



Kaunas University of Technology

School of Economics and Business

Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

Master's Final Degree Project

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Kaunas, 2022



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Summary

As a state, Lithuania has been characterised by a high emigration rate throughout the years, resulting in economic and human capital losses, as well as a demographic drain. In the recent years, however, a promising trend of re-emigration is emerging, with potential to positively affect the Lithuanian economy and society. Although the impact of social networks in migration and entrepreneurship are receiving attention, the intersection of research exploring social networks as factors influencing migrant and re-emigrant entrepreneurship is limited, especially in the case of Lithuania.

Thus, the **aim** of this master's degree final project is to explore the impact of social networks on the decision of re-emigrants to start entrepreneurial activity in their home country Lithuania. The following research objectives are formulated:

1. To investigate the role of social networks in making entrepreneurial decisions after returning to the home country;
2. To analyze the existing theoretical literature regarding social networks, re-emigration, entrepreneurship, and links among them;
3. To develop a model for revealing the influence of social ties on the decision to start entrepreneurial activity after returning to the home country;
4. To apply the theoretical model in practice in order to explore the link between social networks and the decision of re-emigrants to start entrepreneurial activity in their home country.

Methods. Based on the analysed existing theoretical background in the areas of study, a qualitative research method is chosen, using semi-structured interview guides as means to collect data. Data processing is done both manually and using Maxqda Pro 2022 software package.

Results. The analysis of existing theoretical background regarding social networks in the realms of migration and entrepreneurship is used to develop a theoretical model for exploring the impact of social networks on the decision of re-emigrants to start entrepreneurial activity in their home country. The model is divided into 3 business creation phases: motivation, planning, and establishment. The main premise of the model is that during motivation and establishment phases cohesive social network attributes (low number of ties, high strength ties, and trust) are most present, while the planning phase is characterised by social network heterogeneity (higher number, lower strength ties, lower importance of trust). The collected data generally confirms the shift in cohesion and heterogeneity attributes during the different phases indicated in the model.

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Santrauka

Emigracija – ilgus metus Lietuvą kaip šalį žymėjęs bruožas, lemiantis ekonominius ir žmogiškųjų išteklių praradimus, neigiamą demografinį poveikį. Vis dėlto pastaraisiais metais ryškėja pozityvi re-emigracijos tendencija, turinti potencialo daryti pozityvią įtaką Lietuvos ekonomikai ir visuomenei. Nors socialinių tinklų poveikis migracijos ir antreprenerystės sferose sulaukia dėmesio, tyrimų, sujungiančių šias sritis, ir tiriančių socialinius tinklus kaip faktorių darantį įtaką migrantų ir re-emigrantų antreprenerystei kiekis yra limituotas, ypač Lietuvos atveju.

Dėl to, šio magistro baigiamojo darbo **tikslas** yra atskleisti socialinio rato įtaką re-emigrantų sprendimui pradėti antreprenerišką veiklą sugrįžus į gimtąją šalį. Tikslui įvykdyti išskelti šie uždaviniai:

1. Ištirti socialinio rato įtaką priimant antrepreneriškus sprendimus sugrįžus į gimtąją šalį;
2. Išanalizuoti esamą teorinę literatūrą, tiriančią socialinį ratą, re-emigraciją, ir antreprenerystą, bei sąsajas tarp jų;
3. Sudaryti teorinį modelį, leidžiantį atskleisti socialinių ryšių įtaką sprendimui pradėti antreprenerišką veiklą sugrįžus į gimtąją šalį;
4. Pritaikyti teorinį modelį praktikoje siekiant ištirti sąsajas tarp socialinio rato ir sprendimo pradėti antreprenerišką veiklą sugrįžus į gimtąją šalį.

Metodai. Išanalizavus esamą teorinę literatūrą tiriamose srityse pasirinktas kokybinis tyrimų metodas, duomenų rinkimui pasitelktas pusiau struktūruotas interviu gidas. Duomenys apdoroti naudojant mechaninę analizę ir Maxqda Pro 2022 programinį paketą.

Rezultatai. Remiantis analizuota esama teorine literatūra, tiriančia socialinį ratą migracijos ir antreprenerystės sferose sudarytas teorinis modelis, skirtas atskleisti socialinio rato įtaką re-emigrantų sprendimui pradėti antreprenerišką veiklą sugrįžus į gimtąją šalį. Odelis padalintas į tris verslo kūrimo fazes: motyvacijos, planavimo, ir įkūrimo. Pagrindinė modelio prielaida – motyvacijos ir įkūrimo fazėse reikšmingiausi glaudaus socialinio rato atributai (mažas ryšių kiekis, stiprūs ryšiai, ir pasitikėjimas), o planavimo fazei būdingas heterogeniškas socialinis ratas (didesnis ryšių kiekis ir mažesnis jų stiprumas, mažesnė pasitikėjimo svarba). Surinkti duomenys didžiąja dalimi patvirtina glaudumo ir heterogeniškumo atributų kaitą skirtingose modelyje nurodytose fazėse.

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List of terms

Social networks – a collection of nodes (individuals, organizations, and other actors), linked by connections that unite them into a network (Kousik, Das, and Madhumangal, 2018).

Social ties – connections among individuals within the social network.

Entrepreneurship – a generation of value through the establishment and development of economic activities and introduction of innovation in the field of activity (Ahmad and Seymour, 2008).

Entrepreneur - an individual embracing uncertainty by bringing innovation to the sphere they develop business activity in (Leyden, Link and Siegel, 2014), creating value for both themselves and the environment their business is in (Ahmad and Seymour, 2008), both responding to shifts in environment and creating these shifts themselves (Bruyat and Julien, 2001).

Emigration – departing the state of residence or origin with a goal of spending at minimum of 1 year abroad (European Commission, 2022).

Emigrant – an individual leaving their state of origin or current residence, intending to stay abroad for at least 1 year (European Commission, 2022).

Re-emigration – a phase of the migration cycle, in which an individual returns back to their home country and establishes themselves there after spending a significant time period abroad (Monti, 2019).

Re-emigrant – an individual returning to their home state and establishing themselves there after spending a significant time period abroad.

Home country – the origin country of the migrant residing abroad; the origin country of the re-emigrant.

Host country – the country receiving the immigrant.

Introduction

Research problem. Migration is certainly not a new phenomena, as arguably since the beginning of history it has been a driver of change, ideas, and development across the world (Papademetriou, 2015). However, for states such as Lithuania, which for many years have been considered as primarily emigrant-sending, emigration can mean economic loses, brain drain, as well as demographic and labor market shortages (Sipavičienė and Stankūnienė, 2013). However, data gathered by Statistics Lithuania (2002) shows a promising increase of Lithuanian re-emigration, with the state receiving nearly as many re-emigrants as emigrants it is sending abroad. The relationship between re-emigration and development is complex, yet the positive effects it brings are noted in both migration and entrepreneurship fields (Croitoru, 2020). According to existing research in the field, re-emigrant inflows are not just streams of individuals - they are also flows of economic and social benefits to the home state (Audretsch, 2002; Dustmann and Kirchkamp, 2002; Vandor, 2021).

In the case of Lithuania, the majority of Lithuanian re-emigrants are voluntarily returning labor migrants (EMN, 2021), while those returning voluntarily are considered to be the most beneficial to the home state (Fransen, 2015). While abroad, re-emigrants experience human capital gains and are able to accumulate financial savings, making this group capable of initiating entrepreneurial activity after re-emigrating (Dustmann and Kirchkamp, 2002). Vandor (2021) notes that this combination that re-emigrants bring make the group especially beneficial to the home state as entrepreneurs. When comparing to non-migrants, re-emigrants as a group have a higher likelihood of becoming entrepreneurs (Hamdouch and Wahba, 2015; Alili and Adnett, 2021), while experience and varying types of capital gathered in emigration increase entrepreneurial activity survival rates of re-emigrants (Marchetta (2011).

The role and impact of social networks demands attention: a study performed in China has found that individuals with varying types of tie strength in their network can be seen as drivers of innovation, while entrepreneurs can develop network ties purposefully with a goal of facilitating innovation (Chen, Wang, Ieromonachou & Lu, 2019). Klyver and Hindle (2008) have also found that the social networks of entrepreneurs differ from those of non-entrepreneurs, as the social networks of entrepreneurs are more diverse, heterogeneous, and broad. From another point of view, a study of 20 country representatives has found that having business-minded individuals in one's social network increases the likelihood of that individual starting a business themselves (Klyver, Hindle & Meyer, 2008).

The body of migration research focused on the social realm has been growing in the recent years (Sinatti, 2019), signaling the growing interest in the topic. In the meantime, the field of entrepreneurship is starting to explore the effects of social networks and ties, the pool of research in the field is still arguably focused on entrepreneurs' individual characteristics (Shepherd, Wennberg, Suddaby and Wiklund, 2018). Thus, this study focuses on the less explored interconnection of re-emigration, entrepreneurship and social networks.

Research aim - to explore the impact of social networks on the decision of re-emigrants to start entrepreneurial activity in their home country Lithuania.

Research objectives:

1. To investigate the role of social networks in making entrepreneurial decisions after returning to the home country;
2. To analyze the existing theoretical literature regarding social networks, re-emigration, entrepreneurship, and links among them;
3. To develop a model for revealing the influence of social ties on the decision to start entrepreneurial activity after returning to the home country;
4. To apply the theoretical model in practice in order to explore the link between social networks and the decision of re-emigrants to start entrepreneurial activity in their home country.

Research project structure. This research project is structured into four parts, following a logical and chronological sequence: starting from problem analysis and theoretical solutions, followed by methodology, results and their discussion, and lastly conclusions, limitations, and recommendations.

Research methods. The qualitative method of this study is chosen based on the beforehand performed analysis of the existing theoretical background in the field of study. Semi-structured interviews are chosen as a data collection method in order to leave room for participant insights and additional *ad hoc* questions for an accurate representation of the role of social networks in entrepreneurial activity establishment phases. The gathered data is then analysed both using Maxqda Pro 2022 for the highest accuracy, also developing visualizations manually for a more minimalistic representation of the key findings.

Research results. Taken altogether, the results of the performed data analysis generally confirm the basic premise of the theoretical model. Attributes of cohesion are more prominent during the motivation and establishment phases, while heterogenous attributes are named by more participants when referring to the planning phase of entrepreneurial activity establishment. Family and friends are most often mentioned by participants in regards to motivation and planning phases, while acquaintances and professional connections characterize the planning stage. The number of ties used in the motivation phase is relatively low, with participants indicating a significant increase in number during the motivation phase, and again a decrease during the last phase of the establishment.

However, it is important to note that although the heterogeneity versus cohesion shift is prominent when evaluating their signals altogether and grouped, individual attributes of cohesion (low number of ties used, family, friends, higher trust) and heterogeneity (high number of ties, acquaintances, professional connections, lower importance of trust) in some cases do not entirely conform to the theoretical model projections. The participants of this study named professional connections as important players during the motivation phase. Similarly, friends and especially family are named by some as social ties having an influence during the planning phase, meaning that although the mentions of family and friends decrease when discussing the planning stage, their influence remains relevant. The highest deviance from the model is seen when evaluating trust, with trust generally only being mentioned as a factor of importance when discussing the establishment phase.

Research Limitations. The theoretical analysis describes many cohesion and heterogeneity attributes, but only some key signalers were chosen for the purposes of this qualitative study. Extensiveness of limited factors was prioritised over quantity of attributes. Thus, there is room for both quantitative studies examining the role of social network during entrepreneurial activity

establishment and qualitative studies for a deeper exploration of the cohesion/heterogeneity signals that were omitted due to the scope of this research project.

1. Problem Analysis on Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

This section overviews migration and re-emigration trends both globally and on a state level, social and economic relevance of re-emigration and entrepreneurial activities upon return, as well as the impact social networks have on entrepreneurship, specifically focussing on the aftermath of re-emigration back to the home state. Statistics, existing academic literature, and research in the field are used to ground the necessity and relevance of studying the level of impact social networks have on entrepreneurial decisions upon re-emigrating back to the home country - Lithuania.

Arguably since the beginning of humankind, migration has played the role of facilitating change, growth and progress across the globe (Papademetriou, 2015). Over the past 5 decades, there has been an increase in the global number of migrants: it is estimated that around 281 million individuals resided outside their state of origin in 2020 (IOM, 2020). The volume of migrants has increased in all United Nations' member states, but this is especially applicable when discussing the mobility within Europe (IOM, 2020). In regards to Europe, according to the source, the region was home to 86.7 million migrants as of mid-year 2020. The role Baltic states play in terms of migration is certainly that of sending states: citizens of Lithuania, Latvia and Estonia are choosing to take advantage of the ease of intra-European mobility in order to pursue a better life abroad (Juozeliūnienė and Budginaitė, 2016). Human mobility is arguably becoming a norm in the region as individuals are becoming more and more mobile between borders. This is especially applicable in the case of Lithuania: since regaining independence, the country has lost roughly 1.1 million of its population due to emigration (Ruškus & Kuzmickaitė, 2016). Emigration can be considered to be one of the most pressing state-level issues Lithuania faces due to the detrimental demographic, labor market, and economic consequences it poses to the state (Sipavičienė and Stankūnienė, 2013).

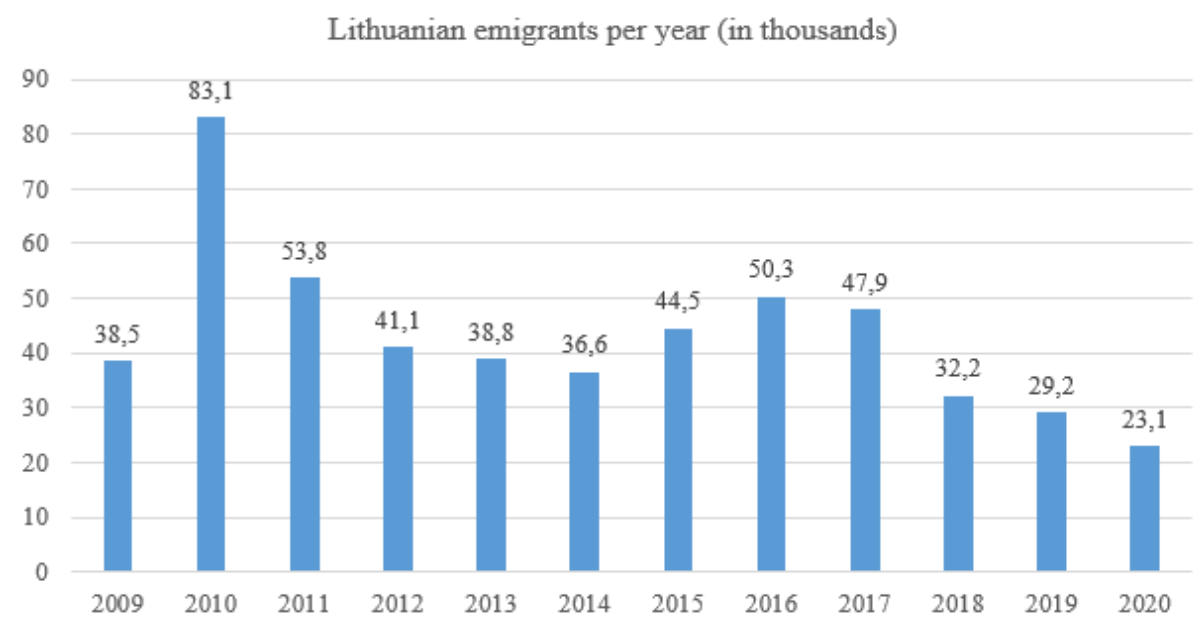


Fig. 1. Lithuanian Emigrants, 2009-2020 (Statistics Lithuania, 2022)

As the bar chart above showcases, high emigration rates have been a defining characteristic of Lithuania, both prior and post the Soviet regime, and this defining attribute remains relevant to this day (Sipavičienė and Stankūnienė, 2013). Although the numbers may not seem significant on an

international scale, they can be demographically and economically detrimental to such a small state. Despite emigration numbers decreasing in the recent years, they are still significant given the size of Lithuania's population. A promising development is visible in terms of Lithuanian re-emigration. According to Sipavičienė and Stankūnienė (2013), this phenomenon has the potential to shift migration from a national threat into a possibility.

As for re-emigration, due to different measurement techniques, definitions, and a sheer shortage of accurate data, an exact number of re-emigrants globally is not available (Wahba, 2021). However, according to the author, according to census data of around 60 countries, about 42% of immigrants are returning migrants on a global average. For many years, a significant proportion of immigrants in Lithuania are Lithuanian citizens returning back to their home country after spending time abroad (EMN, 2021). For many years, on average, about 82% of immigrants coming into Lithuania were returning nationals, although recently Lithuania has been receiving increasing numbers of immigrants of other nationalities (EMN, 2021). The following table highlights Lithuanian re-emigrant numbers from 2009 to 2020, based on the data gathered from Statistics Lithuania (2022), visualizing the promising numbers of Lithuanian re-emigrants, returning back to their state of origin.

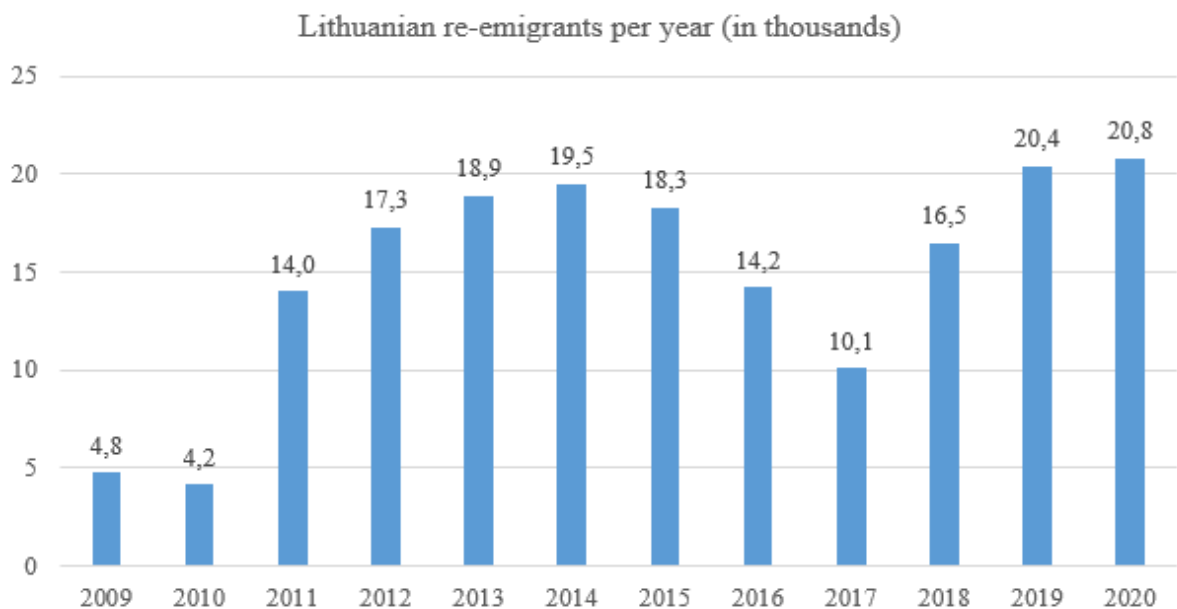


Fig. 2. Lithuanian Re-emigrant Numbers by year: 2009-2020 (Statistics Lithuania, 2022)

As the bar chart indicates, return migration had been steadily increasing from 2009 to 2014, with a gradual decline lasting until 2017. After that, the numbers have been increasing again at a rather steady pace, doubling from 2017 to 2020. Although the relationship between re-emigration and development is extremely complex and multidimensional, the positive effects of this phenomenon on the home state are broadly discussed in the existing literature and research in the fields of migration and entrepreneurship (Croitoru, 2020). The potential benefits of re-emigration are discussed more in detail in the following paragraphs.

