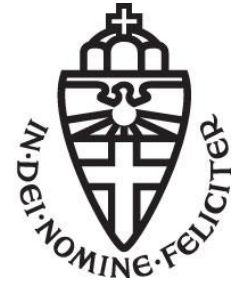


# Radboud University



## Killing two birds with one stone

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Exploring refugee entrepreneurial intent in the Netherlands

**Master Thesis International Management**

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## Preface

Before you lies the master thesis: “Killing two birds with one stone: Exploring refugee entrepreneurial intent in the Netherlands”. This research concludes my master program Business Administration, specializing in International Management, at Radboud University Nijmegen. It has not been easy and it has been stressful at times, but I am proud of this achievement.

First and foremost I would like to thank prof. dr. Hans van Kranenburg for his advice and guidance in this process, and helping me to start over after a rocky beginning. I am appreciative of dr. ir. Gerrit Willem Ziggers as second examiner in the defense meeting. Changing supervisors and changing subjects delayed my graduation, but I am very pleased with the subject that I have ultimately chosen, and the resulting thesis that lies before you. The issue of refugees is one I consider to be very important and relevant in today’s society. I truly hope that this research can and will contribute to better support for refugees that foster entrepreneurial intentions.

Furthermore, I would like to thank all the people and organizations that have helped me reach participants. It was not easy to get into contact with refugees, but I am glad that so many of my friends and family have gone to great lengths to help me.

Most importantly, I would like to thank my parents. Mam, pap, thank you for always being supportive and trusting that I can make my own decisions; even if that means me driving a 30-year-old Mercedes through the Sahara desert. You have taught me and Michiel to work hard, and always take interest in the world around us. Additionally, I would like to thank you and Michiel for reading and critically commenting earlier work. A final thanks goes out to my dear friends at AGL, for all the amazing nights, countless coffee breaks, hysterical fits of laughter, and all those great memories. Without you, my time in Nijmegen would not nearly have been this great. I have made friends for life.

Submitting this thesis, I conclude my time as a student: a time that I have enjoyed to the fullest. Now, it is time for the next adventure.

I hope you enjoy your reading.

Judith Berns

Nijmegen, April 2017



## Abstract

As the number of refugees settling in the Netherlands increases, the anxiety of Dutch citizens increases as well. More than ever before, integration is a public issue. It is proposed in literature that entrepreneurship can be a valuable way of enhancing integration into a new society. Furthermore, entrepreneurs have traditionally been the backbone of the Dutch economy and entrepreneurship is fiercely promoted by the government. Refugee entrepreneurship would therefore help the society as a whole as well as stimulating integration of refugees: Killing two birds with one stone.

Intention-based models are prevailing in entrepreneurship research and are used to predict behavior and to understand organizational emergence. Therefore, this exploratory study aims to answer the main research questions “*To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?*”. Refugee entrepreneurial intent refers to the conscious intention of refugees to start and maintain a business, rather than finding employment elsewhere.

In order to answer the main research question, a clear definition of refugee entrepreneurial intent is sought, and it is explored which factors either positively or negatively contribute to this intent. Furthermore, an overview of relevant elements of Dutch society is provided. The national context adds meaning to the factors that are identified.

A survey was spread amongst refugees in the Netherlands and showed that refugees foster strong entrepreneurial intentions. Multinomial logistic regressions found positive main effects of attitude towards entrepreneurship and the desire to overcome blocked mobility on refugee entrepreneurial intent. Furthermore, the institutional challenges faced by refugees negatively influence refugee entrepreneurial intent. Additionally, time in the Netherlands also has a negative effect: the longer a refugee has lived in the Netherlands, the weaker the entrepreneurial intent. The effect of negative perceptions towards refugees has demonstrated to be an inverted U-shape relationship: the refugees that feel strongly, or not at all, influenced by negative perceptions show the highest entrepreneurial intent.

Based on legislation and governmental policy, refugees should encounter no problems when starting a business. The number of refugee entrepreneurs is indeed growing, but is still limited. In practice, entrepreneurship is hardly offered as a viable option for refugees in the Netherlands. The current study has demonstrated that refugee entrepreneurship is, at this point, not successfully stimulated. If policy would change, both the integration of refugees, and entrepreneurship in general would be benefited.



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# Chapter 1. Introduction

## 1.1 Introduction

Within the European Union, awareness is rising that entrepreneurship in general should be stimulated in order to consolidate the domestic economy (Wauters & Lambrecht, 2008). Moriano et al. (2010) also consider entrepreneurship to be a significant factor in economic development, and to have plentiful benefits for society. Job creation, innovation, and independence are only a few of the benefits entrepreneurship has to offer (European Commission, 2003). These benefits comply with Dutch policy: each year a large portion of the Ministry of Economic Affairs' budget is aimed at boosting entrepreneurship and innovation.

In the Netherlands, entrepreneurship has traditionally been seen as a pillar of the economy, and entrepreneurs are referred to as the engine that keeps the economy going (Rijksdienst voor Ondernemend Nederland, 2015). The Dutch government even tries to attract foreign entrepreneurs by offering start-up permits, allowing them to stay in the Netherlands for a year to realize their business plan, and offering micro-credit to those starting businesses (Rijksdienst voor Ondernemend Nederland, 2015). These measures suggest that not only native Dutchmen set up their business in the Netherlands. Reports by the Chamber of Commerce (Kamer van Koophandel, 2016a) demonstrate that immigrant entrepreneurship is widespread throughout the country.

This phenomenon is equally demonstrated in other countries. Starting in the 1980s, a *boom* in self-employed immigrants took place in Western Europe (Koff, 2008a). Today, the proportion of immigrant entrepreneurs is even larger than that of native entrepreneurs in some countries, such as France and Germany. However, the great variation among immigrant entrepreneurs and their backgrounds cannot be aggregated into one general category (Cortes, 2004). More specifically, special attention should be paid to refugee entrepreneurs. Several authors (Cortes, 2004; Fong, Busch, Armour, Cook Heffron, & Chanmugam, 2007; Lyon, Sepulveda, & Syrett, 2007; Wauters & Lambrecht, 2006) indicate that the differences between refugees and other immigrants are profound and that therefore both groups require separate analyses.

According to the United Nations Refugee Convention (UNHCR, 1951, p. 14), a refugee is “someone who is unable to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social

group, or political opinion.” The convention includes minimum standards for the treatment of refugees, such as the right to primary education, provision for documentation (e.g. travel documents and passports), and the right to work (UNHCR, 1951). The terms ‘refugee’ and ‘asylum seeker’ are often used interchangeably, but are distinctly different. In the Netherlands, a refugee is defined as someone who has successfully completed the asylum process and been granted asylum. This status differs from that of an asylum seeker, who has not fully completed the process and has not yet been granted permission to stay (Vluchtelingenwerk, 2016). The critical word is therefore ‘seeking’, where the refugee has been granted asylum and the asylum seeker has not yet been granted asylum. The definition of refugees also differs from the definition of immigrants. Immigrants are people who reside in a country other than their home country (Nicolaas & Sprangers, 2012). This study focuses on refugees in the Netherlands.

Due to the growing number of people seeking refuge in the Netherlands (Vluchtelingenwerk, 2016) and the growing unease of Dutch citizens toward these people (Den Ridder, Dekker, Van Houwelingen, & Schrijver, 2016), it is increasingly important for refugees to successfully integrate into Dutch society. Integration is hereby defined as the process of immigrants and native members of a society growing closer and fully participating in society (CBS, 2014). In 2015, over 1.25 million people fled their home countries to apply for asylum in the European Union (Vluchtelingenwerk, 2016). This number is twice as large as in 2014. By the end of 2015, 88,536 refugees (those with residence permits) and 28,051 asylum-seekers (those without residence permits) arrived in the Netherlands that year. Most of these people are Syrian, whereas earlier refugees in the Netherlands came from different areas, such as the former Yugoslavia. Dutch society has not been required to manage this many refugees in a long time (Vluchtelingenwerk, 2016).

Consequently, the matter of refugee integration has been pervasive in Dutch media and is seen as an important societal issue. All political parties have formulated explicit views on integration for immigrants and refugees for the recent elections of March 2017 (Verkiezingswijzer, 2016). Researchers at the Netherlands Institute for Social Research (SCP) report that immigration and integration has been the most important theme in public opinion since October 2014. Problems concerning refugees seem to be a source of anxiety for Dutch people, who fear they may lose their national culture and identity (Den Ridder et al., 2016). Therefore, it is increasingly important for refugees to integrate into Dutch society.

Entrepreneurship is often proposed as a fruitful means to integration (Fong et al., 2007; Kloosterman & Van der Leun, 1999, Wauters & Lambrecht, 2006, 2008). The number of refugee entrepreneurs in the Netherlands has been growing (Kamer van Koophandel, 2016a), which can be seen as a sign of increasing integration into the host economy (Koff, 2008). Moreover, Abbasian and Bildt (2009) have found that entrepreneurship can be a helpful tool in empowering immigrant women. Others (Kloosterman & Van der Leun, 1999; Waldinger, Aldrich, & Ward, 1990) agree that setting up businesses can provide a valuable way out of economic uncertainty for refugees and other immigrants. In more than one way, successful entrepreneurship can be beneficial for refugees. By promoting refugee entrepreneurship, the Dutch government would “kill two birds with one stone” (Wauters & Lambrecht, 2006, p. 509). In other words, two problems would be solved with the same solution. Stimulating entrepreneurship would aid both the integration of refugees, and society as a whole.

In order to successfully encourage refugee entrepreneurship, the decision-making process and factors that motivate entrepreneurship need to be understood (Díaz-García & Jiménez-Moreno, 2008). Refugees may have other motivations to start a business of their own than integrating into Dutch society. Wauters and Lambrecht (2008) found that many refugees (as well as non-refugee immigrants) are driven by negative motivation: not being able to find a job and opting for self-employment as an emergency solution. However, positive motivation seems to prevail, since many refugees willfully become entrepreneurs just as they were in their home countries.

Furthermore, refugees may face more barriers than a native Dutch person or even other immigrants when starting a business. Refugees lack the social networks needed to attract customers and suppliers to establish thriving businesses. Moreover, as a result of his or her generally unexpected flight, a refugee may not have been able to bring certifications or diplomas needed to start a business in the host society (Wauters & Lambrecht, 2008). These issues are only a few examples of the many hurdles that refugees need to overcome to become successful entrepreneurs.

Several initiatives have emerged from society to help refugees establish their businesses. For example, the University of Twente has recently started a trial program helping young refugees in innovative entrepreneurship (Tubantia, 2016). However, establishing a business is not easy for refugees. Without knowledge of Dutch legislation and corporate culture, starting and sustaining a successful company can be extremely difficult. The current affairs television

program *Nieuwsuur* (2016) interviewed Oguzhan Rahimi, an Afghan entrepreneur who came to the Netherlands in 1998. His case painfully illustrates the difficulties refugee entrepreneurs encounter. Rahimi started several small businesses but lacked language skills and knowledge of financial administration. He also had problems with the Immigration and Naturalization Service, which led to customers going elsewhere and ultimately to his bankruptcy. He recalled that local government officials were willing to help him but did not know how. Fortunately, success stories also exist. Maas (2016) describes several cases of successful refugee entrepreneurs in the Netherlands that now own multinational companies. However, these cases concern entrepreneurs that had lived in the Netherlands for over ten years. For newcomers, these success stories still seem unattainable.

According to Ajzen's (1991) theory of planned behavior, a person's behavior can be predicted from his or her plans and intentions to perform this behavior. Numerous studies (Autio, Keeley, Klofsten, Parker, & Hay, 2001; Davidsson, 1995; Engle, et al., 2010) have used this model in the field of entrepreneurship, and the majority support the idea that intent is a powerful predictor of targeted behaviors: in this case, the targeted behavior is entrepreneurship. Furthermore, understanding intentions helps researchers and policy makers in understanding phenomena, such as business emergence (Krueger, Reilly, & Carsrud, 2000). Therefore, in this study, refugee entrepreneurial intent is measured, as it is a precursor for refugee entrepreneurship. This study investigates whether refugee entrepreneurial intent exists in the Netherlands. Furthermore, it will explore which factors positively or negatively influence this intent.

## **1.2 Problem statement**

The increasing number of refugees settling in the Netherlands combined with the increasing anxiety of Dutch citizens toward these refugees has made integration more of a public issue than ever before. Several authors have proposed that entrepreneurship can be a way to enhance refugee integration. Refugee entrepreneurship could kill two birds with one stone, since the Dutch government fiercely promotes entrepreneurship to stimulate the domestic economy. However, refugees may encounter more barriers in starting businesses than their indigenous Dutch counterparts. To gain insight in refugee entrepreneurship in the Netherlands, it is necessary to explore whether and why refugees would want to start businesses and what barriers are stopping them.

### **1.3 Research objective**

The objective of this study is to explore the extent to which entrepreneurial intent exists among refugees in the Netherlands and to explore which factors strengthen and which factors weaken this entrepreneurial intent. This intent entails whether refugees consider starting their own businesses instead of finding employment elsewhere. Quantitative data will be gathered and analyzed to reach this objective. The dependent variable is refugee entrepreneurial intent, the independent variables are strengthening factors and weakening factors for this intent. Furthermore, the study will control for age, gender, education level, country of origin, and amount of time in the Netherlands.

### **1.4 Research questions**

This introduction leads to the following research question:

*To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?*

To answer the research questions, five sub-questions are proposed. First, a clear definition of this main concept of refugee entrepreneurial intent must be provided. The concept consists of three parts: refugees, entrepreneurship, and entrepreneurial intent. Together these components form refugee entrepreneurial intent, which is a precursor for refugee entrepreneurship. This leads to the first sub-question, which is answered by drawing from the literature.

*A. What defines refugee entrepreneurial intent?*

Another important aspect of the main question is the extent to which this intent exists. It will be investigated through empirical research to answer the next sub-question.

*B. To what extent does refugee entrepreneurial intent exist?*

Following Lüthje and Franke (2003), several factors influence entrepreneurial intent. Mainly, entrepreneurial intent is either increased by a person's motives, or decreased by the perceived barriers to entrepreneurship. This distinction corresponds with Wauters and Lambrecht (2006, 2008), who also state that refugee entrepreneurial intent is influenced by motives and barriers. Therefore, the third sub-question relates to the motives a refugee can have to become an entrepreneur. Literature proposes several motivations for why a person would choose to become self-employed and add motives that are specific to refugees and immigrants with

entrepreneurial intent (Fong et al., 2007; Lyon et al., 2007; Raijman & Tienda, 2000; Wauters & Lambrecht, 2006, 2008). Therefore, the following sub-question is formed.

*C. What motives influence refugee entrepreneurial intent?*

In addition to motives for becoming an entrepreneur, a person can also encounter barriers in becoming an entrepreneur, resulting in a weaker entrepreneurial intent. According to Lüthje and Franke (2003) these barriers to entrepreneurship form a direct explanation for the preferred employment status. Due to their group characteristics, it can be argued that refugees encounter more and different barriers than other entrepreneurs (Wauters & Lambrecht, 2016). This leads to the fourth sub-question.

*D. What barriers influence refugee entrepreneurial intent?*

The answers to sub-questions C and D are drawn from empirical research.

Every nation has its own specific legislation and institutional environment. This national context greatly affects immigrant and refugee entrepreneurial intent (Kloosterman & Rath, 2001; Moriano et al., 2010; Waldinger et al., 1990; Wauters & Lambrecht, 2008). Therefore, relevant elements of the Dutch society need to be analyzed to place the data and results obtained in this study into context. This context needs to be taken into consideration when answering the research question, leading to the last sub-question.

*E. How does this study fit into the context of the Netherlands?*

## **1.5 Scientific relevance**

Immigrant entrepreneurship has received much scientific attention over the last several decades (Fong et al., 2007; Fuller-Love, Lim, & Akehurst, 2006; Kloosterman & Rath, 2001; Teixeira & Wei, 2009; Wang, 2010). In these studies on immigrant entrepreneurs, refugees are mentioned, but not often considered as a separate group. Other times, refugees are only mentioned in the domain of employment (rather than self-employment). A few exceptions include Gold (1988, 1992), Fong et al. (2007), and Wauters and Lambrecht (2006, 2008). However, many authors stress (Cortes, 2004; Fong et al., 2007; Lyon et al., 2007; Wauters & Lambrecht, 2006) that refugees and other immigrants require separate analyses.

Furthermore, the number of refugees in the Netherlands has increased significantly over the past few years. Moreover, the origins of these recent refugees are different than before (Vluchtelingenwerk, 2016). Therefore, it is possible that the existing literature on immigrant

and refugee entrepreneurship in western economies (Fong et al, 2007; Kloosterman & Rath, 2001; Wauters & Lambrecht, 2006; Wauters & Lambrecht, 2008) is no longer fully applicable. Moreover, many of these studies were performed outside of the Netherlands. This study on refugee entrepreneurial intent may help fill the current gap.

## **1.6 Societal relevance**

The societal relevance of the current research is twofold. First, identifying the antecedents of refugee entrepreneurial intent can aid refugees in integration. Since the end of 2015, immigration and integration have been the most important topics in public opinion in the Netherlands. People are worried about the influx of refugees and asylum seekers and how these people will fit into Dutch society. Some think it is unjust that services of the Dutch welfare state are accessible to refugees; others are concerned about the societal tensions that have resulted from this situation (Den Ridder et al., 2016). It is expected that refugees integrate into Dutch society; they are obligated to pass an assimilation course within a few years (Dienst Uitvoering Onderwijs, n.d.). Entrepreneurship can be a way of stimulating integration, which makes refugee entrepreneurship desirable. Identifying whether refugees are likely to demonstrate entrepreneurial intent, their motivations for entrepreneurship, and the barriers they encounter can help refugees and supervising organizations prepare for entrepreneurship. The outcome of this study could subsequently help organizations, such as Vluchtelingenwerk, in aiding their clients.

Furthermore, entrepreneurship in general would be boosted, which is in line with Dutch governmental policy. Entrepreneurs are considered to be the pillars of Dutch society, which is why the Ministry of Economic Affairs aims to increasingly stimulate entrepreneurship and innovation (Ministerie van Economische Zaken, 2016). By examining whether refugee entrepreneurial intent exists in the Netherlands, and what elements contribute to this intent, refugee entrepreneurship can be more effectively stimulated. This would consequently benefit entrepreneurship in the Netherlands in general.

## **1.7 Outline of the thesis**

The following chapter first provides the theoretical framework for this research, including an outline of relevant literature regarding refugee entrepreneurship, refugees' motivations, and the barriers they face. In the same chapter, the conceptual framework is designed. Subsequently, chapter three discusses the Dutch context and provides data on the current situation of refugees in the Netherlands, and relevant legislation that may influence refugee entrepreneurship. Chapter

four discusses methodology, the type of research and data collection and analysis techniques. The data analysis and results are discussed in the fifth chapter. The sixth and final chapter consists of a discussion of these results, the conclusions of the research, answers the proposed (sub-)questions, and provides policy recommendations.

## **Chapter 2. Literature and theoretical overview**

The following chapter provides an outline of relevant theories and literature regarding refugee entrepreneurship and entrepreneurial intent.

### **2.1 Refugee entrepreneurial intent**

Considered as a broad concept, entrepreneurship can be defined in many ways. The definition used in this study is provided by Hanson (2009, p. 251) and states that “someone is considered an entrepreneur if she or he owns a business, assumes the risks associated with ownership, deals with the uncertainties of coordinating resources, and is in charge of day-to-day management of the business.” This definition aligns with the criteria both the Dutch Tax Authority and Chamber of Commerce use to determine whether someone is an entrepreneur: providing goods or services, asking a fee for these goods or services, and participating in the market (Kamer van Koophandel, 2016a).

Wang (2010) defines ethnic entrepreneurship as the entrepreneurial activities of ethnic businesses and their owners. Waldinger et al. (1990, p. 33) state that ethnic businesses may be no more than a set of connections and regular patterns of interaction among people sharing a common national background or migration experience. Literature also mentions the concept of immigrant entrepreneurship (Ensign & Robinson, 2011; Kloosterman & Rath, 2001; Raijman & Tienda, 2003). This concept involves the entrepreneurial activities of immigrant businesses and their owners, not limited to but including ethnic businesses. Immigrant entrepreneurship encompasses all newcomer groups setting up businesses in other countries. Immigrant entrepreneurship includes, but is not limited to, refugee entrepreneurship. A handful of authors (Fong et al., 2007; Gold, 1988, 1992; Lyon et al., 2007; Wauters & Lambrecht, 2006, 2008) studied refugee entrepreneurship as a niche of ethnic entrepreneurship. Refugee entrepreneurship involves refugees that start businesses and become entrepreneurs in their new home countries. Consequently, refugee entrepreneurship entails refugees, as defined by the UNHCR (1951), that own businesses, assume the risks associated with ownership, negotiate the uncertainties of coordinating resources, and oversee day-to-day management.

Entrepreneurial intent is the precursor for entrepreneurship and is defined by Obschonka, Silbereisen, and Schmitt-Rodermund (2010, p. 64) as “the conscious state of mind that directs personal attention, experience, and behavior toward planned entrepreneurial behavior”, or by Wu and Wu (2008, p. 754) as “a state of mind that people wish to create a new

firm". Similarly, entrepreneurial intent is a person's intention to become an entrepreneur (Díaz-García & Jiménez-Moreno, 2009; Gupta, Turban, Wasti, & Skidar, 2009; Liñán, Rodríguez-Cohard, & Rueda-Cantuche, 2011; Lüthje & Franke, 2003). Intentions are "assumed to capture the motivational factors that influence behavior; they are indications of how hard people are willing to try, of how much effort they are planning to exert, in order to perform a behavior" (Ajzen, 1991, p. 181). Krueger and Carsrud (1993) support that intent is a predictor for entrepreneurship, arguing that intentions-based models offer important insight into entrepreneurship, even without measuring the initiation of new ventures. Furthermore, the stronger the intention is to engage in a behavior, the more likely it is that the behavior is performed (Ajzen, 1991). Therefore, entrepreneurial intent is used as a strong predictor for entrepreneurship. Drawing from the definitions proposed in this paragraph, refugee entrepreneurial intent is defined as and used throughout this thesis as the conscious intention of refugees to become entrepreneurs.

Two intention-based models that are pervasive in relevant literature on immigrant and refugee entrepreneurship (Díaz-García & Jiménez-Moreno, 2009; Moriano et al., 2010; Wauters & Lambrecht, 2006) are discussed. First of all, the theory of planned behavior (Ajzen, 1991) aims to predict behavior through intention. According to Ajzen (1991), intention depends on three elements: the subjective norm, attitude, and perceived behavioral control. The subjective norm refers to social pressures to engage (or not to engage) in a certain behavior. The personal attitude is the degree to which a person views a behavior, in this case entrepreneurship, as attractive compared to alternatives. The last element of perceived behavioral control, is the perceived ease or difficulty in performing the behavior. It strongly relates to self-efficacy, a person's confidence in managing certain situations or performing successfully; the higher a person's self-efficacy, the greater his or her entrepreneurial intent (Díaz-García & Jiménez-Moreno, 2010).

Secondly, Shapero's (1982) model of the entrepreneurial event states that intentions are derived from the perception of the desirability and feasibility of starting a business. Furthermore, the propensity to act upon opportunities is decisive for intent. The model assumes that behavior is led by inertia until an entrepreneurial event interrupts that inertia. This event is often a negative experience, such as losing employment (Krueger, Reilly, & Carsrud, 2000), that then accelerates a change in behavior. The behavior depends on the credibility (desirability and feasibility) of all alternatives and the propensity to act on the alternative. In order for a person to choose to become an entrepreneur, entrepreneurship must be considered as a credible

alternative. Furthermore, a propensity to act is needed after the entrepreneurial event to positively influence the intention.

Krueger et al. (2000, p. 424) compared the ability of the two models to predict entrepreneurial intent and found that both offer a “valuable tool for understanding the process of organizational emergence”. Both models include elements associated with self-efficacy and personal attitude; exogenous variables play an important role but do not directly impact intentions or behavior.

In this study, entrepreneurial intent is treated in the context of the theory of planned behavior (Ajzen, 1991). Though Shapero’s (1982) model of the entrepreneurial event is valuable, Ajzen’s (1991) theory of planned behavior is more detailed and structured (Liñán et al., 2011). Furthermore, Moriano et al. (2010) found that despite cultural differences amongst nations, the theory of planned behavior is universally applicable when measuring entrepreneurial career intentions. Therefore, the model is useful in the domain of refugees originating from all over the world.

Liñán et al. (2011) highlight that even though intention-based models prevail in contemporary entrepreneurship research, a number of additional variables are relevant. In response, Ajzen’s (1991) three elements are combined with elements drawn from literature focusing specifically on refugee entrepreneurship and entrepreneurial intent. In line with Wauters and Lambrecht (2006, 2008), strengthening factors of refugee entrepreneurial intent are referred to as motives and weakening factors are referred to as barriers. Both motives and barriers are discussed in the following paragraphs.

