to look out for any outlier experiences. While the sample size of twenty returnee entrepreneurs may seem small in this case, however given that the field of returnee study is still in its nascent stage in the African context, this kind of early exploratory design was mainly intended to gain an understanding from a smaller number of cases (Lervik, 2011), as a useful first understanding and interpretation to gain first-hand impressions with just enough to contrast cases against each other.

The other mainlimitations highlighted in narrative studies; diverse timeframes and logic of representation (Czarniawska, 2004) were equally accounted for in this particular study. The fact that respondents often tend to use different timeframes from that of the researcher was covered by ensuring that the questions were open-ended and were structured in a chronological order with room left for further probing if necessary.This ensured that the stories often came back to their sequence, even for the cases when the returnees would be carried away by certain aspects of their narrative reflections. On the other hand, the fact that respondents often try to present themselves in a good light in their stories, which may not give an accurate representation of the phenomenon under study, was curtailed by ensuring uncomfortable questions, such as business failures were set towards the end of the interview once greater rapport had been created and were often asked in terms of advice.

For example, to get around the unease of discussing own failures and mistakes, the questions that covered these dimensions of the returnee experience were framed in terms of returnees reporting in retrospect; the returnees were given a chance to advise prospective entrepreneurs intending to come back home from the diaspora on the challenges and barriers they are likely to face and also the type of mistakes they are likely to make. It was quite clear from the narratives that the advice given captured most of the mistakes already experienced by the returnees themselves and which they felt were important to their overall success in the home country.

The narrative strategy was therefore invaluable to this study as it gave individual accounts and views of the returnees to be assessed, each on its own merit, yet leaving room for validation by corroboration from narratives of the other individuals within the same study as part of triangulation.

Secondly , the fact that the study was conducted in a single country; Kenya, could raise concerns about its application across 'developing countries in Africa', given the difference in institutional and social-cultural context even among neighbouring countries in this region. However, since the objective is to extend the boundary of knowledge on the role of returnee entrepreneurs to developing countries, there is a valid justification to undertake the study in Kenya. The country's current stature in innovation and entrepreneurial development in the region and the number of returnees who have immigrated back into the country since the promulgation of the new constitution, gives it a unique context that would otherwise be hard to get in a random selection on any other country in Africa.

In addition, the fact that the study takes place in the technology sector could raise questions about its applicability to the general business sector in developing countries, given that this sector represents a very small percentage of the SME sector in these countries. However, this sector is critical to returnee studies since it is a knowledge-intensive, high growth sector where the effects of resource acquisition and assimilation can readily be observed within a short period of time. The sector also has few entry barriers and thus has a high percentage of returnee entrepreneurs than other SME sectors in the country.

Finally in this study the returnee entrepreneurs were taken as a homogeneous group of immigrants in the host country before their return home. However, in reality there are at least three types of returnees found in the literature; the typical diaspora who were born in the home country, migrated to the host country and have often kept their cultural identity, affective and active connections with the home country while living abroad, the non-diasporic immigrants who were born in the home country, migrated to the host country and did not keep any serious affective connection with the home country and the descendants of the immigrants who were born in the host country and did not build any affective connection with the home country while living in the host country where they were born. These three categories of returnees would not face the same liability when they start business in the home country. However this assumption was necessary in order to avoid complexity and make the research easier to conduct within the short period of time available.

6.7 Contributions of the study

6.7.1 Policy and practical contributions

In summary, this study explored the barriers and constraints that confront returnee entrepreneurs in developing countries in Africa. It focused on 'returnee liability', the emerging evidence in returnee studies that individuals going back to set up and run new ventures in their home countries may not always successfully exploit their entrepreneurial potential. Estimates by the Organization for Economic Co-operation and Development (OECD, 2015) suggest that on average about two migrants in five will leave the host country within five years of their arrival; often transferring with them accumulated resource including financial, human and social capital that can enhance technological upgrading and spur economic development in their home countries. From the findings of this study, the benefits of these ccumulated resources can only materialize in the home country if the return migrants are successful in gaining access to complementary local resources needed to exploit their entrepreneurial potential. This include for example the support of local customers, suppliers and even government bodies dealing with licencing and grant of business permits.