The most important factors determining how beneficial re-emigrants are to the economy of the sending state are the proportion of migrants, type of flow (voluntary or forced), and the timing of the return (Fransen, 2015). The author states that voluntary returnees are often the most beneficial, as their return is a product of a desire to continue pursuing their life back in the home state and flourish

there rather than a failure at the host state. In addition, the time spent abroad and the skill/education level of re-emigrants is directly correlated to how beneficial to the home state development their return may be. According to the author, it is also noteworthy that the area to which a re-emigrant returns can affect their impact, as it should have a relatively developed labor market, infrastructure, and prospects for growth. It is a prerequisite for the individual to be able to use their experience and skills in order to gain the best individual benefit and thus contribute to the state. The returning Lithuanian nationals are most often voluntarily returning labor migrants (EMN, 2021), and their volumes are vast in comparison to the total Lithuanian population. Thus, the impact of Lithuanian re-emigrants can be positively significant to the home state's social and economic spheres and development.

Dustmann and Kirchkamp (2002) have found that a combination of a wage premium abroad, together with the human capital gains migrants experience in the host state makes them more likely to engage in entrepreneurial activity upon return. While abroad, migrants have the potential to absorb values, ideas, social norms and best practices of the often more developed host state, therefore positively impacting the social arena of their home state after returning (OECD, 2017). During their time in the host state, migrants transfer such valuable information in the form of social remittances.

Levitt (1998) describes social remittances as the diffusion of culture through the interaction between migrants and those they have left behind in their home state. According to the author, the transmission of social remittances occurs not only during the migrants' stay abroad. Social remittances also move together with re-emigration flows, bringing ideas, behaviors, and other forms of social capital to the home state communities. Levitt and Lamba-Nieves (2011) categorize forms of social remittances into norms, practices, identities, and general social capital. It is crucial to note that the authors argue that social remittances are scalable and translate into future employment and entrepreneurial activities of the re-emigrants. As a consequence, re-emigrants as entrepreneurs can have a tendency to apply clearly defined organizational frameworks, practice timeliness, and generally apply the best practices they learned from how business is conducted in better-developed host states.

Given that Lithuanians are primarily voluntary labor migrants, as a group they have a high potential to bring these best practices into their workplaces and business ventures, consequently bringing tangible financial gain to the home state. Wahba (2015) argues that the social benefits the home state receives from a migrant's return can be directly translated into an economic benefit. Although the accumulation of savings does make the process easier, social ties can be just as important as a financial buffer when engaging in entrepreneurial activities upon return (OECD, 2017). A study by Piracha and Vadean (2010) has found that Albanian re-emigrants are much more likely to become entrepreneurs after returning to their home state as opposed to those who have never migrated.

A well-known notion regarding emigrants' contribution to the home state's economy is that the financial remittances they send can significantly improve the sending state's development and economic welfare (De Hass, 2005). Such remittances can be used to develop productive activity and benefit the sending state economically in the long term, yet re-emigration is argued to have a higher positive net economic impact on the home state than just emigration (Wahba, 2014). It is estimated that in 2019 remittances sent by either migrants or diaspora members comprise roughly 717 billion US dollars (IOM, 2020). While abroad, individuals often accumulate financial savings that soften the monetary barriers to starting a business after returning to their home state (Wahba, 2021).

In fact, it is acknowledged in the existing academic literature that emigration can be viewed as a tool or strategy that enables otherwise financially constrained individuals to accumulate financial capital, which is to be invested in the home state after returning. Consumption, investment, and entrepreneurship are often favored in the home state rather than the host state due to perceived higher utility (Wahba, 2014). According to Wahba (2015), often the decision to return is part of the initial financial emigration strategy. The author argues that those who return often make this strategic decision to earn enough capital for investment in self-owned entrepreneurial or business activities after returning to their home state. Such activities would have a higher rate of return in the home state in terms of the capital invested than they would in the host state. Naudé, Siegel and Marchand (2017) argue that the decision to re-emigrate and the decision to pursue entrepreneurship as a career path after returning could be made simultaneously. Hamdouch and Wahba (2015) expand this argument by indicating that such planning can be seen as a way of maximizing lifetime utility and expediting entrepreneurial activity with a pool of financial resources that can be earned relatively more quickly abroad than in the usually relatively less developed home state. According to the authors, the starting capital of entrepreneurial projects of the returnees is often completely self-funded through the funds saved up in emigration (Hamdouch and Wahba, 2015). The scholars note that a third of re-emigrants invest in productive entrepreneurial ventures rather than petty consumption, mobilizing their savings and potential for a positive economic return both for themselves and their home state.

Moreover, re-emigrants often play the role of increasing competition in the segments they choose to conduct business in by introducing new products, services, and general organizational frameworks (Audretsch, 2002). Entrepreneurs act as disruptors of the status quo, thus facilitating the growth of their industries and the economy. Entrepreneurs introduce new technologies, products, services, and generally bring innovative ideas to the market. By introducing new innovative products and services entrepreneurs drive. Such disruption of stagnation in the market causes the existing players to rethink their strategy and the solutions they offer. The entrance of new innovative businesses has been shown to act as a stimulant of productivity of the established actors (Kritikos, 2014). As a consequence, the market benefits from an increase in research and development activities in innovative solutions, thus maximizing utility to the customer, as well as the growth and expansion of the sector. It is important to note that entrepreneurship has the capacity to not only grow existing sectors but also open up new markets through the introduction of new solutions (Audretsch, 2002). The combination of new ideas, innovation, knowledge, and financial capital brought from abroad and focusing it on developing entrepreneurial ventures in the home can have a truly disruptive positive effect on the home-state industries.

Overall, the existing academic works suggest that re-emigration can act as a positive disruptor of home state sectors, thus facilitating innovation and change. The combination of financial assets and human capital re-emigrants bring to the home state can have a tremendous positive impact in a multitude of areas at the home state, especially when used for entrepreneurial activity (Vandor, 2021). The returnees that foster such activity are especially relevant to the home state in terms of their impact on the labor market, innovation, the economic growth of their fields of activity, and thus the economy of the state itself. Entrepreneurs can act as labor market stimulators, creating jobs as they enter and grow their activity in the market. New business ventures account for roughly 33% of all employment conditions, while entrepreneurial establishments account for a quarter of this percentage (Malchow-Moller, Schjerning & Sorensen, 2011). Despite the employment power of entrepreneurs being shown

to occur in waves, it is still argued to have a positive net effect in both the short and long term (Kritikos, 2014).

In comparison to non-migrants, re-emigrants have a 13% higher likelihood of engaging in entrepreneurship (Hamdouch and Wahba, 2015). A study by Alili and Adnett (2021) on Albanian re-emigrants has found that self-employment rates among Albanian re-emigrants are almost 15 times greater than the average rates of the rest of the population. When it comes to inclination toward entrepreneurship, Vandor (2021) states that re-emigrants are characterized by entrepreneurial traits and a higher inclination towards entrepreneurship after returning to their home state than the individuals who have never migrated do. The author notes that re-emigrants generally have a higher degree of risk tolerance, an important determinant for engaging in entrepreneurial activity. The highly skilled and qualified individuals are arguably the most beneficial to the home state: Dustmann and Kirchkamp (2002) indicate that highly skilled and experienced emigrants are especially likely to return as entrepreneurs, generating high rewards for their human capital and entrepreneurial know-how. The study in Egypt performed by Marchetta (2011) has shown that the experience abroad and the multifaceted capital gained there can be viewed as a significant contributor to the higher survival rates of re-emigrant entrepreneurial activities.

The role of social networks in terms of entrepreneurship is a sphere within the field that requires more attention due to the promising insights existing research in the field projects. A study performed in China, exploring the relationship between social ties, networks and entrepreneurial innovation has found that staff members having varying types and strengths of social connections can be seen as facilitators of innovation in Chinese firms (Chen, Wang, Ieromonachou & Lu, 2019). The authors note that intrapreneurs within those firms can purposefully establish and develop beneficial social networks and ties, as a result facilitating innovative activity within their firm. A study of individual entrepreneurs and their business activity in Australia has shown that the social networks of entrepreneurs differ from those of non-entrepreneurs: their social networks are more diverse, extensive and heterogenous in terms of skills, experience and resources (Klyver and Hindle, 2007), signalling the ability of entrepreneurs to use their social networks as a resource. To add, entrepreneurs may take advantage of social networks to gain access to resources they themselves do not have in possession. From a different perspective, a study of 20 countries has shown that those that have an individual who has started a business within the last 2 years in their social network are more likely to start their own entrepreneurial activity (Klyver, Hindle & Meyer, 2008).

Although the research regarding re-emigrant entrepreneurship is rather limited, the existing studies are generally in line with the aforementioned arguments regarding the positive effects of social networks and ties in terms of entrepreneurship when it comes to re-emigrants. Studies on re-emigrant entrepreneurship note that social networks can play a significant role in fostering entrepreneurial activity after returning to the home state: Sinatti (2019) has found that Senegalian re-emigrants highly benefit from both transnational social ties and social networks within the home state when developing their business ventures. In line with this research, Wang (2020) has performed a study using a sample of cross-country re-emigrants who have previously resided in the United States, and found that the returnees who have maintained their social ties they developed abroad are more likely to start their own business ventures after returning. The author notes that the social connections had the most significant effect when the home and host market environments had a higher degree of similarity, especially in terms of their development. In addition, the strength and closeness of the connection between individuals play a significant role in the process. A qualitative study of migrant entrepreneurs

from 10 countries performed by Bianchi, Caputo, Lo Cascio and Baglioni (2021) have found that migrant entrepreneurs are able to upkeep the social network ties they have developed while residing in another country, and use them for the benefit of their ventures, implying that returnees are capable of mobilizing the networks they have developed abroad for the benefit of their businesses upon return. In addition, a study performed by Turkina and Thai (2013) has found that fostering social networks and interpersonal trust among the ties has a correlation with the success of migrants' entrepreneurial ventures. It is important to note that the authors found that both general migrant entrepreneurship and high-value added entrepreneurship were positively affected by these aspects. Overall, existing studies showcase how re-emigrants are capable of maintaining social networks and ties beyond state borders and mobilizing them for the benefit of their business. The significant insights from studies performed in other countries signal the necessity of conducting comparable research in the case of Lithuanian re-emigrants.

According to Papademetriou (2015), home states can mobilize re-emigrants to use the human and financial capital they have accumulated abroad to use it for entrepreneurial activity by developing policies designated to assist in this matter. The author states that by doing so, the home state is essentially providing a more comfortable environment to the returnees and improving adaptation rates, thus decreasing the likelihood of repeated emigration and maximizing benefit to the home state. Re-emigrant business activity and entrepreneurial potential are being recognised as a possible source of progress by home states. As a response to re-emigrant entrepreneurship, some states have begun to offer financial assistance and help in finding locations such as offices and coworking spaces for business activity with a goal to help re-emigrants establish their entrepreneurial activity (Vandor, 2021). A quantitative study of Romanian re-emigrants has indicated that the migration experience returnees have can be mobilized more effectively through the efficient usage of government policies to ensure higher entrepreneurial success of those who returned to pursue such activity (Croitoru, 2020). Given the relationship between social networks, entrepreneurship and re-emigration previous studies suggest, it is necessary to further explore their possible interconnectedness to provide additional insights for policy development. Facilitating the creation of re-emigrant social networks, re-emigrant adaptation and inclusion in home state social networks could benefit creation and growth of their future ventures, thus creating value to the home state.

According to the existing studies, social networks can act as enablers of entrepreneurial activity, mobilizing re-emigrants to start entrepreneurial ventures in the home state. Yet the focus in existing entrepreneurship research is often on the individuals' characteristics that influence their inclination towards entrepreneurship, with a tendency to neglect other aspects, such as the influence of social networks as a resource in itself (Shepherd, Wennberg, Suddaby and Wiklund, 2018). As for the field of migration, scholars in this area have begun exploring the social realm as a source of influence a few decades ago, with even more extensive and insightful research emerging in recent years (Sinatti, 2019). The positive impact entrepreneurial activity of returnees is capable of generating imposes the need of combining the previous research in these fields to explore the interconnection between entrepreneurship and social networks. The investigation of the role of social networks in starting entrepreneurial ventures upon return may yield high results for policymakers. Policymakers may use this knowledge to develop policies aimed at encouraging re-emigration flows that are more targeted and efficient, yielding an easier start and development of entrepreneurial activity. Thus, the purpose of this study is to examine the impact social networks have on starting entrepreneurial ventures upon re-emigrating back to the home state.

2. Theoretical Solutions on Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

The problem analysis of social networks' impact on re-emigrant entrepreneurs' decision to start a business grounds the necessity to explore the topic deeper in the context of Lithuania. This section overviews the academic background in migration, social network theory and entrepreneurship, including relevant theories, definitions, categorizations, and factors. Based on the analyzed literature, a theoretical model is developed in order to fulfill the aim and objectives of the study.

2.1. The Phenomenon of Re-Emigration

Human mobility between borders is certainly not a new occurrence, even though it is explored more than previously during the recent decades. Arguably migration has been occurring since the beginning of humankind and could be seen as a process that is more natural than staying settled in one location (Kok, 1997). Despite migration being a widely studied topic, a single and commonly agreed-upon definition for this term is difficult to develop due to the multifacetedness and complexity of the phenomena. Kok (1997) argues that the points literature agrees upon are that migration can be defined by time spent abroad and leaving one's place of residence by moving to often both physically and culturally distant environments that are significantly different from the home environment. The author notes that an exact time period and distance are difficult to indicate due to differences in individual migration experiences and how these factors influence them. Broadly speaking, a significant time period can be defined as one that has an effect on the individual in terms of their human capital and experience. A significant distance can be seen as one that forces the individual to shift their habits, routine and the general way of life. The process of migration induces changes and development in an individual's life trajectory that would not have been present if they had not migrated.

The re-emigration phase is considered to be just as difficult to define as migration itself (Battistella (2018), with scholars assuming different definitions to study niche groups that are too different to assign to the same category. The broad definition that is widely used in academia is that re-emigration refers to a phase in migration cycle in which an individual returns back to their home state and establishes themselves there after having spent a significant amount of time abroad (Monti, 2019). The following visualization showcases the re-emigration phase in the broader context of migration cycles.

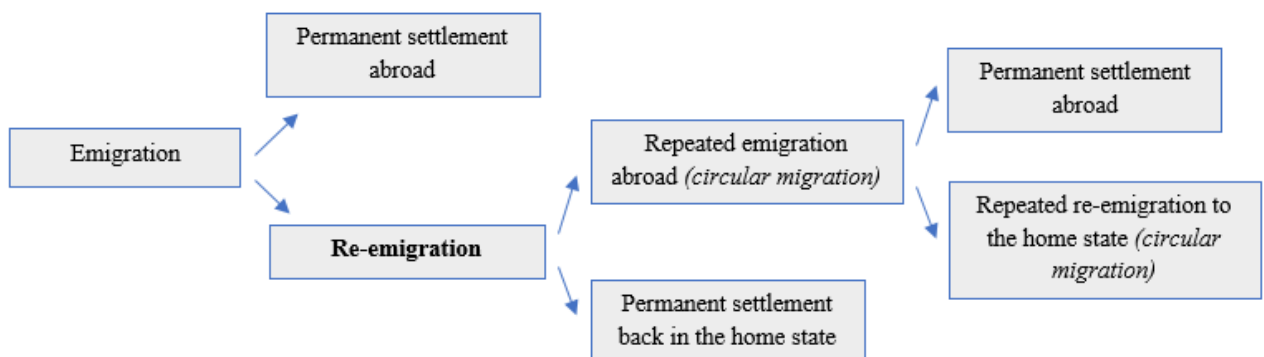


Fig. 3. Re-emigration Phase Within the Broader Migration Cycle (Piracha and Vadean, 2009)

According to Monti (2019), the broad definition of re-emigration can be adapted by researchers to best fit the population they analyze to yield the most accurate results. This can be applied in terms of

distinguishing between types of flows, migration motivation, migratory success, etc. According to Battistella (2018), arguably the most important differentiation of types of re-emigration back to the home state is distinguishing between voluntary and involuntary, also referred to as forced re-emigration, as causes, effects and consequences of the different types are vastly different and must be examined and responded to using different methods and approaches. Most importantly, policies aimed at encouraging re-emigration inflows and re-integrating ex-emigrants back into the home state must be developed to accommodate each differing type of returnees. The following illustration visualizes the spectrum of voluntary-involuntary re-emigration, the implications each category has in terms of policy recommendations, as well as the potential they have on effecting the re-emigrants adaptation trajectory.

Re-emigration	<i>Voluntary</i>	Achievement	Completion	Temporary setback	Crisis	<i>Forced</i>
	<i>End of cycle</i>	←—————→				<i>Cycle phase</i>
Policy and potential	<i>Development</i>	Entrepreneurship	Re-adaptation	Repeated emigration	Emergency assistance	<i>Assistance</i>
	<i>Indirect</i>	←—————→				<i>Direct</i>

Fig. 4. Voluntary/Involuntary Re-emigration and Fitting Policy Recommendations (Battistella, 2018)

According to Battistella (2018), when analyzing re-emigration as voluntary versus involuntary mobility, it is useful to envision this as a spectrum. Achievement of original emigration objectives is on the end of entirely voluntary re-emigration, while a crisis experienced abroad is on the forced end, coercing ex-emigrants to leave their host state. As the illustration highlights, a voluntary return characterized by achievement of objectives or completion of a set timeframe is usually the end point of the migration cycle, leading to a permanent settlement in the home state. In contrast, a temporary setback or crisis is often followed by merely a temporary return, followed by re-emigration or a circular pattern of mobility.