## **2.2 Motives**

Literature proposes several motives, or strengthening factors, for immigrant entrepreneurship. Generally, literature on refugee entrepreneurship and entrepreneurial intent opposes individual and context-related motivations. For example, Lüthje and Franke (2003) found that personality traits on one hand and contextual factors on the other positively affected entrepreneurial intent; Fong et al. (2007) divided refugee entrepreneurship success factors into individual and community factors. Wauters and Lambrecht (2008) followed Waldinger et al. (1990) and Kloosterman et al. (1999) by using group characteristics and market opportunities to analyze the success of ethnic businesses. Following these studies, the motives are divided into individual and contextual motives.

## **2.2.2 Individual motives**

Drawing from literature, three individual motives are distinguished. These motives are discussed in the following sections.

### **2.2.2.1 Desire to integrate**

Integrating into a new society is often mentioned as a strong motive for refugee entrepreneurship (Cortes, 2004; Kloosterman & Van der Leun, 1999). This conforms to Wauters and Lambrecht's (2006) integration model, which states that refugee entrepreneurship can be a tool for integration into a new society. This relationship occurs through the subjective norm, a part of the model of planned behavior (Ajzen, 1991), defined as "the individual's perception of the social pressures to engage (or not to engage) in entrepreneurial behavior" (Moriano et al., 2010, p. 4). This norm is based on the probability that important referents (such as friends and community members) will approve or reject this behavior and on whether a person is intrinsically motivated to conform to these norms.

According to Wauters and Lambrecht's (2006) integration model, refugees are encouraged by others to integrate into their new society, and entrepreneurship can be a means to reach that goal. The model was supported in their study, since "to fasten my integration into Belgian society" was ranked highest by refugee participants asked why they would consider starting as a self-employed person. Integration was ranked third among other immigrants participating in this study. This difference between the two groups can be explained by the fact that refugees are unable or unwilling to return to their native countries (Cortes, 2004), whereas economic immigrants are free to return. Knowing that they are staying in their host country for a longer period of time, refugees are more inclined to assimilate and become naturalized citizens. In other words, refugees feel more obligated to make a life in the country that provides them refuge (Cortes, 2004). Wauters and Lambrecht (2006) also found that more rapid integration was a much stronger motivation to start a business for refugees than other immigrants.

Other studies likewise propose entrepreneurship as a facilitator of integration. Ensign and Robinson (2011) suggest that entrepreneurship is likely the best way for an outsider group such as refugees and other immigrants to become accepted by the community. Moreover, it is proposed that self-employment is a valuable way out of economic insecurity and a stimulating factor in the integration of refugees, since entrepreneurship improves a person's social status (Kloosterman & Van der Leun, 1999).

It is expected that refugees feel motivated and obligated to integrate into the new society and may see entrepreneurship as a means toward integration. This expectation leads to the following hypothesis:

H1a: The desire to integrate positively affects refugee entrepreneurial intent.

### **2.2.2.2 Attitude towards entrepreneurship**

The second individual motive for refugee entrepreneurship to be discussed is personal attitude. Lüthje and Franke (2003) found that attitude towards entrepreneurship is an important facilitator of entrepreneurial activities. The model they designed and tested proposes a direct impact of attitude towards self-employment on entrepreneurial intent, which was found to be very strong. Participants with favorable attitudes towards becoming self-employed displayed stronger entrepreneurial intent and those with unfavorable attitudes towards self-employment displayed weaker entrepreneurial intent (Lüthje & Franke, 2003). These findings comply with Ajzen's (1991) model of planned behavior, which predicts that attitude towards a behavior strongly affects intention and, therefore, the behavior itself.

Various authors support these findings. Wu and Wu (2008) found a strong positive effect of personal attitude towards entrepreneurship on the behavioral intentions, meaning that the more positive the attitude toward entrepreneurship, the stronger the entrepreneurial intent. Additionally, Díaz-García and Jiménez-Moreno (2010) found support for their hypothesis that a favorable attitude towards entrepreneurship positively relates to the intention of creating a firm. Liñán and Chen (2009) and Liñán et al. (2011) also support this relationship; they found that personal attitude is one of the most relevant factors explaining entrepreneurial intent. This information leads to the following hypothesis:

H1b: Attitude towards entrepreneurship positively affects refugee entrepreneurial intent.

### **2.2.2.3 Entrepreneurial ambition**

Many intrinsic motivations can be grouped into one category: entrepreneurial ambition. This complies with the theory of entrepreneurial instinct, introduced by Wauters and Lambrecht (2006), stating that people admire the advantages of self-employment, using self-realization and being one's own boss as examples. In general, both the theory of entrepreneurial instinct, and the concept of entrepreneurial ambition entail that some people simply want to become self-employed.

Lüthje and Franke (2003) also suggest that due to changes in the labor market, the traditional advantages of employment in an established company are decreasing; due to the many cost-cutting and restructuring processes in large organizations. Therefore, job security, rewards for loyalty, and stability are not as attractive as they used to be. At the same time, the advantages of self-employment are becoming increasingly attractive. Independence, challenge, and self-realization are examples of these advantages of entrepreneurship that are becoming more desirable, regarding the students and graduates examined by Lüthje and Franke (2003).

These advantages comply with Raijman and Tienda's (2000) reasons for immigrants to establish businesses: gaining independence, always wanting to own a business, and seizing an opportunity that presented itself. Masural, Nijkamp, Tastan, and Vindigni (2002) discovered similar motives amongst Moroccan, Indian, Pakistani, and Turkish immigrants in the Netherlands. The most pervasive reasons for starting businesses amongst their participants were being one's own boss and the need for achievement. Fong et al. (2007) studied refugees more specifically and also name independence as a motivation for self-employment.

Prior entrepreneurial experience can be a sign of such entrepreneurial ambition. Literature suggests that people who have been self-employed in the past are more likely to become self-employed again. Ucbasaran, Westhead, and Wright (2008) found that business ownership experience is a facilitator for being able to identify business opportunities, resulting in self-employment to pursue these opportunities. In the United States, Raijman and Tienda (2003) found that 66.7% of Korean participants, all of whom were immigrant entrepreneurs, owned businesses previously and saw this experience as a reason to become self-employed again.

This relationship is supported by Fong et al. (2007), who found that a background in entrepreneurial activities provides a base for refugees in the United States to start new businesses. From this experience, an individual is able to identify his or her own strengths and skills and how to use them, which is critical for entrepreneurs (Fong et al., 2007). Furthermore, refugees who were self-employed in the past are 2.23 times more motivated to become entrepreneurs again when compared to those who have not been self-employed in the past (Wauters & Lambrecht, 2006, p. 517). Fuller-Love et al. (2006) confirmed this finding, reporting that refugees who have a history of self-employment are more likely to want to start businesses again. Lyon et al. (2007) also found a correlation between prior self-employment and entrepreneurial activity by refugees.

These aforementioned intrinsic motivations are grouped under entrepreneurial ambition. These findings lead to the following hypothesis:

H1c: Entrepreneurial ambition positively affects refugee entrepreneurial intent.

### **2.2.3 Contextual motives**

The second category of motives discussed, consists of contextual motives. This category corresponds with Lüthje and Franke (2003), who found a direct impact of contextual factors (both motives and barriers) on entrepreneurial intentions. Díaz-García and Jiménez-Moreno (2010) assert that entrepreneurship is embedded in society, so that an individual's position in his or her environment is very important. Therefore, it is expected that in addition to individual motives, contextual motives also strengthen refugee entrepreneurial intent. In the following paragraphs, two contextual motives are distinguished and explained.

#### **2.2.3.1 Overcoming blocked mobility**

Many authors (Ensign & Robinson, 2011; Fong et al., 2007; Rajjman & Tienda, 2000; Wauters & Lambrecht, 2006) suggest that immigrants and refugees have difficulties in accessing the labor market for various reasons. Entrepreneurship can be a way out of this unemployment. Rajjman and Tienda (2000) closely examined literature on immigrant entrepreneurship and refer to the blocked mobility hypothesis, which states that refugees and immigrants may choose self-employment as an alternative for wage labor because they suffer disadvantages in the labor market. Choosing self-employment as a way out of unemployment is, thus, related to the entrepreneurial event (Shapero, 1982). Beaujot, Maxim, and Zhao (1994) suggest that self-employment entails realistic economic opportunities for immigrants.

Fong et al. (2007) also mention self-employment as especially appealing to those who are disadvantaged in finding paid employment. Ensign and Robinson (2011) support this relationship, explaining that businesses often fail to recognize the value that immigrant workers offer. Moreover, the study acknowledges the challenge of hiring employees who lack the wanted language and cultural skills. Consequently, these immigrants are forced into self-employment rather than wanting to be self-employed. The blocked mobility hypothesis aligns with the reaction model referred to by Wauters and Lambrecht (2006). This model entails that immigrants feel discriminated against and experience difficulties in accessing the labor market and start businesses as a means to survive.

Raijman and Tienda (2000) compared immigrant entrepreneurs of Hispanic and Korean origin in the United States and found that, especially for Koreans, blocked mobility was the critical factor in explaining the high rates of business ownership among well-educated immigrants. It was 24 times more likely for Koreans to report blocked mobility as a reason for entrepreneurship than white merchants in the same area (Raijman & Tienda, 2000). Hispanics, however, seem less affected by blocked mobility and found jobs more easily. Raijman and Tienda (2000) attributed this difference to Hispanics' often blue-collar background and tendency to ask for lower wages than their well-educated Korean counterparts. It is expected that the desire to overcome blocked mobility is a motivation for refugee entrepreneurship, which leads to the following hypothesis:

H2a: The desire to overcome blocked mobility has a positive impact on refugee entrepreneurial intent

### **2.2.3.2 Creating a family business**

Self-employment is not only seen as a way to overcome blocked mobility. All ethnic groups studied by Raijman and Tienda (2000) (Mexican, Middle Eastern, and Asian immigrants in the United States) reported self-employment as a way to secure jobs for their children. Business ownership can be an instrument for generating resources that will benefit future generations. When starting their business, participants in the study of Raijman and Tienda (2000) desired it to remain in the future, so that their children could take over. The majority of Hispanic business owners wanted a family member to assume ownership, to ensure that the family will have resources. Kloosterman, (1999) also found that immigrant entrepreneurs hoped their businesses would enhance the next generation's starting position in life.

The motive of creating a family business is strongly related to the blocked mobility hypothesis. Schreiner (in Fong et al., 2007) states that entrepreneurs are attracted to self-employment by the desire to create assets and resources for their families to inherit, which in turn helps their families overcome blocked mobility. The previous section leads to the following hypothesis:

H2b: The desire to create a family business has a positive impact on refugee entrepreneurial intent

## **2.3 Barriers**

In addition to the motives expected to strengthen refugees' entrepreneurial intent, barriers can weaken this intent. Perceived barriers to entrepreneurship form a direct explanation for the preferred employment status of participants (Lüthje & Franke, 2003). The business environment, supportiveness of the environment, and a person's abilities are strongly related to entrepreneurial intent (Díaz-García & Jiménez-Moreno, 2010). This correlation aligns with Lüthje and Franke (2003), who found that when participants thought of their environment as unfriendly (e.g. banks not giving loans, restrictive state laws), they were less likely to want to become entrepreneurs. These barriers correspond with the element of perceived behavioral control in the model of planned behavior (Ajzen, 1991) and self-efficacy (Díaz-García & Jiménez-Moreno, 2010). In the current study, lower barriers are therefore expected to correspond with stronger entrepreneurial intent.

### **2.3.1 Individual barriers**

A distinction is made between individual and contextual barriers, in a similar way as the motives of refugee entrepreneurial intent have been discussed. First, individual barriers are expected to negatively affect refugee entrepreneurial intent. These individual barriers entail personal factors that could weaken entrepreneurial intent. Three individual barriers are discerned based on literature and discussed in the following paragraphs.

#### **2.3.1.1 Lack of valid certifications**

The lack of preparation and high degree of uncertainty in their flight makes it difficult for many refugees to prepare for the country they fled to. Their often unexpected flight also took away the opportunity to bring the necessary diplomas or certifications (Wauters & Lambrecht, 2008). Additionally, many refugees have country-specific or culturally bound skills and qualifications that are difficult to use in a culturally distant country. For example, hairdressers from Turkey mainly shave, those from Kenya braid, and Western hairdressers should be able to work with chemical coloring products (Wauters & Lambrecht, 2008).

Moreover, it is possible that diplomas acquired abroad may not be valid in other countries. In the European Union, some foreign academic diplomas must be declared equivalent to European diplomas by the National Academic Recognition Information Centre (NARIC), a collective initiative of the European Commission, the Council of Europe, and UNESCO (ENIC-NARIC, 2016b). This rule applies to member states of the European Union, European Economic Area countries, and Turkey. In regulated professions such as medicine or law, a

diploma is required when establishing a business. This diploma can be declared valid by the NARIC (ENIC-NARIC, 2016a). However, this procedure is extensive and time consuming; it is often difficult for refugees to contact their native countries to obtain the necessary documents (Wauters & Lambrecht, 2008). Klaver, Witkamp, Paulussen-Hoogeboom, Slotboom, and Stouten (2014) support this difficulty, naming the lack of complete and relevant education or training as a restriction for refugees in the labor market. The procedure around the recognition of skills and diplomas obtained elsewhere is often unsuccessful, which leads to difficulties in accessing the labor market (Klaver et al., 2014). These difficulties also come to light when starting a business, specifically in the case of regulated professions, and are expected to weaken refugee entrepreneurial intent. Therefore, the following hypothesis is formulated:

H3a: A lack of valid certifications or diplomas negatively affects refugee entrepreneurial intent.

### **2.3.1.2 Lack of language skills**

In order to successfully start and run a business, knowledge of languages is important (Wauters & Lambrecht, 2008). However, insufficient language skills prevail amongst immigrants and refugees (Fong et al., 2007; Raijman & Tienda, 2003; Wauters & Lambrecht, 2006, 2008), making it more difficult for these groups to become successful entrepreneurs. Fong et al. (2007) name language and communication challenges as the single greatest challenge for refugee entrepreneurs.

In addition to the obvious problem of interaction in the business' primary process, refugees who are not literate in the language of their new home country have substantial problems understanding the documents required to start and own a business (Fong et al., 2007). Moreover, services such as microenterprise assistance or the Chamber of Commerce are often only available in the local language and English (Fong et al., 2007).

The Common European Framework of Reference for Languages (CEFR) illustrates the difficulties a lack of language skills poses for refugees. The CEFR is designed by the Council of Europe to describe and standardize levels of proficiency in language (Council of Europe, 1971). Reference level A includes basic users, level B includes independent users, and C includes proficient users. The levels are displayed in Figure 1.

**Figure 1. Common Reference Levels (Council of Europe, 1971)**

Proficient User	C2	Can understand with ease virtually everything heard or read. Can summarise information from different spoken and written sources, reconstructing arguments and accounts in a coherent presentation. Can express him/herself spontaneously, very fluently and precisely, differentiating finer shades of meaning even in more complex situations.
	C1	Can understand a wide range of demanding, longer texts, and recognise implicit meaning. Can express him/herself fluently and spontaneously without much obvious searching for expressions. Can use language flexibly and effectively for social, academic and professional purposes. Can produce clear, well-structured, detailed text on complex subjects, showing controlled use of organisational patterns, connectors and cohesive devices.
Independent User	B2	Can understand the main ideas of complex text on both concrete and abstract topics, including technical discussions in his/her field of specialisation. Can interact with a degree of fluency and spontaneity that makes regular interaction with native speakers quite possible without strain for either party. Can produce clear, detailed text on a wide range of subjects and explain a viewpoint on a topical issue giving the advantages and disadvantages of various options.
	B1	Can understand the main points of clear standard input on familiar matters regularly encountered in work, school, leisure, etc. Can deal with most situations likely to arise whilst travelling in an area where the language is spoken. Can produce simple connected text on topics which are familiar or of personal interest. Can describe experiences and events, dreams, hopes and ambitions and briefly give reasons and explanations for opinions and plans.
Basic User	A2	Can understand sentences and frequently used expressions related to areas of most immediate relevance (e.g. very basic personal and family information, shopping, local geography, employment). Can communicate in simple and routine tasks requiring a simple and direct exchange of information on familiar and routine matters. Can describe in simple terms aspects of his/her background, immediate environment and matters in areas of immediate need.
	A1	Can understand and use familiar everyday expressions and very basic phrases aimed at the satisfaction of needs of a concrete type. Can introduce him/herself and others and can ask and answer questions about personal details such as where he/she lives, people he/she knows and things he/she has. Can interact in a simple way provided the other person talks slowly and clearly and is prepared to help.

These difficulties are illustrated with an example. The Dutch government and services such as the tax authority mostly communicate on the C1 level, whereas 60% of Dutch citizens read and understand Dutch at the B1 level (‘t Hart de Wijkerslooth, 2011). This difference means that most Dutch people do not fully understand important messages from organizations such as banks or insurance agencies (‘t Hart de Wijkerslooth, 2011). This problem is greater among immigrants and refugees who are not yet proficient in the language of their new country. Immigrants and refugees are expected to learn to speak, read, write, and understand Dutch at level A2 (Vluchtelingenwerk, n.d.). Even the official website about the integration process (Dienst Uitvoering Onderwijs, n.d.) is written in Dutch and requires several clicks to find

information in languages other than Dutch or English. This situation can be highly problematic for those not familiar with the Latin writing system, such as refugees from Syria, Eritrea, or China.

It is expected that a lack of language skills and the consequences of this situation make self-employment more difficult and less attractive for refugees. Therefore, the following hypothesis is formed:

H3b: A lack of language skills negatively affects refugee entrepreneurial intent.

### **2.3.1.3 Social network**

The embeddedness of an entrepreneur in a social network is useful, if not a condition, for success (Masurel et al., 2002). The Dutch Chamber of Commerce names networking as the main way of finding new clientele (Kamer van Koophandel, 2016b). A study by Ensign and Robinson (2011) examining immigrant entrepreneurs confirms that ethnic ties and social networks often play a fundamental role in the choice to pursue entrepreneurship. When these social networks are absent, it is more difficult to identify and act on opportunities. In other words, a weak social network makes self-employment more difficult to attain (Koff, 2008b, p. 217).

The difference between refugees and other immigrants is apparent when examining their respective social networks. First, refugees usually flee individually, leaving their social networks behind. Immigrants are likely to have access to a more extensive social network, since they have had the opportunity to migrate with their families (Wauters & Lambrecht, 2008). Secondly, it is often impossible for refugees to return to their home countries to acquire funds, capital, or labor due to the risk of persecution (their initial reason for fleeing), whereas this process is easier for economic immigrants. Cortes (2004) highlights the same difference: refugees are less likely to have social contact with their home country than economic immigrants, who have the ability to return home for funds or to see relatives and friends.

Raijman and Tienda (2000) mention an enclave effect, in which members of a specific ethnic or cultural group live in close proximity to each other and provide helpful business networks. Correspondingly, Rauch (2001) states that entrepreneurially successful ethnic groups have developed social networks and organizations that facilitate greater access to information, products, and services. In this context, the term ethnic infrastructure is often brought forward (Raijman & Tienda, 2000, 2003; Rauch, 2001; Wang, 2010). Entrepreneurs benefit from these ethnic business networks, since members support each other in facilitating connections to other

vendors or clients. Transactions with co-ethnics (both on the supply side and demand side) can reduce transactions costs, for example by reducing the need for marketing (Ensign & Robinson, 2011). Fuller-Love et al. (2006) support these advantages, stating that ethnic minorities see and act on the opportunity of supplying the needs of their ethnic community.

However, the infrastructure varies among different ethnic groups. For example, Rauch (2001) found that African Americans have been less effective in realizing an ethnic infrastructure in comparison to other immigrant groups in the United States, such as Koreans. Ethnic infrastructure is also referred to as ethnic vertical integration, which Rajzman and Tienda (2003, p. 785) define as “the degree of ethnic homogeneity of transactions between firm owners and their suppliers.” This vertical integration has a fundamental positive effect on the ethnic community through job creation. The vertical integration results in expanding existing businesses and establishing new ones (Rajzman & Tienda, 2003). The authors found that in addition to easy access to distribution, the ethnic infrastructure reduces transaction costs. Several immigrant groups, such as Japanese and Koreans, provide their co-ethnics with loans and credit terms that open doors for establishing new businesses. However, this situation may not be applicable to refugees. Most refugees in the Netherlands are not financially able to provide loans, especially in the first few years in their new country. Due to their often unexpected and ill-prepared flight, they have left valuable assets and capital behind (Wauters & Lambrecht, 2008). Stavenuiter, Smits van Waesberghe, Noordhuizen, and Oostrik (2016) support these difficulties, concluding that a social network is essential when entering the labor market but often absent in the case of (young) refugees.

An earlier study by Wauters and Lambrecht (2006) found that the ethnic infrastructure can be a basis on which an entrepreneur builds a business. By responding to the demands and needs of an ethnic community and offering specific cultural or country-bound products (e.g. a halal butcher, a Syrian baker, or an Indonesian toko in the Netherlands), he or she secures a market for distribution. The researchers found, however, that the ethnic infrastructure for refugees in Belgium was not strong enough. Refugees are not integrated in a tight ethnic social network (Wauters & Lambrecht, 2006), since their families are often scattered throughout Europe and their home countries (Vluchtelingenwerk, n.d.). However, Wauters and Lambrecht (2008) later concluded that this weak ethnic infrastructure only affected the revenue of refugee entrepreneurs and not the number of refugee entrepreneurs. This discrepancy implies that a poor ethnic infrastructure does not necessarily damage entrepreneurial intent but does affect the outcomes of entrepreneurship. Additionally, an ethnic infrastructure does not only bring about

positive aspects. It is possible that an entrepreneur is “over-embedded”, where mutual aid to and from co-ethnics drains the entrepreneur of his profit. Furthermore, it could force him to hire unqualified co-ethnics or relatives rather than trained professionals (Razin, 2002, p. 166).

Lyon et al. (2007) observed that some refugee businesses operate as community centers for co-ethnics. However, the researchers also found that these communities were not very cohesive and lacked the number of people needed to sustain such a community organization. Moreover, people from one country can differ significantly (i.e. religion or class differences), so that refugees from a single country cannot be assumed to be homogenous (Lyon et al., 2007). Therefore, the ethnic infrastructure amongst refugees is not naturally strong.

Gold (1992) also affirms to the lack of social networks among refugees, stating that these networks are less extensive than those of other immigrants. Not having a relevant social network, apart from ethnic ties, can have significant consequences, especially in the case of refugees. Lacking this network, refugees are at risk of not receiving correct or complete information or not receiving information at all (Wauters & Lambrecht, 2008). This lack corresponds with Masurel et al.’s (2002) results, since the participants (ethnic entrepreneurs in the Netherlands) obtained information about entrepreneurship mainly from compatriots, friends, acquaintances, and relatives. Literature generally suggests that the informal network is very important, since information is needed to select an appropriate sector and location for an enterprise and write a proper business plan (Masurel et al., 2002; Wauters & Lambrecht, 2008).

It can be argued that even though an ethnic infrastructure is helpful for immigrants, it does not necessarily exist for refugees. This lack of an extensive social network makes it difficult to start a business in the new home country, making such an endeavor less appealing to refugees. This logic leads to the following hypothesis:

H3c: A lack of a social network negatively affects refugee entrepreneurial intent.

### **2.3.2 Contextual barriers**

In addition to individual barriers, contextual barriers can weaken refugee entrepreneurial intent. Environment is assumed to be partly responsible for behavior (Lüthje & Franke, 2003) and, therefore, influencing entrepreneurial intent. In the following paragraphs, three contextual barriers are drawn from literature and are discussed.

### **2.3.2.1 Institutions**

First, the institutional environment and knowledge about this environment for startups plays a role in developing entrepreneurial intentions (Lüthje & Franke, 2003). Scott (2008, p. 48) uses a pervasive definition of institutions: “institutions are comprised of regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life.” Institutions, therefore, provide solidity in social systems by creating restrictions on legal and cultural activities. According to Scott (2008), three pillars of institutions can be distinguished: regulative, normative, and cultural-cognitive systems. Though these three pillars are interdependent, most economists view institutions as relying primarily on the regulative pillar. The regulative pillar entails that institutions constrain and regularize behavior (Scott, 2008) and compares institutions to the rules of a game. Scott (2008) proposes that institutions are viewed as a set of formal and informal rules endorsed by sanctioning power (i.e. the government).