This study has important policy contributions to make , especially for countries in Africa. Policymakers keen on designing effective strategies and programs to attract and integrate returnees back home as part of 'brain gain' strategies in developing countries can find empirical evidence to support their work. By strategically attracting returnees and developing supportive institutional and social support programs for their re-integration back into the local entrepreneurial ecosystem, these countries could leapfrog through the process of technological catch-up and economic development more effectively than emerging economies that went before them.

While previous studies have highlighted the need for home country to have the right policies to encourage investment by returnees: which include reducing red tape, providing information on investment possibilities, and establishing a favourable macroeconomic environment for investment (Wahba, 2015) however, the key findings from this study suggest that the main predictor of returnee entrepreneurs success in home countries in Africa will not only be the policy efforts put in place to strengthen institutional frameworks and provide social support frameworks to attract and reintegrate them in the local business sector, but more critically the managerial strategies adopted by the returnees themselves to gain and maintain legitimacy for continuous acquisition of resources from the local environment.

The returnee entrepreneurs who started off with low legitimacy but used rhetoric strategies and symbolic action to signal legitimacy to important stakeholders who hold the key to resources in the home environment were able to gather the requisite resources for exploitation of their key advantages in the home market and had met most of their milestones by the time of the interview.

These strategies help the returnee entrepreneurs to overcome not only their returnee liability but also the liability of newness that is inherent in all new ventures (Sitcombe, 1965). Legitimacy acquisition has been found to be a vicious process where organisations deemed to be legitimate are granted access to further resources that make them grow and thrive and thereby appear even more legitimate to stakeholders who grant them access further resources. Those that are deemed less legitimate are denied access to resources, which make them wither and thereby appear even less legitimate and eventually die off (Suchman, 1995). It is therefore critically important that the returnee entrepreneurs should signal legitimacy right at the beginning of their entrepreneurial journey.

For returnee entrepreneurs who took time back in the home country to build their legitimacy reservoir and understand how things worked in the home environment before starting their entrepreneurial journey, they were also able to set up and run successful ventures that contributed to innovation and entrepreneurial growth in the home country. Furthermore these returnees were found to be keen in participating in community development initiatives that could further contribute to poverty alleviation towards economic development in these countries. Our results have important lessons for the emerging literature on returnee liability.

6.7.2 Theoretical contributions

Theoretically, this study contributes to a deeper understanding of the migration – development nexusw in the context of developing economies in Africa. It also contributes to emerging research on legitimacy in entrepreneurial development by examining the role of returnee's legitimacy in access to resources from the home country. Thirdly, while most studies on returnees' are anchored on the knowledge spillover theory, to understand how returnees transfer new knowledge from their host to home countries, this study combines institutional theory and embedded perspective to explore the combination of factors, both macro and micro in the institutional environment that interact together to influence the ability of returnee entrepreneurs to succefully exploit their entrepenurial potential in the home country. This is importance since the benefits of these returnees can only be succefully realised if they are succefully in their entrepreneurial journey in the home country.

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Appendix 1:

The Research Questions

Research questions for narrative Data collection

Personal and Business details			
Name			
Gender			
Age			
Brief Business Description			
Type of business: sole proprietorship, partnership, limited company etc			
Designation			
General Job description			
What year did you first leave to go live/study elsewhere?			
Which country did you go to?			
What year did you return to live in Kenya			
Were there other times when you lived abroad?- Please give details			
1.Questions about host country environment and embeddedness			
Research Question	**Interview Question**	**Probing questions**	**Additional notes**
Institutional distance and gaps between the host and home country environment	What informed your choice of the country you went to live/ study in?	Explain	
	How long did you stay in that country?		
	Is that how long you intended to stay?	Describe the circumstances that made you stay in your host country for that length of time.	