As for implications and potential for policy applications, the closer to the voluntary end of the spectrum an individual’s case is, the more likely they are to not only return permanently, but also to better adapt to their home state and engage in entrepreneurial activity after their return. Thus, the assistance that is provided in such cases may be indirect and targeted at displaying opportunities for entrepreneurship and better adaptation rated at the home state. In the meantime, those affected by obstacles and/or crises abroad should receive much more immediate and direct assistance, cushioning the negative effects of unfortunate migration experiences. According to the author, the key takeaway is that differentiating between the type of return is crucial to develop and apply the most relevant policies, thus benefiting both the migrant and the receiving state. Thus, for the purposes of this study, the definition of re-emigrants is shifted toward the voluntary end of the spectrum.

The current political and economic events are continuing to drive migration, including the re-emigration phase of the cycle (Hachi, Moroza and Popa, 2021). This phase in particular is continuing to receive increasing attention from both scholars and the government due to the role it can play in the societal and economic growth of receiving states, especially when it comes to voluntary migrants. The existing studies in the field have shown that returnees have a high potential for improving human,

financial, as well as social innovative capital of the home state (Dustmann and Weiss, 2007). Home state authorities must carefully prepare and strategically plan for return migration in order to reintegrate the inflow of returnees back into the home state's society for the best benefit for all sides and encourage future inflows (Battistella, 2018). In addition, returning migrants can have a significant positive impact on the home state, especially by engaging in entrepreneurial activity (Vandor, 2021). Thus, to further back up this study using the existing academic literature, the phenomena of entrepreneurship is explored further in the following section.

2.2. The Phenomenon of Entrepreneurship

A similarity between migration and entrepreneurship arises when it comes to definitions of the phenomenon. Despite being a popular research field among scholars in the past few decades, the term "entrepreneurship" does not have a single, conclusive, commonly agreed upon definition that would be used across research in the field (Nguyen, Dinh, Luu and Choo, 2020). Alnaji, El Rafae and Najim (2013) argue that although the prominent researchers in the arena have a common point of agreement when it comes to the beneficial effects entrepreneurship has to the economy as a whole, individual markets and their growth, the definitions they use and therefore the results they come across differ. What is especially challenging is that studies aimed at explaining the same populations and occurrences yield different results and the research in the field can become contradictory due to sheer lack of consensus regarding basic principles and notions.

To begin with, according to Shane and Venkataraman (2000), it is important to define entrepreneurship separately from the entrepreneur itself to avoid conflicting outcomes in studies aiming at exploring causes, effects, and other aspects of entrepreneurship as a phenomenon, as well as to avoid over-focusing on the entrepreneurs' characteristics, neglecting environmental factors. Bruyat and Julien (2001) highlight that in fact the very purpose of defining entrepreneurship is to achieve higher accuracy and grow the body of knowledge regarding the topic, making the definition issue rather pressing to the researchers interested in the area. The abundance of existing definitions require to take upon personal judgment on the behalf of the researcher in terms of choosing definitions, as the definition assumed directly influences the studies performed and thus the results obtained. When performing research, defining the phenomena and clearly stating the definition assumed is thus crucial to better benefit and properly contribute to the growing pool of knowledge in the field. The large range of differing definitions can make this process difficult when examining entrepreneurship and factors influencing it, and the definitions presented below are just a small representation of all those that have been developed.

However, Gedeon (2010) stresses that despite the multitude of definitions and the difficulties this array may bring, the definitions can be seen as complementary when recognising their similarities. The following table is developed with a goal to analyze the existing prominent definitions of entrepreneurship in this academic field and define the phenomena accordingly for the purposes of the present study.

Table 1. Definitions of entrepreneurship in existing literature

Author (Year)	Definition
A. Smith (1776)	Entrepreneurship is the process of recognizing the market demand to create a supply of goods or services, shifting work processes, and benefiting the economy along the way
J. Schumpeter (1934)	Entrepreneurship is the process of presenting new and innovative products, practices, prices, and materials into the market, or opening entirely new markets, thus exploiting opportunities and facilitating change. Beneficial to both consumer and entrepreneur
R. K. Lamb (1952)	Entrepreneurship can be viewed as economic innovators engaging in social decision making
P. F. Drucker (1986)	Entrepreneurship can be seen as a discipline focused on exploiting change as an opportunity through innovative solutions, shifting resources from low to high yielding activity associated with an increased risk
R. D. Hisrich (1990)	Entrepreneurship is the demonstration of initiative, creativity and risk tolerance in utilizing existing social and economic resources and mechanisms into tangible economic gains
H. Stevenson and J. Jarillo (1990)	Entrepreneurship is the pursuit of market opportunity using resources both controlled and possible to attain as a means to exploit the said opportunity
S. Shane and S. Venkataraman, (2000)	Entrepreneurship is the process of discovering, assessing, evaluating, and exploiting opportunities that arise in the environment
C. Bruyat and P. – A. Julien (2001)	Entrepreneurship involves a reciprocal relationship between the individual entrepreneur and the creation of value, which occurs as an ongoing process in an environment favorable to such activity
R. D. Ireland, M. A. Hitt and D. G. Sirmon (2003)	Entrepreneurship may be defined as a social process, in which individuals exploit opportunity in the market environment through the use of unique resources in their access or possession
G. Onouha (2007)	Entrepreneurship is the process of establishing new or rejuvenating existing by responding to an opportunity that is located within the market
N. Ahmad and R. G. Seymour, (2008)	Entrepreneurship is the process of mobilization in light of opportunity that is seen as a possibility to generate economic, social, and/or cultural value, opportunity being the identification of new market needs, products, or processes. The process often involves the usage of resources, capabilities and innovation as a competitive leverage
D. F. Kuratko and D. B. Audretsch (2009)	Entrepreneurship is exploitation of innovation by fulfilling market needs and creating value for the individual initiating it in the process

Source: developed by the author

The analysis of existing definitions has shown that similarities are seen when it comes to risk tolerance, with risk being a common characteristic of opportunity. In addition, opportunity recognition and exploitation are also naturally described as key aspects of engaging in entrepreneurial activity. Entrepreneurial activity itself, in broad and universal terms drawing from a pool of definitions in the literature, can be defined as a process of value generation which occurs through initiation and development of economic activity in areas where new and innovative products and processes can be introduced (Ahmad and Seymour, 2008). What arguably differentiates entrepreneurship from merely a business venture is the fact that entrepreneurship is often defined as an operation of firms in a way that benefits both the entrepreneur and the consumer, market, and the economy by bringing change. While a business can be seen as an individual effort to flourish financially, scholars defining entrepreneurship highlight how by engaging in their activity entrepreneurs bring change not only to themselves, but also to the environment they are conducting their activity in.

The pool of varying definitions of entrepreneurship complicates how the entrepreneur itself can be defined and investigated as an actor. Broadly, an entrepreneur can be defined as an individual that plays the roles of creation, development, and maintenance of an entrepreneurial venture (Kuratko and Audretsch, 2009). Bruyat and Julien (2001) add that an entrepreneur is not only an individual that is capable of optimally responding to the environment, but rather an actor capable of shifting the environment and factors within it to favor their activity. Ahmad and Seymour (2008) emphasize that a key attribute of entrepreneurs is their capability and drive to create value in the process of their activity, often both to themselves and the environment they are conducting their activity in. The broad range of literature discussing the definition also generally agrees that an entrepreneur is characterized by an ability to embrace uncertainty while bringing innovation to the sphere they conduct their business in (Leyden, Link and Siegel, 2014).

Aside from discussing attributes characterizing entrepreneurs, it is important to draw attention to the factors contributing to an individual becoming an entrepreneur. There are a multitude of other factors determining the level of inclination an individual has to become an entrepreneur rather than simply a business-minded individual. Hornaday (1982) goes in depth regarding what characterizes an entrepreneur by naming confidence, general optimism, risk tolerance, adaptability in adjunction to knowledge, experience, and forward-thinking as key attributes of an entrepreneur. Mazzarol, Volery, Doss, and Thein (1999) indicate that personal traits such as demographic characteristics, education, religion, family dynamics deserve adequate attention as important contributing factors towards an inclination towards entrepreneurship.

The wide range of personal characteristics can make distinguishing entrepreneurs difficult due to the large array of attributes to be measured. Karabulut (2016) particularly distinguishes three key individual character attributes contributing to an inclination towards choosing entrepreneurial activity as a career path that can be used to narrow down measurement criteria:

- locus of control
- circumspection
- entrepreneurial alertness

Locus of control refers to whether an individual believes that destiny is what determines their life path (external locus of control), or whether it is their own actions and intentional activity (internal

locus of control). An internal locus of control, according to the author, is a significant signal that an individual is more likely to engage in entrepreneurial activity to better their livelihood. In addition, risk tolerance increases one's ability to act upon entrepreneurial opportunities and having more pronounced entrepreneurial intentions. Entrepreneurial alertness acts in a similar way to risk tolerance, as it increases the scope of entrepreneurial opportunity recognized by the entrepreneur, consequently adding to an inclination towards entrepreneurship.

Yet the attributes of the entrepreneur and their personal characteristics are still just a proportion of what makes an entrepreneur an entrepreneur. Shane and Venkataraman (2000) note that it is important to draw attention to the environment an entrepreneur is surrounded by and the effect it has rather than solely focusing on the entrepreneur and their individual characteristics. Academic studies on entrepreneurship have recognized that entrepreneurs can be viewed as an integral part of a social network rather than a solely sovereign decision-making unit (Hoang and Antoncic, 2003), thus implying that research must draw focus not only on the entrepreneur, but their environment as well. Thus, the following sections focus on the existing body of literature regarding social networks as a key part of the environment that influences entrepreneurs and their activity.

2.3. The Role of Social Networks

A thorough understanding of the impact social networks have on the entrepreneurship of re-emigrants requires a deep exploration of the networks themselves. The following sections draw attention to defining and exploring social networks from a theoretical standpoint, focusing on their role and impact in the context of migration and entrepreneurship.

A social network can be seen and analyzed as a collection of nodes: individuals, organizations, and other actors, along with the connections and links uniting them into a network (Kousik, Das, and Madhumangal, 2018). Social networks are often described as mechanisms that enable individuals to make the most fitting choices, recognize and exploit opportunities: individuals can mobilize this mechanism through carefully planning the initiation, development, as well as exit strategies of any social network they choose to partake in (Stokman, 2001). According to the author, social networks can simultaneously offer and limit opportunity depending on how the individual chooses to interact within the network. Stokman (2001) argues for analyzing social networks by dividing them into two separate levels of analysis: a micro-level analysis of the individual and their actions, and a macro-level analysis of their network structure and the pattern that characterizes their relationships. Stokman (2001) continues by noting that the relationship between these two levels is of particular interest to the researchers in the field, giving great insights about how social networks function to benefit the individual involved in them.

When analyzing the effects of social networks in terms of how influence is distributed within them, three categories emerge in the academic literature: centrality, cohesion, and structural equivalence (Liu, Beacom, and Valente, 2017). The following visualization showcases these categories and their defining characteristics.

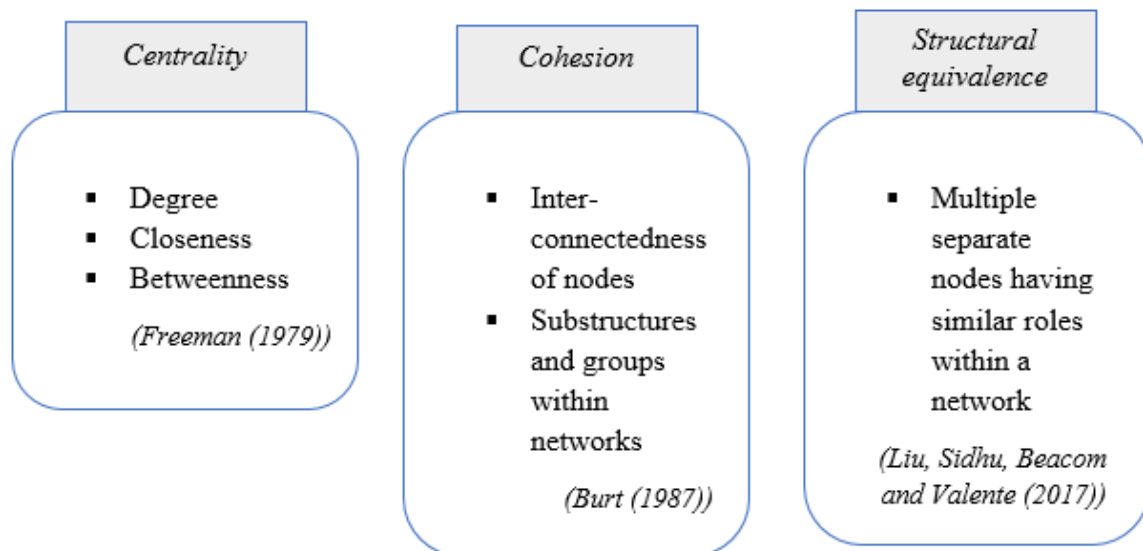


Fig. 5. Defining Attributes of Social Networks: Centrality, Cohesion and Structural Equivalence (developed by the author according to Liu, Sidhu, Beacom, and Valente (2017); Freeman (1979), Burt (1987), and Liu, Beacom and Valente (2017))

According to Freeman (1979), centrality when it comes to social networks is a key determiner of how those social networks function and the impact they have. The centrality measurement can be used as a way of evaluating both entire social networks, as well as nodes and the connections between them. The author suggests envisioning nodes as a part of a graph to tangibly measure their degree of centrality within a network, thus allowing researchers to investigate how the position of an individual within a larger network structure (the level to which they are distanced from the central point of the graph) influences their behaviors and outcomes. The key attributes determining centrality, as illustrated above, are degree, closeness, and betweenness among and within networks, all of which help pinpointing how interconnected the node is to a network (Kousik, Das, and Madhumangal, 2018).

Cohesion of networks, in turn, deals with how closely knit are the nodes within a larger network structure (Liu, Sidhu, Beacom, and Valente, 2017). According to Burt (1987), exploring the level of cohesion within a network and subdivisions within networks allows to further explore the differing roles of close and distant relationships within a broader social network.

Lastly, structural equivalence describes a state in which there are multiple nodes in a single network connecting other nodes in a similar pattern (Liu, Sidhu, Beacom, and Valente, 2017). Such nodes are generally occupying similar positions and roles both within and outside the network. According to the study, structurally equivalent networks often take up both similar social status and individual traits, and connect other nodes within a network in a similar pattern.

The investigation of a node's position within a social network is key to understanding their role within the said network. A higher degree of centrality, cohesion, and structural equivalence characterizing a node attributes to their social status and contributes to their level of influence to the rest of the network (Liu, Sidhu, Beacom, and Valente, 2017). Thus, the position of a node and the ties linking it to other nodes within the larger network structure is a key point to take note of when analyzing social networks and their properties in terms of knowledge and information transfusion.

Another way of categorizing social networks in social network analysis in order to achieve the highest possible level of accuracy in academic studies is by evaluating them in terms of (1) network closure/cohesion and (2) heterogeneity (Johnson and Chew, 2021):

Table 2. Network Metric Grouping

Network metric grouping	Network metric	Definition
<i>Network closure/cohesion</i>	Density	The percentage of total connections between network nodes made in comparison to the entirety of all possible connections
	Reciprocity	Nodes that are mutually connected with communication flowing both ways from the pairs of nodes involved
	Transitivity	The percentage of total triads within the network in comparison to total triads established
	Degree centrality	Indicator of how centrally located nodes within a network impact the rest of the nodes that are increasingly distant from the center
	Shortest path	A measure of the shortest distance between an analyzed pair of nodes, used to determine the level of isolation between nodes
<i>Network Heterogeneity</i>	Modularity	An indicator showcasing the level of division within a social network. Low modularity indicates that nodes with differing characteristics are widely dispersed within the network, while high modularity refers to a high division of nodes into subgroups with few bridging connecting the said subgroups

Source: Johnson and Chew, 2021

Network metric grouping allows for a better understanding of how different attributes characterizing social networks influence the level of impact that being a member of a social network has on different spheres of an individual's personal and business life. Johnson and Chew (2021) argue that individuals whose relation to their social network is characterized by attributes of high cohesion experience higher social capital inflows. In addition, the access to both tangible and intangible goods and resources is relatively easier, as such networks are characterized by a higher willingness to share. This is due to the trust, familiarity and longevity characterizing such networks and ties within them, as they are also notable attributes of highly cohesive social networks. As for highly heterogeneous networks, such networks are considered to be more efficient in allowing individual nodes to mobilize resources. This is made possible by the high variety of resources available within the network due to the presence of individuals with differing backgrounds. The individual subgroups within the network contain a higher variety of skills, experiences and know-how due to the key determining characteristic, as the name suggests - heterogeneity. Thus, when analyzing the impact of social networks in terms of entrepreneurship, it is crucial to take into account how the type of social networks an individual entrepreneur belongs to influences their ability to gather resources and attain other valuable tangible and intangible goods.

To explore the role social networks play in migration and entrepreneurship, it is crucial to understand how social capital and networks are viewed and used differently in these fields as opposed to other

theoretical contexts. The following sections are dedicated to exploring the definitions and qualities of social networks in the contexts of migration and entrepreneurship.

2.3.1. Social Networks in the Context of Migration

Defining social networks, social capital and the functions they perform is crucial for a deep understanding of how these factors contribute to entrepreneurship upon re-emigration. Palloni, Massey, Ceballos, Espinosa and Spittel (2001) define migrant social networks as collections of ties connecting current and past migrants, as well as non-migrants through friendship, kinship, or simply a shared origin. According to the authors, migrant social networks grant access to social capital and gains stemming from it. In the realm of migration, social capital refers to both tangible and intangible gains the migrants receive from having social networks in the receiving environment (Poros, 2011). The author argues that due to the nature of migration, social networks and ties are maintained in both sending and receiving states. Social networks and ties remain influential in assisting the migrants throughout their entire journey from the initial emigration decisions and process, the journey back to their home state, all the way to re-adaptation after returning to their home state. Social networks can also exist and be used across state borders. Such networks are often based on friendship, kinship, or simply having a shared origin community. Existing academic literature generally views migrant social capital as both the flow of information, knowledge and first-hand assistance that is provided by early movers and those who have already gone through the process, making the migration process easier and more attainable to those who wish to migrate. Those who wish to benefit from the social and human and social capital do so through migrant networks (Massey, Ariango, Hugo, Kouaouci, Pelegrino & Taylor, 1993).