The more an aspiring entrepreneur knows about these institutions, the more likely he or she is to become an entrepreneur. However, refugees are easily lost in the “labyrinth of institutions” in Western Europe (Wauters & Lambrecht, 2008, p. 910), which may suppress entrepreneurial intent. It has been demonstrated (Wauters & Lambrecht, 2008) that rules and legal restrictions have a direct effect on the number of refugee entrepreneurs and that this effect is stronger than the effect on other immigrants. This labyrinth of institutions surfaces in other studies as well; the bureaucracy and amount of “red tape” in Western societies is perceived as being a hindrance, difficult to navigate, and generally a waste of time (Kloosterman & Rath, 2001; Lyon et al., 2007; Wauters & Lambrecht, 2006). The required administrative procedures are not always clear, a fact that often only surfaces after intervention by another party, such as the police or tax authority (Wauters & Lambrecht, 2008). The same study revealed that some refugees started their business without registering or insuring their companies because they were unaware that they these actions were required.

Fong et al. (2007, p. 147) found similar challenges; their participants (among others, refugee entrepreneurs from the United States) reported “a general lack of familiarity with the US system regarding how to open and run a business” as a barrier. As these processes differ from country to country, the know-how from processes back home are no use. The same study also found that refugee service providers do not know where to refer their clients who are interested in starting businesses. Business courses are too high-paced or do not address cross-cultural challenges, making this avenue unsuitable for most refugees (Fong et al., 2007). Similar

to those in the United States, refugees in the United Kingdom reported a lack of critical information on businesses and entrepreneurship. The need for this information and advice seems greater for refugees than other immigrants (Lyon et al., 2007).

It seems that a lack of knowledge of the institutional environment makes the perceived institutional challenges even greater, inhibiting refugees in becoming entrepreneurs. Therefore, the following hypothesis is formed:

H4a: Perceived institutional challenges negatively affect refugee entrepreneurial intent.

### **2.3.2.2 Start-up capital**

One institutional challenge in particular seems to form a significant barrier to refugee entrepreneurial intent: obtaining finances to start a business. Obviously, an individual who wants to start a business requires start-up capital. For immigrants and refugees, obtaining finance is not straightforward. Banks and institutions are less willing to give out loans (Gold, 1992), and especially refugees often cannot rely on their social networks for credit. Likewise, Koff (2008b) discusses two barriers to self-employment for immigrants and refugees: institutional obstacles and the aforementioned weak social networks. In the case of institutions, the need for capital is the main barrier.

Kloosterman and Van der Leun (1999) confirm this barrier, as immigrant entrepreneurs in Rotterdam and Amsterdam found it more difficult to obtain a bank loan than native Dutch entrepreneurs. In the case of refugees, this capital may be even more difficult to find (Wauters & Lambrecht, 2008). Lyon et al. (2007) report the limited availability of resources and initial capital as the greatest barrier for refugee entrepreneurs. Wauters and Lambrecht's (2008) study supports this finding, since only one in fifteen participants was able to obtain a loan from an established bank in order to start an enterprise. Banks often estimated the risk of a loan to a refugee entrepreneur as being too high and did not extend a loan (Wauters & Lambrecht, 2008). Fong et al. (2007) also mention difficulties for refugees in writing a business plan in order to qualify for a bank loan, and Koff (2008b) reports a similar inability to obtain loans from financial institutions as a significant obstacle in self-employment.

Correspondingly, Wauters and Lambrecht (2006) identified a lack of financial means as one of the most important reasons that refugees in Belgium did not consider becoming self-employed. The administrative formalities of obtaining a loan were also mentioned as a barrier

to becoming an entrepreneur. Lyon et al. (2007) observed the limited availability of financial resources and found this issue to be the single largest constraint for refugees in the United Kingdom when starting businesses. Many participants did not qualify for bank services, such as loans or credit cards.

In addition to obtaining a loan from a bank, microcredit is another option. Microcredit began as a way to help people in developing countries to start their own businesses by providing a small loan (Kamer van Koophandel, n.d.). Wauters and Lambrecht (2008) state that microcredit institutions often make rational calculations to choose businesses eligible for finance. However, these calculations and evaluation criteria are often not known by refugees (Wauters & Lambrecht, 2008), making it more difficult to obtain microcredit.

The prospective difficulties in financing an enterprise may stop refugees considering becoming self-employed, which leads to the following hypothesis:

H4b: A lack of start-up capital negatively affects refugee entrepreneurial intent.

### **2.3.2.3 Negative perceptions**

In addition to the challenges that these institutions pose, Western society poses more challenges for refugee entrepreneurship. The societal challenge most frequently mentioned in literature is natives' negative perceptions of refugees (Fong et al., 2007; Teixeira & Wei, 2009; Wauters & Lambrecht, 2008).

Unfortunately, many refugee entrepreneurs feel that they face a degree of discrimination based on ethnicity (Fong et al., 2007). Masocha (2015, p. 7) addresses a negative perception of asylum seekers and refugees as xenoracism, a new form of racism that entails a very strong opposition to immigrants. This opposition is associated with prejudice aimed at discriminating against, excluding, and marginalizing asylum seekers without expressing explicit racial sentiments. Xenoracism comes to light in daily life, language used in national media, and the discourses of political parties. Asylum seekers are not targeted based on their phenotypical features (e.g. skin color) but on their foreign status. Xenoracism entails an implicit racism toward all foreigners, mainly based on fear of the unknown: "us versus them" (Masocha, 2015, p. 105).

This "us versus them" mentality has obvious implications for the perception and treatment of asylum seekers and refugees throughout society, as is illustrated by Wauters and Lambrecht (2008). A participant in their study felt that these negative perceptions had a direct

effect on the revenue of his business. For example, Belgian customers thought that the quality of goods was inferior or even that his goods were stolen because the business-owner was Romanian. The study demonstrated that immigrants and refugees strongly feel that Belgians have negative perceptions of them.

On the other hand, negative perceptions towards refugees may positively affect refugee entrepreneurial intent. This relates closely to the aforementioned blocked mobility hypothesis (Rajman & Tienda, 2000), pointing out that being discriminated against pushes people to become entrepreneurs instead of searching other employment. Disfavoring labor practices are mentioned as a cause of a growing amount of refugee entrepreneurs (Hiebert, 2002). It is noted by Ensign and Robinson (2011, p. 39) that the “glass ceiling” and discriminatory effects in the labor market produce an opening in the entrepreneurial world.

It is, however, expected to be more likely that the feeling of being perceived negatively by natives has a negative impact on refugee entrepreneurial intent. This notion leads to the following hypothesis:

H4c: Negative perceptions of refugees negatively affect refugee entrepreneurial intent.

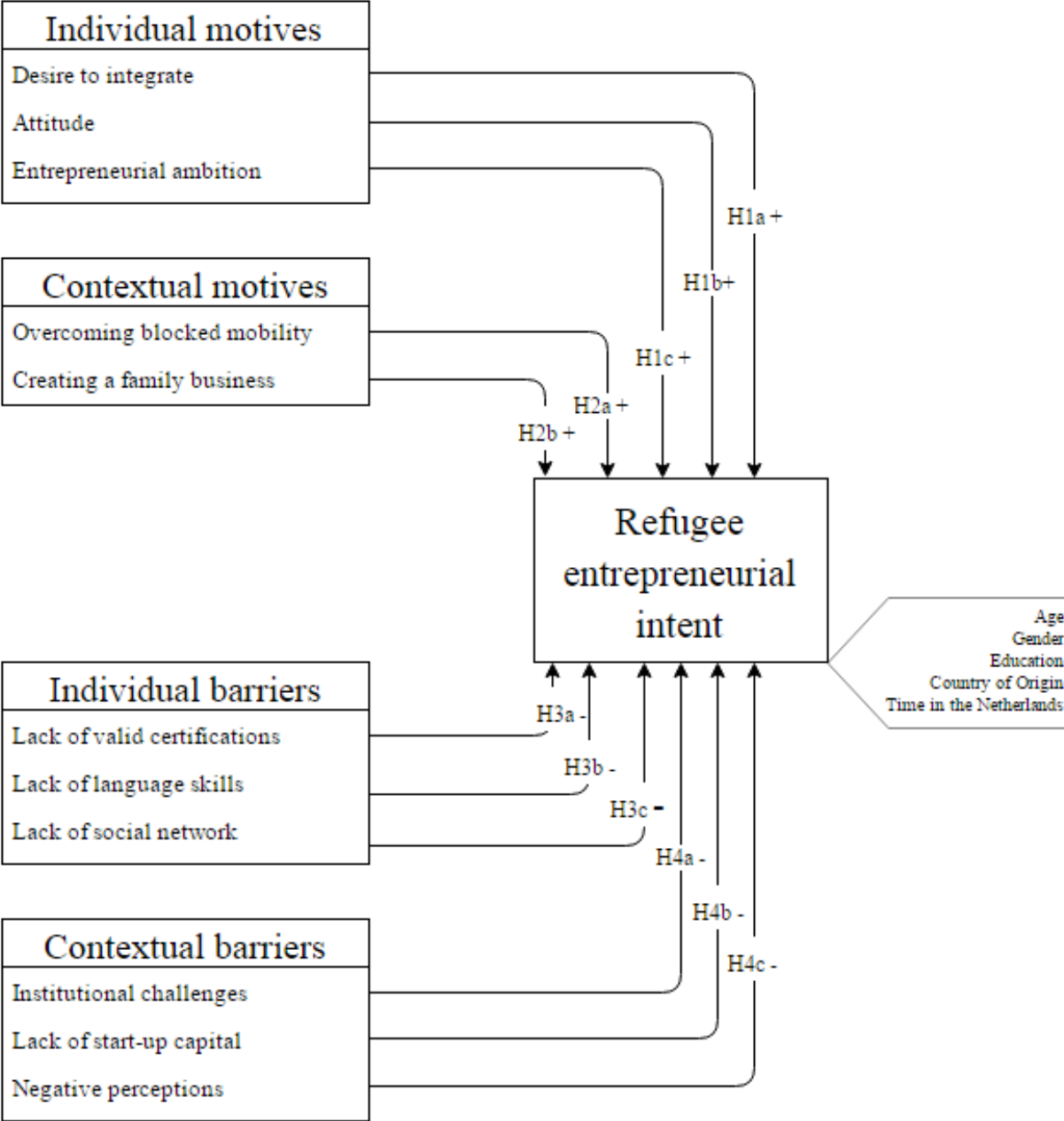
## **2.4 Conceptual framework**

Deriving from literature, various hypotheses have been formed. These hypotheses are summarized in the conceptual framework below in Figure 2. The conceptual framework illustrates the expected antecedents that may affect refugee entrepreneurial intent and the control variables that will be taken into account.

As shown in the figure below, four categories, each consisting of two to three independent variables, are expected to influence refugee entrepreneurial intent. Individual motives are divided into three categories, which are a desire to integrate, attitude towards entrepreneurship and entrepreneurial ambition. All three categories are expected to positively affect refugee entrepreneurial intent. Furthermore, the two contextual motives that have been distinguished, namely the desire to overcome blocked mobility and to create a family business, are also hypothesized to positively affect refugee entrepreneurial intent. The individual barriers are also classified in three categories. These categories consist of a lack of valid certifications, a lack of language skills, and a lack of a properly developed social network. These three categories are all expected to negatively influence refugee entrepreneurial intent. The last variable, the contextual barriers, also is made up out of three categories, i.e. institutional

challenges, a lack of start-up capital and negative perceptions toward refugees, which are all expected to negatively influence refugee entrepreneurial intent. Furthermore, five control variables are shown in the framework: age, gender, education, country of origin, and time in the Netherlands.

**Figure 2. Conceptual Framework**





## **Chapter 3. Dutch context**

National context is of great influence on immigrant and refugee entrepreneurial intent and entrepreneurship (Kloosterman & Rath, 2001; Moriano et al., 2010; Waldinger et al., 1990). This is also supported by Wauters and Lambrecht (2008), who suggest that their findings can be confirmed or amended when additional analysis is done in other countries than Belgium, since especially the institutional and societal environment differs throughout various countries. Therefore, relevant elements of the Dutch society will be analyzed and illustrated in the following chapter. By doing so, the results obtained by the current study can be placed into Dutch context.

First of all, a short overview of information on the Netherlands will be provided. Next, it will be demonstrated that entrepreneurship is widespread in Dutch society. Another issue that is increasingly important in public opinion is the matter of immigration and integration of refugees, which will be discussed in the following paragraphs. The developments regarding refugee groups in the Netherlands are examined next. Additionally, it is argued that entrepreneurship can contribute to refugee integration. The practice of refugee entrepreneurship and existing initiatives in helping refugee entrepreneurs will be discussed in the last paragraph.

### **3.1 The Netherlands**

The Netherlands is a relatively small country (41.864 km<sup>2</sup>), located in Western Europe, bordering the North Sea, Belgium and Germany. The country inhabits just over 17 million people (Central Intelligence Agency, 2017), making it a densely populated country. The capital is Amsterdam, although the national government is seated in the city of The Hague. The country has the thirteenth-highest gross domestic product per capita in the world, and is considered a developed country (International Monetary Fund, 2016).

The Netherlands is a constitutional monarchy, meaning that the government is formed by the king (Willem-Alexander) and the ministers. Since October 2010, Mark Rutte, who leads the conservative-liberal party VVD (People's Party for Freedom and Democracy), has been prime minister. The ideology of the VVD relies on political, economic, classical and cultural liberalism and strongly supports the idea of a free market (BBC, 2016). In the VVD election program, it is emphasized that entrepreneurs should be granted maximum opportunities to start a business, innovate, and grow (VVD, 2016). To do so, the European Union (EU) is embraced, but only to a limited extent. According to the VVD, the EU should focus on economy and

international safety. Therefore, internal borders (between EU-countries) should be open, but external borders should be well-guarded to minimize immigration (VVD, 2016).

After the 2017 elections last march, it is likely Rutte will remain prime minister, as the leader of the largest elected party in parliament. However, based on the election results, a coalition will probably be formed with more progressive parties, such as D66 (Liberal Democrats), and GroenLinks (GreenLeft) (Peters, 2017). These parties have very different positions on economic issues, immigration and the EU. It is therefore not possible to predict future policy on these matters. However, it can be illustrated how current policy affects (refugee) entrepreneurs.

### **3.2 Entrepreneurship**

Entrepreneurship is traditionally considered as a critical part of the Dutch economy, and entrepreneurs are referred to as the engine that keeps the economy going (Rijksdienst voor Ondernemend Nederland, 2015). Every year, on the third Tuesday in September, the Dutch government presents its budget for the year after. In 2016, the budget again included the Ministry of Economic Affairs putting entrepreneurship in the spotlight. The Dutch government considers entrepreneurs to be “the innovators of the Dutch economy”, and therefore keeps on investing in creating a fruitful environment for them (Ministerie van Economische Zaken, 2016, p. 12). One of the main objectives of this ministry is to stimulate entrepreneurship and innovation. A great part of the budget will thus be directed to start-up companies and innovative parties, for example by issuing grants and simplifying the application procedure for fiscal advantages.

Moreover, a bill has been passed to liberalize salary payments for owners of these enterprises, in order for them to be able to invest more in their company (Ministerie van Economische Zaken, 2016). Furthermore, 6.5 billion euros will be spent on warranties and microcredits for small and medium-sized enterprises (Ministerie van Economische Zaken, 2016). The Dutch government even tries to attract foreign entrepreneurs by offering start-up permits, allowing them to stay in the Netherlands for one year to realize their business plan, and offer micro-credit to those starting a business (Rijksdienst voor Ondernemend Nederland, 2015).

From these measures, it is clear that the current Dutch government stimulates entrepreneurship.

Another issue that has been prevalent in Dutch society for the past years (Den Ridder et al., 2016) is the increasing number of refugees coming to the Netherlands and their integration into Dutch society.

### **3.3 Refugees in the Netherlands**

There is no clear consensus on the number of refugees that are currently living in the Netherlands. First of all, only yearly data are provided in which no distinction is made for those that did not get a residence permit or that have been sent back to their home country. This means that a cumulative number of refugees living in the Netherlands cannot be determined. Secondly, many organizations utilize different definitions. For example, Vluchtelingenwerk (2016) reports 88,536 refugees and 28,051 asylum-seekers to have arrived in the Netherlands by the end of 2015, whereas the Institute for Social Research (SCP, 2016) reports more than 200,000 refugees to currently live in the Netherlands. The former uses the same definition as the UNHCR (1951), whereas the latter has made an estimate, also including immigrants that have come to the Netherlands for another reason than asylum. In the current study, the definition by the UNHCR (1951) has been adopted and therefore the numbers published by Vluchtelingenwerk (2016) will be used. These data apply to years 2014 through 2016 and correspond with data used by the Immigration and Naturalization Service (IND), which is part of the Dutch Ministry of Security and Justice.

Asylum applications are divided into three groups: first applications, repeated applications (when the first application is rejected, but the situation has changed) and those applying for family reunification. This distinction was introduced in 2006 (Vluchtelingenwerk, 2016). The number of asylum applications in the Netherlands has varied strongly in the past decennia. Vluchtelingenwerk (2016) supplies a clear overview. In the 90s, the number of applications rose constantly, with high peaks in 1992 and 1997, due to war in former Yugoslavia (1992) and Afghanistan, Iraq and Kosovo (1997). Up until 2001, the Netherlands received over 20,000 applications each year. In the following years, the number dropped to between 10,000 and 15,000 applications per year. However, the eruption of violence in Somalia and Iraq caused the number to increase tremendously again in 2008. The persevering chaos and civil war in Syria and surrounding nations causes the number of first asylum applications to rise to 43,093 in 2015. The number of refugees has dropped significantly by 2016, but is still alarming (Vluchtelingenwerk, 2016). An overview of the total asylum applications in the past two years can be found in Table 1.

**Table 1. Total asylum applications in the Netherlands (first, repeated and family reunifications)**

Top 10 Last thirteen months **total** asylum applications in the Netherlands

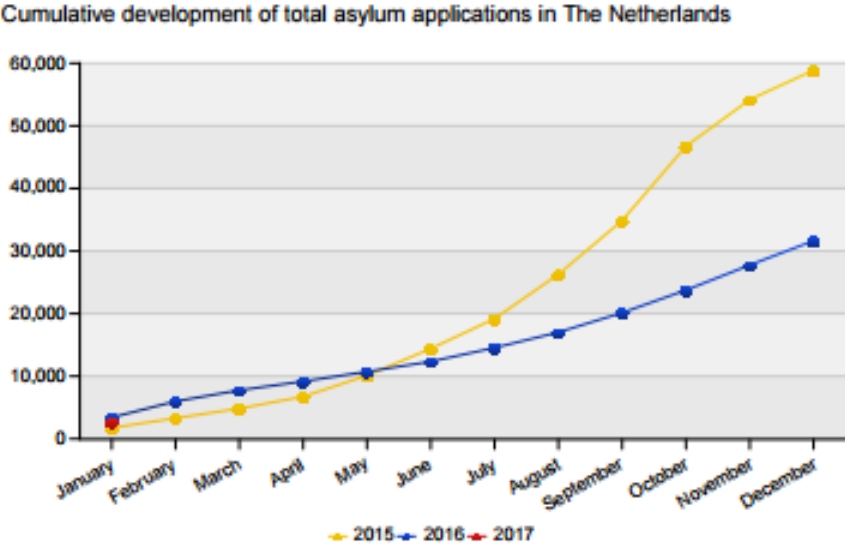
Total 2015	Total 2016	Country of citizenship	2016												2017		Last 12 months	Perc	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Jan			Total
27,710	10,604	Syrian Arab Republic	1,140	744	341	293	359	389	587	587	1,007	1,313	1,809	2,035	10,604	1,049	1,049	10,513	34%
8,434	2,870	Eritrea	259	159	141	132	151	169	289	280	291	330	344	345	2,870	298	298	2,909	9%
1,016	1,699	Albania	233	250	224	139	131	102	158	137	104	66	84	71	1,699	59	59	1,525	5%
4,942	1,471	Stateless	186	173	61	56	50	43	46	101	122	194	232	207	1,471	177	177	1,462	5%
99	1,283	Morocco	7	15	8	8	12	23	52	128	284	389	224	133	1,283	90	90	1,366	4%
2,945	1,447	Afghanistan	403	192	74	70	106	105	96	100	73	77	69	82	1,447	82	82	1,126	4%
55	991	Algeria	8	8	19	5	28	11	38	92	227	260	192	103	991	130	130	1,113	4%
3,450	1,166	Iraq	272	169	93	66	71	62	58	62	63	73	105	72	1,166	95	95	989	3%
445	945	Serbia	78	89	80	74	51	54	128	135	80	37	61	78	945	21	21	888	3%
2,074	1,037	Iran (Islamic Republic of)	230	146	85	79	56	55	50	70	83	71	67	45	1,037	61	61	868	3%
7,710	8,129	Others	606	621	648	496	546	591	703	799	791	803	817	708	8,129	636	636	8,159	20%
58,880	31,642	Total	3,422	2,566	1,774	1,418	1,561	1,604	2,205	2,471	3,125	3,613	4,004	3,879	31,642	2,698	2,698	30,918	100%

\* To conceal the lowest figures, all values between 0 and 4 are replaced by asterisk.

Note: Retrieved from Ministry of Security and Justice, 2017.

The Ministry of Security and Justice publishes a report on asylum trends in the Netherlands each month. At the time of writing, the most recent report published was the January report of 2017. It shows that, in term of asylum applications, the second half of 2015 was such a peak. At the end of 2014, about 30,000 asylum applications were submitted (Ministry of Security and Justice, 2016). 2014 and 2016 seem to develop similarly to each other as shown in Figure 3. This complies with the data used by Vluchtelingenwerk (2016).

**Figure 3. Cumulative development of total asylum applications in the Netherlands**



Note: Retrieved from Ministry of Security and Justice, 2017.

Most people that have applied for asylum in the past year (February 2016 up to and including January 2017) originate from the Syrian Arab Republic, also referred to as Syria (34% of all asylum applications). Eritrea (9%) and Albania (5%) are also nations from which many refugees origin. Stateless persons (6%) also make up a significant part of all asylum-applications (Ministry of Security and Justice, 2017). Stateless refers to those who are “not considered as a national by any state under the operation of its law” (UNHCR, 2011, p. 13). Examples are Roma gypsies, nomads or Kurds and Palestinians from Syria (Dobbs & Morel, 2007). It is not to say how many of these asylum-seekers have been granted asylum, since their applications might still be in process.

When granted asylum in the Netherlands, it is required for refugees to pass the civic integration exams. This is mandatory not only for refugees, but for all foreigners who wish to stay in the Netherlands. All six exams (Reading, Listening, Writing, Speaking, Knowledge of Dutch Society, and Orientation on the Dutch Labor Market) must be passed within three years (Dienst Uitvoering Onderwijs, n.d.). Exemption of this term can be made in the case of medical reasons, having a child, illiteracy, et cetera. It is then possible to be granted extra time to complete the exams (Dienst Uitvoering Onderwijs, n.d.).

### **3.4 Integration**

Research by the Netherlands Institute for Social Research (SCP) demonstrates that refugees, immigration, and integration are indeed the most important themes in public opinion. Den Ridder et al. (2016) surveyed the greatest societal concerns among Dutch people and found that immigration and integration were a major issue. To illustrate; ten percent of their participants worried about how Dutch people looked at and behave towards minorities. Many answers included an angry tone of voice, mistrusting immigrants and refugees, and their motives, and a fear of “losing their national heritage” (Den Ridder et al., 2016, p. 14). Some participants also indicated that politicians and the media were to blame for adding fuel to the fire and “nourishing the feeling of intolerance” (Den Ridder et al., 2016, p. 16). Though concerns about immigration and integration are decreasing slightly in relation to the reports from March and June, these issues are still the greatest concern among Dutch people in the most recent report (Dekker et al., 2016).

As aforesaid, most concern in Dutch society is expressed concerning refugees, but a clearly defined problem often remains unspecified. However, it is clear that many people call for a more cohesive society and for newcomers to adapt to and participate in Dutch society

(Den Ridder et al., 2016). Moreover, Dutch media and politicians often mention integration as a “hot topic.” All political parties have formulated explicit views on immigrants and refugees integration for the recent elections of March 2017 (Verkiezingswijzer, 2016). These views are public and pressure refugees to integrate.

### **3.5 Integration through entrepreneurship**

Participation in the labor market is often mentioned as a way to successfully integrate into Dutch society (SCP, 2016); refugees are expected to participate in the labor market. For example, since 2015 all immigrants are required to pass a class called “Orientation on the Dutch Labor Market,” as part of their assimilation courses (Dienst Uitvoering Onderwijs, n.d.). Klaver et al. (2014) also highlight participation in the labor market as a crucial step in the integration process. Koff’s (2008b, p. 79) definition of integration as “participation in the daily economic, political and social activities of host communities” also demonstrates that integration corresponds with participation in the labor market. This definition aligns with the Statistics Netherlands organization, which states that having an income and economic independence positively influences participation and integration into society (CBS, 2016).