	Describe the type of work activities you were engaged with in your host country?	If formal employment, did you undertake any type of business activities on the side, either in the host or home country?	
	Apart from formal work, what other activities did you participate in while abroad?	Describe your level of participation in social and professional events in your host country	
	How often were you in touch with family members and friends back home?	Describe the ways you used to stay in touch with them?	
		How often did you travel back home for visits and for how long did you typically stay?	
		How often did your family members or friends visit you abroad and for how long did they typically stay?	
	When and why did you make the decision to return home?	Explain	
	What preparations did you make towards your return home and how long did this process take?	What type of resources did you gather? Describe all type of resources including those meant for business.	
	What is your personal view about the general business/work environment as experienced in your host country	Discus both the negative and positive aspects and give a final verdict	
2. Experience upon return and home country Embeddedness			
What are the characteristics of institutional environment that confront returnee entrepreneurs in the country?	Describe your initial experience upon return home	Which major/minor changes had taken place in the period you were away? (Changes at the institutional or personal level) How did these changes affect you?	
	How were you received back by family members, friends and professional colleagues		

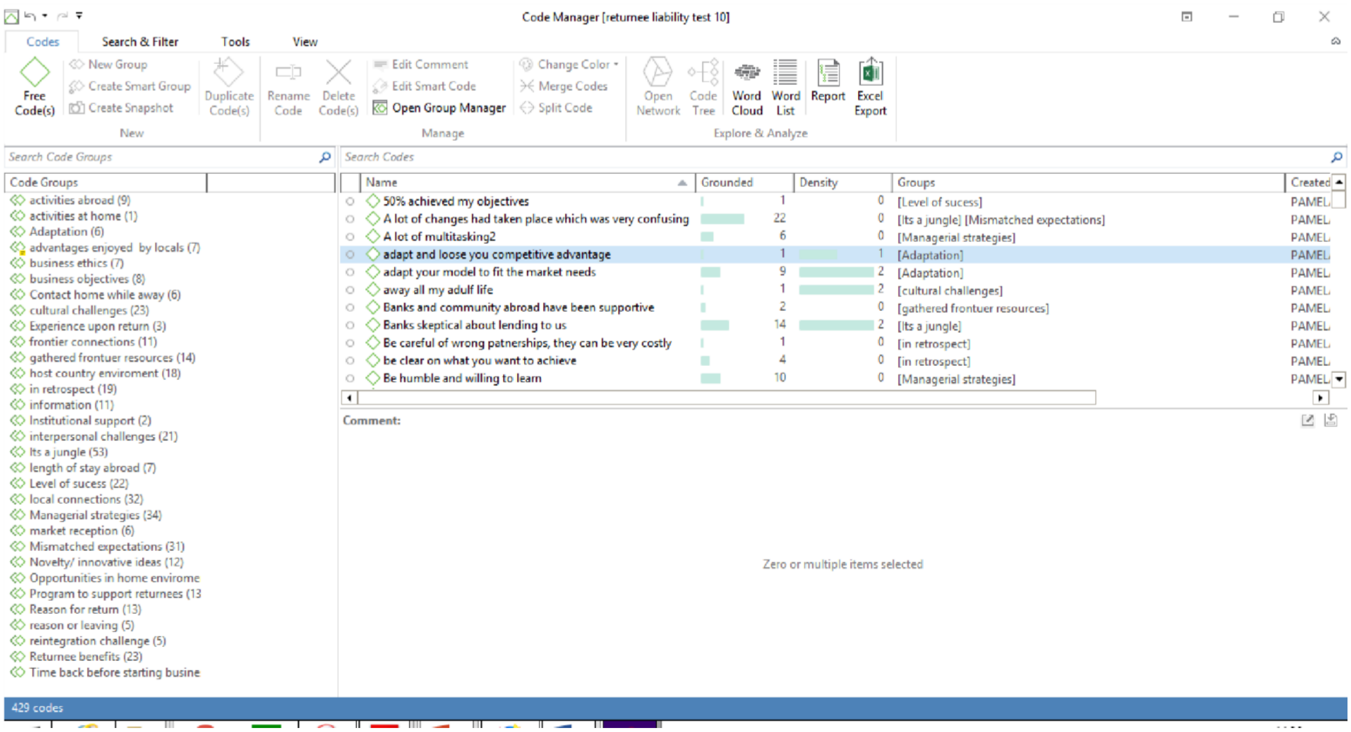
	How long did you stay before starting up your new business venture and why?	Explain the circumstances that influenced this length of time	
	Kindly describe the step by steps process of starting up and runnings your busines venture up to where it i today?	What factors in the business environment do you consider the most challenging and what factors have been most favourable to your business operations. Explain in detail	
	How do you feel about the General business environment in your home country? s How do you feel about home environment at the personal level? t	Do you believe other returning entrepreneurs within your circles have had similar experiences to yours? Explain	
	What advice would you give a Kenyan in the Diaspora preparing to come back home to start up a new business?	Explain the reason for this advice	
	In your opinion, what can the government and policy makers do differently to enable a conducive environment to support returnee entrepreneurs? In retrospect what would you do differently upon return home to get a better returnee experience? t r	Explain Expound	
3.Questions about legitimacy			
How does the institutional environment influence the legitimacy building activities of returnee entrepreneurs in the country	What was the main objective/ goals of starting up the new business venture in your home country?	Kindly expound on the vision, Mission and goals of your business? How are you progressing towards achieving the goals and objectives? Have you met your milestones?	
	How have your products/services been received in the market?	What are some of the most valuable feedback you have received from your customers or other stakeholders?	