According to Blumenstock, Chi and Tan (2021), the existing literature generally divides the effect of social networks in migration into two categories. The first category according to the authors views social networks as a vehicle through which information is provided. Knowledge regarding the labor market, housing, bureaucratic obstacles and how to overcome them is distinguished as the most beneficial and most often requested by migrants, allowing migrants to overcome logistical obstacles and establish themselves in the host environment. The second category explains social networks as an emotional and material support mechanism, making the move more comfortable and decreasing the perceived risk both in both a material and an emotional sense. The authors also argue that social networks can play a variety of roles in terms of making the destination environment more appealing, yet the incentivizing effect is more pronounced in quality social networks, such as close relatives, friends, and long time partners both in personal and business spheres. Juozeliūnienė and Budginaitė (2016) argue that close family members are key actors in determining migration and re-emigration patterns of Lithuanians, as Lithuanians identify family ties as the most important actors, allowing them to overcome migration-related obstacles and challenges. In contrast, according to Blumenstock, Chi and Tan (2021) an extensive social network of distant ties can create a sense of competition, especially in the field of business, and deter from migrating. For example, in case an emigrant has an extensive network of entrepreneurs back in their home state, the idea of starting their own business venture may seem risky due to the perceived competitiveness.

In the realm of migration, social networks play the role of risk mitigation through assistance in both financial and psychological sense, thus decreasing perceived risks and mobilizing individuals to mobilize. Social networks have a parallel impact in terms of starting and developing entrepreneurial

ventures. This role of social networks in terms of entrepreneurship is discussed further in the following section.

2.3.2. Social Networks in the Context of Entrepreneurship

According to Hoang and Antoncic (2003), social networks in the context of entrepreneurship can be studied as a significant actor, creating an incentive that is driving entrepreneurial activity formation and pursuit of entrepreneurship as a career path. In the context of entrepreneurship, social networks can be described as channels through which an entrepreneur can gain access to resources that are necessary for the creation, establishment and growth of their business activity (Greve & Salaff, 2003). An entrepreneur that is just starting out or is merely just exploring an opportunity they see arising rarely has all resources necessary to exploit the said opportunity. This is where social networks come into play: the contacts a potential entrepreneur has in their social circle have the ability to positively affect the said entrepreneur's business activity.

The contacts that can play a significant role are family, friends, former or current colleagues, and all those who can and are willing to share their human, social, and financial capital for the benefit of an entrepreneur's activity. The social networks an entrepreneur has at hand can be seen as a mechanism for both creating and exploiting the said opportunities (Leyden, Link and Siegel, 2014). The main ways in which social networks benefit entrepreneurs and their ventures generally are sharing both sensible and non-sensible, diverse and non-diverse information, access to financial resources, an increased level of perceived social legitimacy, as well as a higher reputation, accountability and credibility (Klyver, Hindle & Meyer, 2008). The information-sharing aspect is highlighted in the theoretical research of Lyden, Link and Siegel (2014), who state that entrepreneurs are in a constant state of seeking information to develop their activity, and the primary channel for doing so is through their social networks. According to the authors, the information that is acquired through social networks directly contributes to the level of innovation and longevity of the entrepreneurs' activity.

Members of social networks in terms of entrepreneurship are not necessarily other entrepreneurs, although an orientation towards entrepreneurship as well as a pursuit of formal entrepreneurial education are common results of having entrepreneurs present within the reach of a social network (Klyver, Hindle & Meyer, 2008). In addition, there is a positive relationship between the success and longevity of this activity and social networks. The authors note that entrepreneurial social networks can take the form of communication channels for information regarding the setup process of a start-up, valuable connections in the field, market knowledge, and general know-how of such ventures. The scholars add that it is equally important to distinguish the positively encouraging psychological effect of social networks in this field. Entrepreneurial social networks can provide support and encouragement to those wishing to start a business of their own, providing the crucial push to act. Social networks and ties within them can remain to be of high importance throughout the lifetime of an entrepreneurial venture, contributing to the growth, flourishing and thus longevity of the said activity.

Entrepreneurs can choose and form social ties and networks that shall be beneficial to their businesses' future prospects, simultaneously, the individuals should take precautions from those networks acting in an unfavorable to their business way as their activity develops (Chen, Wang, Jeromonachou & Lu, 2019). During the lifecycle of their entrepreneurial activity, individual

entrepreneurs establish, develop, and structurally adjust their social networks to best benefit their activity (Klyver and Hindle, 2007).

Evald, Klyver and Svendsen (2006) note that in addition, it is important to take into account how different social ties within social networks can play a different role depending on which stage of the business lifecycle the entrepreneurial activity is in. Wilken (1979) is one of the first authors to distinguish the following three phases in the creation of new entrepreneurial projects. During each phase, social networks can take up different roles, and networks of different characteristics are important to varying degrees in each of the phases:

Motivation. This first phase in entrepreneurial venture creation involves exploring entrepreneurial opportunities within one's social networks, developing the idea and general concept of the business. According to Greve and Salaff (2003), trust is a key selection criteria in terms of who to share ideas with. The author expands this argument by stating that idea exploration with others can result in a feeling of coercion to execute it, so to avoid this, potential entrepreneurs tend to rely on close social network members at this stage. Family, close friends and other social ties within the network that are characterized by cohesion are relevant and beneficial to the venture at this delicate exploration phase.

Planning. The second phase revolves around planning out all aspects related to the establishment of a new firm. This stage is characterized by acquisition of the required human, social, and financial capital through the mobilization of social networks. As Greve and Salaff (2003) put it, an entrepreneur rarely has a combination of lawyers, bankers, and other necessary connections in their close social network. Therefore, the planning phase most often requires reaching out to broader social networks and ties in order to gain access to the resources the entrepreneur themselves do not have at their direct disposal.

Establishment. The establishment phase takes place once the business is up and running. The key social networks and ties that remain influential are those that proved to be key resources during the planning phase (Greve & Salaff, 2003). In addition, the authors argue that this phase is characterized by a narrowing of the social network members that are continuing to be involved in the entrepreneurial venture. The narrowing is associated with gaining increasing trust and building relationships with those that provided resources and support during the phase in which the venture needed them, and remained in support as the activity established its position in the market.

The strength of ties within the social networks is an especially important element, determining the effect of social ties in the entrepreneurial process and in which phase they are most influential (Evald, Klyver & Svendsen, 2006). The authors note that distinguishing between strong and weak ties is essential in order to ensure result accuracy in studies evaluating the role of social networks in the field of entrepreneurship. The following figure illustrates the authors' model in a shape of four continuums for distinguishing strong versus weak social links.



Fig. 6. Spectrum of Strong versus Weak Social Ties (Evald, Klyver & Svendsen, 2006)

As the figure above illustrates, family members, relatives and other familial ties are regarded as strong connections, while the closer an individual is to being a complete stranger, the weaker the tie is. Social connections developed in the social sphere organically are considered to be stronger than those developed in the business environment. Long-term affiliations are considered to be stronger than relationships with those merely met in passing, while frequent interaction is considered to be a characteristic of a strong social tie in comparison to a lower interaction rate.

Evald, Klyver and Svendsen (2006) argue that existing research in the field does not put enough emphasis on the type of ties and networks examined, thus resulting in differing results regarding whether strong or weak ties are more influential. For example, studies often take only the duration of the relationship, disregarding the spheres from which contacts come from, or only examine the familial relationships, disregarding their strength. A single social tie within a pair of nodes within a network may be measured using the figure provided above in all four spectrums in order to gain a deeper insight regarding the strength of the ties in question to gain more accurate representation of the ties' influence.

The division of entrepreneurial activity into stages, differentiating between strong and weak social network links and their type is crucial to grasp the relationship or a lack thereof between entrepreneurial decisions and social networks and ties within them. The following sections dive deeper into the theoretical background regarding social networks in terms of migration and entrepreneurship.

2.4. Theories Exploring the Impact of Social Networks in Migration

Migration, including all events associated with this move, is a truly complex phenomenon, influenced by a variety of factors. The existing literature argues that the range of factors having an effect on migration flows is so broad that a single comprehensive theory is not feasible to be developed (Castles ir Miller, 2009). The complexity of processes involved would require an all-inclusive theory to be

simplified to merely a statement that individuals migrate to advance their wellbeing (De Hass, 2010). Yet migration theories are argued to be compatible and can be grouped for a more cohesive understanding of a niche topic (Kumpikaitė & Žičkutė, 2012). For the purposes of this study, the social group of theories in migration and their implications regarding entrepreneurship after returning to the home state are explored.

There are two key theories in the field of migration evaluating the role of social capital and networks: the cumulative causation and the social capital theory (Flores-Yeffal, 2015). Both theories are explored more thoroughly in the following sections.

2.4.1. Cumulative Causation Theory

The cumulative causation theory states that at a certain point migration becomes a self-perpetuating process and separates itself from previously influential factors, regardless of what factors first caused the initial outburst in mobility (Flores-Yeffal, 2015). According to the author, the point of self-perpetuation is reached through the accumulation of migration social capital in the host environment, which is utilized in the form of social networks and contacts to ease the migration process. Cumulative causation of migration can be seen as a consequence of social network growth and establishment in relation to employment prospects, wages, income distribution and remittances (Massey, 1990). Once there are enough migrant social capital and networks accumulated, those left behind in the home state experience fewer risks and financial strain associated with the mobility. In addition, the financial remittances sent from those who reside abroad, the perceived higher financial stability, and a sense of relative deprivation act as further incentives, making the decision to emigrate an even more appealing one.

According to Bachmeier and Bean (2009), the cumulative causation theory is especially noteworthy as a framework for research as it does not negate the importance of structural conditions in the functioning of social networks. The authors argue that although social networks are not the key focus, this theory recognizes that the social networks both influence and are influenced by other macro-level forces that are indicated in other approaches explaining migration flows. Thus, having an understanding of push and pull factors contributing to the flow scope is important to gain a comprehensive view of the migration flow. Alvarez and Müller-Eie (2018) distinguish the following push and pull factors prominent in migration studies:

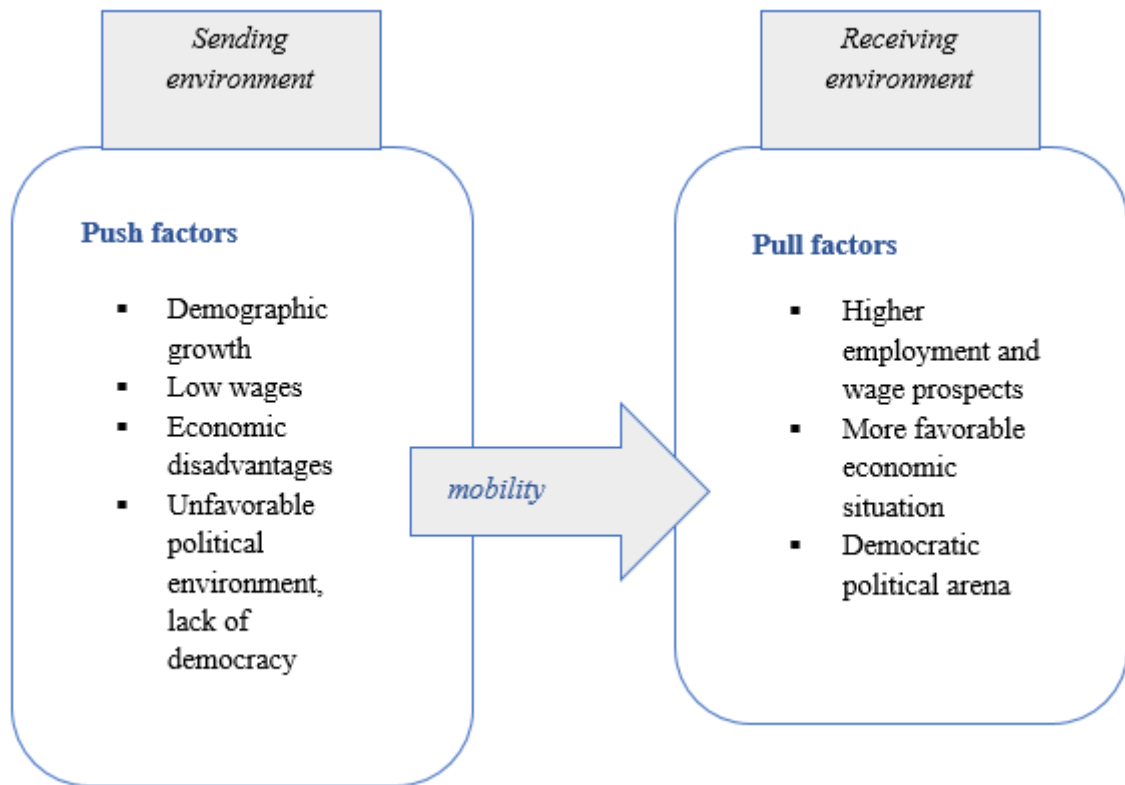


Fig. 7. Push and Pull Factors Driving Mobility (Alvarez and Müller-Eie, 2018)

Bachmeier and Bean (2009) note that a crucial aspect of cumulative causation theory is that these factors, in turn, are influenced and altered by social networks, thus altering the size and direction of migration flows. It can be argued that the cumulative causation theory states that migrant networks can evolve and accumulate, consequently affecting even macro-level factors, altering migration patterns and raising the expected emigration outcomes.

2.4.2. Social Capital Theory

The social capital theory can be considered as a part of the cumulative causation theory, although it is commonly described and used as an entirely separate theory in itself. This theory is focused on the benefits that social capital already residing abroad has on an individuals' decision to migrate (Flores-Yeffal, 2015). According to this theory, the growing amount of migrant social capital residing in the receiving state acts as a facilitator of emigration. The growing social capital at the destination environment makes the destination more appealing by decreasing perceived risks and increasing perceived potential income, simultaneously providing access to information that would be hard to attain otherwise (Palloni et al., 2001). The authors argue that the mobility of a given individual directly increases the likelihood of those within their social circle migrating as well. As the theory suggests, those who have already migrated act as a middleman between the newly incoming individual and the host environment, making the process of settling, seeking employment, and overcoming bureaucratic obstacles easier and more achievable (Poros, 2011). Thus, social capital and networks can not only ease the return migration and entrepreneurship process but also impact the home state in a positive way.

In migration theory, social capital and networks are believed to be significant actors throughout the entire migration process, including return migration. Social ties and networks can have a significant effect in terms of readjusting the home states' labor market and engaging in entrepreneurial activity upon return. Such networks can raise the expected returns of entrepreneurial activity in the home state and decrease the risks associated with this venture, facilitating re-emigrant entrepreneurial activity.

2.5. Theories Exploring the Impact of Social Networks in Entrepreneurship

The following section delves deeper into the theoretical background regarding social networks in entrepreneurship theory. Sociological entrepreneurship theory, as well as opportunity-based and resource-based theories are explored in the paragraphs that follow to gain a deeper understanding regarding social networks and their role as factors influencing entrepreneurship.

2.5.1. Sociological Entrepreneurship Theory

The key actor in sociological entrepreneurship theory is the society and the social context an individual is surrounded by (Simpeh, 2011). Reynolds (1991) distinguishes four key social contexts, interconnected to the likelihood to become an entrepreneur. Starting from the surroundings of the individual, the author distinguishes the social context of population ecology: the political arena, legislation, market competition and consumer behavior are some of the key environmental factors impacting the success rate of the entrepreneur. Secondly, the context of ethnic identification in their environment can act as an incentive to become an entrepreneur. In the context of return migration, return can be seen as a failure at the host state by those who never left, creating an incentive to negate this assumption and start a better life by engaging in entrepreneurship upon returning. The third context Reynolds (1991) distinguishes is the life stage of an individual, analyzing how their life path and decisions regarding it have led to the decision to become an entrepreneur. In this context, the previous life experiences of an entrepreneur are seen as an influence on their entrepreneurial mindset. In this context, the decision to return and become an entrepreneur can be seen as a way to give meaning to life: both returning and starting a business venture of their own. The last social aspect discussed is the social networks one possesses and their use. It is argued that the maintenance and upkeep of close networks and ties within them, as well as maintaining trust, is the key to engaging in entrepreneurship. In fact, the intensity of the bond and trust level are argued to be the determinants of entrepreneurial success.

Overall, sociological theory puts an emphasis on the social surroundings of the individual and their experiences regarding social processes and networks, as well as their significance and often overlooked role in determining the level of inclination towards entrepreneurship.

2.5.2. Opportunity-Based Theory

In contrast to sociological theory, the opportunity-based theory views entrepreneurs as key actors and focuses on their ability to take advantage of the opportunities that arise. The opportunity-based theory argues that changes like technological advancements, shifts in consumer behavior, political environment, and social change are what dictate the emergence of entrepreneurial ventures (Simpeh, 2011). Drucker (1985) argues that an entrepreneur is an individual capable of locating the shift in their environment and acting upon it in a way that best benefits them. The author states that an entrepreneur is characterized by the ability to use change that some would perceive as unfavorable environments to exploit them as an opportunity rather than a disadvantage. Later, Stevenson and

Harmeling (1990) expand this view of entrepreneurs to include the resourcefulness aspect. The authors expand that the ability to identify opportunities and evaluate their potential is a true evaluation of an entrepreneur, as opposed to a business-minded individual.

As for the role of social networks in this context, Zakaria, Ahmad, Abdullah and Merlinda (2017) argue that there is a correlation between the possession of social networks opportunity recognition abilities. The authors indicate that an ability to recognize entrepreneurial opportunity results from a combination of varying quality and density social networks that individuals possess. Social networks arguably improve one's ability to recognize opportunity by providing access to information that could not be attained through other means. The socio-cognition point of view distinguishes three cognitive activities, which are a part of the opportunity recognition mechanism. De Koning and Muzyka (1999) define the three phases as the gathering of information, followed by rethinking the gathered information within social networks, and lastly assessing existing resources within the network members. According to this framework, the social ties and networks an individual is involved in play a significant role in opportunity recognition.

In the context of re-emigrant entrepreneurship, opportunity-based theory can imply that a return from abroad can signify an opportunity located by the migrant to pursue entrepreneurial activity upon their return. The social networks the re-emigrant possesses, in turn, heighten the opportunity recognition and exploitation abilities, further driving their potential to succeed as career entrepreneurs.