As aforementioned, literature (Ensign & Robinson, 2011, Kloosterman & Van der Leun, 1999, Wauters & Lambrecht, 2006) suggests that entrepreneurship can help in the integration of refugees in the new society. However, the most recent annual report on integration (CBS, 2016) does not mention entrepreneurship as a means of integration. The Institute for Social Research also does not mention entrepreneurship in its report on integration, though the report does describe that being unemployed and not being able to provide an income is a sign of flawed integration (SCP, 2016). This finding corresponds with Stavenuiter et al. (2016), who also confirm that participation in the labor market plays an important role in the integration of non-Western immigrants in the Netherlands. However, Stavenuiter et al. (2016) do not mention entrepreneurship either.

### **3.6 Refugee entrepreneurs in practice**

However, there are signs that immigrant and refugee entrepreneurship is increasing: The number of starting entrepreneurs that are not from Dutch origin has been growing (Kamer van Koophandel, 2016).

At the start of the year 2016, the Netherlands counted almost 1.8 million enterprises, which is the highest number ever. This growth is mainly due to the rise in so-called zzp’ers,

which are independent contractors without personnel (Kamer van Koophandel, 2016a). It is noteworthy that starting entrepreneurs from Syria and Iraq have grown in numbers since 2014, respectively with 23% (from 169 to 208 starting entrepreneurs) and 20% (from 697 to 834 starting entrepreneurs) (Kamer van Koophandel, 2016a, p. 17). These refugee entrepreneurs are relatively often active as translators and interpreters. Even though this group has grown, it is still a small segment of all entrepreneurs in the Netherlands. Moreover, the top five of foreign entrepreneurs in the Netherlands still consists of people from EU member states or from countries that have been represented in the Netherlands for a longer period of time, namely Turkey, Suriname, Poland, Germany and Morocco (Kamer van Koophandel, 2016a).

In the Netherlands, no legal barriers to refugee entrepreneurship exist. Refugees, as defined by the UNHCR (1951) and the focus of this study, are free to move in the Dutch labor market. They are allowed not only to perform paid labor, but are also allowed to become entrepreneurs. Internship and volunteering are possibilities as well (Rijksoverheid, 2016a). Nevertheless, this is not applicable in all EU-countries. For example, refugees that want to work or start a business in Belgium need a professional card (Wauters & Lambrecht, 2008). However, this card is not needed for refugees in the Netherlands (SER, 2016).

Since the year 2008, microcredit has also been available to entrepreneurs and thus refugee entrepreneurs in the Netherlands. An example of an organization that helps entrepreneurs by investing through microcredit is the Dutch micro-financing agency Qredits. This organization is supported by the European Union and grants microcredits up to €50,000 euros to all eligible starting or existing entrepreneurs, including refugees (Qredits, 2016).

However, microcredit is tied to various conditions, such as a decent business plan and entrepreneurial skills (Kamer van Koophandel, n.d.). For refugees, these requirements can be challenging to meet. For instance, the aforementioned lack of language skills makes it more difficult to develop a proper business plan. Qredits acknowledges this challenge. When evaluating an application, the agency weighs not only business skills but also communication skills, and probability of being able to pay back the loan within five years. Unfortunately, Qredits has yet to grant any loans to refugees, since the company found that these requirements have not been met by refugees that applied (Bouwman, R., personal communication, November 2, 2016).

Vluchtelingenwerk, the national organization for refugees' interest, does not mention entrepreneurship at all on their website. However, they do offer factsheets and information for

employers willing to hire refugees (Vluchtelingenwerk, n.d.). Vluchtelingenwerk does make use of volunteers, so-called job coaches, to help refugees find their way in the Dutch labor market by means of assisting with designing their CV, arranging interviews and motivating them (Vluchtelingenwerk, n.d.). The Social Economic Council published the *Werkwijzer Vluchtelingen* in 2016, which is an online platform that provides information on employment, education and integration of refugees in the Netherlands. On this platform, many associations are mentioned that help refugees towards employment in one way or another. However, most focus on internships, volunteering and paid employment. Entrepreneurship is hardly mentioned on this platform.

One exception is *Krachtbedrijf*, an organization that counsels refugees in setting up their own business (SER, 2016). This organization is specialized in counselling women towards independency, through starting a business. Only recently, a pilot program for counselling refugees has started. Since February 2016, five Syrian and Iraqi women have started their own business (Krachtbedrijf, n.d.). Another exception is *Incubators for Immigrants*, a foundation that provides refugees with knowledge, financial support and other assistance with setting up their own company in the Netherlands. However, this foundation does not receive governmental funding at all (Stichting Incubators for Immigrants, 2015b). At the time of writing, Incubators for Immigrants is still starting up, and has no success stories of refugee entrepreneurs yet (Stichting Incubators for Immigrants, 2015a).

Raemakers Bedrijfsadvies is a private company that helps refugees in the Netherlands in all aspects of setting up an enterprise (Raemakers Bedrijfsadvies, 2016). However, Raemakers Bedrijfsadvies and similar companies encounter problems in reaching refugees and building a relationship with them. It is proposed that an organization such as Vluchtelingenwerk should fill this gap, because they already have a relationship with the refugees and could therefore be more successful in advising them (Raemakers, S., personal communication, February 9, 2017).

It is supported by Klaver et al. (2014) that the contemporary Dutch policy on integration is aimed at participation in the labor market to be able to live autonomously in the Netherlands. However, in practice this appears to be very difficult. Moreover, the government offers too little possibilities in education and hardly pays any attention to alternatives for wage labor. Even though many refugees are very motivated to work, an alternative such as self-employment is often not offered as a viable option (Klaver et al., 2014).

In sum, even though the government stimulates entrepreneurship and there are some initiatives to enhance refugee entrepreneurship in the Netherlands, there are few and are still in its infancy.



## **Chapter 4. Methodology**

The following chapter describes the methodology and research design used in this study. The aim is to answer the main research question:

*To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?*

Furthermore, it is aimed to identify the elements that influence refugee entrepreneurial intent. Following the preceding literature study, these elements are grouped into motives and barriers toward refugee entrepreneurial intent.

### **4.1 Research design**

The objective of this study is to find whether refugees in the Netherlands consider to start their own business instead of finding employment elsewhere, which motivations they have to do so and to identify the barriers they encounter in doing so. In order to reach this research objective, an explorative, quantitative study is the most appropriate method. It aims to gain information on certain attitudes, experiences and knowledge (Kelley, Clark, Brown, & Sitzia, 2003). Surveys are well suited for an explorative study such as this one (Kelley et al., 2003).

### **4.2 Sample and data collection**

In order to answer the research question, a survey has been spread among the population of refugees, older than eighteen years old, living in the Netherlands. The survey was spread through the personal online network (including Facebook and LinkedIn), personal network of acquainted refugees, and the network made accessible by Vluchtelingenwerk Oost Nederland. From there, the survey was spread further through the snowball-effect. It was for a great part conducted online in the program Qualtrics. Other surveys have been conducted personally.

Next to the English version (Appendix A), the survey was translated into Dutch (Appendix B) and Arabic (Appendix C), to be able to reach as many non-English speaking participants as possible within the timeframe. Arabic is the main language in the areas that many recent refugees originate from, e.g. Syria and Iraq (Vluchtelingenwerk, n.d.). Translating the survey into more languages (e.g. French, Farsi, or Tigrinya) would have been best, but unfortunately too costly and too time-consuming for this study. In order to be able to correctly interpret the answers in Arabic, most questions are close-ended. The translation into Arabic has been done by Murhaf Alkurdi, a Syrian refugee in the Netherlands. Afterwards, the translation

was reviewed and approved by Jan Hoogland, the former manager of NIMAR, the Netherlands institute in Morocco, and editor of the Arabic dictionary of 2003.

Some problems in reaching the target group were encountered during the data collection. Many people were willing to help by taking part in the research, but had never filled in a survey before. Furthermore, some were afraid or not accustomed to sharing their opinion, resulting in missing data. Additionally, it is inherent to the survey that was conducted to have to deal with missing data, since the participants were able to skip any question (item-non response). In total, 90 participants have filled in the survey. However, some participants only answered the first few questions and then stopped. Therefore, they have been left out of the study. After deleting this data, 83 participants remained.

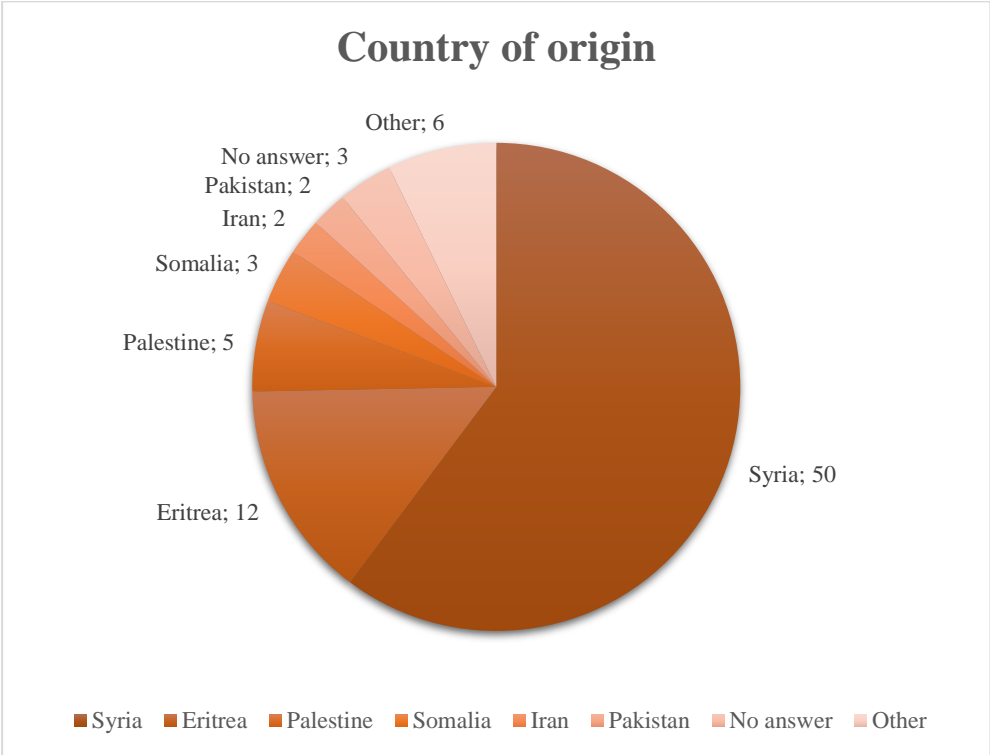
Many participants have left one or more questions unanswered, which results in missing data. The primary concern in handling missing data is to identify a pattern in the missing data in order to stay as close as possible to the initial value distribution. The extent of missing data is a secondary concern (Hair, William, Babin, & Anderson, 2014, p. 40). According to Little's MCAR test, the data are missing completely at random ( $p > .05$ ). Therefore, any missing data remedy can be performed (Hair et al., 2014, p. 46) and mean imputation was used for cases that had little missing values. A missing value analysis, which can be found in Appendix D, showed that only 60% of all participants had answered all questions. However, this was distributed over all items: per item a maximum of 19.3% of all participants had not answered the question.

The guidelines by Lipsey (1990) were used to determine an adequate sample size for logistic regression. Based on an alpha of 0.05, large effect size, and power of .80, the desired size is 71. The sample in the current study is therefore adequate. However, the number of independent variables is also relevant for the required sample size (Hosmer, Lemeshow & Sturdivant, 2013; Leblanc & Fitzgerald (2000). A rule of thumb for appropriate sample size is at least 10 observations per independent variable. This rule of thumb entails in consequence that some of the independent variables should be considered to be dropped from the model. Analyzing the initial data will help define which variables will be taken into account.

Of the remaining 83 participants, 56 were male, 26 were female and 1 participant did not specify its gender. The sample was relatively young, most participants were aged from 18 to 35 years old (73.5%). Most participants (31.3%) have enjoyed 10 to 14 years of education, which fits the age distribution. On average, the participants have lived in the Netherlands for 18 months, with a maximum of 92 months. Most participants originated from Syria ( $n=50$ ),

followed by Eritrea (n=12). This complies with the composition of refugees in the Netherlands (Vluchtelingenwerk, 2016). A few participants (n=3) did not mention their country of origin. Other participants originated from Palestine, Somalia, Iran and Pakistan. ‘Other’ accounts for the sum of those participants that were the only one from their country. Figure 4 below illustrates the origin of the participants of the study.

**Figure 4. Origin of participants**



**4.3 Methods**

The survey started with a short introduction, thanking the participants for their time and giving information on the subject of the research and the time it will take to complete the survey. It was also clarified that not all questions must be answered. It is possible that the participant does not want to answer questions about his past, since it might be a sensitive subject for refugees. In that case, the question could be skipped. All participants first answered questions on personal characteristics (age, gender, education, country of origin, and time spent in the Netherlands). Due to the possibly huge variation in these answers, some of these questions were open-ended. There were no hypothesized effects of these background variables on refugee entrepreneurial intent, but they may be related. By measuring these elements, they could be controlled for in

the analysis. Next, it was asked whether the participant plans to become self-employed in the foreseeable future, measuring the dependent variable: refugee entrepreneurial intent. Subsequently, the independent variables were measured. Afterwards, all participants were thanked for their time.

In the following paragraphs, the measurements for all variables are specified.

### 4.3.1 Dependent variable

The dependent variable in this study is the refugee entrepreneurial intent. The refugee entrepreneurial intent is the extent to which refugees in the Netherlands consider to start their own business instead of finding employment elsewhere. In other words: refugee entrepreneurial intent is defined as the conscious intention of refugees to become entrepreneurs. This was measured using the scale developed by Liñán and Chen (2009). This model uses pure intention-oriented measures, excluding desire, interest and self-prediction. This way, the results represent intention the best (Liñán & Chen, 2009). Moreover, the scale used by Liñán and Chen (2009) for a cross-cultural application, making it suitable for the population of refugees originating from various countries. The intent was measured through six statements, which were answered on a seven-point Likert scale, ranging from 1= Total disagreement to 7= Total agreement. This is shown below in Table 2.

**Table 2. Measurement for entrepreneurial intent**

<b>Name</b>	<b>Statement</b>
Intent_1	I am ready to do anything to be an entrepreneur
Intent_2	My professional goal is to become an entrepreneur
Intent_3	I will make every effort to start and run my own firm
Intent_4	I am determined to create a firm in the future
Intent_5	I have very seriously thought of starting a firm
Intent_6	I have the firm intention to start a firm some day

*Source:* Liñán and Chen, 2009

### 4.3.2 Independent variables

As derived from literature, there are two groups of independent variables that are expected to affect the entrepreneurial intent: motives and barriers. By the items discussed in this paragraph, the proposed hypotheses can be supported or rejected. It was not possible to make use of existing scales for most of the categories. Most preceding studies on the subject have used qualitative data, from which the statements for this study have been extracted. For those

categories without existing scales, the decision has been made to use few statements, in order to keep the survey as uncomplicated as possible. The chance of translation errors by either the translator or the participant thus kept as small as possible.

#### **4.3.2.1 Motives**

First of all, the factors that could strengthen the refugee entrepreneurial intent were measured. It is hypothesized that these motives positively influence refugee entrepreneurial intent: a strong motive evokes a strong entrepreneurial intent. These motives were measured by means of several indicators, belonging to the two categories: individual motives (consisting of the desire to integrate, the attitude toward entrepreneurship and entrepreneurial ambition), and contextual motives (consisting of overcoming blocked mobility and the desire to create a family business). All were measured through statements, on a seven-point Likert-type scale, ranging from 1= Total disagreement to 7= Total agreement.

First of all, the individual motives were surveyed. The first category to be discussed is the desire to integrate into Dutch society. The first statement (“I want to fasten my integration into Dutch society”) was derived from Wauters and Lambrecht (2006). However, this could possibly not be viewed as a motive for entrepreneurship. Therefore, the second statement (“I think that being an entrepreneur helps my integration”) is added. Next, the attitude toward entrepreneurship was measured. The measure stemmed from the entrepreneurial intent model by Liñán and Chen (2009), which was extended by three items that were used by Lüthje and Franke (2003), also measuring attitude toward entrepreneurship. Combined, the measure consisted of eight statements. Furthermore, the category ‘entrepreneurial ambition’ was surveyed. The five statements were derived from literature (Raijman & Tienda, 2000; Wauters & Lambrecht, 2006). The measurement for individual motives are shown in Table 3.

**Table 3. Measurement for individual motives**

<b>Name</b>	<b>Statement</b>
Desire_1	I want to fasten my integration into Dutch society
Desire_2	I think that being an entrepreneur helps my integration
Attitude_1	Being an entrepreneur implies more advantages than disadvantages to me
Attitude_2	A career as entrepreneur is attractive for me
Attitude_3	If I had the opportunity and resources, I'd like to start a firm
Attitude_4	Being an entrepreneur would entail great satisfactions for me
Attitude_5	Among various options, I would rather be an entrepreneur
Attitude_6	I'd rather be my own boss than have a secure job
Attitude_7	You can only make big money if you're self-employed
Attitude_8	I'd rather found a new company than be manager of an existing one
Ambition_1	I want to gain independence
Ambition_2	I want the flexibility self-employment offers
Ambition_3	Entrepreneurship runs in my blood
Ambition_4	I want to become rich
Ambition_5	I want to be my own boss

*Source:* Liñán and Chen (2009), Lüthje and Franke (2003), Raijman and Tienda (2000), Wauters and Lambrecht (2006)

Next, the contextual motives were measured, starting with the desire to overcome blocked mobility. This category consisted of four statements, derived from studies by Raijman and Tienda (2000) and Wauters and Lambrecht (2006). These statements were carefully formulated in order to make sure that they are considered a motive toward entrepreneurial intent, instead of a barrier. Even though this motive comes from a negative background, it is still expected to strengthen the intent. The second category, the desire to create a family business is measured by a single statement, drawn from Fong et al. (2007). The measurement for contextual motives is summarized in Table 4.

**Table 4. Measurement for contextual motives**

<b>Name</b>	<b>Statement</b>
Blocked_1	Entrepreneurship is the only way out of unemployment
Blocked_2	There are not enough possibilities on the labor market
Blocked_3	I have difficulties assessing the labor market
Family_1	I want to develop a business for my family to inherit

*Source:* Fong et al. (2007), Raijman and Tienda (2000), Wauters and Lambrecht (2006)

#### **4.3.2.2 Barriers**

The second independent variable expected to affect refugee entrepreneurial intent was 'barriers'. It is hypothesized that these barriers negatively influence refugee entrepreneurial

intent: a high barrier evokes a weak entrepreneurial intent and vice versa. As derived from literature, and in line with the categorization of the motives, these were grouped into two categories: individual barriers and contextual barriers. All were measured through statements, on a seven-point Likert-type scale, ranging from 1= Total disagreement to 7= Total agreement.

The first category consisted of the lack of valid certifications, lack of language skills, and the lack of a social network combined the ethnic infrastructure. The statements were derived from Ensign and Robinson (2011), Fong et al. (2007), Masurel et al. (2002), Raijman and Tienda (2000), Wang (2010), and Wauters and Lambrecht (2008) and are shown below in Table 5.

**Table 5. Measurement for individual barriers**

<b>Name</b>	<b>Statement</b>
Certifications_1	I don't have the necessary diplomas with me to start a business
Certifications_2	My skills are country-specific and difficult to use in the Netherlands
Language_1	I lack language skills needed to start a business
Language_2	Services such as the Chamber of Commerce are not provided in my language
Network_1	I don't have the necessary social network to become an entrepreneur
Network_2	There is no demand for my products or services
Network_3	I want to offer cultural or country-bound products or services
Network_4	I can make use of the market among other refugees

*Source:* Ensign and Robinson (2011), Fong et al. (2007), Masurel et al. (2002), Raijman and Tienda (2000), Wang (2010), and Wauters and Lambrecht (2008)

The second category of barriers toward refugee entrepreneurial intent consisted of external barriers: institutional challenges, the lack of access to start-up capital, and negative perceptions. The statements that were used to measure whether these barriers influence refugee entrepreneurial intent were derived from literature (Ensign and Robinson, 2011; Fong et al., 2007; Lüthje and Franke, 2003; Lyon et al., 2007; Masurel et al., 2002; Wang, 2010; and Wauters and Lambrecht, (2006, 2008). An overview of these statements is shown in Table 6.

**Table 6. Measurement for contextual barriers**

<b>Name</b>	<b>Statement</b>
Institutions_1	Dutch rules and legal restrictions prevent me from self-employment
Institutions_2	I lack knowledge on the Dutch system
Institutions_3	It is difficult for me to gain good advice
Institutions_4	I don't know where to go for information on entrepreneurship
Capital_1	I lack supporting resources to start a business
Capital_2	I don't have the necessary start-up capital to start a business
Capital_3	It is difficult for me to obtain a loan from a bank
Perceptions_1	The Dutch have negative perceptions towards me
Perceptions_2	I am afraid of anti-immigrant sentiments

*Source:* Ensign and Robinson (2011), Fong et al. (2007), Lüthje and Franke (2003), Lyon et al. (2007), Masurel et al. (2002), Wang (2010), and Wauters and Lambrecht (2006, 2008)

Furthermore, it was examined whether the participant has prior entrepreneurial experience. This was measured through a dichotomous variable. The participant was asked whether he or she has previously owned a business before, which was answered by 'yes' or 'no'.

The full survey can be found in Appendix A (in English), Appendix B (in Dutch), and appendix C (in Arabic).

#### **4.4 Data analysis technique**

The data collected through the survey will be analyzed in the program SPSS. First of all, a confirmatory factor analysis will examine whether the information that has been collected through the survey has been grouped correctly. The factor analysis will define structure among the variables in this study. A confirmatory factor analysis enables the researcher to confirm or reject whether the a-priori theoretically selected factors fit the variables (Hair et al., 2014). Separate analyses will be run for each of the four categories. A Bartlett's test of sphericity and a KMO test have been conducted to confirm that a factor analysis is appropriate for each category, as is shown below in Table 7. Bartlett's test was significant ( $p < .05$ ) and the sample was proven adequate ( $KMO > .5$ ) for all categories (Appendix F). A principal components analysis will therefore be executed to verify or adjust the scale construction.

**Table 7. Summary of KMO and Bartlett's tests**

<b>Category</b>	<b>KMO Measure of sampling adequacy</b>	<b>Bartlett's test of sphericity significance</b>
Individual motives	.836	.000
Contextual motives	.593	.000
Individual barriers	.654	.000
Contextual barriers	.656	.000

Secondly, a reliability analysis using Cronbach's  $\alpha$  will show whether the scale for the dependent variable is appropriate and can be merged into one variable. Furthermore, a similar reliability analysis will be performed on the new independent variables based on the factor analyses. After the factor analysis and reliability analysis, it will be decided which of the independent variables remain in the model and which variables will be eliminated.

Thirdly, the hypothesized relationships between the independent variables and the dependent variable will be tested through multinomial logistic regression analyses. In the current study, the dependent variable is categorical, making ordinary least squares (OLS) inappropriate (Engel, 1988; Kwak & Clayton-Matthews, 2002). Therefore, the multinomial logistic regression will be performed. It is an extension of logistic regression that allows for the dependent variable to be categorical, and to have more than two categories (Kwak & Clayton-Matthews, 2002). Both the dependent variables and the independent variables were measured at ordinal level, which is inherent to the Likert-type scales that were used. The dependent variable is converted into a categorical variable of three levels: low, medium, and high entrepreneurial intent. Medium entrepreneurial intent will be used as the reference category.

Logistic regression accommodates all types of independent variables, so there is no need to convert the independent variables. In order to be able to performed a multinomial logistic regression, several assumptions need to be met. Even though the correlation matrix (Appendix E) shows that several independent variables are correlated, collinearity tests indicate that the assumption of no multicollinearity is met. All tolerance levels are above .1 and VIF are all lower than 10. The assumption of independence of irrelevant alternatives (IIA) is also met: the odds of one outcome versus the others are independent of other alternatives. It is expected that the odds of being in the low intent versus the medium intent group do not change when the high intent group would be added or removed. In contrast to other regression analyses, multinomial logistic regression does not assume normality, linearity, or homoscedasticity (Hair et al., 2014).

All variables will be tested in separate regression analyses for main effects. Due to the explorative nature of the current study, the relationships between several independent variables will be left out the research. The possible effects of control variables age, gender, education, country of origin and time in the Netherlands will be tested through a similar multinomial logistic regression. If these variables significantly improve the model fit, they will be retained.

#### **4.5 Research ethics**

Conform to the Netherlands Code of Conduct on Scientific Practice, research integrity is handled with paramount importance in this study. In order to ensure the data collection and analysis is done accurately and honestly, all research activities are undertaken according to this code of conduct. In line with APA's Ethics Code (Smith, 2003) and the guidelines provided by the Nijmegen School of Management, the following principles are adopted.

First, all literature that has been used to form the theoretical framework and to formulate hypotheses, is appropriately referenced in APA style.