	Who are the people and organizations that you network or partner with locally?	What is the nature of the partnerships/networks and how did the partnerships come about? How do they contribute to your business venture?	
	To what extent have you established relationships with other major stakeholders at home eg banks, suppliers?	Which specific stakeholders and how have they contributed to the business?	
	Does your business have any foreign stakeholders such as investors, partners, board members, customers etc	How have these relationships with foreign stakeholders affected your business relations with local stakeholders like the government? Explain	
	In your own opinion which local stakeholders have been most supportive and accepting of your business and which ones have been least supportive?	Why do you think this is so?	
	Have you ever lost a business opportunity such as an important customer/client or supplier to a local competitor	What would have prevented that from happening?	
	Do you think there are advantages local entrepreneurs enjoy that returnee entrepreneurs don't?	Why do you think this is so?	
	Apart from your business venture, how do you believe your country has benefited from your return home?	What other resources have you brought back with you apart from those accumulated specifically for business: -At professional level -At personal level	
	What would you like to see done differently in Kenya that would make the country develop faster?	Expound	
4.**Questions about embeddedness in local networks**			

How does the length of time abroad and back in the country before venture affect the entrepreneurial performance	list and describe the social and professional organisations and networks you currently belong in.	Describe in terms of family gatherings, connection with friends, professional networks, club membership, societies, gym, sports activities etc	
	How hard or easy has it been trying to integrate into or back into these networks after your stay abroad?	Explain	
	Do you believe you are fully integrated back into the home country now?	Explain why or why not. Any barriers and constraints experienced in the process	
	How have these local connections impacted on the performance your business venture, if at all?	Describe whether negative or positive at every phase of the business cycle	
	How do you believe the length of time spent abroad affected your level of engagement with the local community?	Expound fully	
	How has the situation above changed based on the length of time you have been back in the country?	Explain	
	In retrospect, what major changes do you believe you could have made during your stint abroad in terms of integration back into the home country?	Explain	
	What would you have done differently upon your return home in terms of better integration into the country?	Explain	
	Any other comments or closing remarks		