2.5.3. **Resource-Based Theory**

The resource-based theory in entrepreneurship views access to resources as a key determinant of an entrepreneurial ventures' likelihood to succeed (Simpeh, 2011). Access to resources increases the individual's ability to both realize and take action upon the opportunity that is present. Moreover, access to resources allows the individual not only to act upon the opportunity but also take advantage of the situation in a timely manner before competitors do. The resource-based theory can be further divided into financial capital, human capital, and social capital/network theory.

From the financial capital theoretical view, successful outcomes of entrepreneurial activity are more likely if an entrepreneur has access to sufficient financial resources (Simpeh, 2011). According to the author, this can be especially relevant in cases of entrepreneurs beginning their first activities, as the financial strain and perceived risk can be much larger for those just beginning to test the entrepreneurial sphere. Clausen (2006) elaborates further that those who have a higher degree of financial independence have the benefit of exploiting other forms of resources more efficiently and gain greater benefits for their business activity. Yet the scholar acknowledges the fact that often new ventures are started with a virtually non-existent financial buffer. Financial capital in the author's view is not a prerequisite for starting a new venture, although the efficiency in resource exploitation a financial buffer brings can significantly expedite the growth and flourishing of a newly established business activity or startup. Drawing from these insights, a firm that is established can highly benefit from having a pool of financial resources to draw from. The access to financial resources in the long term, once a firm starts to step into maturity, provides the ability to gain other resources and thus competitiveness in the market. Simpeh (2011) notes that although financial capital does ease the process of new business establishment, it can be seen more as an addition that is very useful rather than a necessity.

In sum, the financial capital theory argues that financial capital acts as a vehicle that allows entrepreneurs to gain access to other crucial resources, thus facilitating the growth of their ventures. The literature distinguishes human capital as another group of resources, playing a role in entrepreneurial venture's success. Thus, the human capital theory in entrepreneurship is discussed in the following paragraphs.

The human capital theory can be seen as a sub-theory within the resource-based framework (Simpeh, 2011). The role human capital plays in terms of entrepreneurship has been intensively explored for the last few decades for a better understanding of the phenomenon (Marvel, Davis & Sproul, 2014). According to Simpeh (2011), this sub-theory takes a different point of view, arguing that in fact education and experience are the key for an individual to recognize, analyze, and gain from an opportunity. Although this concise explanation is rather general, and researchers in the field have developed a multitude of constructs to explain the role of human capital, the broad categorization into education and experience remains relevant (Marvel, Davis & Sproul, 2014). The study further explains that the value of human capital is highly dependent on its quality and type rather than its sheer presence. To add, the utility of human capital is closely interconnected to the degree to which the task at hand is related to the capital present. Unger, Rauch, Frese, and Rosenbusch (2011) stress the importance of distinguishing between the dimensions of task relatedness and the gains that stem from investment into human capital rather than human capital investment in itself. The authors also note that the human capital theory should not assume a static position and rather focus on the learning and knowledge transfers into entrepreneurial processes. Marvel, Davis & Sproul (2014) conclude that the existing literature regarding human capital in the field of entrepreneurship argues human capital to play a role in a variety of business cycles. The authors develop the following model based on existing literature:

Contextual conditions interplay with human capital investments and outcomes, as well as multi-theoretical factors such as social networks and motivation, in turn positively influencing:

- opportunity recognition
- facilitating the creation of entirely newly-founded ventures
- promoting the growth of existing players in the entrepreneurial field

In the model summarizing the existing literature of human capital theory in entrepreneurship the authors do note that human capital acts along with a variety of other multi-theoretical factors. The following paragraph draws attention to one of them - social networks, by analyzing the last group of resource-based entrepreneurship theory.

The social network theory, also referred to as social capital theory, proposes that entrepreneurs should be seen not as individuals, but rather as actors of a larger social network structure, which allows them to obtain the necessary resources for their ventures (Clausen, 2006). The social capital and networks an individual has access to can play a determinative role in the establishment of a new business. Even if the entrepreneurs have the finances, experience, and the capacity to distinguish between favorable and unfavorable business prospects, the social networks which they are embedded in are what encourage the drive of turning an idea into a career path (Simpeh, 2011). According to Shane and Eckhardt (2003), social capital and networks are what enable entrepreneurs to turn the opportunities they may be able to see themselves into a tangible business. Yet the positive contribution of social networks can be seen on all levels, not just viewing the individual entrepreneur.

According to Thornton and Flynn (2003), the existing literature generally categorizes social capital and its impact into the following levels: individual, group, and firm/industry level.

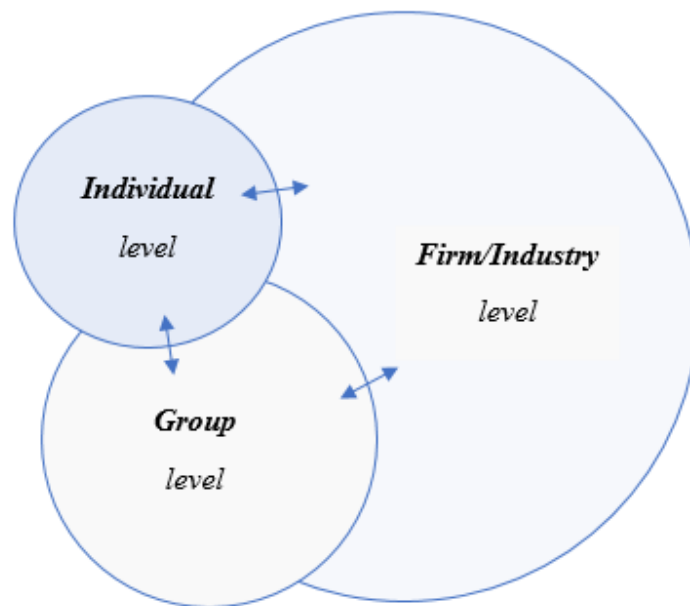


Fig. 8. Interaction Among Social Capital Levels (Thornton and Flynn, 2003)

The authors note that no matter whether social networking occurs within a single level, between a few of them, or connecting all, the networks are capable of providing the same optimistic outcomes. The social networks both within and among the levels play the role of transferring and sharing the human, social, and financial capital resources. The resources that are transferred through social networks often could not be obtained through other means. Thus, the actors that have access to social networks consequently have access to resources which those without social networks are unable to gain. This can directly translate into a competitive advantage and an increase in profitability. Given that social networks are present both within and across levels, the positive effect of social networks on entrepreneurial activity can be seen on all levels, from the individual to the industry.

The concept of trust can be a significant determinant in how transmissible resources are through social networks and can significantly alter the effect social networks have on entrepreneurship. Social networks in which trust is a key component have a higher rate of human, social, and financial capital transferred (Thornton & Flynn, 2003), as trust decreases the perceived risk of sharing information that could be used for unintended use, such as hindering the business activity of the one sharing it. Turkina & Thai (2013) note that social networking and interpersonal trust in combination with one another yield high added value in the businesses activity of migrants. Furthermore, Kozan and Akdeniz (2014) highlight that trust-based social networks are more likely to become a source of investment for businesses rather than distant social ties, contributing to the thesis that close social networks and ties lead to a higher financial turnout. Thus, social networks in which trust is prevalent can be especially beneficial.

2.6. Theoretical Model on the Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

Based on the discussed theoretical background, the following section presents a theoretical model used for the exploration of social networks' impact on re-emigrant entrepreneurs' decision to start a business after returning back to their home state.

In order to explore the role social networks play in different stages of an entrepreneurial activity, the establishment of entrepreneurial ventures is divided into the stages of motivation, planning, and establishment, according to Wilken (1979). The impact of social networks during the different phases is studied based on ideas of Greve and Salaff (2003). The authors argue that the first phase is one in which strong social ties characterized by trust are most used due to the uncertainty characterizing this phase. The uncertainty and insecurity make network cohesion a key characteristic making social network members influential in this particular phase (Elfring and Hulsink, 2004).

During the second phase of planning the implementation of the activity the social networks mobilized grow in number, simultaneously decreasing in their strength. Greve and Salaff (2003) note that social networks are used as a way of obtaining resources that may not be available in the close social networks. Thus, a wider range of contacts and weaker rather than stronger ties are mobilized. In this phase, social networks with higher heterogeneity gain influence due to the larger variety of resources this type of networks allow to mobilize (Johnson and Chew, 2021).

The establishment phase is characterized by a decrease in the number of the social network ties that are utilized for the entrepreneurial venture and an increase in their strength (Greve and Salaff, 2003). The authors suggest that social network ties that remain influential are those that have proven to be useful for the business growth during the previous stages, and as the business moves to the establishment phase, trust in those ties increases. Thus, the ties remaining in effect are becoming more characterized by cohesion rather than other attributes.

Based on the theoretical findings, the following figure visualizes the theoretical model that is developed and used to test the impact social networks have on starting entrepreneurial ventures upon re-emigrating to the home state.

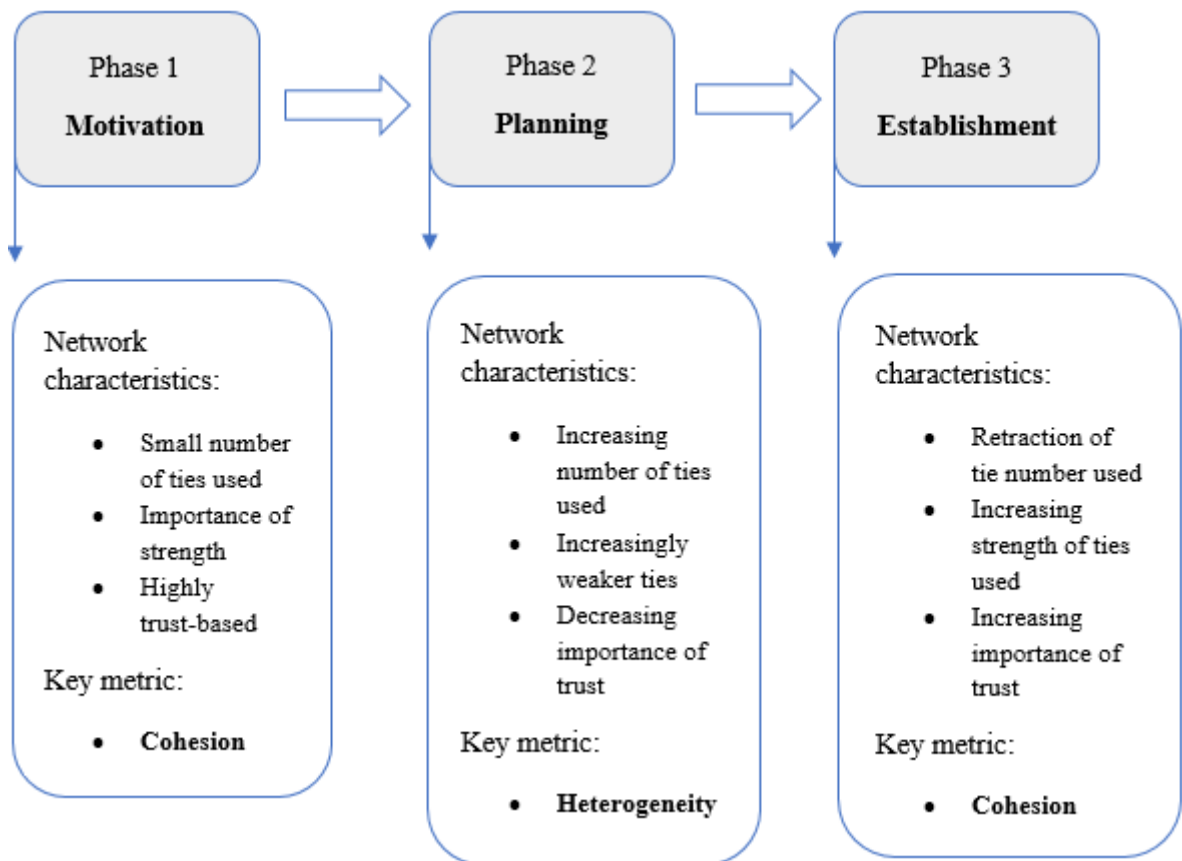


Fig. 9. Theoretical Model for Exploring the Impact of Social Networks' on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

The following section discusses the methodology used to put this theoretical model to test in order to investigate the impact social networks have on the entrepreneurial decisions of re-emigrants after returning back to their home state.

3. Research Methodology for Exploring the Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

This section overviews the research methodology of the study, including research problem, question, strategy, design, methods, sampling, and the general ethics followed throughout the process.

Research problem. The social network aspect in terms of entrepreneurship of re-emigrants has not received sufficient academic attention, despite the positive impact both can have on the economic and social spheres of the home state. Thus, the project revolves around migration and entrepreneurship theory, combining the research in the fields in order to explore the role of social networks in terms of entrepreneurial activity of re-emigrants. To investigate the topic, the following research question is formulated: what impact do social networks have on the decision to start a business after returning to the home state?

The object of the project - the level of impact social networks have on re-emigrants starting their entrepreneurial ventures after returning to their home state.

The aim of the project - to explore the impact social networks have in the decision to start a business after returning to the home state.

Data collection methods. Given the lack of research interconnecting social networks, return migration, and entrepreneurship, especially in the case of Lithuania, this study is exploratory in nature. A qualitative research tool - semi-structured interviews are chosen as the data collection method. Events associated with migration, starting stages of entrepreneurship, as well as peculiarities of social networks are often sensitive and can be difficult to share openly. Thus, the method is chosen both to gain insights in the relatively understudied topic and to ensure the comfort of participants. The participants in the study are approached through re-emigrant social media groups by publishing an open invitation to participate in the study. After initiating initial points of contact, a snowball sampling technique is used to gather additional interviewees. Additional participants were gathered through the use of personal connections and acquaintances.

Research sample. For this qualitative study, participants were selected based on their time spent abroad, time after return, and business activity type. A significant time abroad is defined as at least 2 years, referring to Kok (1997). Time after returning to the home state is set to be at least 1 year, keeping in mind that this time period allows one to set up their entrepreneurial activity. The entrepreneurial aspect is evaluated drawing on Table 1: Definitions of entrepreneurship in existing literature. Interviews were conducted with a goal of reaching data saturation, which for the purposes of this qualitative study was achieved after conducting 9 semi-structured interviews.

Data collection process. The interviews for this project were conducted on April 16-27th, 2022. The participants were given a choice whether they would like to conduct interviews in English or Lithuanian, and 1 participant chose to use Lithuanian language. For data analysis purposes, the Lithuanian interview was later translated. 6 interviews were conducted through “Zoom” as participants identified electronic means as their preferred way of communication, while the remaining 3 were conducted face-to-face. All interviews were recorded using Windows “Voice Recorder” and later transcribed manually for the highest possible accuracy. The interviews were conducted using the semi-structured interview guide), although it was foreseen that supplementary questions may be

asked should there be a need or benefit to them as the interviews progress. 2 interview guides were prepared: an English version (Appendix 1), and a translation to Lithuanian (Appendix 2).

Data analysis. The data was planned to be fully analyzed and visualised using MAXQDA Analytics Pro 2022 qualitative and mixed-methods research software package. However, after carrying out the data collection process, it was clear that it is more fitting to visualize the findings using minimalistic manually prepared charts for the purpose of achieving higher clarity to the reader. However, the analysis itself and some visualizations are also prepared through the use of the aforementioned software package.

Research ethics. A key point throughout the process is ensuring a safe, open, and comfortable space for the interviewees to share their journeys. Each participant joined the project by their free will, consenting to their participation at the beginning of each interview. All interviewees were informed that their participation will be used for academic purposes and took part in this project at their free will and. All interviews were recorded and later transcribed to ensure that data is represented accurately and prevent the loss of information. Prior to starting the interviews, all participants were informed about this process and consented to it. All participants were also informed that they may freely terminate the interviews for any reason at any point if they would like to. In order to ensure anonymity, names, age, company names, and other potentially anonymity-hindering information is not disclosed in this study. The participants were assured of this both before and after the interviews. During the data collection and transcribing process participants were assigned numbers from 1 to 9 to further ensure their anonymity, referring to the respondents in a range from “Respondent 1” to “Respondent 9”, or “R1” to “R9”.

4. Results and Discussion on the Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

This section overviews the results of the qualitative study, investigating the impact social networks have on the decision to start entrepreneurial activity after returning to the home country - Lithuania. The section includes a discussion of the results, research limitations, as well as recommendations for further studies regarding the topic.

4.1. Participant Background Characteristics

The following section discusses the results of the research project. The paragraphs that follow discuss participant background characteristics, as well as theoretical model testing results, beginning with the former.

The semi-structured interview consists of two parts. The first part of the interview allows us to explore the background characteristics of the participants, including their businesses and social network characteristics. The second part of the interview dives deeper into the phases of starting entrepreneurial activity: motivation, planning, and establishment. The following paragraphs discuss the data gathered from the first section of the interviews and the background information regarding the participants.

The first section of the interview consists of questions regarding the background characteristics of the participants: their host states and time spent in emigration, and what time period they have spent back in Lithuania after returning. Participants were also asked whether they had a business abroad, if so, what niche they were in, and what business they established after returning back to their home state. Lastly, the interviewees were inquired regarding their social network characteristics both in Lithuania and the social connections they still maintain with those they left behind at their host state.

Table 3. Participant host states, time spent in emigration and after re-emigrating

Variable	Frequency
Host State	United Kingdom - 2 (R1; R6) USA - 2 (R3; R9) Germany - 2 (R5; R7) The Netherlands - 1 (R8) Germany/The Netherlands - 1 (R2) Australia - 1 (R4)
Time spent in emigration (years)	2-4 years: 4 (R2; R4; R5; R8)
	7-10 years: 5 (R1; R3; R6; R7; R10)
Time after re-emigrating (years)	1-3 years: 5 (R2; R4; R5; R8; R9)
	5-10 years: 4 (R1; R3; R6; R7)

As the table indicates, the participants mainly chose Western states as emigration destinations, namely the Netherlands, Germany, United Kingdom, and United States, with just one shifting to Australia.

The participants can be grouped into 2 categories based on the time spent in emigration: 4 individuals spent 2-4 years abroad, while 5 spent 7-10. As for time after re-emigrating back to Lithuania, participants can also be grouped into 2 categories: 1-3 years (5 participants), and 5-10 years (4 participants). The time spent abroad is worthy of mentioning as a certain time period in the host environment is necessary to accumulate both financial and human capital: experience, skills, and field knowledge. As for time after return, a longer time period after returning can signal a higher rate of adaptation back in the home state environment and a decreased likelihood of emigrating again. In addition, in this case, a longer time after return can signal both a higher adaptation rate in the society, and in the business sphere.

The following table visualizes business-related background information regarding the participants: whether they had a business activity abroad, what type of business was established after re-emigrating, and whether the activity abroad corresponds to the activity initiated after re-emigrating.