Second, all participants have been informed of the research goals. It is clearly stated that, when filling in the survey, their responses will remain anonymous and will be treated and stored in confidentiality. It is also affirmed that the results are available to them by sending an e-mail to the address provided with the survey. Many results were obtained via the online survey, but others were obtained in person. In those cases, it was attempted to be as objective as possible and to not steer the answers towards one side or the other. Furthermore, all participants were aware that they were able to stop the survey at any time or to skip questions they did not feel comfortable answering. In the case of refugees, personal questions about their past can be upsetting. Moreover, many refugees are not used to being asked for opinions in the dictatorial regime of their home country (Raemakers, S., personal communication, January 31, 2017). Therefore, they could possibly feel uncomfortable doing so or do not feel at ease when being asked to give criticism. Questions were formulated in such a way to avoid this unease, however all questions in the survey could be skipped if necessary and the participants could withdraw from the research at all times.

Third, all obtained data is processed and shown in an authentic and adequate way, to rule out any misrepresentation. A signed research integrity form can be found in Appendix J to ensure that these principles are fulfilled.

## Chapter 5. Data Analyses and Results

In the following chapter, the results of the data analyses will be provided. Conforming to the data analysis technique, first of all the factor analysis are discussed. Next, the reliability analysis is performed. A number of independent variables are chosen to be examined in a multinomial logistic regression model. Afterwards, it is tested whether the control variables influence refugee entrepreneurial intent.

### 5.1 Factor Analysis

#### 5.1.1 Individual motives

First of all, a confirmatory factor analysis has been performed on the 15 items of the category Individual motives using a principal extraction method. Due to the correlations in the data, oblique rotation was applied. The Kaiser-Meyer-Olkin measure demonstrated sampling adequacy ( $KMO = .836$ ) and Bartlett's test of sphericity was significant ( $\chi^2 (105) = 547.587, p < .05$ ). Furthermore, the communalities were all well above .3 (Table 8), indicating that all items shared common variance with all other items.

The initial analysis extracted four components. These four components had eigenvalues larger than Kaiser's criterion of 1. The scree plot demonstrated that two factors should be extracted. The first four factors account for 70.9% of the total variance.

A total of 3 items were deleted, since they did not improve the simple factor structure, did not have a primary factor loading of .4 or more or behaved as a cross-loading item. After each elimination, the factor analysis was rerun, and the data was checked for an adequate KMO and Bartlett's test. Ambition\_1 ("I want to gain independence") was deleted because this item loads on two factors. Secondly, Desire\_2 ("I think that being an entrepreneur helps my integration") is deleted, since it loaded on three factors, and all loadings were relatively low (below .5). Attitude\_1 ("Being an entrepreneur implies more advantages than disadvantages to me") is the next item to be deleted, because it exhibits cross loadings. After this iteration, only three factors were extracted which together explain 68% of the total variance. Table 8 shows the factor loadings and communalities.

**Table 8. Factor loadings and communalities based on a principal components analysis with Oblimin rotation for 12 items in the category individual motives**

Item	Rotated factor loadings			Communalities
	1	2	3	
Desire_1			.901	.855
Attitude_2	.794			.731
Attitude_3	.542			.494
Attitude_4	.737			.705
Attitude_5	.946			.821
Attitude_6	.629			.699
Attitude_7		-.867		.767
Attitude_8		-.628		.715
Ambition_2	.589			.693
Ambition_3	.772			.572
Ambition_4		-.832		.624
Ambition_5		-.557		.493
Eigenvalues	5.761	1.383	1.024	
% of variance explained	48.012	11.525	8.530	

*Note:* factor loadings <.40 are suppressed.

The three factors that were extracted suggest that the three variables in the category individual motives can be confirmed. Component 3 clearly represents the desire to integrate, because this component only contains one item: Desire\_1 (“I want to fasten my integration”). Component 1 represents attitude to entrepreneurship, since five out of seven items of this component were expected to load on this construct. Component 2 represents entrepreneurial ambition, since these items fit the content of that variable. Even though the items Attitude\_7 and Attitude\_8 were expected to load on a different construct, the content of these items fit entrepreneurial ambition, as they reflect the advantages of self-employment.

### 5.1.2 Contextual motives

A similar confirmatory factor analysis has been performed on the 4 items of the category Contextual motives, using a principal component extraction method. The data shows no correlations, so orthogonal rotation was applied. The Kaiser-Meyer-Olkin measure demonstrated sampling adequacy (KMO = .59.) and Bartlett’s test of sphericity was significant ( $\chi^2(6) = 26.381, p < .05$ ). Furthermore, the communalities were all above .3 (Table 9), indicating that all items shared common variance with all other items.

Two components were extracted, based on eigenvalues larger than 1. The scree plot does not provide a clear solution for the number that should be extracted. Based on the eigenvalues and expectations based on theory, two factors are extracted and analyzed. These two factors explain 70.2% of the total variance. The rotated component matrix shows no cross loadings and there are no other reasons to delete any of the items. Therefore, all four items are retained and the total variance explained does not change. Table 9 shows the factor loadings and communalities.

**Table 9. Factor loadings and communalities based on a principal components analysis with Varimax rotation for 4 items in the category contextual motives**

Item	Rotated factor solution		Communalities
	1	2	
Family_1		.898	.814
Blocked_1		.649	.594
Blocked_2	.815		.679
Blocked_3	.850		.723
Eigenvalues	1.752	1.059	
% of variance explained	43.79	26.46	

*Note:* factor loadings <.40 are suppressed.

The factor labels proposed in the conceptual model suit the extracted factors and were therefore retained. Component 1 contains items that clearly represent difficulties in the labor market and therefore blocked mobility. Component 2 is more ambiguous: one item represents blocked mobility, whereas the other represents the desire to create a family business. The preceding literature study suggests that these are strongly related, so it is credible that they belong to the same construct. However, the item Family\_1 (“I want to develop a business for my family to inherit”) loads strongest on this construct. Therefore this construct is used to represent the desire to create a family business.

### 5.1.3 Individual barriers

For the eight items in the category Individual barriers, the same principal components confirmatory factor analysis has been conducted. The correlation matrix shows correlations larger than .3. Therefore, oblique rotation was applied. All assumptions for factor analysis are met; the sample is adequate (KMO = .654), Bartlett’s test of sphericity was significant ( $\chi^2(28) = 104.108, p < .05$ ) and all communalities are larger than .2 (Table 10). Based on the

eigenvalues larger than 1, the scree plot, and literature, three factors are extracted. These factors make up for 65.7% of the total variance explained.

Language\_1 (“I lack language skills needed to start a business”) loads on two constructs, but deleting this item would greatly reduce content validity. The item Language\_1 is the only item that directly measures the lack of language skills and is therefore retained. It loads highest on component 1 and is accordingly allocated to that component. Table 10 shows a summary of the results of the factor analysis.

**Table 10. Factor loadings and communalities based on a principal components analysis with Oblimin rotation for 8 items in the category individual barriers**

Item	Rotated factor solution			Communalities
	1	2	3	
Certifications_1	.617			.514
Certifications_2			.785	.623
Language_1	.511			.616
Language_2	.891			.729
Network_1	.774			.577
Network_2			.734	.525
Network_3		.914		.836
Network_4		.915		.839
Eigenvalues	2.477	1.694	1.060	
% of variance explained	30.968	21.181	13.256	

*Note:* factor loadings <.40 are suppressed.

Based on the results of the confirmatory factor analysis, the items in this category are grouped into three components. However, these results do not unambiguously correspond to the three variables that were drawn from literature. Therefore, new variables are created. Component 1 contains items of all three original variables and therefore represents the construct of Individual barriers as a whole. Component 2 consists of two items (Network\_3 and Network\_4) that both represent the ethnic infrastructure as an element of the social network. Based on the factor analysis, this construct will be analyzed separately. Component 3 consists of Certifications\_2 (“My skills are country-specific and difficult to use in the Netherlands”) and Network\_2 (“There is no demand for my products and services”) both cover the lack of demand for a person’s specific skills or products and will be accordingly named “Lack of demand”. All individual barriers are still expected to negatively influence refugee entrepreneurial intent.

### 5.2.4 Contextual barriers

The last factor analysis concerns the nine items for Contextual barriers. The principal component extractions method was used. Since correlations in the data are below .3, orthogonal rotation was applied. The assumptions for factor analysis have been met (KMO >.5, Bartlett's test of sphericity is proven significant ( $\chi^2(36) = 159.325, p < .05$ ) and all communalities are larger than .2).

The initial analysis extracted three components. These three components had eigenvalues larger than Kaiser's criterion of 1. The scree plot suggests that two factors should be extracted, but theory and the eigenvalues were decisive considerations. Therefore, three factors were extracted. Together they explain 64.7% of the total variance.

No items needed to be deleted on grounds of low primary loadings, cross loadings or the inability to improve the simple factor structure. Table 11 shows a summary of the factor loadings and communalities.

**Table 11. Factor loadings and communalities based on a principal components analysis with Varimax rotation for 9 items in the category contextual barriers**

Item	Rotated factor solution			Communalities
	1	2	3	
Institutions_1		.632		.511
Institutions_2	.528			.417
Institutions_3	.607			.702
Institutions_4	.799			.645
Capital_1	.672			.681
Capital_2	.793			.588
Capital_3			.890	.825
Perceptions_1		.848		.775
Perceptions_2		.818		.674
Eigenvalues	3.162	1.465	1.203	
% of variance explained	35.129	16.281	13.372	

*Note:* factor loadings <.40 are suppressed.

The factor labels that were proposed in the conceptual model can be partially retained. Component 1 contains items that all represent institutional challenges and will be accordingly labeled. The conceptual model also included the lack of start-up capital as a distinct factor, but based on the factor analysis this will be combined with the other institutional challenges.

Component 2 suits its label negative perceptions and is retained. Institutions\_1 (“Dutch rules and regulations prevent me from self-employment”) is added to this factor. Even though it was originally grouped under a different variable, its content fits negative perceptions. The last component consists of one item: Capital\_3 (“It is difficult for me to obtain a loan from a bank”) and will be analyzed separately and labelled bank loans. All contextual barriers are still expected to negatively influence refugee entrepreneurial intent.

### **5.2.5 Final factor solution**

In total, 33 out of 36 items were retained. Overall, these factor analyses showed that the conceptual model can be maintained for a great part. The KMO and Bartlett’s tests, the tables on the total variance explained, the scree plots and the initial and final solutions for each of the variables can be found in Appendix F. Due to changes in the constructs, several hypotheses (H3a, H3b, H3c, H4b,) are no longer accurate and have been reformulated as follows.

H3a: Individual barriers negatively influence refugee entrepreneurial intent.

H3b: The lack of an ethnic infrastructure negatively influences refugee entrepreneurial intent.

H3c: The lack of demand negatively influences refugee entrepreneurial intent.

H4b: The inaccessibility of bank loans negatively influences refugee entrepreneurial intent.

A summary of the new independent variables, based on the factor analyses, and the expected relationships is found in Table 12.

**Table 12. Summary of independent variables**

<b>Factor</b>	<b>Items</b>	<b>Hypothesis</b>
Desire to integrate	Desire_1	H1a
Attitude towards entrepreneurship	Attitude_2, Attitude_3, Attitude_4, Attitude_5, Attitude_6, Ambition_2, Ambition_3	H1b
Entrepreneurial ambition	Attitude_7, Attitude_8, Ambition_4, Ambition_5	H1c
Overcoming blocked mobility	Blocked_2, Blocked_3	H2a
Creating a family business	Family_1, Blocked_1	H2b
Individual barriers	Certifications_1, Language_1, Language_2, Network_1	H3a
Ethnic infrastructure	Network_3, Network_4	H3b
Lack of demand	Certifications_2, Network_2	H3c
Institutions	Institutions_2, Institutions_3, Institutions_4, Capital_1, Capital_2	H4a
Bank loans	Capital_3	H4b
Negative perceptions	Perceptions_1, Perceptions_2, Institutions_1	H4c

## 5.2 Reliability analysis

After the factor analyses, a reliability analysis has been performed to examine whether the scale for the dependent variable is appropriate. The scale for refugee entrepreneurial intent, measured on six statements (items Intent\_1 through Intent\_6), was highly reliable, with Cronbach's  $\alpha = .87$  and does not increase when an item were deleted. Therefore, the scale for refugee entrepreneurial intent is computed into one variable. In order to do a multinomial logistic regression, the dependent variable is transformed into a categorical variable. Values of 1 and 2 form the category 'low intent', 3, 4 and 5 form the category 'mediocre intent' and values of 6 and 7 form the category 'high intent'.

A similar reliability analysis has been performed for the newly formed independent variables. The scale for the variable attitude towards entrepreneurship was very reliable (Cronbach's  $\alpha > .8$ ) and the scales for entrepreneurial ambition, ethnic infrastructure, individual barriers, institutions and negative perceptions are sufficiently reliable (Cronbach's  $\alpha > .7$ ). Therefore, these six scales were each computed into a separate variable. The scale for overcoming blocked mobility proved to be mediocrelly reliable (Cronbach's  $\alpha > .6$ ). Scales for creating a family business, and lack of demand were demonstrated to be unreliable (Cronbach's  $\alpha < .4$ ). Therefore, these three scales could not be computed into composite variables. None of

the scales would substantially improve in Cronbach's alpha by eliminating more items. A summary of the reliability analyses for the independent variables is shown in Table 13 and more extensively in Appendix G.

**Table 13. Summary of reliability analyses for scales of independent variables**

	<b>n of items</b>	<b>N</b>	<b><math>\alpha</math></b>
Desire to integrate	1	82	-
Attitude towards entrepreneurship	7	66	.88
Entrepreneurial ambition	4	72	.79
Overcoming blocked mobility	2	64	.63
Creating a family business	2	70	.37
Individual barriers	4	69	.71
Ethnic infrastructure	2	75	.75
Lack of demand	2	67	.30
Institutions	4	65	.73
Bank loans	1	76	-
Negative perceptions	2	67	.78

### 5.3 Number of independent variables

The preceding literature study proposed eleven independent variables to influence refugee entrepreneurial intent. However, the sample size of this study was not found appropriate for a model of that size. It is suggested that at least ten, but preferably more, observations should be sought for each independent variable in the multinomial logistic regression model to achieve empirical validity (Hosmer et al., 2013; LeBlanc & Fitzgerald, 2000). For the current study ( $n = 83$ ), this entails a maximum of eight, but preferably less, independent variables.

The correlation matrix (Appendix E) shows attitude towards entrepreneurship, entrepreneurial ambition, Family\_1 and Blocked\_1 to correlate to the dependent variable at  $p < .01$  level. Based on the literature study, the variables desire to integrate, attitude towards entrepreneurship, desire to overcome blocked mobility, individual barriers, institutional challenges and negative perceptions were the most relevant in the case of refugees. To illustrate, entrepreneurial ambition is applicable to all entrepreneurs, but the desire to integrate is more relevant for the current study on refugees. Therefore, the decision has been made to test the relationship between the dependent variable and six independent variables: desire to integrate, attitude towards entrepreneurship, desire to overcome blocked mobility (measured by item Blocked\_1), individual barriers, institutional challenges and negative perceptions. The selection

of these variables covers all four proposed categories in motives and barriers. For the current study, this entails that some hypotheses (H1c, H2b, H3b, H3c, and H4b) cannot be tested.

Descriptive statistics of the independent variables are shown in Table 14 below and more extensively in Appendix E. The participants rate the desire to integrate ( $M = 6.35$ ) and their attitude towards entrepreneurship ( $M = 5.38$ ) fairly high. Furthermore, on average, participants agree that entrepreneurship is the only way out of unemployment (Blocked\_1) ( $M = 5.19$ ). The feeling of being perceived negatively is scored in the center, neither high nor low ( $M = 3.93$ ). Additionally, participants do perceive individual barriers ( $M = 4.94$ ) and institutional challenges ( $M = 5.34$ ).

**Table 14. Descriptive statistics of independent variables**

Variable	N	Mean	SD
Desire to integrate	83	6.35	.861
Attitude towards entrepreneurship	83	5.38	1.09
Blocked_1	72	5.19	1.59
Individual barriers	83	4.94	1.24
Institutional challenges	81	5.34	.948
Negative perceptions	79	3.93	1.40

#### 5.4 Multinomial logistic regression

A multinomial logistic regression was performed to model the relationship between the remaining independent variables and entrepreneurial intent (low, medium or high). A level of .05 of statistical significance was employed for all tests. All independent variables are measured on the same 7-point Likert-type scale, so standardization of the scores was not necessary.

Adding the independent variables to the model significantly improved the fit between the data and the model ( $\chi^2 (312, N = 69) = 58.293$ , Nagelkerke  $R^2 = .716$ ,  $p < .001$ ). The pseudo  $R^2$  of Nagelkerke indicates that 71.6% of the variation is explained by the model, which affirms that the model has a good fit with the data. As demonstrated in Table 15, attitude towards entrepreneurship and negative perceptions made significant unique contributions to the model (Appendix H).

**Table 15. Variables' Unique contributions in the multinomial logistic regression (N = 69)**

Variable	$\chi^2$	df
Desire to integrate	3.870	2
Attitude towards entrepreneurship	21.067**	2
Overcoming blocked mobility	1.511	2
Individual barriers	1.800	2
Institutional challenges	.715	2
Negative perceptions	15.653**	2

Note:  $\chi^2$  = amount by which -2 log likelihood increases when predictor is removed from the full model

\*  $p < .05$ , \*\*  $p < .01$

The reference group were those participants that showed a medium entrepreneurial intent. Accordingly, all independent variables have two parameters. One predicts a low intent rather than a mediocre intent, and the other predicts a high intent rather than a mediocre intent. All variables have been tested in separately for main effects. The parameter estimates are shown in Table 16, and more extensively in Appendix H.

**Table 16. Parameter estimates contrasting the medium intent group versus each of the other groups (N = 69)**

Variable	Medium vs.	$B(SE)$	<i>OR</i>
Desire to integrate	Low	-.032 (.699)	.968
	High	-.006 (.275)	.994
Attitude towards entrepreneurship	Low	-1.188 (.603)*	.305
	High	1.552 (.384)**	4.720
Overcoming blocked mobility	Low	-.471 (.352)	.624
	High	.493 (.188)*	1.638
Individual barriers	Low	-.618 (.425)	.539
	High	.105 (.193)	1.110
Institutional challenges	Low	-1.305 (.582)*	.271
	High	-.153 (.270)	.858
Negative perceptions	Low	-1.445 (.590)*	.236
	High	-.426 (.197)*	.653

Note: *OR* = odds ratio associated with the effect of a one standard deviation increase in the predictor,

\*  $p < .05$ , \*\*  $p < .01$

Three predictor variables (attitude towards entrepreneurship, institutions and negative perceptions) showed a significant parameter for comparing the medium with the low intent group. For each increase in attitude, the odds of being in the low intent group rather than the medium intent group decrease with 69.5%. For each increase in the score on perceived institutional challenges, the odds of being in the low intent group rather than the medium intent group decrease with 72.9%, and for each increase in the score on negative perceptions, the odds of being in the low intent group rather than the medium intent group decrease with 76.4%.

Furthermore, three predictor variables demonstrated significant parameters for comparing the medium intent group with the high intent group. The odds of having a high intent rather than a medium intent increased by 372% for each increase in attitude towards entrepreneurship, by 63.8% for each increase in the desire to overcome blocked mobility, and decreased by 34.7% for each increase in negative perceptions.

Based on these results, several hypotheses can be supported. The current study has shown that attitude towards entrepreneurship indeed positively affects the intention of refugees to start their own business (H1b). The desire to overcome blocked mobility (H2a) also shows a direct positive effect on refugee entrepreneurial intent.

Participants that perceive strong institutional challenges, were more likely to show low entrepreneurial intent rather than medium entrepreneurial intent (H4a). No significant difference was found for the medium versus the high intent group, so the hypothesis H4a is only partially supported.

H4c was also partially supported. It was expected that refugees that feel they are perceived negatively by Dutch natives demonstrate less entrepreneurial intent. For each increase in the score on this variable, the odds of being in the low intent group rather than the medium intent group decreased (76.4%), which supports the hypothesis. However, the odds of being in the high intent group rather than the medium intent group, also decreased (34.7%), which gives a reason to reject the hypothesis. The results show that an inverted U-shape relationship exists between perceived negative perceptions and refugee entrepreneurial intent.

H1a and H3a were not supported: the effect of the desire to integrate nor the effect of individual barriers on refugee entrepreneurial intent was significant.

An overview of the results of the hypothesis testing is shown in Table 17.

**Table 17. Summary of hypotheses**

	<b>Hypothesis</b>	<b>Conclusion</b>
H1a	The desire to integrate positively affects refugee entrepreneurial intent.	Not supported
H1b	Attitude toward entrepreneurship positively affects refugee entrepreneurial intent.	Supported
H1c	Entrepreneurial ambition positively affects refugee entrepreneurial intent.	-
H2a	The desire to overcome blocked mobility has a positive impact on refugee entrepreneurial intent.	Supported
H2b	The desire to create a family business has a positive impact on refugee entrepreneurial intent.	-
H3a	Individual barriers negatively influence refugee entrepreneurial intent.	Not supported
H3b	The lack of an ethnic infrastructure negatively influences refugee entrepreneurial intent.	-
H3c	The lack of demand negatively influences refugee entrepreneurial intent.	-
H4a	Perceived institutional challenges negatively affect refugee entrepreneurial intent.	Partially supported
H4b	The inaccessibility of bank loans negatively influences refugee entrepreneurial intent.	-
H4c	Negative perceptions of refugees negatively affect refugee entrepreneurial intent	Partially supported

Next, it was examined whether control variables age, gender, education and country of origin would predict group membership. A model including these first five variables demonstrated to be not significant (Appendix H), so these variables were not included in the final model. However, the time participants have lived in the Netherlands does significantly affect entrepreneurial intent ( $\chi^2 (2, 83) = 6.374, p < .05$ ). For each increase in time in the Netherlands, the odds of being in the low intent group rather than the medium intent group increases with 8%. However, no effect was found for the high intent group versus the medium intent group. This variable is therefore included in the model as shown in Table 18 and Appendix H. Adding only one control variable keeps the model suitable for the data, as it now contains seven independent variables.

**Table 18. Parameter estimates for Time in the Netherlands contrasting the medium intent group versus each of the other groups (N = 69)**

Variable	Medium vs.	<i>B(SE)</i>	<i>OR</i>
Time in the Netherlands	Low	.077(.037)*	1.080
	High	-.002(.011)	.998

*Note:* *OR* = odds ratio associated with the effect of a one standard deviation increase in the predictor, \*  $p < .05$ , \*\*  $p < .01$

## 5.5 Additional analyses

An additional multinomial logistic regression analysis was performed to check for interaction effects. These interaction terms were entered as stepwise-forward entry terms. Two effects were found to be highly significant at  $p < .01$  level, which are shown in Table 19 and more extensively in Appendix I.

**Table 19. Interaction effects**

Interaction	Medium vs.	<i>B(SE)</i>	<i>OR</i>
Attitude towards entrepreneurship * Blocked_1	Low	-.159 (.99)	.853
	High	.112 (.031)**	1.118
Time in the Netherlands * Attitude towards entrepreneurship	Low	-.021 (.024)	.979
	High	.054 (.016)**	1.055

*Note:* *OR* = odds ratio associated with the effect of a one standard deviation increase in the predictor, \*  $p < .05$ , \*\*  $p < .01$

A high score on both attitude towards entrepreneurship and Blocked\_1 (“Entrepreneurship is the only way out of unemployment”) increase the odds of being in the high intent group rather than the medium intent group by 11.8%. Time in the Netherlands combined with a positive attitude, however, increased the odds of being in the high intent group rather than the medium intent group with 5.5%.

Finally, a similar regression analysis showed that entrepreneurial experience, measured on a dichotomous scale, does not significantly affect entrepreneurial intent (Appendix I).



## Chapter 6. Discussion and conclusions

This thesis has aimed to answer the main research question: *“To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?”*

In the following chapter, the results are interpreted and conclusions based on these results are drawn.

### 6.1 Interpretation of results

The current study empirically identified three main effects on refugee entrepreneurial intent. First of all, the study has shown that attitude towards entrepreneurship indeed affects the intention of refugees to start their own business, as was expected based on the literature study (Díaz-García & Jiménez-Moreno, 2010; Liñán & Chen, 2009; Liñán et al., 2011; Lüthje & Franke, 2003). The effect is in this model even the strongest motive towards entrepreneurial intent. This finding concurs with Ajzen’s (1991) model of planned behavior, which was the base for this study, as it is one of the most relevant factors in explaining entrepreneurial intent.