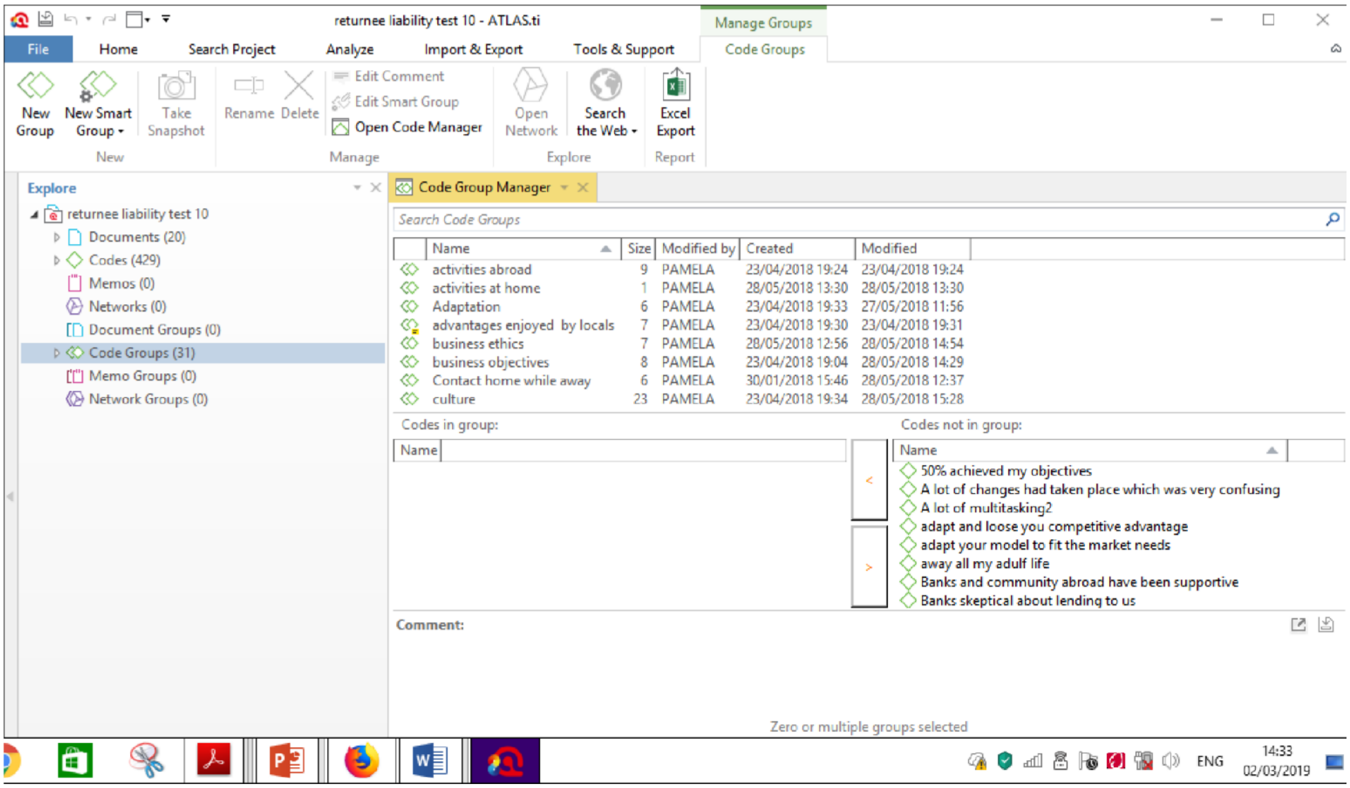
Appendix 2:

2nd level coding



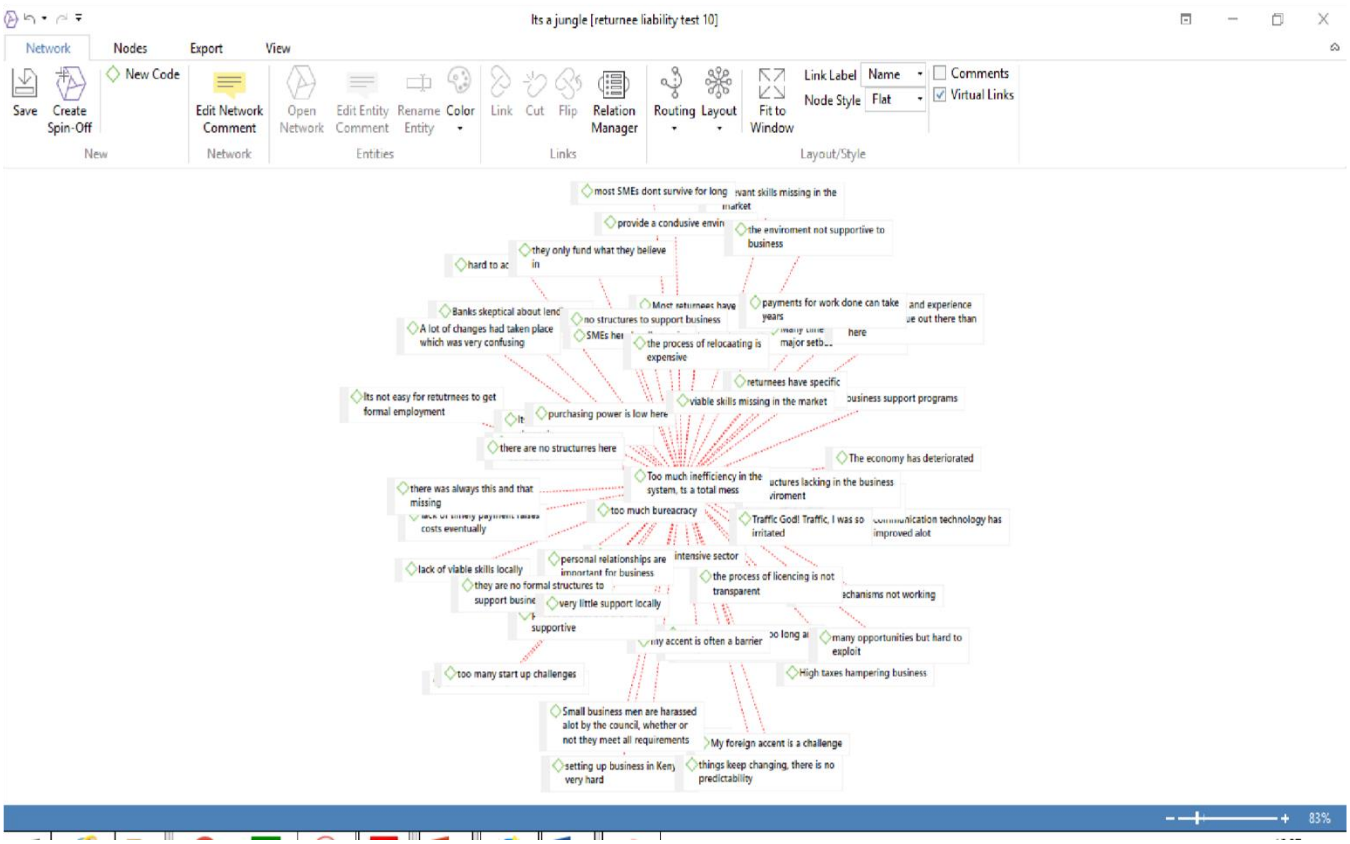
Appendix 3:

Code groups



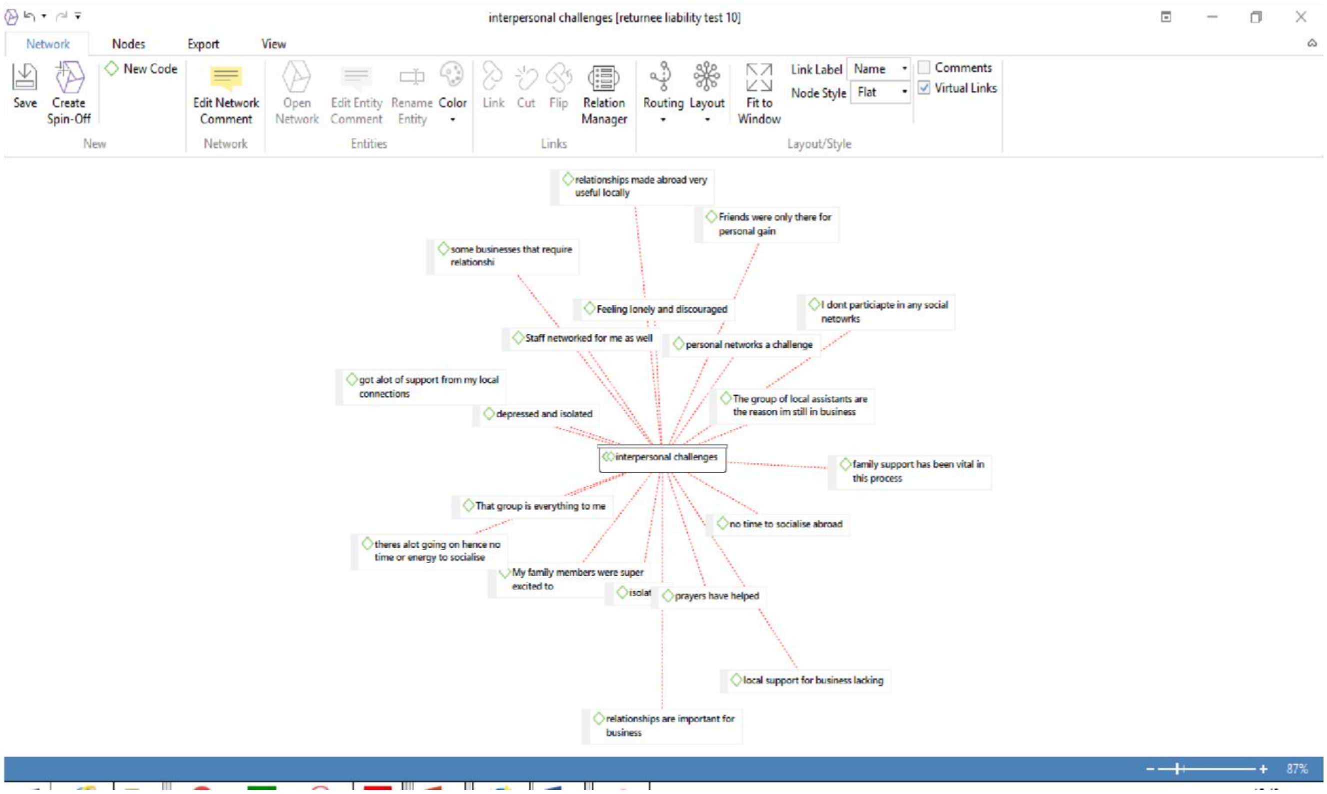
Appendix 4:

Network of institutional barriers and constraints



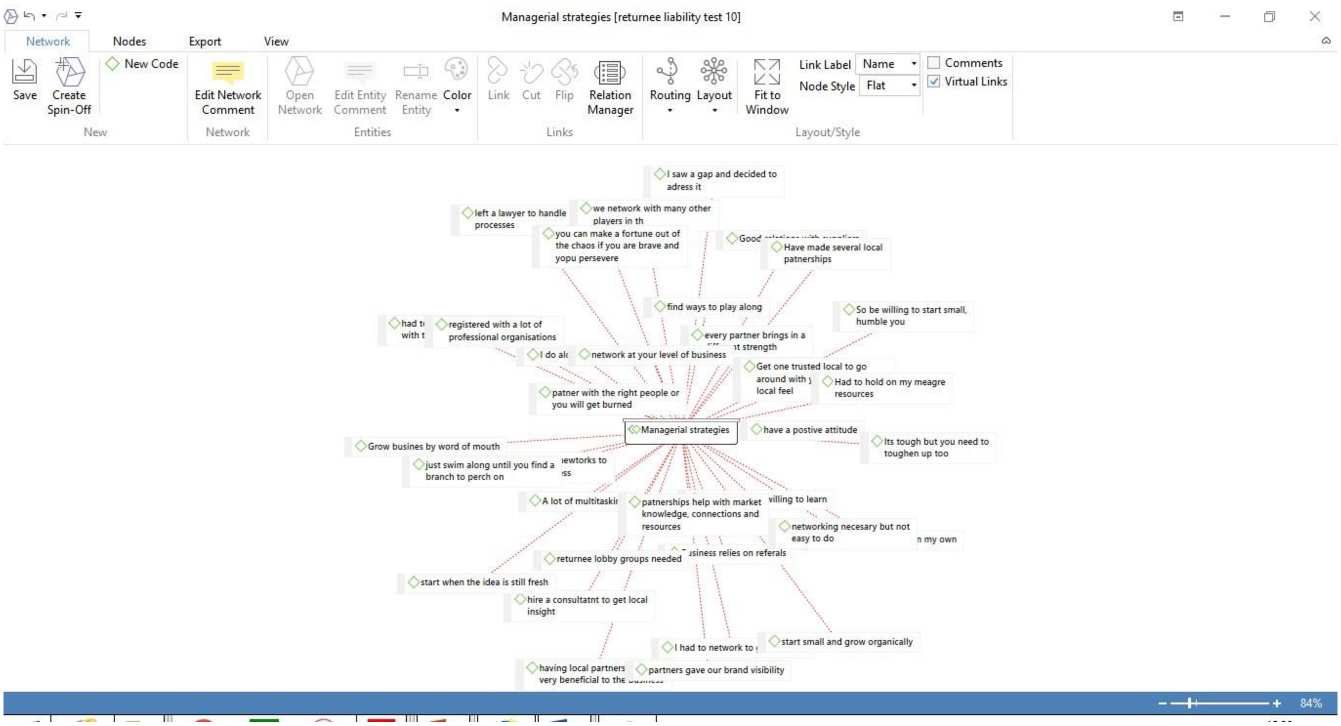
Appendix 5:

Networks of interpersonal barriers and constraints



Appendix 6:

Managerial strategies employed



Appendix 7

Informed consent statement

I am conducting a research study on the challenges and opportunities for returnee entrepreneurs in developing countries in Africa. The study specifically seeks a better understanding of the institutional environment that confront returnee entrepreneurs in Kenya and the strategies employed by the returnees to exploit their entrepreneurial potential in the country. To that end, I wish to request for your kind participation in this study by responding to this request for an interview. Our interview is expected to last about two hours and will consist of face to face discussions, together with voice recording of your entrepreneurial journey in the country since coming back story. Your participation is entirely voluntary and you can withdraw at any time without penalty. All data collected will be kept confidential with no mention of names and will be used entirely for the purpose of this study. If you have any queries, please contact me or my supervisor. Our details are provided below.

Researcher name and contacts: Pamela Adhiambo Mreji. P.mreji@yahoo.co.uk Tel: +254722733589

Research Supervisor name and contacts: Prof Helena Barnard, barnardh@gibs.co.za Tel:

Signature of participant: ________________________Date: _____________

Signature of researcher: ________________________Date: ______________

Signature of supervisor: _____________________ _Date: _______________