Table 4. Participants business activity in home/host states

Variable	Frequencies
Had a business abroad	Yes - 4 (R3; R4; R6; R7)
	No - 5 (R1; R2; R5; R8; R9)
Type of business established in Lithuania	IT-driven - 5 (R1; R2; R3; R4; R5; R7)
	Sustainable farming/eCommerce - 1 (R6)
	Coffee roastery/Cafe/Storefront - 1 (R8)
	Freight forwarding - 1 (R9)
Activity abroad in relation to business activity established in Lithuania	Businesses in the same field - 2 (R3; R4; R7)
	Experience in host state related to business established in Lithuania - 6 (R1; R2; R5; R6; R8; R9)

The participants are nearly equally divided in terms of whether or not they had a business while in emigration, with 5 stating that they were employed workers, and 4 being business owners. 2 participants in the study have established the same businesses they had abroad after returning, while the remaining 6 participants indicated that their experience abroad has influenced their choice to start activity in the fields they did. The majority of the participants (5) have started businesses driven by IT solutions, while the remaining participants have chosen varying fields that correspond to their activity in the host state. Thus, the participants of this study can be classified as highly sought after professionals due to their professional spheres. 6 interviewees named the experience gained abroad as a key contributor to establishing a business in a related sphere: *“While I was abroad I fell in love with the industry, the craft, I knew the field, I wanted to establish something like that of my own, I*

also wanted to return to Lithuania, so, it all came together” (R8); “I was a truck driver for many years, I saw an opportunity to use cheaper labor force in Lithuania to get a larger profit, and also contribute to the Lithuanian economy” (R9). Respondent 1 noted that while abroad they saw how efficient a business in their field can be, and this led to the establishment of their own activity: “I quickly realized that lots of money and resources here [in Lithuania] are wasted to things that could be digitalized and simplified”. Thus, the time spent abroad and experience gained through emigration can influence the type of business activity selected to pursue after returning. Drawing from the participants’ responses, the experience can be especially beneficial, as it provides a different and arguably more efficient and innovative perspective on how business may be conducted.

Lastly, the background-related section of the interview guide explores the participants’ social network characteristics, both in regards to their social network in the home state, and the social network they had left behind in their host state. The following table visualizes the characteristics of both social networks.

Table 5. Participant home and host states’ social network characteristics

	Current social network after re-emigration	Social network maintained abroad
Broad	7 (R2; R4; R5; R6; R7; R8; R9)	5 (R2; R4; R5; R6; R9)
Diverse	5 (R2; R4; R5; R6; R8)	3 (R2; R5; R6)
Acquaintances	2 (R1; R6)	5 (R1; R4; R6; R8; R9)
Professional connections	2 (R7; R9)	4 (R4; R6; R7; R9)
Friends	6 (R2; R3; R4; R5; R6; R8)	8 (R1; R2; R3; R4; R5; R6; R7; R8)
Close friends	4 (R1; R3; R4; R7)	3 (R1; R3; R4)
Family	7 (R1; R3; R4; R6; R7; R8; R9)	2 (R3; R6)
Tightly-knit	2 (R1; R3)	4 (R1; R3; R7; R8)
Trust	3 (R1; R2; R7)	-

The table above visualizes the attributes that were mentioned most frequently when participants were asked to describe their social networks in the home state and abroad. Keywords “broad”, “diverse”, “acquaintances” and “professional connections” imply heterogeneity within the social networks, while “tightly-knit”, “family” “close friends” and “friends” can be seen as signals of higher cohesion within the network. During this section of the interview, attributes of social network heterogeneity were mentioned 33 times, while characteristics describing cohesive networks were mentioned 39 times.

However, the importance of size and diversity of social networks is accentuated as well. The participants in this research often described their social networks as “broad”, both in terms of social networks back in the home state (7 participants) and the social networks that were left behind at the host state (5 participants). As Respondent 7 highlights, “I’d say we are quite close, both with my

family and friends, personal friends, but I also have good connections in professional field, some I'd, I'd even call some business connections my friends, a good mix I have".

Although a higher number of participants mentioned attributes of cohesion, diversity is highlighted by the plurality of the interviewees, with 5 individuals describing their home state social networks as diverse, and 3 assigning this attribute to the social networks they left behind at the host state. Diversity is named as characteristic of high importance, and one that is cautiously maintained: *"I try to keep my social circle different, with people from different backgrounds"* (R2); *"The people I surround myself are people I wanna learn from, there's so many different people, different mindsets"* (R5). Although Respondent 1 values trust and close relationships more, they do emphasize the importance of diversity: *"I do however try to expand my social circle, although it can be a bit difficult for me, but I recognize the value in that"*. It is important to note that although the diversity attribute is not accentuated as a key metric in the theoretical model (see Fig. 9), diversity of networks used is low in the motivation phase (low in 5 cases), higher in the planning phase (high/increasing in 7 cases), and again decreases in the establishment phase (low/decreasing diversity in 5 cases). It is important to note that the source of diversity in the case of the motivation phase is brought by the presence of professional connections. The entrepreneurs participating in this research project value diversity, and the necessity for it among social networks is recognised, even in cases when the participant does not appear to be extraverted.

Acquaintances and professional connections were named less often when it comes to the home state. Only 2 participants named acquaintances and professional connections as a distinct part of their social network in Lithuania. In the meantime, acquaintances were mentioned by 5 individuals when describing the social network left abroad, and professional connections were specifically named by 5 participants. This distribution can signal the lower rate of cohesion when it comes to the social network developed abroad. 1 Participant in the study expressed their dissatisfaction with the immigrant status and how it affected their social network negatively: *"as a foreigner you are always approached with a suspicion, especially when you have an accent, which I have, so I didn't have a lot of friends that I'd consider my true friends, I mostly stayed with, stayed friends, in touch with people who were also immigrants"* (R8). The immigrant status, thus, may be a contributor to the lower rate of cohesion in host state social networks.

The keyword "tightly-knit", however, is used by 2 participants to describe the social network in the home state, and by 4 to describe the network left behind. Although the difference is not distinct enough to generalize, the keyword is used to describe the relationships that are still maintained, indicating that those that are still maintained are characterized by higher cohesion. The importance of trust is also highlighted by 3 participants: *"My social network is quite tightly knit, the most important thing for me is trust. But I also have friends who I consider to be family, a handful of friends, who I truly value"* (R1).

Friends were particularly named by 6 individuals when describing the social circle after re-emigration, and by 8 when referring to the social network left behind at the host state. Close friends were named 4 times referring to the social network after re-emigration, and 3 times when referring to the social network still remaining at the host state. When it comes to Lithuanians versus foreigners, there is no distinction: *"I still keep in touch with friends who I met there, both Lithuanians and foreigners, I value their friendship"* (R1).

Family is specifically named as a distinct part of the social networks by the majority of the participants, signaling the importance of its role. When it comes to distinguishing family members as a part of the social network, this distinction is made more often when describing the current social network in the home state (7 participants) than the social network left abroad (2 participants). Friends and family are mentioned alongside each other, often as equally important participants: *“I keep close ties with my family members and relatives, but I also have a good chunk of friends that I see as equally important”* (R4).

Overall, the majority of participants had chosen to emigrate to the West, spending 2 to 10 years abroad, and have re-emigrated back to Lithuania 1-10 years ago. The participants were nearly equally divided in terms of whether or not they had businesses abroad. The majority of those who had a business abroad established a similar entrepreneurial activity after returning. As for the individuals that did not have a business abroad, the activity that these re-emigrants established after returning is connected to their activity in emigration. This may imply that regardless of whether an individual had a similar business abroad, their activity in emigration may influence entrepreneurial choices upon returning to the home state. As for social network characteristics, family and friends of varying closeness are named as significant members of social networks. In contrast, lower strength connections are named less often. However, acquaintances and professional connections are often named to describe the social network left abroad. Keywords “broad” and “diverse” are named more often than keywords signaling closeness (“tightly-knit”), signaling the importance of these aspects to the entrepreneurs in this study. The diversity aspect is especially important to the participant, with even less social participants making effort to keep their social network this way. At the same time, the keyword “trust” was also present during the research.

Overall, the social networks of the participants can be described as a mixture of friends and family, with some acquaintances and professional connections beneficial to their business activity. The participants emphasize the broadness aspect and the benefit of maintaining diverse networks, yet closeness and trust have their role within the network. The single most fitting description for the social networks of the participants is “diverse”.

4.2. Theoretical Model Testing

The following subsection overviews the results of this qualitative research project in relation to the theoretical model (Fig. 9) developed referring to the existing theoretical background in the field of study.

In order to test the theoretical model through the analysis of 9 semi-structured interview transcripts using the “Maxqda” software package, a code system was developed (see Fig. 10 and 11). The code system is developed in accordance to the theoretical model’s phases, which were identified according to Wilken (1979). Each of the three phase categories are then divided into subcategories of cohesion and heterogeneity (see Table 2. Network Metric). These subcategories in turn contain characteristics of each attribute. The subcategories are developed based on the research of Johnson and Chew (2021), Elfring and Hulsink (2004), and Greve and Salaff (2003), adjusting the code names during the analysis in order to better reflect the factors that emerged during the process. In addition, subcodes evaluating diversity were added due to frequent mentions, although this characteristic was not specifically included in the theoretical model.

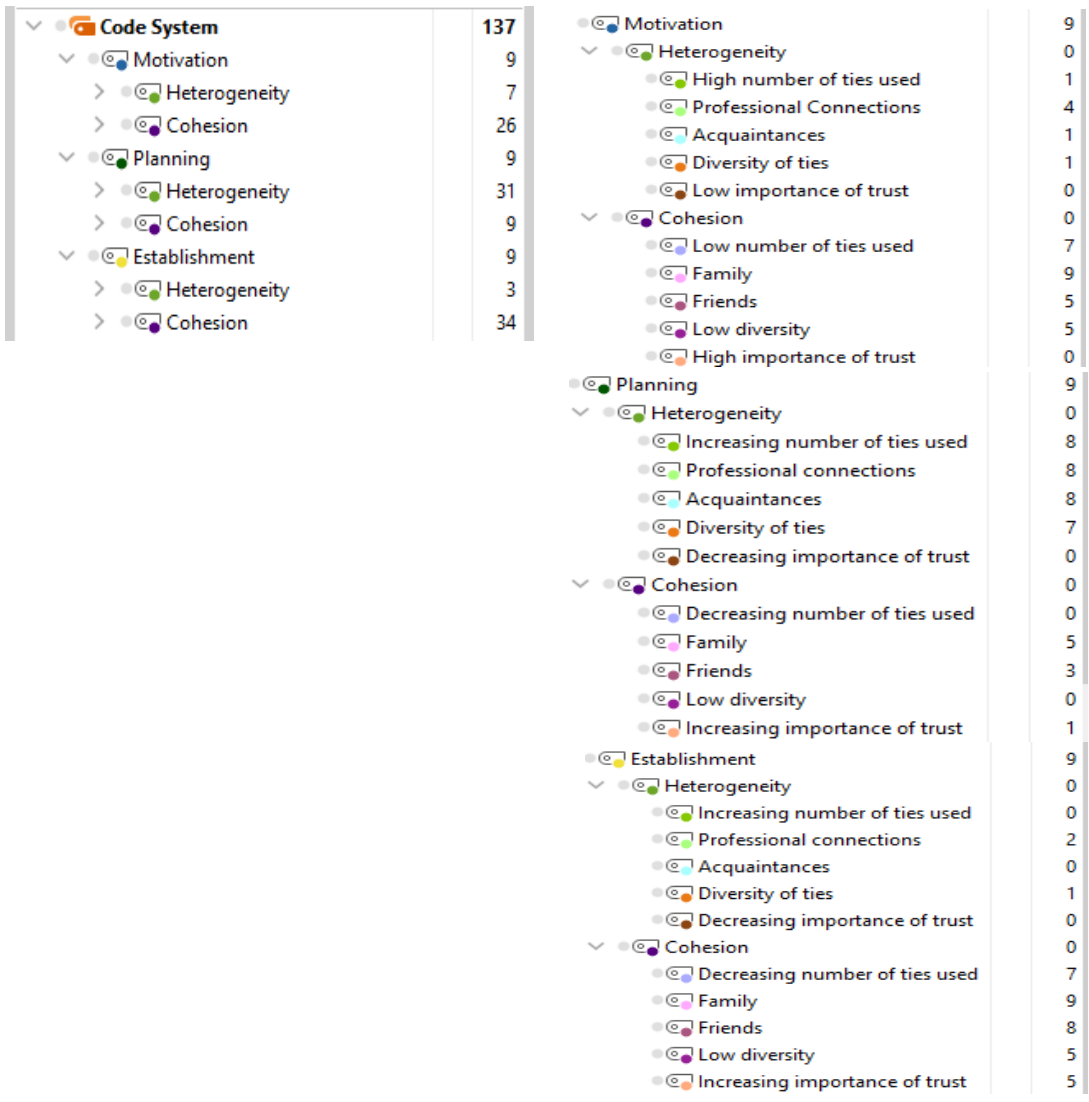


Fig. 10. Code system in “Maxqda” software package

In order to evaluate the participation of network members and their characteristics in each particular phase, a single factor, e.g. family, is only coded once per phase, regardless of repeated mentions. Due to code structure in the software, the categories of cohesion and heterogeneity are not assigned numerical values for visualization. Thus, the following visualization is prepared manually. Figure 11 below indicates the numerical change in attributes of the two categories during the 3 distinct phases of entrepreneurial activity establishment.

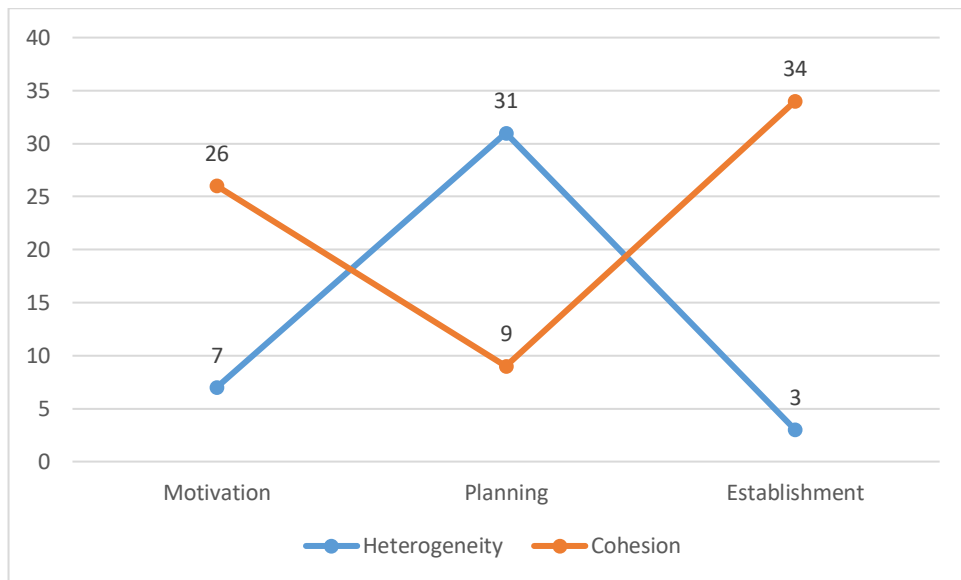


Fig. 11. Frequencies of mentioned heterogeneity and cohesion attributes during different phases

As figure 11 above illustrates, the findings of this study confirm the general principle highlighted in the theoretical model – the motivation phase is characterised by cohesion, during the planning phase attention shifts to higher heterogeneity, and in the establishment phase this relationship again shifts to cohesion. Indicators of higher heterogeneity (higher number of ties used, acquaintances, professional connections, diversity, low importance of trust) when taken into account as a group are indicated less frequently in motivation and establishment phases, and more often during planning. In contrast, signals of higher cohesion (lower number of ties used, friends, family, lower diversity and increasing importance of trust) are more prevalent during motivation and establishment, and not indicated as often when discussing the planning stage. The difference is most vivid in the establishment phase, with just 3 participants mentioning attributes of heterogeneity, and 34 indicating characteristics of cohesion.

When analyzing each code within heterogeneity and cohesion categories, however, the division is not as distinct as when analyzing the two groups as whole units. Starting with the motivation phase, although various cohesion attributes are much more prominent during the interviews, professional connections were mentioned as important during this phase. 4 participants specifically indicated their professional connections as key participants in the motivation phase. In addition, a high number of ties, acquaintances, and diversity of ties were indicated one time each. Similarly, during the planning phase, signals of heterogeneity are indicated significantly more often, although a high number of participants also mentioned their family (5 participants) and friends (3 participants) as key players during the phase. The highest conformity to the model is visible in the establishment phase, with only 3 participants naming heterogenous actors, and the majority naming family (9 participants), friends (8 participants), and a decrease of ties (7 participants).

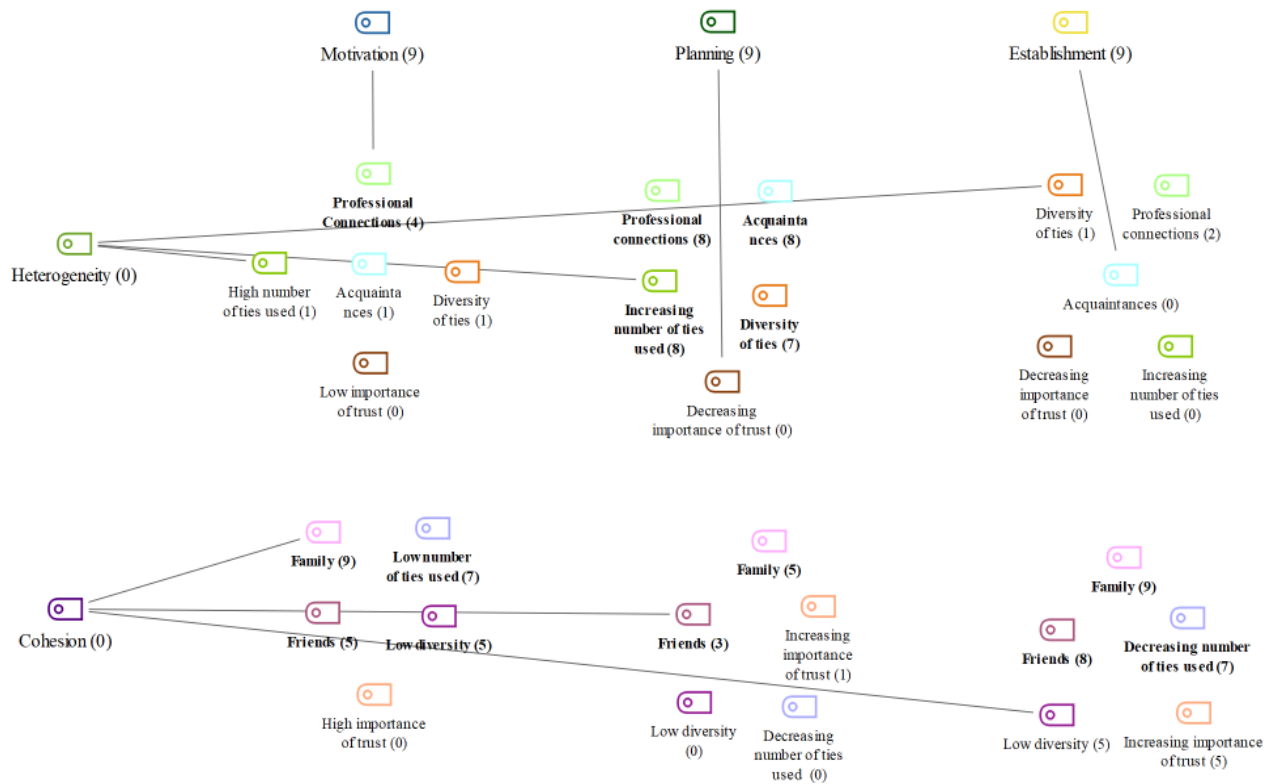


Fig. 12. Frequencies of heterogeneity and cohesion attributes during different phases

The following paragraphs are dedicated to exploring each component (**number of ties mobilized**, **strength of the said ties**, and the **importance of trust**) that is noted within the 3 phases in the theoretical model: motivation, planning, and establishment.