The second positive main effect was a refugee’s desire to overcome blocked mobility on refugee entrepreneurial intent. The current study found that refugees truly feel that entrepreneurship is the only way out of unemployment ( $M = 5.19$ ) (measured on a seven-point Likert scale, ranging from 1= Total disagreement to 7= Total agreement). Those participants that agreed, were more likely to show a high entrepreneurial intent. Therefore, the current study supports the blocked mobility hypothesis that was proposed by Raijman and Tienda (2000). The results also align with the aforementioned reaction model (Wauters & Lambrecht, 2006), explaining how immigrants and refugees encounter difficulties in finding wage labor and start their own businesses in response. It can be deducted that refugees feel discriminated against on the Dutch labor market, and therefore have a stronger intention to start a business of their own.

The third main effect was not expected beforehand. Several control variables were added in the model, but the only one to affect the dependent variable was the time in the Netherlands. The longer the refugee has lived in the Netherlands, the lower his or her entrepreneurial intent. It could be interpreted as a loss of hope: feeling that difficulties in the labor market are too extensive and that entrepreneurship is even less of an option than before. Nevertheless, it could also be the other way around. As their time in the Netherlands grows, their position in the labor market improves. If employment becomes a realistic option,

entrepreneurship is not ‘necessary’. The latter implies a relationship of time in the Netherlands and blocked mobility: as time goes by, entrepreneurship is no longer the only way out of unemployment. However, this relationship was not found in the current study. The effect of time was only found for the medium versus the low intent group. For refugees that show a high entrepreneurial intent, the time they have lived in the Netherlands does not significantly affect their intentions to start a business.

Two hypothesized effects were merely partially supported. Refugees that feel that Dutch institutions prevent them from becoming entrepreneurs were found to show lower entrepreneurial intent, which complies with previous studies (Fong et al., 2007; Wauters & Lambrecht, 2008). It was demonstrated that they were more likely to show a low intent rather than a medium intent, but no effect was found for medium versus high intent. This hypothesis thus only holds for refugees that did not have strong entrepreneurial intentions to begin with. For refugees that do foster entrepreneurial intentions, institutional challenges are not perceived as a too large threat. It is credible that refugees that are highly motivated to start a business are willing or able to navigate the labyrinth of institutions, whereas refugees with low entrepreneurial intent are not.

Furthermore, it was expected that refugees who feel that the Dutch perceive them negatively, demonstrate a lower entrepreneurial intent. This is partially confirmed. The results demonstrate that the relationship between negative perceptions and refugee entrepreneurial intent is formed in an inverted U-shape. The lowest entrepreneurial intent was found in refugees that feel strong negative perceptions towards them, and in refugees that do not feel any negative perceptions towards them. The highest entrepreneurial intent was shown by the refugees that are moderately affected by negative perceptions by the Dutch.

For each increase in the score on negative perceptions, the odds of remaining in the medium intent group increase (rather than both low and high intent groups). The demonstrated negative effect on refugee entrepreneurial intent was expected based on the experiences of refugee entrepreneurs that felt discriminated against based on their ethnicity or on cultural differences (Fong et al., 2007; Wauters & Lambrecht, 2008). However, on average, the participants did not feel to be perceived very negatively ( $M = 3.93$ ) (measured on a seven-point Likert scale, ranging from 1= Total disagreement to 7= Total agreement), different from the participants in the studies by Fong et al. (2007), and Wauters and Lambrecht (2008). The other, positive, effect of negative perceptions on refugee entrepreneurial effect was not expected.

Nevertheless, it can still be explained. It was pointed out by Ensign and Robinson (2011) that these negative perceptions force refugees into entrepreneurial activities. This reasoning closely relates to the blocked mobility hypothesis (Raijman & Tienda, 2000), which was supported in the current study. It is therefore plausible that, through the blocked mobility hypothesis, negative perceptions have a positive effect on refugee entrepreneurial intent.

No support was found for an effect of individual barriers on refugee entrepreneurial intent. There was no direct effect detected for the desire to integrate either. This is in contrast to expectations based on literature (Wauters & Lambrecht, 2006), who found that fastening their integration was the single largest motivation for refugees to start a business. The findings of the current study thus do not support the integration model (Wauters & Lambrecht, 2006).

A literature study on Dutch context showed that Dutch legislation does not prohibit refugees to become entrepreneurs. They have freedom of movement in the labor market. Traditionally, entrepreneurship is seen as a pillar of Dutch society and the government therefore fiercely promotes it. This is not limited to Dutch natives: foreign entrepreneurs, including refugees, gain more and more foothold. However, in practice it still seems difficult for refugees to start a business. Assimilation courses are aimed at finding employment, and the option of becoming an entrepreneur is often overlooked. Aid organizations, such as Vluchtelingenwerk, hardly offer help in the domain of entrepreneurship. Some private initiatives try to fill this gap, by offering knowledge, financial support and other assistance. However, reaching and building a relationship with refugees remains difficult. Organizations that already have a trust relationship with this target group could be more successful in reaching and encouraging these refugees.

Even though refugee entrepreneurial intent definitely exists in the Netherlands, the step to actually start up a business seems too big.

## **6.2 Conclusion**

In order to answer the main research question: *“To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?”*, five sub-questions were proposed.

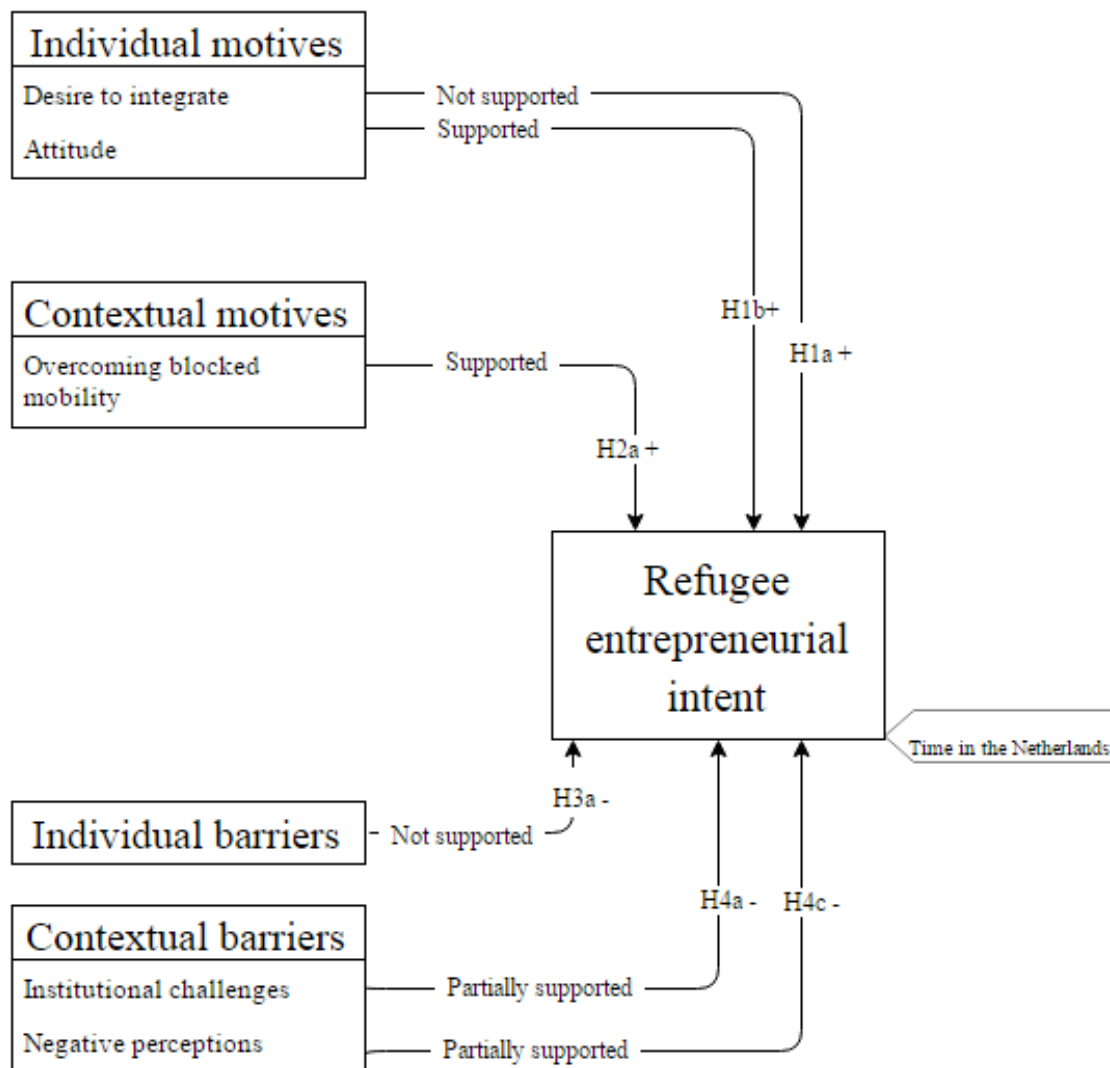
Sub-question A *“What defines refugee entrepreneurial intent?”* has been answered through literature study. Even though literature suggests various elements in entrepreneurial intent, the conscious state of mind and willingness to create a firm is the overall theme. Refugee

entrepreneurial intent is therefore defined as the conscious intention of refugees to become entrepreneurs.

In this study, the mean of the variable refugee entrepreneurial intent is 5.22 (measured on a seven-point Likert scale, ranging from 1= Total disagreement to 7= Total agreement), referring to a score somewhere between 'I somewhat agree' and 'I agree'. Therefore, answering sub-question B "*To what extent does refugee entrepreneurial intent exist?*", it can be deduced that refugee entrepreneurial intent does exist. On average, refugees foster entrepreneurial intentions.

Sub-questions C "*What motives influence refugee entrepreneurial intent?*" and D "*What barriers influence refugee entrepreneurial intent?*" refer to the factors that influence refugee entrepreneurial intent. To answer sub-question C, it can be said that two factors unequivocally positively affect refugee entrepreneurial intent: attitude towards entrepreneurship, and the desire to overcome blocked mobility. Answering sub-question D, two factors have been found to significantly negatively influence refugee entrepreneurial intent: perceived institutional challenges, and the time the refugee has lived in the Netherlands. A feeling of being negatively perceived by Dutch natives affect both ends of the scale, which results in an inverted U-shape. The final model is demonstrated in Figure 5 below.

**Figure 5. Results of model testing**



The final sub-question, E “*How does this study fit into the context of the Netherlands?*”, has been answered through literature study on Dutch context. The great influx of refugees in the past few years, has raised concern among Dutch citizens, and pressuring refugees to integrate. In theory, all types of entrepreneurship are desired by the Dutch government, including refugee entrepreneurship. There are no legal limitations for refugees choosing self-employment. However, in practice, it is hardly explicitly stimulated by the government nor aid organizations. Several initiatives have arisen to help refugees set up their business, but they are scattered and often unsuccessful.

The answers to these five sub-questions together provide the answer to the main question “*To what extent does refugee entrepreneurial intent exist in the Netherlands and which factors influence refugee entrepreneurial intent?*”. Refugee entrepreneurial intent is present in

the Netherlands and is on one hand positively influenced by attitude to entrepreneurship and the desire to overcome blocked mobility, and on the other hand negatively influenced by institutional challenges, the perceived negative feelings from Dutch people towards refugees, and the time that the refugee has lived in the Netherlands. Even though there are no legal limitations and the government promotes all kinds of entrepreneurship, it remains difficult for refugees to start a business.

### **6.3 Validity of the instrument**

It was intended to maintain a high level of validity in the study. However, the instrument carries several imperfections.

As mentioned before, many refugees come from a regime that did not tolerate criticism or ask for opinions. Therefore, they are not used to or even afraid to say what they think and would rather not answer the question. This leads to participants skipping questions or not finishing the survey. Another reason for participants not finishing the survey is the limited number of languages of the survey. For those that speak English, Arabic or Dutch as a second or third language, the survey could possibly be too long or too difficult. Furthermore, participants were told they could skip any question for any reason. Together, these issues lead to a high amount of missing data, in turn leading to a smaller sample size. The smaller sample size makes the results less applicable to the whole population. However, a different instrument, such as interviews, would have resulted in less missing values. Nevertheless, a survey was the best instrument for the current study, for two main reasons. First of all, the study had a limited timeframe and interviews would have been too time-consuming. Secondly, the language barrier between the researcher and participants in interviews would have been substantial, in turn decreasing the reliability of the study.

In order to correctly interpret the answers in all three languages, the decision has been made to use mostly standardized, closed-ended questions. Text answers in Arabic would have been impossible to interpret. On the other hand, this meant that the survey left no room for answers that are out of the range of expectations.

Furthermore, in the online survey, it was not asked whether the participant has a residence permit. Therefore, it is possible that some participants do not fall within the scope of the definition of refugees used in this study (UNHCR, 1951). However, Stavenuiter et al. (2016) mention that Eritrean and Syrian asylum-seekers almost always receive asylum in the Netherlands. In 2014, 91% of asylum-seekers from these countries received residence permits

(Vluchtelingenwerk, 2015, p. 11). Over the year 2015, this percentage has risen to 98% (Stavenuiter et al., 2016). For this reason, data on people with these nationalities could still be analyzed.

#### **6.4 Limitations and further research**

Based on the results of the current study, several limitations of the research can be identified. In this study, only motives and perceived and/or experienced barriers towards refugee entrepreneurship have been questioned. Due to the limited timeframe of the study, the outcomes of entrepreneurial intent were left out. Contrary to Wauters and Lambrecht (2006), revenues and results have not been measured. Therefore, the study does not represent refugee entrepreneurship in the Netherlands, but does give an indication of the refugee entrepreneurial intent in the Netherlands. However, a person's behavior can be predicted based on intentions (Ajzen, 1991), making this study an important first step in predicting refugee entrepreneurship. Follow-up research is needed to measure the outcomes of this intent.

Furthermore, since the data was collected mostly through the personal network and the network of Vluchtelingenwerk Oost Nederland, it is expected that most participants are from the Nijmegen region. It is possible that the participants were therefore not fully representative for all refugees in the Dutch society. Further research should be carried out amongst a larger and more heterogeneous sample to investigate whether the conclusions of this research remain valid in other regions.

Another limitation of the research is the language. The survey was translated in only Arabic and Dutch, so not all groups of refugees in the Netherlands could be reached. For example, Afghan, Eritrean and Albanese refugees that are not fluent in English, Arabic or Dutch were not able to respond to the survey, which leaves a skewed representation of the whole group of refugees in the Netherlands. The language issue could be resolved in further research when more time and resources are available for translation.

In this study, not all possible elements that have an effect on refugee entrepreneurial intent are measured. Based on literature, a number of founded variables were chosen, but it is very credible that other elements also have an impact on refugee entrepreneurial intent. Interviews and a larger scale of research would have resulted in more factors that could have been taken into account. However, this exploratory study is still valuable and can be used as a stepping stone for further research on the subject.

Problems encountered in the data collection confirm some of the difficulties in getting into contact with this target group. It became clear that refugees in the Netherlands are difficult to reach, even when using the personal network of these refugees and the network of Vluchtelingenwerk. Many refugees were very willing to help, but were often not accustomed to take part in research. In the countries they fled from, it is often illegal and punishable to have a divergent opinion from that of the regime. Furthermore, many refugees have never filled in a survey before and are not used to having their opinion asked. Therefore, most were not willing or afraid to give their opinion, which resulted in missing data. It came to light that a trust relationship is essential in gathering data on refugees, and an ‘outsider’ researcher is less successful. Further research should be undertaken by an organization, such as Vluchtelingenwerk, that can make use of a more extensive network and an existing trust relationship with refugees in the Netherlands.

The aforementioned difficulties in reaching participants resulted in a small sample size. The sample was not large enough to test all relationships that were part of the conceptual framework. Several constructs had to be dropped in order to make the multinomial logistic regression possible. Further research, with a more successful approach to refugees, could examine more relationships.

Furthermore, in order to be able to analyze the relationship between independent variables, a multiple regression model would have been required. However, in the current study, the relationships were analyzed independently. It is possible that the results are different when these relationships are taken into account in future research. However, due to the exploratory nature of the research, the results of this study can nonetheless be interpreted.

Lastly, the current research has focused on main effects of the independent variables on refugee entrepreneurial intent. Basic additional analyses have been run to explore whether interaction effects exist among the independent variables. Even though the current research did not consider these effects, and they are not included as a result of the current study, it could still be used as a first step in more complex research. Two highly significant interaction effects could be interpreted. For example, time in the Netherlands negatively influenced the relationship between attitude on entrepreneurial intent and refugee entrepreneurial intent. The effect of attitude remains positive, but is weaker. It could be derived that even though both effects are strong, the attitude remains the most relevant factor explaining entrepreneurial intent, as was proposed in literature (Ajzen, 1991, Liñán and Chen, 2009; Liñán et al., 2011). Another

interaction effect was found of attitude towards entrepreneurship and the desire to overcome blocked mobility. According to the model by Shapero (1982), entrepreneurship must be seen as attractive and attainable to consider starting a business. Krueger (1993) adds that attitude strongly influences the impact of exogenous (i.e. external or contextual) factors on entrepreneurial intent. Overcoming blocked mobility has been categorized as a contextual motive. Therefore, it is credible that a positive attitude towards entrepreneurship, influences the strength of the relationship between blocked mobility and refugee entrepreneurial intent and acts as a moderator. Further research needs to take this into account, and look more closely into the interaction effects and how they influence refugee entrepreneurial intent.

Even though this study leaves several questions unanswered, it is a valuable stepping stone for more research in the domain of refugee entrepreneurship in the Netherlands.

## **6.5 Implications**

The results of this thesis hold implications for the scientific as well as the societal field. Firstly, refugee entrepreneurs have in the past not often been analyzed as a unique group of immigrant entrepreneurs, even though this distinction is required (Cortes, 2004; Fong et al., 2007; Lyon, Sepulveda, & Syrett, 2007; Wauters & Lambrecht, 2006). When refugee entrepreneurship was studied, the studies had taken place outside of the Netherlands. Therefore, a study that was undertaken in the Netherlands and taking into account national law and regulation, filled a gap in literature. However, the results cannot be unequivocally translated to other countries. Legislation, institutions, and culture vary among nations, which makes further research outside of the Netherlands necessary.

Furthermore, literature suggests (Fong et al., 2007; Kloosterman & Van der Leun, 1999; Koff, 2008; Wauters & Lambrecht, 2006, 2008) that entrepreneurship is a way to boost integration. The refugee crisis of the past years has brought challenges to Dutch society and increased the need and demand for integration. In order to be able to successfully stimulate refugee entrepreneurship (which in turn would stimulate refugee integration), the antecedents that motivate entrepreneurship needed to be identified (Díaz-García & Jiménez-Moreno, 2008). Therefore, it was crucial to explore whether refugee entrepreneurship could exist in the Netherlands.

## **6.6 Policy recommendations**

The results of this study bring about concrete recommendations for both the Dutch government and aid organizations, such as Vluchtelingenwerk. As aforementioned, refugee entrepreneurship could kill two birds with one stone: aid refugees' integration into Dutch society, and stimulate entrepreneurship as a whole.

The following policy recommendations are twofold. On one hand, the results of the current study show which factors influence refugee entrepreneurial intent. Only when aware of these factors, the government or aid organizations can respond and act accordingly. On the other hand, this study demonstrates issues encountered by refugees that foster entrepreneurial intentions. In the following paragraph, these policy recommendations are presented.

Firstly, the factors influencing refugee entrepreneurial intent are discussed. First of all, the current study investigated factors that influence refugee entrepreneurial intent. In order for the government to successfully promote and stimulate refugee entrepreneurship, it is important to know which refugees are likely to show entrepreneurial intent. This study demonstrated that entrepreneurial intentions are increased by a positive attitude towards entrepreneurship. Therefore, refugees that show a positive attitude towards entrepreneurship should be targeted in the government's efforts to stimulate entrepreneurship.

However, difficulties on the labor market (including negative perceptions by the Dutch) negatively influence refugee entrepreneurial intent. If the government aims to stimulate refugee entrepreneurship, it is imperative that the labor market in general needs to become more accessible to refugees. Yet, that is not the focus of the current study. Therefore, concrete recommendations on this subject cannot be made.

Furthermore, the current study has demonstrated that refugee entrepreneurial intent decreases as time goes by. Therefore, it is important that refugees that have the intention to start a business can do so short after arriving in the Netherlands. The longer they remain in the Netherlands, often unemployed, the more their entrepreneurial intent decreases. If the government wants to encourage refugee entrepreneurship, it is important to start soon after the refugee's arrival in the Netherlands.

Secondly, the recommendations with regard to problems encountered by refugees are discussed. At the moment, initiatives to help refugees in their first steps in becoming entrepreneurs are existing in the Netherlands, but they are fragmented. It is proposed that

organizations that already have a trust relationship with these refugees (such as Vluchtelingenwerk) should play an important role in encouraging refugee entrepreneurship. Vluchtelingenwerk is an organization that these refugees have known from their first days in the Netherlands and is therefore more likely to be successful in helping refugees start up a business. By offering support and knowledge, the organization can help fulfill the entrepreneurial intent.

The current study showed that institutional challenges affect refugee entrepreneurial intent. Dutch bureaucracy and administrative procedures make it less appealing for refugees to become self-employed. Therefore, an opportunity lies with the Chamber of Commerce. The Chamber of Commerce is a starting point for both Dutch and refugee entrepreneurs. By offering specially tailored services for refugee entrepreneurs, such as information on cultural differences or translated forms, the Chamber of Commerce could help refugees overcome these institutional challenges. Furthermore, at present, its website and services are only offered in a limited number of languages. By translating the website and its information into more languages, e.g. Tigrinya or Farsi, the Chamber of Commerce would be able to accommodate starting refugee entrepreneurs better.

The government can also play a role with regard to the integration trajectory. At the moment, the compulsory courses make no mention of entrepreneurship. In these courses lies an opportunity for stimulating and informing on refugee entrepreneurship. Especially the course Orientation on the Dutch Labor market, which is compulsory for all refugees, is suitable for offering knowledge and tools needed for successful entrepreneurship.

Based on legislation and governmental policy, refugees should encounter no problems when starting a business. The number of refugee entrepreneurs is indeed growing, but is still limited. In practice, entrepreneurship is hardly offered as a viable option for refugees in the Netherlands. The current study has demonstrated that refugee entrepreneurship is, at this point, not successfully stimulated. If policy would change, both the integration of refugees, and entrepreneurship in general would be benefited.



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## Appendix A: Survey (English)

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Thank you very much for taking part in this survey. My name is Judith Berns and as a master's student in International Management, I am doing research on immigrant entrepreneurship in the Netherlands. All answers will be handled in strict confidentiality and all respondents will stay anonymous. If you feel uncomfortable answering a question for any reason, feel free to skip it. The survey consists of ten questions and will take about fifteen minutes to complete. I would like to thank you in advance for your time.