Number of social network ties mobilized: The number of social ties utilized in motivation phase was evaluated based on the participant’s responses. The number of ties is considered to be low if a participant mentions only using a handful of friends and family members, while the number is considered to be higher in cases when the number is higher and/or phrases such as “everyone”, “many people” are used. For other phases, the number of ties used is evaluated by participants themselves indicating whether they mobilized a lower or higher number of connections within the network than they did in the previous phase. The figure 13 below showcases the shift in network tie number during motivation, planning, and establishment phases.

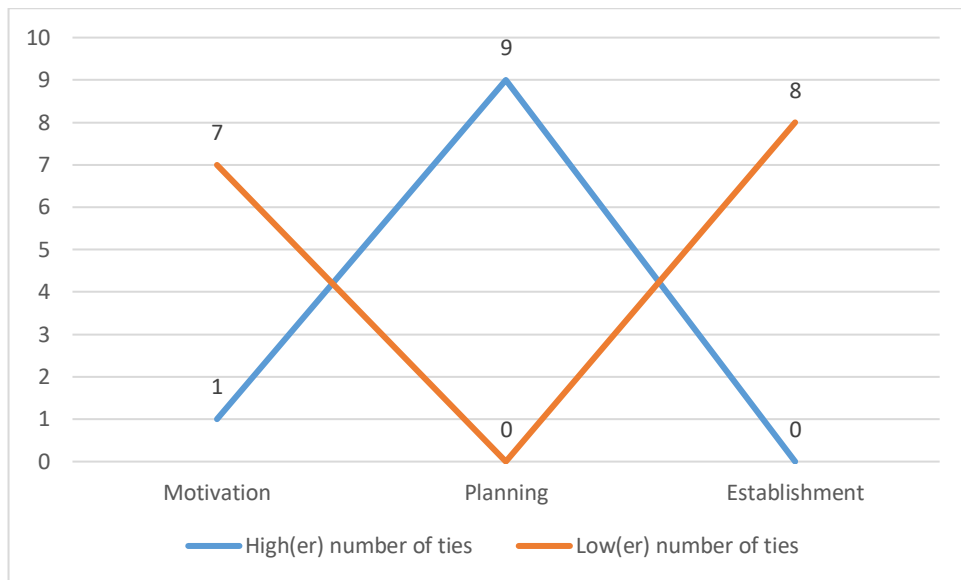


Fig. 13. Shift in number of network ties used during phases

Beginning with the **motivation** phase, only 1 participant indicated using a relatively high number of ties: according to Respondent 4, they utilized both family members and “*sought after interior designers and professionals in the field I and did a market survey of sorts*”, signalling the scope of their social network utilized for the benefit of their business during this time, as well as the diversity of ties used.

However, when exploring the planning phase, the numbers are entirely different, all 9 participants indicating that the number of ties used has increased in comparison to the motivation phase. When inquired whether more or less social network members were involved in the planning phase, the participants’ responses were similar: “*More, much more, perhaps I was acting a bit selfish, but I involved everyone I knew or even didn’t know, all the people who had ideas, advice or anything of that sort*” (R1); “*Oh gosh, many, more, many more*” (R5); “*More, definitely more, like so much more, it was now like actual planning and actually buying and actually doing stuff, I needed more hands*” (R6). Respondent 2 notes that those involved in the motivation phase were still active, yet more other ties got involved in this time: “*But who I discussed most with were probably the same people as before, just more people were involved, like I needed more connections*”, and Respondent 7 notes that they “*I had to involve, much more people, to get involved, but also those that were already involved from the beginning got more involved*”.

Also, the use of the broader and more distant social network ties emphasized: “*But the broader [social network], like more people than before*” (R3). Lastly, the planning phase can be seen as both a time in which more social network ties are mobilized, and a time period of developing closer relationships with those that got involved during this time: “*I got more established socially back in Lithuania so new friends joined in helping me map it all out, there were lots of people involved*” (R4); “*It is very hard to answer, because I’d now consider the people that are now involved and that got involved in this phase as friends, but then they were almost exclusively people that were new to us, but more people involved, got involved*” (R8).

Moving to the **establishment** phase, the majority (8 participants) noted that the number of ties used during this period has reduced in comparison to the planning phase. It is noted that less ties are mobilized, as there is no longer a need of obtaining information from the more distant social circle: “*I would say less, I no longer bombarded all of my acquaintances with questions*” (R1). Some also note that the establishment phase requires more individual work on the behalf of the entrepreneur themselves, thus, less social network members are involved: “*Less, I wish more people got involved, but I guess the work that had to be done had to be done by me*” (R4); “*Less, I had most stuff figured*”.

out, it just needed to be put in place” (R6). Respondent 9 notes that the social network was involved “Maybe a bit less, but more than in the beginning”. Respondent 9 also stresses that “Probably less were directly involved, but the emotional support was still of huge importance, their involvement, role adjusted, they knew what I needed”.

1 participant indicated that the number of connections remained similar through the planning and establishment phases: “In quantity very similarly, as I said earlier like people were filtered out, those who wanted to stay stayed, but more wanted to get involved, but that was no longer as easy to do, I made sure of it” (R3).

As for the difference in strength of ties utilized during the different entrepreneurship starting phases, this aspect of the theoretical model was investigated through evaluating the presence of strong ties (family and friends) versus weak ties (professional connections and acquaintances).

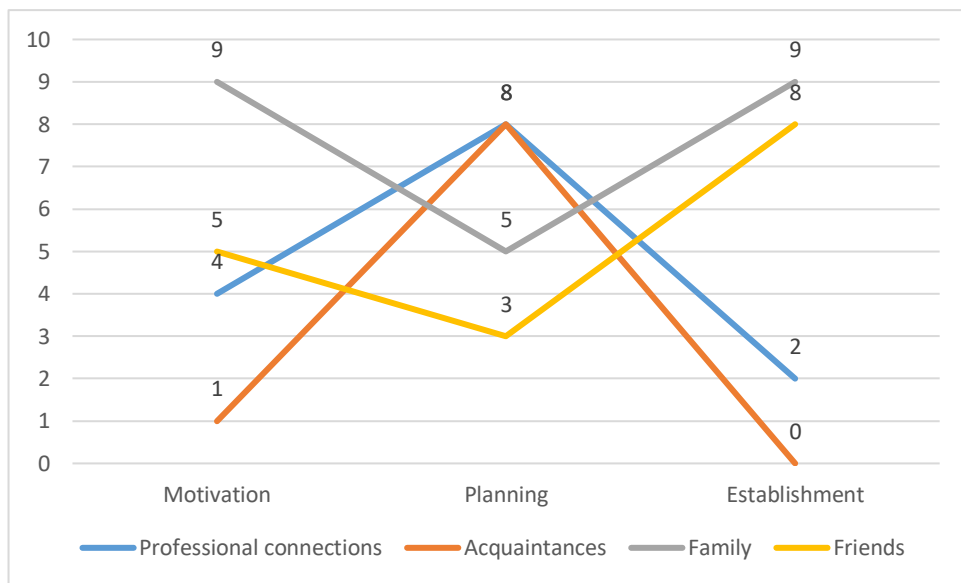


Fig. 14. Shift of strong (family, friends) vs. weak (professional connections, acquaintances) ties used during phases

As figure 14 visualizes, the presence of strong ties (family and friends) is much higher during the **motivation** phase. Family in particular was mentioned by all participants. The function family members perform is named as the determining push to act: “my family gave me the kick in the you know what to employ myself rather than seek employment” (R4), “family, and especially my brother pushed me to create something of my own” (R1). Participants named family members as sources of both ideas and encouragement: “Yes, my family was a big part of this, we all brainstormed about ways in which we could return, my family encouraged me to build my own business, its what I always wanted, and they allowed me to do that.” (R9). Family that is both born into and created is mentioned: “My other half was a big reason I am here right now” (R2), “Well it was mostly me and my spouse, but her family was also involved, a few friends of mine, but it was mostly the two of us” (R8). According to Respondent 7, “both friends and family were supportive of this idea”. Friends that are already in the field and have experience were named as particularly beneficial: “the main help was my friends who were developers, they helped with brainstorming, but also I found new friends when I started refining the idea” (R2), “I received help from good friends who already had their own businesses, they showed me the way so to speak” (R1).

Interestingly, weaker ties were also mentioned during the **motivation** phase. Professional connections are named especially often (4 participants), named by nearly as many participants as friends (5 participants). Respondent 7 indicated that professional connections *“allowed me to establish a business there, and as I began thinking about returning those very same people encouraged me to try, try the same, just in Lithuania”* (R7). Knowledge of the sphere was named as the differentiating factor between stronger and weaker ties, which in turn requires entrepreneurs to involve weaker ties, such as professional connections: *“my colleague and now partner in business was and is a big part of this, you know, I didn’t have the technical side in me”* (R3). Professional connections were also involved in business opportunity evaluation during the motivation phase: *“when testing the market, I sought after interior designers and professionals in the field I and did a market survey of sorts, of course on a rather small scale, but I tried to see whether there’s a demand, and I did not necessarily have anyone in my close social circle who would specialize in it and know anything about it”* (R4). In fact, Respondent 4 noted that *“The opportunity evaluation phase I would personally disassociate from the motivation phase, it was a completely separate journey for me”*. The participant indicated that their *“family was the biggest influence”* during the motivation phase, yet the role performed by professional connections during opportunity evaluation in their case was significant as well. Respondent 9 differentiated between the different roles of family and professional connections in the period of opportunity evaluation: *“I only consulted very few people, that would be my business contacts abroad, whether they’d use such services, et cetera. My family did participate, but they were my support system”*.

Acquaintances and professional connections are named as key actors during the **planning** phase, indicated by 8 participants each, although it is important to note that codes for professional connections and acquaintances can overlap. When inquired regarding which social network members participated during the planning stage, Respondent 8 describes this period as one in which they *“gained a lot of new connections, partners, so new acquaintances, mostly people involved in this business, but, people who knew the product, who were passionate in it, so to answer your question there was a shift to people, a shift from our immediate circle to shifting to people we just got to know then”*. This citation is a fitting generalization of the shift in social network members utilized by all respondents during the planning phase.

When responding to a question regarding social network participation in the **planning** phase, Respondent 1 said that they involved *“Everyone, who had anything to say regarding this topic, I even reached out to a person on LinkedIn and asked about their opinion, would this business take off or not”*. Respondent 2 notes that not all resources necessary in this stage were present in their existing social circle: *“there were not only developers that would need to be involved, but even more people like even cleaning companies that would take care of facilities and stuff, it was not only social circle but outside people”*. As Respondent 3 indicates, *“we really needed many people to do the job, so I had to reach out to more people, even to some I didn’t know much at all”*. In this case, an expansion of social network ties used is occurring simultaneously with the intentional expansion of the social network itself. Acquaintances are also named as the most influential due to their financial investment into the participants’ businesses: *“the most influential was an acquaintance of mine, or my sister’s, who became one of the largest investors, their contribution, their contribution was the most influential”*. (R5). As for professional connections, Respondent 7 named such ties as the most influential social network members during the planning stage as they *“needed people from different backgrounds, who had different experiences, knowledge, skills, who knew their way around”* (R7).

Respondent 6 names their professional connections as most influential in the planning stage: *“Maybe those ex-bosses, they helped me make sure I was investing in the latest technology, gadgets, tools”*. During the planning stage, newly formed professional connections are also named as positive contributors in this time: *“while doing my mini market research I met wonderful designers who were invested in the idea and wanted to see it live”* (R4).

Similarly to weaker ties in the motivation phase, although during the **planning** phase family is not mentioned as often, a significant number of 5 participants noted their family being present during the planning phase. Family members were mentioned as most important social network members during this time: *“my family, my parents, brothers, but also like aunts and great aunts, their families, people, sort of, they were my motivators”* (R6), *“My dad most likely, he had a business before me, he knew the nuances, he paved the path for me, his business is in a different area, but he knew, he also knew people in my area, helped arrange their assistance as well”* (R7). Despite their decreased involvement in comparison to other social network members, Respondent 9 names their family as most important: *“I don’t know, perhaps my family again, although they were not as involved as some others”* (R9).

In the meantime, friends were mentioned 3 times, often alongside family. Respondent 7 names both their friends and family as particularly important as these members of their social circle allowed them to stay within budget during the planning stage: *“I owe my friends and family my business”*. Respondent 4 also notes how both friends and family performed different, yet equally important roles during the planning phase: *“if my godparents gave me a push to act, then it would be new friends who pushed me to continue developing my idea”*.

During the **establishment** phase, the participants name weaker ties less often. Acquaintances in particular are not mentioned at all, while professional connections are only named by 2. It is important to note that the professional connections were named when participants were asked to name all social network members that participated in the business establishment phase. Professional connections were merely mentioned in passing, alongside other actors, such as family and friends, and were not distinguished as crucial social ties: *“My friends from the field, like those involved in legalities”* (R5), *“So many, family, partners, colleagues, all hands on deck”* (R9). In case of Respondent 5, the codes of friends and professional connections overlap. Participants note that acquaintances at this time are no longer a crucial part of their business operation in the establishment phase: *“acquaintances that were necessary for some knowledge before were no longer necessary, but more or less the same people”* (R7), *“I no longer bombarded all of my acquaintances with questions”* (R1).

In the meantime, when discussing the establishment phase, stronger ties are mentioned by the great majority of the participants, with family named by all 9 participants, and friends named by 8. Participants highlight that family members during this phase are crucial as providers of emotional support: *“The actual establishment was probably the most chaotic period in my life, seemingly nothing went according to plan, again, the financial aspect was tricky, actually, again, my family was helpful, support that came from them, my significant other appeared during this time, so that aspect was very important. Perhaps I did not understand how much to do there would be, so the most valuable thing at this time period was simply support”* (R1), *“But the most important role they [family members] played in this time specifically was keeping my mind at ease, mostly regarding the government stuff, that was the toughest part for me”* (R6). Respondent 2 highlights that during this phase their family was in comparison more involved, as the need for other connections decreased

after the planning process: *“my family got involved more, like there was not such a big need for other people, so yeah”*.

The gathered data shows that friends (mentioned by 8 participants) are also of significant influence in the establishment phase. Interestingly, the participants in this study most often mentioned friends when inquired regarding specific social network members of high importance, and not when asked to speak more of the social circle involvement in general. Friends are most often mentioned in passing alongside family and other factors: *“So that would be family, a few friends, who helped me deal with logistics, set up the premises”* (R1), *“My friends from the field”* (R5), *“My family, dad, some friends”* (R7), *“So my spouse, a few friends joined as colleagues, support was a big factor, a few friends”* (R8). Although the participants did not go into detail regarding the particular roles and importance of friends, their presence is distinguished by nearly all participants.

The words of Respondent 5 indicate the general theme in regards to stronger social network ties and their role during the establishment phase: *“this period highlighted the people that were most important”*. The participants of this study indicate that close ties, their family and friends, are the key social network member having an influence on their business activity during this time.

Importance of trust: The results of this study deviate most from the propositions made in the theoretical model when exploring the importance of trust during the different phases of starting entrepreneurial phases. The figure 15 below showcases the mentions of trust in the transcripts gathered through semi-structured interviews.

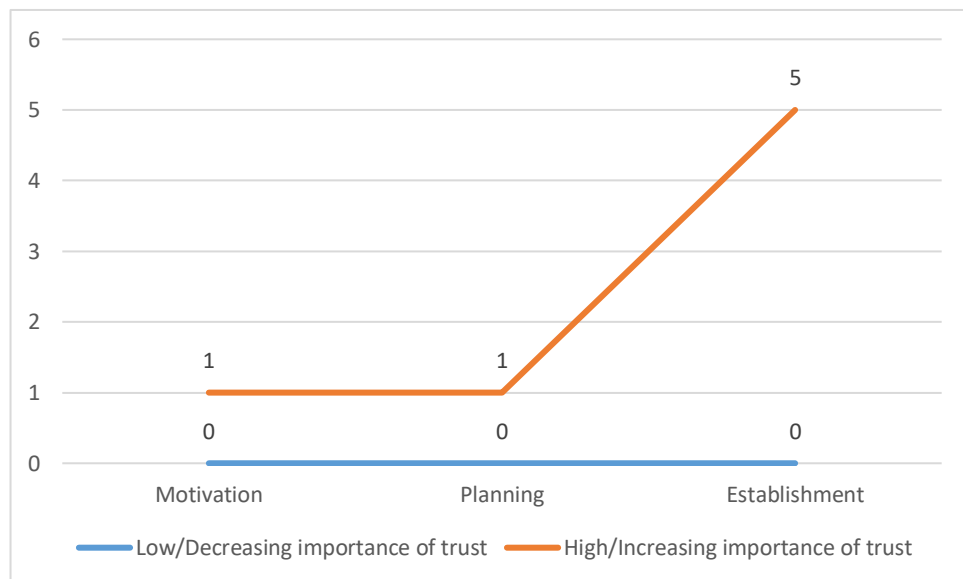


Fig. 15. Shift of trust importance during phases

As the figure above indicates, in contrast to the premises made in the model, trust was only mentioned as an important characteristic determining social network member involvement by 1 participant: *“we involved a few more colleagues in the place we worked at that we trusted wouldn’t say anything to our boss”* (R3). Although it is noteworthy that as mentioned previously, strong social network ties that are often accompanied by trust such as family and friends were most present during this particular stage. In the planning phase, however, 1 interviewee highlighted the importance of trust during this specific period. When asked about the most influential social network members during the planning

phase, Respondent 2 indicated that *“Most influential were those that I knew most, I trusted most in terms of their knowledge”* (R2).