---

### 1. How old are you?

- 18 to 25 years old
- 26 to 35 years old
- 36 to 45 years old
- 46 to 55 years old
- 56 to 65 years old
- More than 66 years old

### 2. Are you...

- Male
- Female

### 3. How many years have you enjoyed an education (in total)?

- 0-4 years
- 5-9 years
- 10-14 years
- 15-19 years
- 20-24 years
- More than 24 years

4. For how many months have you lived in the Netherlands?

---

5. What is your country of origin?

---

6. Please carefully read the following statements. Please select the number that best represents how you feel.

1: I totally disagree

2: I disagree

3: I somewhat disagree

4: I neither agree nor disagree

5: I somewhat agree

6: I agree

7: I totally agree

I am ready to do anything to be an entrepreneur 1 – 2 – 3 – 4 – 5 – 6 – 7

My professional goal is to become an entrepreneur 1 – 2 – 3 – 4 – 5 – 6 – 7

I will make every effort to start and run my own firm 1 – 2 – 3 – 4 – 5 – 6 – 7

I am determined to create a firm in the future 1 – 2 – 3 – 4 – 5 – 6 – 7

I have very seriously thought of starting a firm 1 – 2 – 3 – 4 – 5 – 6 – 7

I have the firm intention to start a firm someday 1 – 2 – 3 – 4 – 5 – 6 – 7

**7. Please carefully read the following statements. Please select the number that best represents how you feel.**

1: I totally disagree

2: I disagree

3: I somewhat disagree

4: I neither agree nor disagree

5: I somewhat agree

6: I agree

7: I totally agree

I want to fasten my integration into Dutch society 1 – 2 – 3 – 4 – 5 – 6 – 7

I think that being an entrepreneur helps my integration 1 – 2 – 3 – 4 – 5 – 6 – 7

Being an entrepreneur implies more advantages than disadvantages 1 – 2 – 3 – 4 – 5 – 6 – 7

A career as entrepreneur is attractive for me 1 – 2 – 3 – 4 – 5 – 6 – 7

If I had the opportunity and resources, I'd like to start a firm 1 – 2 – 3 – 4 – 5 – 6 – 7

Being an entrepreneur would entail great satisfactions for me 1 – 2 – 3 – 4 – 5 – 6 – 7

Among various options, I would rather be an entrepreneur 1 – 2 – 3 – 4 – 5 – 6 – 7

I'd rather be my own boss than have a secure job 1 – 2 – 3 – 4 – 5 – 6 – 7

You can only make big money if you're self-employed 1 – 2 – 3 – 4 – 5 – 6 – 7

I'd rather found a new company than be manager of an existing one 1 – 2 – 3 – 4 – 5 – 6 – 7

I have always wanted to own a business 1 – 2 – 3 – 4 – 5 – 6 – 7

I want to gain independence 1 – 2 – 3 – 4 – 5 – 6 – 7

I want the flexibility self-employment offers 1 – 2 – 3 – 4 – 5 – 6 – 7

Entrepreneurship runs in my blood 1 – 2 – 3 – 4 – 5 – 6 – 7

I want to become rich 1 – 2 – 3 – 4 – 5 – 6 – 7

I want to be my own boss	1 – 2 – 3 – 4 – 5 – 6 – 7
I want to offer cultural or country-bound products or services	1 – 2 – 3 – 4 – 5 – 6 – 7
I can make use of the market among other refugees	1 – 2 – 3 – 4 – 5 – 6 – 7
I want to develop a business for my family to inherit	1 – 2 – 3 – 4 – 5 – 6 – 7
Entrepreneurship is the only way out of unemployment	1 – 2 – 3 – 4 – 5 – 6 – 7
There are not enough possibilities on the labor market	1 – 2 – 3 – 4 – 5 – 6 – 7
I have difficulties assessing the labor market	1 – 2 – 3 – 4 – 5 – 6 – 7

**8. Have you previously owned a business or do you own a business at this moment?**

- Yes
- No

**9. Please carefully read the following statements. Please select the number that best represents how you feel.**

- 1: I totally disagree
- 2: I disagree
- 3: I somewhat disagree
- 4: I neither agree nor disagree
- 5: I somewhat agree
- 6: I agree
- 7: I totally agree

I don't have the necessary diplomas with me	1 – 2 – 3 – 4 – 5 – 6 – 7
My skills are country-specific and difficult to use in the Netherlands	1 – 2 – 3 – 4 – 5 – 6 – 7
I lack language skills needed to start a business	1 – 2 – 3 – 4 – 5 – 6 – 7
Services such as the Chamber of Commerce are not provided in my language	1 – 2 – 3 – 4 – 5 – 6 – 7

I don't have the necessary social network to become an entrepreneur	1 – 2 – 3 – 4 – 5 – 6 – 7
There is no demand for my products or services	1 – 2 – 3 – 4 – 5 – 6 – 7
Dutch rules and legal restrictions prevent me from self-employment	1 – 2 – 3 – 4 – 5 – 6 – 7
I lack knowledge on the Dutch system	1 – 2 – 3 – 4 – 5 – 6 – 7
It is difficult for me to gain good advice	1 – 2 – 3 – 4 – 5 – 6 – 7
I don't know where to go for information on entrepreneurship	1 – 2 – 3 – 4 – 5 – 6 – 7
I lack supporting resources to start a business	1 – 2 – 3 – 4 – 5 – 6 – 7
I don't have the necessary start-up capital to start a business	1 – 2 – 3 – 4 – 5 – 6 – 7
It is difficult for me to obtain a loan from a bank	1 – 2 – 3 – 4 – 5 – 6 – 7
The Dutch have negative perceptions toward me	1 – 2 – 3 – 4 – 5 – 6 – 7
I am afraid of anti-immigrant sentiments	1 – 2 – 3 – 4 – 5 – 6 – 7

**10. Please carefully read the following statements. Please select the number that best represents how you feel.**

- 1: I totally disagree
- 2: I disagree
- 3: I somewhat disagree
- 4: I neither agree nor disagree
- 5: I somewhat agree
- 6: I agree
- 7: I totally agree

I don't think being self-employed is a profitable activity	1 – 2 – 3 – 4 – 5 – 6 – 7
Entrepreneurship doesn't run in my blood	1 – 2 – 3 – 4 – 5 – 6 – 7
I have never thought about being self-employed	1 – 2 – 3 – 4 – 5 – 6 – 7

I have enough possibilities on the labor market

1 – 2 – 3 – 4 – 5 – 6 – 7

I already have a decent job

1 – 2 – 3 – 4 – 5 – 6 – 7

---

You have reached the end of the survey. Thank you very much for your participation. If you would like to know more about the research and results or if you have questions or comments, feel free to contact me on [judith.berns@student.ru.nl](mailto:judith.berns@student.ru.nl).

## Appendix B: Survey (Dutch)

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Bedankt voor het deelnemen aan deze enquête.

Mijn naam is Judith Berns. Als masterstudente International Management doe ik onderzoek naar ondernemerschap onder vluchtelingen in Nederland. Alle antwoorden worden vertrouwelijk behandeld en alle respondenten blijven anoniem.

Als u zich niet prettig voelt bij het beantwoorden van een vraag, mag u deze overslaan.

De enquête bestaat uit elf vragen en duurt ongeveer vijftien minuten om in te vullen.

Hartelijk bedankt voor uw tijd.

Q2 Hoe oud bent u?

- 18 tot 25 jaar
- 26 tot 35 jaar
- 36 tot 45 jaar
- 46 tot 55 jaar
- 56 tot 65 jaar
- Ouder dan 66 jaar

Q3 Bent u..

- Een man
- Een vrouw

Q4 Hoe veel jaar heeft u onderwijs gehad (in totaal)?

- 0-4 jaar
- 5-9 jaar
- 10-14 jaar
- 15-19 jaar
- 20-24 jaar
- 25 of meer jaar

Q5 Hoe veel maanden woont u al in Nederland?

\_\_\_\_\_

Q6 Wat is uw land van herkomst?

\_\_\_\_\_

Q7 Lees nauwkeurig de volgende stellingen. Selecteer alstublieft het antwoord dat het best bij u past.

- 1: Volledig oneens
- 2: Oneens
- 3: Enigzins oneens
- 4: Noch eens noch oneens
- 5: Enigzins eens
- 6: Eens
- 7: Volledig eens

Ik zou alles doen om ondernemer te worden	1 – 2 – 3 – 4 – 5 – 6 – 7
Ondernemer zijn is het doel van mijn carrière	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik zou alle moeite doen om mijn eigen bedrijf te starten en te runnen	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik ben vastbesloten in de toekomst een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb er serieus over nagedacht om een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb de sterke intentie om ooit een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7

Ik wil mijn integratie in de Nederlandse samenleving versnellen	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik denk dat het zijn van een ondernemer helpt bij mijn integratie	1 – 2 – 3 – 4 – 5 – 6 – 7
Het zijn van een ondernemer betekent meer voordelen dan nadelen voor mij	1 – 2 – 3 – 4 – 5 – 6 – 7
Een carrière als ondernemer vind ik aantrekkelijk	1 – 2 – 3 – 4 – 5 – 6 – 7
Als ik de kans en de middelen had, zou ik graag een bedrijf starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Het zijn van een ondernemer zou mij veel voldoening geven	1 – 2 – 3 – 4 – 5 – 6 – 7
Bij verschillende opties, zou ik het liefst ondernemer zijn	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik zou liever eigen baas zijn dan een zekere baan te hebben	1 – 2 – 3 – 4 – 5 – 6 – 7
Men kan alleen veel geld verdienen als zelfstandig ondernemer	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik zou liever een nieuw bedrijf starten dan manager zijn van een bestaand bedrijf	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik wil onafhankelijkheid verkrijgen	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik wil de flexibiliteit die ondernemerschap biedt	1 – 2 – 3 – 4 – 5 – 6 – 7
Ondernemerschap zit in mijn bloed	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik wil graag rijk worden	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik wil graag eigen baas zijn	1 – 2 – 3 – 4 – 5 – 6 – 7

Q9 Lees nauwkeurig de volgende stellingen. Selecteer alstublieft het antwoord dat het best bij u past.

Ik wil cultureel- of landgebonden producten of diensten aanbieden	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik kan gebruik maken van de afzetmarkt van andere vluchtelingen	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik wil een bedrijf ontwikkelen om aan mijn familie na te laten	1 – 2 – 3 – 4 – 5 – 6 – 7
Ondernemerschap is de enige weg uit werkloosheid	1 – 2 – 3 – 4 – 5 – 6 – 7
Er zijn niet genoeg mogelijkheden op de arbeidsmarkt	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik vind het moeilijk de arbeidsmarkt in te schatten	1 – 2 – 3 – 4 – 5 – 6 – 7

Q10 Heeft u ooit een bedrijf gehad of heeft u nu een eigen bedrijf?

- Ja
- Nee

Q11 Lees nauwkeurig de volgende stellingen. Selecteer alstublieft het antwoord dat het best bij u past.

Ik heb niet de benodigde diploma's bij me om een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Mijn vaardigheden zijn specifiek voor mijn land van herkomst en moeilijk te gebruiken in Nederland	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik mis taalvaardigheden die ik nodig heb om een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Diensten zoals de Kamer van Koophandel zijn niet beschikbaar in mijn taal	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb niet het sociale netwerk dat nodig is om ondernemer te worden	1 – 2 – 3 – 4 – 5 – 6 – 7
Er is geen vraag naar mijn producten of diensten	1 – 2 – 3 – 4 – 5 – 6 – 7

Q12 Lees nauwkeurig de volgende stellingen. Selecteer alstublieft het antwoord dat het best bij u past.

Nederlandse regels en wettelijke beperkingen houden me tegen in het starten van een bedrijf	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik mis kennis over het Nederlandse systeem	1 – 2 – 3 – 4 – 5 – 6 – 7
Het is moeilijk om goed advies in te winnen	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik weet niet waar ik moet zijn voor informatie over ondernemerschap	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik mis de middelen om een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb niet het benodigde startkapitaal om een bedrijf te starten	1 – 2 – 3 – 4 – 5 – 6 – 7
Het is moeilijk voor mij om een lening van een bank te krijgen	1 – 2 – 3 – 4 – 5 – 6 – 7
Nederlanders hebben een negatief beeld over mij	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik ben bang voor anti-immigrantgevoelens	1 – 2 – 3 – 4 – 5 – 6 – 7

Q13 Lees nauwkeurig de volgende stellingen. Selecteer alstublieft het antwoord dat het best bij u past.

Ik denk niet dat het winstgevend is om zelfstandig ondernemer te zijn	1 – 2 – 3 – 4 – 5 – 6 – 7
Ondernemerschap stroomt niet in mijn bloed	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb er nog nooit over nagedacht om ondernemer te worden	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb genoeg mogelijkheden op de arbeidsmarkt	1 – 2 – 3 – 4 – 5 – 6 – 7
Ik heb al een goede baan	1 – 2 – 3 – 4 – 5 – 6 – 7

Q14 Zijn er nog andere factoren die uw intentie om ondernemer te worden (positief of negatief) beïnvloeden?

- Nee
- Ja \_\_\_\_\_

Q15 Dit is het einde van de enquête. Hartelijk dank voor uw medewerking.

Als u meer wilt weten over het onderzoek en de resultaten, of als u vragen of opmerkingen heeft, kunt u contact met me opnemen via [judith.berns@student.ru.nl](mailto:judith.berns@student.ru.nl)

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شكرا جزيلاً لاستعدادك للمشاركة في هذا البحث. اسمي يوديت بيرنس وأنا طالبة ماجستير في فرع الإدارة الدولية. أقوم ببحث حول اللاجئين والمقاولات في هولندا. سأتناول جميع الأجوبة بسرية تامة ولن يكشف عن هوية المجيبين. إذا أحسست بعدم الرضى في الإجابة عن سؤال من الأسئلة فيمكنك إهمال ذلك السؤال. يتكون هذا البحث من 11 سؤالاً وتستغرق عملية الإجابة عن الأسئلة حوالي 15 دقيقة. أشرك مسبقاً لمشاركتك في البحث.

1 كم عمرك؟

18-25 سنة

26-35 سنة

36-45 سنة

46-55 سنة

56-65 سنة

أكثر من 66 سنة

2 هل أنت...؟

ذكر

أنثى

3 ما مدة تحصيلك العلمي؟

0-4 سنوات

5-9 سنوات

10-14 سنة

15-19 سنة

20-24 سنة

أكثر من 24 سنة

4

كم شهراً مضى على إقامتك بهولندا؟

5 ما هو بلدك الأصلي؟

6 يرجى قراءة البيانات التالية بعناية. يرجى اختيار الرقم الذي يمثل أفضل تمثيل لشعورك..

1. لست موافقا كلياً.

2. غير موافق.

3. غير موافق بعض الشيء (إلى حدّ ما).

4. غير موافق و غير معارض.

5. موافق بعض الشيء (إلى حدّ ما).

6. موافق.

7. موافق كلياً.

● أنا مستعد للقيام بأيّ شيء لأصبح صاحب مشروع مستقل/خاص (رجل أعمال).

● هدفي المهني هو أن أصبح رجل أعمال.

● سأبذل قصارى جهدي لبدء و تشغيل عملي الخاص (مهنتي الخاصة).

● أنا عازم على إنشاء شركة في المستقبل.

● أنا أفكر بجدية بالغة على البدء بشركة.

● لديّ نيّة قوية للبدء بشركة يوماً ما.

7 يرجى قراءة البيانات التالية بعناية. يرجى اختيار الرقم الذي يمثل أفضل تمثيل لشعورك.

1. لست موافقا كلياً.

2. غير موافق.

3. غير موافق بعض الشيء (إلى حد ما).

4. غير موافق و غير معارض.

5. موافق بعض الشيء (إلى حد ما).

6. موافق.

7. موافق كلياً.

● أودّ أن أعزّز اندماجي بالمجتمع الهولندي.

● أرى بأنّ كوني صاحب مشروع فهذا سيساعدني في عملية اندماجي.

● كوني صاحب مشروع فهذا يعني أن المزايا (المحاسن) ستكون أكثر من المساوىء.

● إنّ مهنة رجل الأعمال جذّابة بالنسبة لي.

● إذا أُتيحت لي الفرص و الموارد، فأودّ أن أبدأ بشركة.

● كوني صاحب مشروع خاص فهذا سيشكل رضىً كبيراً بالنسبة لي.

- من بين العديد من الخيارات المختلفة، أودّ أن أكون رجل أعمال.
- أفضل أن أكون مديراً لنفسى من أن أحصل على وظيفة مؤمنة.
- يمكنك جني أموال أكثر فقط في حال كنت تعمل لحسابك الخاص.
- أفضل أن أؤسس شركة جديدة على أن أكون مديراً لشركة قائمة.
- أريد الحصول على الاستقلالية.
- أريد المرونة المرتبطة بامتلاك شركتي الخاصة.
- إدارة المشاريع تسري في دمي.
- أريد أن أصبح غنياً.
- أريد أن أكون مديراً لنفسى (العملي الخاص)
- أريد أن أقدم الخدمات و المنتجات المتعلقة بالثقافة أو البلاد.
- أستطيع الاستفادة من السوق (التجارية) بين اللاجئين الآخرين.
- أريد تطوير الأعمال التجارية لتكون إرثاً لعائلي.
- الأعمال الحرة (روح المبادرة) هي الطريق الوحيد للخروج من البطالة.
- لا يوجد إمكانيات كافية في سوق العمل.
- لديّ صعوبات في تقييم سوق العمل.

8 هل سبق أن كان لديك عمل خاص أو هل لديك عمل خاص حالياً؟

نعم

لا

9 يرجى قراءة البيانات التالية بعناية. يرجى اختيار الرقم الذي يمثل أفضل تمثيل لشعورك.

1. لست موافقا كلياً.

2. غير موافق.

3. غير موافق بعض الشيء (إلى حد ما).

4. غير موافق و غير معارض.

5. موافق بعض الشيء (إلى حد ما).

6. موافق.

7. موافق كلياً.

● الشهادات اللازمة ليست معي.

● مهاراتي خاصّةً بلدي و من الصعب استخدامها بهولندا.

● أفتقر لمهارات اللغة اللازمة للبدء بالنشاط التجاري.

- الخدمات كغرفة التجارة غير متاحة بلغتي (الأم).
- لا أمتلك التواصل الاجتماعي اللازم لأصبح رجل أعمال.
- لا يوجد طلب لخدماتي و منجاتي.
- القوانين و القيود الهولندية تمنعني من العمل الحر.
- أفقر إلى المعرفة بالنظام الهولندي.
- أجد صعوبة في الحصول على نصيحة جيدة.
- لا أعرف أين يمكنني الذهاب للحصول على معلومات فيما يخص بتنظيم المشاريع.
- أفقر إلى الدعم في الحصول على الموارد التي تخولني البدء بأي نشاط تجاري.
- لا أمتلك رأس المال الضروري لبدء تأسيس العمل.
- من الصعب عليّ الحصول على قرض من المصرف (البنك).
- لدى الهولنديين تصورات سلبية تجاهي.
- أخشى من مشاعر المعادين للمهاجرين.

10 يرجى قراءة البيانات التالية بعناية. يرجى اختيار الرقم الذي يمثل أفضل تمثيل لشعورك.

1. لست موافقا كلياً.

2. غير موافق.

3. غير موافق بعض الشيء (إلى حدّ ما).

4. غير موافق و غير معارض.

5. موافق بعض الشيء (إلى حدّ ما).

6. موافق.

7. موافق كلياً.

● لا أعتقد أنّ العمل الخاص يشكّل نشاطاً مربحاً.

● الأعمال الحرّة لا تسري في دمي.

● لم أفكر مسبقاً بتكوين عمل خاصّ.

● لديّ إمكانيّات كافية حول سوق العمل.

● لديّ وظيفة لائقة بالفعل.

11 هل لديك عوامل أخرى من شأنها أن تؤثر (سلباً أو إيجاباً) على نيتك من أن تصبح رجل أعمال؟

لا

نعم

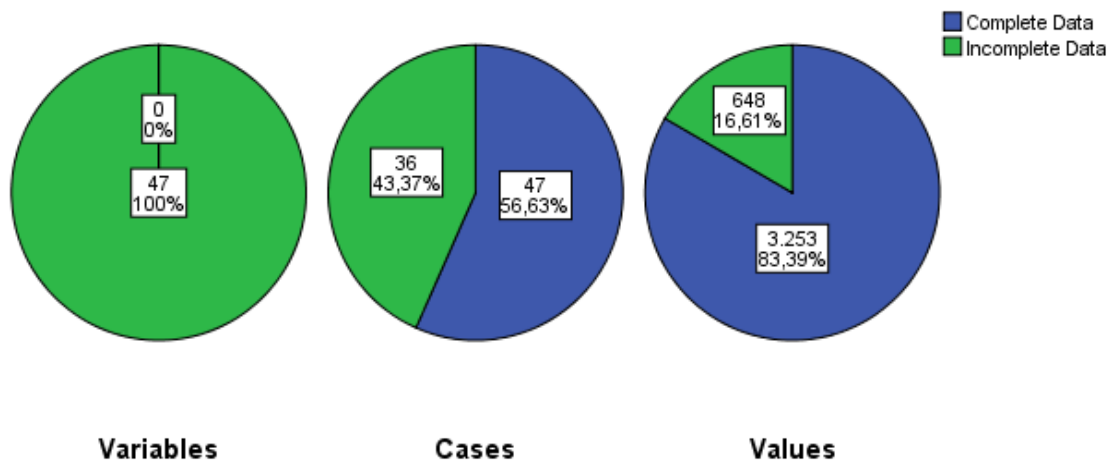
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إلى هنا و ينتهي البحث، شكراً جزيلاً لمشاركتك. في حال رغبتك بمعرفة أكثر حول البحث و النتائج أو كان لديك أسئلة أو تعليقات فلا تتردد بالتواصل معي عبر البريد الإلكتروني

**[judith.berns@student.ru.nl](mailto:judith.berns@student.ru.nl)**

## Appendix D: Missing values

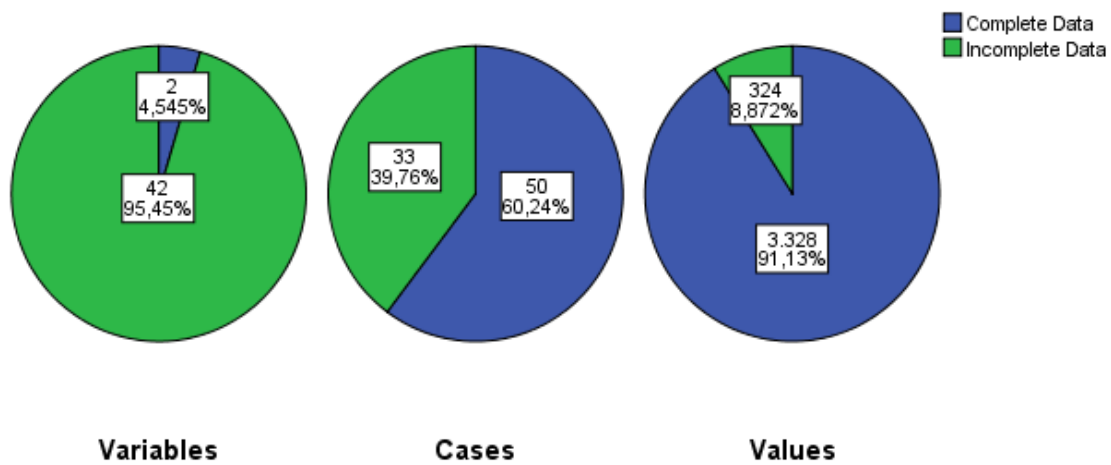
### Overall Summary of Missing Values



a. Little's MCAR test: Chi-Square = 1071,418, DF = 1002, Sig. = ,063

After imputation:

### Overall Summary of Missing Values



## Appendix E: Descriptives and assumptions

### Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I want to fasten my integration into Dutch society	83	3	7	6,35	,861
Attitude towards entrepreneurship	83	1,00	7,00	5,3828	1,09713
Entrepreneurship is the only way out of unemployment	72	1	7	5,19	1,598
Individual barriers	83	1,25	7,00	4,9418	1,24727
Institutions	81	2,40	7,00	5,3479	,94877
Negative perceptions	79	1,00	7,00	3,9325	1,40753
Valid N (listwise)	69				

# Correlation matrix

	Desire_1	Attitude_com p	Institnc_comp	Individualbarri efs_com	Ethnicinfrast ructure_com	Institutions_c omp	Perceptions_ comp	Family_1	Blocked_1	Blocked_2	Blocked_3	Network_2	Network_3	Capital_3	NominaREI
Desire_1	1	.205	.136	.243*	.103	.042	-.129	.186	.054	.167	.158	.133	.168	-.016	.001
Attitude_com p		1	.563**	.131	.406**	.175	.027	.440**	.651	.192	.086	.576	.378	.063	.620**
Institnc_comp			1	.112	.342**	.062	.136	.444**	.223	-.073	-.001	.032	.301*	.090	.338**
Individualbarri efs_com				1	.023	.242*	.195	.200	.060	.375	.225	.039	.900*	.190	.620**
Institutions_c omp					1	.023	.085	.049	.023	.137	.043	.027	.219	.182	.104
Perceptions_ comp						1	.081	.133	-.085	.028	.252*	.034	.263	.233	-.060
Family_1							1	.230	.055	.065	.034	.276	.245*	.202	.304**
Blocked_1								1	.006	.028	.276	.411*	.253	.118	.425**
Blocked_2									1	.006	.068	.001	.034	.034	.225
Blocked_3										1	.068	.060	.013	.214	.050
Network_2											1	.031	.066	.066	.082
Network_3												1	.031	.066	.082
Capital_3													1	.015	.015
NominaREI														1	.015

\* Correlation is significant at the 0.05 level (2-tailed).  
 \*\* Correlation is significant at the 0.01 level (2-tailed).

Correlation matrix Control variables

Correlations

		Entrepreneurial intent	How old are you?	Are you..	How many years have you enjoyed an education (in total)?	For how many months have you lived in the Netherlands?
Entrepreneurial intent	Pearson Correlation	1	-,155	-,072	,048	-,144
	Sig. (2-tailed)		,163	,521	,672	,195
	N	83	83	82	82	83
How old are you?	Pearson Correlation	-,155	1	-,203	-,004	,204
	Sig. (2-tailed)	,163		,067	,974	,064
	N	83	83	82	82	83
Are you..	Pearson Correlation	-,072	-,203	1	-,162	,087
	Sig. (2-tailed)	,521	,067		,149	,438
	N	82	82	82	81	82
How many years have you enjoyed an education (in total)?	Pearson Correlation	,048	-,004	-,162	1	-,041
	Sig. (2-tailed)	,672	,974	,149		,713
	N	82	82	81	82	82
For how many months have you lived in the Netherlands?	Pearson Correlation	-,144	,204	,087	-,041	1
	Sig. (2-tailed)	,195	,064	,438	,713	
	N	83	83	82	82	83

# Appendix F: Factor Analysis

Individual motives

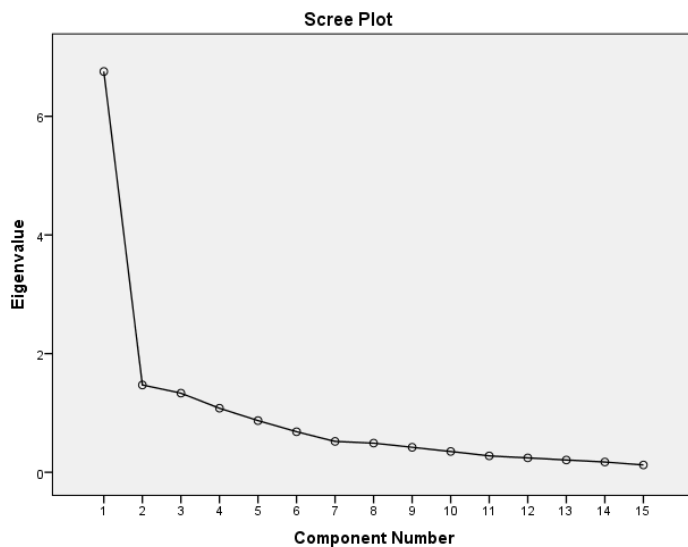
### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,836
Bartlett's Test of Sphericity	Approx. Chi-Square	547,587
	df	105
	Sig.	,000

### Communalities

	Initial	Extraction
I want to fasten my integration into Dutch society	1,000	,764
I think that being an entrepreneur helps my integration	1,000	,681
Being an entrepreneur implies more advantages than disadvantages to me	1,000	,622
A career as entrepreneur is attractive for me	1,000	,783
If I had to opportunity and resources, I'd like to start a firm	1,000	,489
Being an entrepreneur would entail great satisfactions for me	1,000	,707
Among various options, I would rather be an entrepreneur	1,000	,828
I'd rather be my own boss than have a secure job	1,000	,785
You can only make big money if you're self-employed	1,000	,726
I'd rather found a new company than be manager of an existing one	1,000	,786
I want to gain independence	1,000	,698
I want the flexibility self-employment offers	1,000	,720
Entrepreneurship runs in my blood	1,000	,619
I want to become rich	1,000	,784
I want to be my own boss	1,000	,647

Extraction Method: Principal Component Analysis.



**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6,755	45,033	45,033	6,755	45,033	45,033
2	1,471	9,809	54,842	1,471	9,809	54,842
3	1,333	8,889	63,731	1,333	8,889	63,731
4	1,080	7,197	70,928	1,080	7,197	70,928
5	,871	5,808	76,736			
6	,684	4,558	81,293			
7	,520	3,467	84,761			
8	,491	3,273	88,034			
9	,421	2,809	90,842			
10	,351	2,339	93,181			
11	,276	1,843	95,024			
12	,243	1,618	96,642			
13	,207	1,377	98,019			
14	,173	1,155	99,174			
15	,124	,826	100,000			

Extraction Method: Principal Component Analysis.

**Pattern Matrix<sup>a</sup>**

	Component		
	1	2	3
I want to fasten my integration into Dutch society			,901
A career as entrepreneur is attractive for me	,794		
If I had to opportunity and resources, I'd like to start a firm	,542		
Being an entrepreneur would entail great satisfactions for me	,737		
Among various options, I would rather be an entrepreneur	,946		
I'd rather be my own boss than have a secure job	,629		
You can only make big money if you're self-employed		-,867	
I'd rather found a new company than be manager of an existing one		-,628	
I want the flexibility self-employment offers	,589		
Entrepreneurship runs in my blood	,772		
I want to become rich		-,832	
I want to be my own boss		-,557	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 10 iterations.

Contextual motives

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,593
Bartlett's Test of Sphericity Approx. Chi-Square	26,381
df	6
Sig.	,000

**Communalities**

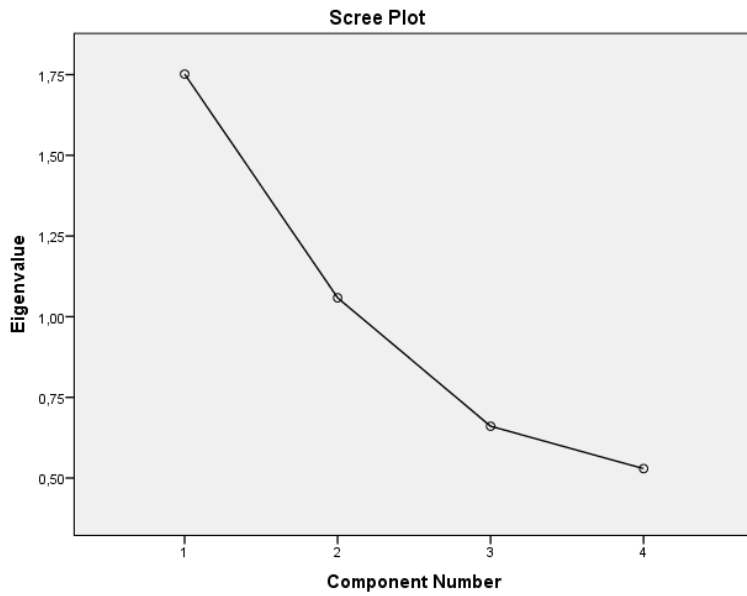
	Initial	Extraction
Family_1	1,000	,814
Blocked_1	1,000	,594
Blocked_2	1,000	,679
Blocked_3	1,000	,723

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1,752	43,795	43,795	1,752	43,795	43,795	1,568	39,189	39,189
2	1,059	26,463	70,257	1,059	26,463	70,257	1,243	31,068	70,257
3	,661	16,514	86,771						
4	,529	13,229	100,000						

Extraction Method: Principal Component Analysis.



**Rotated Component Matrix<sup>a</sup>**

	Component	
	1	2
Family_1		,898
Blocked_1	,416	,649
Blocked_2	,815	
Blocked_3	,850	

Extraction Method: Principal component Analysis.

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 3 iterations.

## Individual barriers

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,654
Bartlett's Test of Sphericity	Approx. Chi-Square	104,108
	df	28
	Sig.	,000

### Communalities

	Initial	Extraction
I don't have the necessary diplomas with me to start a firm	1,000	,514
My skills are country-specific and difficult to use in the Netherlands	1,000	,623
I lack language skills needed to start a business	1,000	,616
Services such as the Chamber of Commerce are not provided in my language	1,000	,729
I don't have the necessary social network to become an entrepreneur	1,000	,577
There is no demand for my products or services	1,000	,525
I want to offer cultural or country-bound products or services	1,000	,836
I can make use of the market among other refugees	1,000	,839

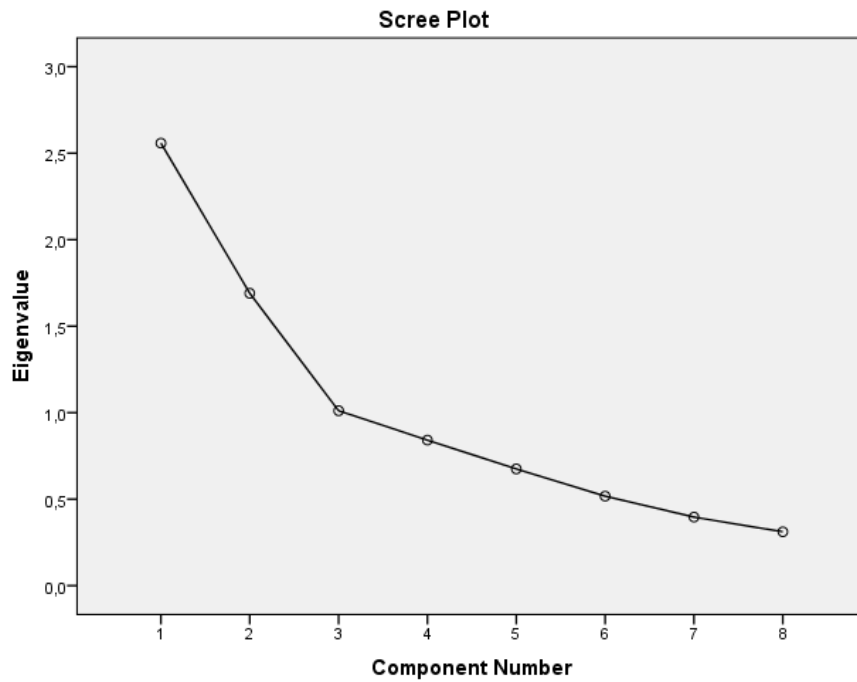
Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
	1	2,558	31,974	31,974	2,558	31,974	31,974
2	1,690	21,125	53,099	1,690	21,125	53,099	1,699
3	1,011	12,640	65,738	1,011	12,640	65,738	1,736
4	,841	10,516	76,254				
5	,675	8,434	84,688				
6	,517	6,465	91,153				
7	,396	4,953	96,106				
8	,312	3,894	100,000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.



**Structure Matrix**

	Component		
	1	2	3
I don't have the necessary diplomas with me to start a firm	,685		,415
My skills are country-specific and difficult to use in the Netherlands			,787
I lack language skills needed to start a business	,656		,607
Services such as the Chamber of Commerce are not provided in my language	,841		
I don't have the necessary social network to become an entrepreneur	,758		
There is no demand for my products or services			,719
I want to offer cultural or country-bound products or services		,912	
I can make use of the market among other refugees		,916	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

## Contextual barriers

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		,651
Bartlett's Test of Sphericity	Approx. Chi-Square	154,585
	df	36
	Sig.	,000

### Communalities

	Initial	Extraction
Institutions_1	1,000	,511
Institutions_2	1,000	,417
Institutions_3	1,000	,702
Institutions_4	1,000	,645
Capital_1	1,000	,681
Capital_2	1,000	,588
Capital_3	1,000	,825
Perceptions_1	1,000	,775
Perceptions_2	1,000	,674

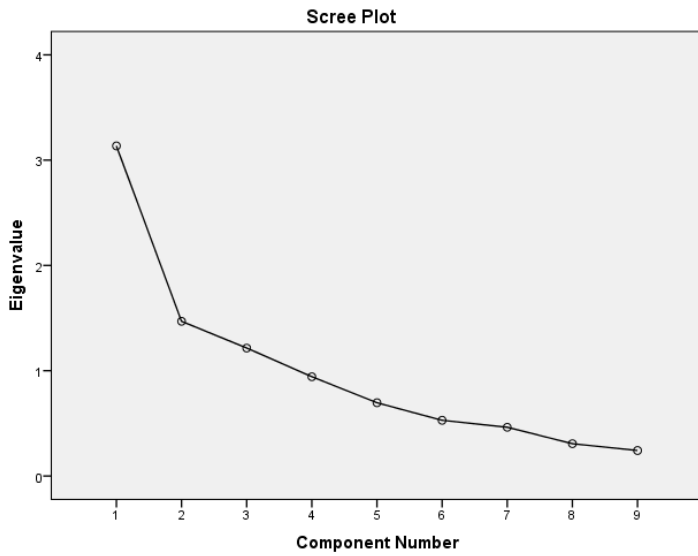
Extraction Method: Principal Component Analysis.

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3,135	34,834	34,834	3,135	34,834	34,834	2,661
2	1,469	16,324	51,158	1,469	16,324	51,158	2,351
3	1,215	13,503	64,661	1,215	13,503	64,661	1,251
4	,943	10,479	75,140				
5	,696	7,734	82,874				
6	,529	5,881	88,755				
7	,463	5,142	93,897				
8	,307	3,413	97,310				
9	,242	2,690	100,000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.



**Pattern Matrix<sup>a</sup>**

	Component		
	1	2	3
Institutions_1 Dutch rules and legal restrictions prevent me from self-employment		,632	
Institutions_2 I lack knowledge on the Dutch system	,528		
Institutions_3 It is difficult for me to gain good advice	,607		
Institutions_4 I don't know where to go for information on entrepreneurship	,799		
Capital_1 I lack supporting resources to start a business	,672		,449
Capital_2 I don't have the necessary start-up capital to start a business	,793		
Capital_3 It is difficult for me to obtain a loan from a bank			,890
Perceptions_1 The Dutch have negative perceptions towards me		,848	
Perceptions_2 I am afraid of anti-immigrant sentiments		,818	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 9 iterations.

## Appendix G: Reliability Analysis

Attitude towards entrepreneurship

**Case Processing Summary**

		N	%
Cases	Valid	66	79,5
	Excluded <sup>a</sup>	17	20,5
	Total	83	100,0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
,887	7

Entrepreneurial ambition

**Reliability Statistics**

Cronbach's Alpha	N of Items
,799	4

**Item Statistics**

	Mean	Std. Deviation	N
You can only make big money if you're self-employed	5,26	1,653	72
I'd rather found a new company than be manager of an existing one	5,29	1,283	72
I want to become rich	5,42	1,470	72
I want to be my own boss	5,71	1,326	72

## Blocked mobility

### Reliability Statistics

Cronbach's Alpha	N of Items
,635	2

### Item Statistics

	Mean	Std. Deviation	N
There are not enough possibilities on the labour market	4,70	1,519	66
I have difficulties assessing the labour market	5,05	1,686	66

## Creating a family business

### Reliability Statistics

Cronbach's Alpha	N of Items
,373	2

### Item Statistics

	Mean	Std. Deviation	N
I want to develop a business for my family to inherit	5,06	1,605	70
Entrepreneurship is the only way out of unemployment	5,20	1,621	70

## Individual barriers

### Reliability Statistics

Cronbach's Alpha	N of Items
,718	4

### Item Statistics

	Mean	Std. Deviation	N
I don't have the necessary diplomas with me to start a firm	4,696	1,9426	69
I lack language skills needed to start a business	4,986	1,8351	69
Services such as the Chamber of Commerce are not provided in my language	5,188	1,6295	69
I don't have the necessary social network to become an entrepreneur	4,783	1,7309	69

## Ethnic infrastructure

### Reliability Statistics

Cronbach's Alpha	N of Items
,753	2

### Item Statistics

	Mean	Std. Deviation	N
I want to offer cultural or country-bound products or services	5,00	1,636	75
I can make use of the market among other refugees	4,89	1,573	75

Lack of demand

**Reliability Statistics**

Cronbach's Alpha	N of Items
,306	2

**Item Statistics**

	Mean	Std. Deviation	N
My skills are country-specific and difficult to use in the Netherlands	3,52	1,933	67
There is no demand for my products or services	3,91	1,630	67

Negative perceptions

**Reliability Statistics**

Cronbach's Alpha	N of Items
,783	2

**Item Statistics**

	Mean	Std. Deviation	N
The Dutch have negative perceptions towards me	3,34	1,822	67
I am afraid of anti-immigrant sentiments	3,87	1,850	67

## Appendix H: Multinomial logistic regression

### Case Processing Summary

		N	Marginal Percentage
Entrepreneurial intent	Low	3	4,3%
	Medium	23	33,3%
	High	43	62,3%
Valid		69	100,0%
Missing		14	
Total		83	
Subpopulation		69 <sup>a</sup>	

a. The dependent variable has only one value observed in 69 (100,0%) subpopulations.

### Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	110,019			
Final	51,726	58,293	12	,000

### Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	58,309	124	1,000
Deviance	51,726	124	1,000

### Pseudo R-Square

Cox and Snell	,570
Nagelkerke	,716
McFadden	,530

### Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	52,705	,978	2	,613
I want to fasten my integration into Dutch society	55,597	3,870	2	,144
Attitude towards entrepreneurship	72,793	21,067	2	,000
Entrepreneurship is the only way out of unemployment	53,237	1,511	2	,470
Individual barriers	53,526	1,800	2	,407
Institutions	52,441	,715	2	,700
Negative perceptions	67,379	15,653	2	,000

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

### Parameter Estimates

Entrepreneurial intent <sup>a</sup>	B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
							Lower Bound	Upper Bound
Low Intercept	-2,030	4,469	,206	1	,650			
I want to fasten my integration into Dutch society	-,032	,699	,002	1	,963	,968	,246	3,810
High Intercept	,656	1,760	,139	1	,709			
I want to fasten my integration into Dutch society	-,006	,275	,000	1	,983	,994	,580	1,703

a. The reference category is: Medium.

### Parameter Estimates

Entrepreneurial intent <sup>a</sup>	B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
							Lower Bound	Upper Bound
Low Intercept	2,529	2,293	1,216	1	,270			
Attitude towards entrepreneurship	-1,188	,603	3,888	1	,049	,305	,094	,993
High Intercept	-7,703	2,061	13,976	1	,000			
Attitude towards entrepreneurship	1,552	,384	16,310	1	,000	4,720	2,223	10,023

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	-,251	1,300	,037	1	,847			
	Entrepreneurship is the only way out of unemployment	-,471	,352	1,794	1	,180	,624	,313	1,244
High	Intercept	-1,857	,998	3,460	1	,063			
	Entrepreneurship is the only way out of unemployment	,493	,188	6,901	1	,009	1,638	1,133	2,366

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	,434	1,755	,061	1	,805			
	Individual barriers	-,618	,425	2,113	1	,146	,539	,234	1,240
High	Intercept	,099	,982	,010	1	,920			
	Individual barriers	,105	,193	,295	1	,587	1,110	,761	1,620

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	4,050	2,604	2,420	1	,120			
	Institutions	-1,305	,582	5,020	1	,025	,271	,087	,849
High	Intercept	1,411	1,488	,900	1	,343			
	Institutions	-,153	,270	,323	1	,570	,858	,505	1,457

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	2,484	1,585	2,454	1	,117			
	Negative perceptions	-1,445	,590	5,998	1	,014	,236	,074	,749
High	Intercept	2,348	,865	7,375	1	,007			
	Negative perceptions	-,426	,197	4,696	1	,030	,653	,444	,960

a. The reference category is: Medium.

## Control variables

### Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	122,761			
Final	98,867	23,894	30	,777

### Pseudo R-Square

Cox and Snell	,255
Nagelkerke	,325
McFadden	,191

### Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	38,299	17,731	2	,000
How old are you?	25,559	4,990	2	,082

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

### Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	20,879	8,457	2	,015
Are you..	14,035	1,614	2	,446

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

### Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	28,535	1,953	2	,377
How many years have you enjoyed an education (in total)?	27,275	,693	2	,707

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

### Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	33,915 <sup>a</sup>	,000	0	.
What is your country of origin?	53,864	19,949	24	,700

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

- a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.

**Likelihood Ratio Tests**

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	111,530	42,424	2	,000
For how many months have you lived in the Netherlands?	75,480	6,374	2	,041

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>	B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
							Lower Bound	Upper Bound
Low Intercept	-4,706	1,500	9,849	1	,002			
For how many months have you lived in the Netherlands?	,077	,037	4,436	1	,035	1,080	1,005	1,160
High Intercept	,663	,331	4,011	1	,045			
For how many months have you lived in the Netherlands?	-,002	,011	,036	1	,849	,998	,977	1,020

a. The reference category is: Medium.

# Appendix I: Additional analyses

## Interaction parameters

Parameter Estimates

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	,316	1,272	,062	1	,804			
	Attitude towards entrepreneurship * Entrepreneurship is the only way out of unemployment	-,159	,099	2,604	1	,107	,853	,702	1,035
High	Intercept	-2,401	,864	7,716	1	,005			
	Attitude towards entrepreneurship * Entrepreneurship is the only way out of unemployment	,112	,031	13,217	1	,000	1,118	1,053	1,188

a. The reference category is: Medium.

Parameter Estimates

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	,319	1,208	,070	1	,792			
	Entrepreneurship is the only way out of unemployment * Institutions	-,128	,074	3,014	1	,083	,880	,762	1,017
High	Intercept	-,780	,771	1,023	1	,312			
	Entrepreneurship is the only way out of unemployment * Institutions	,050	,026	3,608	1	,058	1,051	,998	1,106

a. The reference category is: Medium.

Parameter Estimates

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	1,481	1,335	1,231	1	,267			
	Entrepreneurship is the only way out of unemployment * Negative perceptions	-,308	,160	3,731	1	,053	,735	,537	1,005
High	Intercept	,397	,643	,382	1	,537			
	Entrepreneurship is the only way out of unemployment * Negative perceptions	,011	,028	,149	1	,700	1,011	,956	1,069

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	2,829	1,725	2,692	1	,101			
	I want to fasten my integration into Dutch society * Negative perceptions	-,237	,103	5,323	1	,021	,789	,646	,965
High	Intercept	2,525	,870	8,431	1	,004			
	I want to fasten my integration into Dutch society * Negative perceptions	-,072	,030	5,579	1	,018	,931	,877	,988

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	1,733	1,332	1,692	1	,193			
	Individual barriers * Negative perceptions	-,295	,143	4,241	1	,039	,745	,563	,986
High	Intercept	1,368	,653	4,382	1	,036			
	Individual barriers * Negative perceptions	-,035	,028	1,596	1	,206	,965	,914	1,020

a. The reference category is: Medium.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
								Lower Bound	Upper Bound
Low	Intercept	3,190	1,846	2,985	1	,084			
	Institutions * Negative perceptions	-,384	,202	3,615	1	,057	,681	,459	1,012
High	Intercept	1,914	,751	6,491	1	,011			
	Institutions * Negative perceptions	-,055	,029	3,555	1	,059	,946	,893	1,002

a. The reference category is: Medium.

<b>Interaction</b>	<b>Medium vs.</b>	<b>B(SE)</b>	<b>OR</b>
Attitude towards entrepreneurship * Blocked_1	Low	-.159 (.99)	.853
	High	.112 (.031)**	1.118
Desire to integrate * Negative perceptions	Low	-.237 (.103)*	.789
	High	-.072 (.03)*	.931
Individual barriers * Negative perceptions	Low	-.295 (.143)*	.745
	High	-.035 (.028)	.965
Time in the Netherlands * Desire to integrate	Low	.0137 (.021)	1.038
	High	-.030 (.011)*	.971
Time in the Netherlands * Attitude towards entrepreneurship	Low	-.021 (.024)	.979
	High	.054 (.016)**	1.055
Time in the Netherlands * Negative perceptions	Low	-.034 (.036)	.966
	High	-.027 (.010)*	.974

*Note:* OR = odds ratio associated with the effect of a one standard deviation increase in the predictor,  
\*  $p < .05$ , \*\*  $p < .01$

## Entrepreneurial experience

**Likelihood Ratio Tests**

Effect	Model Fitting Criteria			Likelihood Ratio Tests		
	AIC of Reduced Model	BIC of Reduced Model	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	18,705	27,922	10,705 <sup>a</sup>	,000	0	.
Have you previously owned a business or do you own a business at this moment?	19,040	23,648	15,040	4,334	2	,115

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.

**Parameter Estimates**

Entrepreneurial intent <sup>a</sup>	B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp (B)	
							Lower Bound	Upper Bound
Low								
Intercept	-1,735	,626	7,673	1	,006			
[Have you previously owned a business or do you own a business at this moment?=1]	-19,220	,000	.	1	.	4,495E-9	4,495E-9	4,495E-9
[Have you previously owned a business or do you own a business at this moment?=2]	0 <sup>b</sup>	.	.	0	.	.	.	.
High								
Intercept	,386	,314	1,505	1	,220			
[Have you previously owned a business or do you own a business at this moment?=1]	,579	,521	1,237	1	,266	1,785	,643	4,956
[Have you previously owned a business or do you own a business at this moment?=2]	0 <sup>b</sup>	.	.	0	.	.	.	.

a. The reference category is: Medium.

b. This parameter is set to zero because it is redundant.

## Appendix J: Research integrity form

### Research Integrity Form – Master Thesis

To be submitted with the research proposal

Name: <i>Judith Berns</i>	Student number: <i>S 4131118</i>
RU e-mail address: <i>Judith.berns@student.ru.nl</i>	Master specialisation: <i>International Management</i>

Thesis title: <i>Killing two birds with one stone.</i>
Brief description of the study: <i>Explorative study on refugee entrepreneurial intent in the Netherlands.</i>

It is my responsibility to follow the university's code of academic integrity and any relevant academic or professional guidelines in the conduct of my study. This includes:

- providing original work or proper use of references;
- providing appropriate information to all involved in my study;
- requesting informed consent from participants;
- transparency in the way data is processed and represented;
- ensuring confidentiality in the storage and use of data;

If there is any significant change in the question, design or conduct over the course of the research, I will complete another Research Integrity Form.

Breaches of the code of conduct with respect to academic integrity (as described / referred to in the thesis handbook) should and will be forwarded to the examination board. Acting contrary to the code of conduct can result in declaring the thesis invalid

Student's Signature: *Judith Berns* Date: *5-4-2017*

#### To be signed by supervisor

I have instructed the student about ethical issues related to their specific study. I hereby declare that I will challenge him / her on ethical aspects through their investigation and to act on any violations that I may encounter.

Supervisor's Signature: *Prof. H. van Kranenburg* Date: *13-4-2017*