The importance of trust appears to grow as the business reaches establishment phase, with 5 participants mentioning this attribute. According to Responent 9 *“Just like trusting my people to do the best for the business”* was an important factor to them during this time. Trust was also named as a determining factor in terms of which social network members remain a part of the business activity long term: *“I think it’s like natural selection, who remains important, who still has something to say, who still has your trust, so there, just a natural selection occurred, you know.”* (R7). Overall, the results of this study show the increased importance of trust during the establishment phase of the newly founded business.

4.3. Research Discussion on the Impact of Social Networks on the Decision of Re-Emigrants to Start Entrepreneurial Activity in Their Home Country

The following paragraphs provide a discussion of the results of this qualitative research project in relation to the theoretical model (Fig. 9) developed referring to the analysed academic literature in the field.

The purpose of this qualitative study is to explore the impact of social networks on the decision of re-emigrants to start entrepreneurial activity in their home country Lithuania. A theoretical model is developed (see Fig. 9) on the basis of existing research in the field. The model is then evaluated through the use of data gathered during semi-structured interviews with Lithuanian re-emigrant entrepreneurs in order to reject or not reject the premises made in the model.

Based on the existing theoretical literature, the theoretical model is divided into 3 distinct phases of starting entrepreneurial activity: motivation, planning, and establishment (Wilken, 1979). According to analysed literature, an assumption is made that motivation and planning phases are characterised by metrics of cohesion, while the planning phase is characterised more by heterogeneity attributes (Greve and Salaff, 2003; Elfring and Hulsink, 2004, Johnson and Chew, 2004).

The following figure 16 showcases the theoretical that was prepared according to the existing literature, adjusted based on the findings of the research carried out during this project. The adjustments made to the originally developed model are *italicized and colored blue*. Attributes of cohesion in this study are low(er) number of ties used during the phase, strong ties, and a relatively higher importance of trust. In contrast, metrics of heterogeneity are high(er) number of network ties used, lower strength of ties, and lower importance of trust. When subcodes within cohesion and heterogeneity categories are taken altogether, the premise of shift between these attributes within the model is confirmed. However, when analysing the subcategories separately, this shift is only partially supported when it comes to the motivation and planning phases. The relevance of different actors and characteristics during the phases are explored deeper in the following paragraphs.

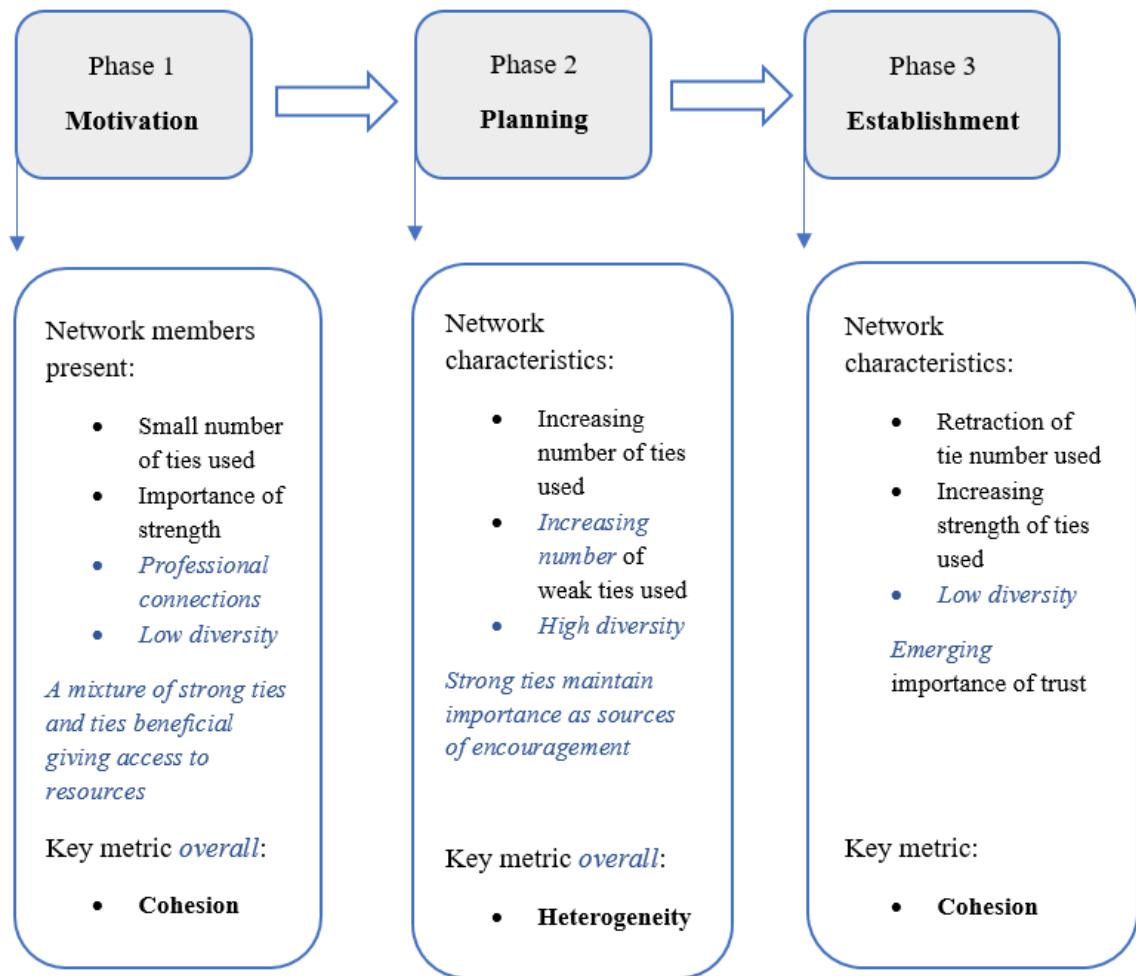


Fig. 16. Theoretical model – adapted based on research findings

When evaluating all metrics together, the **motivation** phase is characterised more by attributes of cohesion as a whole. The results of the data analysis performed in this study show that the motivation phase is characterised by the presence of family and friends, which are characterised as strong social ties (Evald, Klyver & Svendsen, 2006). The number of ties used in this phase is rather low, again signaling higher cohesion. However, the semi-structured interview results showed that professional connections, which are characterised as weak social ties according to the authors, play a significant role in the motivation phase by providing human resources and advice during the time of business evaluation. Thus, although the presence of strong ties is greater, weaker social ties, and especially those in the sphere of activity, are also relevant during the motivation phase. Interestingly, the importance of trust was not highlighted by the participants, although it is important to note that strong ties themselves are indicators of the presence of trust. Regardless, the findings of this study do not provide insights into the role of trust as a separate metric during this time. It is important to note that although social network diversity was not present as a metric in the theoretical model, the motivation phase is characterised by a low diversity of social network ties used, again signaling cohesion and confirming the cohesion/heterogeneity shift during phases that is indicated in the model. Interestingly, the participants also named diversity as a key characteristic of their social network in life in general. A common notion among the participating entrepreneurs is that diversity is an attribute that should receive effort to maintain, signaling its importance overall.

As projected in the theoretical model, the **planning** phase is generally characterised by metrics signaling network heterogeneity. All participants indicated that more social network connections were present during the planning phase than in the previous phase. The broader social network mobilized is noted as a source of knowledge and resources that are usually not present within the circle of ties active in the motivation phase. In addition, the number of utilised weak ties (acquaintances and professional connections) increased, while the number of strong social ties decreased. However, a high number of participants also noted that strong ties, especially family, still had their role during the planning phase. In this phase, strong social ties are described by the participants as sources of encouragement, providing a push to act during critical moments. The model developed using literature did not include the metric of diversity, which is now added due to its significantly increased presence during the planning phase, which signals higher heterogeneity. In sum, the planning phase is characterised by metrics of heterogeneity, yet similarly to the professional connection significance in the motivation phase, in case of the planning phase, strong social network ties have a role and significance during planning.

The results regarding the **establishment** phase conform the most to the propositions made in the theoretical model based on existing literature. The great majority of the participants indicated that the number of social network ties active during this phase decreased in comparison to the number present in the previous phase. In addition, the social network ties that remain active are characterised by trust, and often remain relevant due to their proven importance and engagement during previous phases, with participants naming this trend as „filtering out“ (R3) and “natural selection“ (R7) of the ties. In addition, the social network ties that remain influential in this phase can be categorised as strong social ties. During this phase, the importance of trust proposed in the theoretical model is confirmed by the majority of the participants naming this metric as one of high importance in this time period. Lastly, the diversity of social network ties mentioned decreases in comparison to the previous planning phase.

When evaluating the shift of cohesion versus heterogeneity metrics during the progression of entrepreneurial activity initiation phases, a clear general trend is visible from the results: cohesion metrics characterise the motivation phase, during the planning phase the importance shifts to indicators of heterogeneity, while after moving to the establishment phase there is a shift of importance towards metrics of cohesion. However, there are some exceptions: professional connection presence in the motivation phase, during the planning phase there is a presence of family, although its role shifts, and the importance of trust only emerges in the last – establishment phase. Lastly, the metric of diversity that was not specified in the theoretical model showed its importance during the data analysis process.

Research limitations and recommendations for further research. To begin with, nature of qualitative studies as the one present requires further quantitative investigation in order to achieve higher accuracy and the ability to generalize research findings. In addition, this research project is focused on the phases leading to entrepreneurial activity establishment, leaving room for both quantitative and qualitative studies to investigate the further lifespan of entrepreneurial activities and the impact of social networks and ties in them. Also, the study focuses on only selected attributes of cohesion and heterogeneity within networks, which necessitates further research that would encompass a higher number of metrics of cohesion and heterogeneity. In addition, the significance of metrics is evaluated based on whether or not they are mentioned within a phase, meaning that further

research on each code used in this analysis is needed for a comprehensive overview of their impact. Lastly, the participants of this study are Lithuanians. Thus, researchers interested in comparable states may use the findings of this study as a source of inspiration for an analysis of their countries of interest.

Conclusions and Recommendations

Conclusions

1. The present study has shown that social networks can be seen as mechanisms allowing entrepreneurs discover and explore entrepreneurial opportunity. Different types of social network ties can perform different functions and be influential in a variety of aspects related to the entrepreneurial activity. Social networks and ties within them not only provide financial, human, and other resources, but also grant access to resources not directly at their disposal, thus enabling the creation and development of entrepreneurial activity.
2. The analysis of existing body of research has shown that it is necessary to further explore the interconnection of re-emigration, entrepreneurship, and social networks. Based on the existing studies in the field, the promising trend of re-emigration in case of Lithuania requires academic attention due to the positive economic and social impact this phenomena can bring to the home state. Voluntary re-emigrants, the dominant type of flow in Lithuanian re-emigration, and re-emigrant entrepreneurs as groups have especially high potential positive impact. Re-emigrant entrepreneurs have the potential to become sources of innovation and growth due to the financial and human capital gathered abroad. The social networks of entrepreneurs can act as facilitators of entrepreneurial activity establishment as they can function as a source of both financial and human capital. Moreover, social networks can provide resources themselves and connect the entrepreneur to other potential resources that are not in their direct possession. Given the potential positive re-emigrant entrepreneurs' influence to the home state, the present study explores the intersection of re-emigration, entrepreneurship and social network by exploring the impact of social networks on the decision of re-emigrants to start entrepreneurial activity in their home state.
3. Based on the reviewed theoretical background in the fields of entrepreneurship, re-emigration and social networks, a theoretical model is developed and later put to test in practice. The theoretical model is divided into 3 phases, each characterised by different metrics indicated in existing literature:
 - **Motivation.** Key metric – cohesion. Characteristics: strong social ties, low number of ties active during the phase, high importance of trust.
 - **Planning.** Key metric – heterogeneity. Characteristics: increasing number of social ties active, decreasing strength of the said ties, and decreasing importance of trust.
 - **Establishment.** Key metric – cohesion. Characteristics: retraction in network tie number utilised, increasing strength of ties used, and increasing importance of trust.
4. Empirical study allows to conclude:
 - The data analysis has generally confirmed the shift in cohesion versus heterogeneity attributes during the different entrepreneurial activity starting phases outlined in the theoretical model. When analysing the sum of selected attributes of cohesion and heterogeneity, the motivation phase is characterised by cohesion, while the planning phase is characterised by a higher mention count of heterogeneity indicators, and in the last analysed phase – establishment, the dominating characteristic is again cohesion.
 - The **motivation** phase is characterised by a small number of social network ties used. Mostly strong ties (family and friends) are utilised during this phase, with the exception of

professional connections, which can be categorised as weak ties. The importance of trust, in contrast to the model, is not present among the participants' responses.

- During the **planning** phase, the number of social network ties used and their diversity increases. In the meantime, the number of weak ties used increases as well, although it is important to note that contrary to the projections of the model, strong ties often remain active and play a supportive role.
- During the **establishment** phase, the number of social network ties utilised decreases, and the network connections present are increasingly characterised by strength. The network ties that remain influential are often those who showed their importance in previous phases. This period is also characterised by an emerging importance of trust. Lastly, the diversity of ties used decreases.

Recommendations

After conducting this project, several recommendations could be provided:

1. The **motivation** phase is one determining the trajectory of the venture and whether or not it is initiated in the first place. Social networks and ties within them are named as factors giving the crucial push to act. Thus, mentorship programs and assistance of similar nature should be made available to potential entrepreneurs who do not have such social networks at their disposal to promote entrepreneurial activity.
2. Bringing entrepreneurs and investors that capable of supplying resources together during the entrepreneurial activity **planning** stage can result in a higher likelihood of the entrepreneurial business developing further.
3. During the **establishment** phase, entrepreneurs indicate a high importance of emotional and moral support. Thus, mechanisms such as support groups and unions may be set in place to perform the same role as social network ties of high strength.
4. Programs, tools and platforms aimed at increasing social networking among professionals of different fields and entrepreneurs should be developed as experiences of entrepreneurs show the importance of social network ties and their diversity during the various stages of their venture development.

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Appendices

Appendix 1. Semi-structured interview guide (English version)

Thank you for participating in this research. The purpose of this interview is to get to know more about your experience becoming an entrepreneur after returning to Lithuania and the influence your social network had in this process. In this research, social networks refer to the sum of your social ties with other people, both to connections to close social network members such as close friends and family members, and to contacts that are more distant, such as ex-colleagues and acquaintances. We will talk about three phases of entrepreneurship: motivation, planning, and establishment. Motivation - the phase in which opportunities related to establishing a business are evaluated. Planning - the phase in which all business related planning takes place and resources required to start the business are collected. The last phase we will talk about is establishment - the phase in which the business is enrolled into the market. All of your responses are confidential and will be used to deepen the understanding regarding the impact social networks have on entrepreneurship after returning from abroad. If you have any questions or insights in the process, they are especially welcome. Let's begin.

1. How much time did you spend in emigration and when did you return to Lithuania?
2. Did you have a business abroad? If so, what business were you in?
3. What business did you establish after returning to Lithuania?
4. What factors led you to establishing this particular business?
5. Please tell me more about your social network.
6. Please tell me more about your social network that was left abroad.
7. Motivation
 - 7.1. Did your social network participate in the motivation phase?
 - 7.2. What members of your social circle participate in the phase of business opportunity evaluation?
 - 7.3. What members of your social circle were the most influential?
8. Planning
 - 8.1. What factors had an impact during the business planning phase?
 - 8.2. What members of your social circle participated in the business planning phase?
 - 8.3. What members of your social circle were the most influential?
 - 8.4. In the business planning phase, was your social circle more or less involved than in the previous phase?
9. Establishment
 - 9.1. Please tell me more about the factors that were influential during the business establishment phase.
 - 9.2. What members of your social network participated in the business establishment phase?
 - 9.3. What members of your social circle were the most influential?
 - 9.4. In comparison to the business planning stage, were there more or less members of your social circle involved in the establishment phase?
10. Do you perhaps have any additional observations or insights regarding the impact of social networks in terms of business and entrepreneurship after returning from abroad?

Appendix 2. Semi-structured interview guide (Lithuanian version)

1. Papasakokite, kiek laiko praleidote emigracijoje ir kada grįžote į Lietuvą?
2. Ar turėjote verslą užsienyje? Jei taip, kokį?
3. Kada ir kokį verslą įkūrėte grįžę į Lietuvą?
4. Papasakokite, kokie faktoriai lėmė tai, jog nusprendėte įkurti būtent šį verslą?
5. Papasakokite apie savo socialinį ratą.
6. Papasakokite apie savo socialinį ratą, likusį užsienyje.
7. Motyvacija:
 - 7.1. Ar motyvacijos fazėje dalyvavo Jūsų socialinis ratas?
 - 7.2. Kas iš Jūsų socialinio rato dalyvavo verslo galimybių įvertinimo fazėje?
 - 7.3. Kurie jūsų socialinio rato nariai turėjo daugiausia įtakos?
8. Planavimas
 - 8.1. Papasakokite, kokie faktoriai darė įtaką verslo planavimo fazėje?
 - 8.2. Kas iš Jūsų socialinio rato dalyvavo verslo planavimo fazėje?
 - 8.3. Kurie jūsų socialinio rato nariai turėjo daugiausia įtakos?
 - 8.4. Ar planavimo fazėje įsitraukę buvo daugiau, ar mažiau jūsų socialinio rato narių, nei ankstesnėje fazėje?
9. Atidarymas
 - 9.1. Papasakokite, kokie faktoriai darė įtaką verslo atidarymo fazėje?
 - 9.2. Kas iš Jūsų socialinio rato dalyvavo verslo įkūrimo fazėje?
 - 9.3. Kurie jūsų socialinio rato nariai turėjo daugiausia įtakos?
 - 9.4. Lyginant su planavimo faze, ar įkūrimo fazėje įsitraukę buvo daugiau, ar mažiau jūsų socialinio rato narių?
10. Gal turite kitų pastebėjimų ar įžvalgų apie socialinio rato įtaką verslui bei antreprenerystei grįžus iš užsienio?