

The influence of the 'phase of ease' on cross-border activity of entrepreneurs

How entrepreneurs from Gelderland can be stimulated to move from the phase of ease towards a fully aware decision-making process on activity across the German border



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Radboud University Nijmegen
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Preface

This master thesis is the last task for my study in Human Geography before I will graduate. Working on it was very interesting and I learned a lot. At first I wanted to aim this research at inhabitants of borderlands, but I shifted my aim when Provincie Gelderland asked me to focus on entrepreneurs from Gelderland. This more economical side of human geography has not had my focus before in any research, so it was rather new for me, but I enjoyed it a lot. While my bachelor thesis was about the German and Dutch inhabitants in the German borderland village Kranenburg, this thesis again has a cross-border aspect. I am very interested in these borderland cases and I hope to be working on them again in the future.

Working on this thesis took quite some time and effort. Fortunately, I had supervisors. Robert Haaijk and Huib Ernste were my supervisors from Provincie Gelderland and Radboud University Nijmegen respectively, who I both would like to thank for their feedback and support. Who I especially would like to thank are all the respondents I interviewed during this research, both the people working for intermediate actors and the entrepreneurs. Finding entrepreneurs who were willing to participate in my research was not that easy, but in the end I found the right respondents for this research. Every one of them provided me with valuable information and gave an insight in his or her company, which was a memorable and fun experience.

I hope you enjoy reading this master thesis!

Summary

Provincie Gelderland wants to realize its ambition of a sustainable and international competitive economy in Gelderland through the programme 'Topsectoren en Innovatie' on the basis of strong innovative food-, health- and manufacturing sectors. Provincie Gelderland therefore has the aim to internationalise so that the economy of Gelderland gets a direct positive impulse. A single market has been one of the main aims of the European Union (EU) right from the start and the EU offers a lot of possibilities for economic cross-border activity, but this has not resulted in the desired amount of economic cross-border activities. A reason for this cross-border inactivity of can be found in theory on the threshold of indifference. This term means that a large number of people do not have the border in their mindset and thus do not include the border in their decision-making process. After doing research on the influence of the threshold of indifference on entrepreneurs in the Dutch-German borderlands, Van de Griend argued that there is a transitional phase in which possibilities across the German border have a slight part at the background of consideration, but are almost directly shoved away because cross-border activity is an uneasy option. Van de Griend calls this the 'phase of ease', which helps to explain the inactivity of his respondents out of a tendency toward comfort. The 'phase of ease' is a relatively new term and has not been given a lot of scientific attention yet. In this research I focus on the process of moving from the phase of ease towards a fully aware decision-making process on cross-border activity, by doing research on entrepreneurs of SMEs from Gelderland and their activity across the German border. This results in the following research objective:

To gain understanding in how entrepreneurs make the step from the phase of ease to a fully aware consideration of cross-border activity and in the way that government institutions can influence this step, by analysing entrepreneurs' experiences with the phase of ease.

The findings of this research can be used to create new government instruments to further stimulate entrepreneurs to become active across the border. The theory on the threshold of indifference and the phase of ease forms the basis on which this research is built. The expectation is that there is a certain obstacle or threshold that hinders the step from the phase of ease to a fully aware decision-making process on cross-border activity of entrepreneurs.

By doing open interviews with entrepreneurs and intermediate actors that have a role in stimulating cross-border activity, experiences with cross-border (in)activity are found. Interviews with both internationally active and internationally inactive entrepreneurs can be of importance. Internationally active entrepreneurs can have experienced the phenomenon of the phase of ease in the past and for the internationally inactive entrepreneurs, the phase of ease can still play a part. The data has been analysed by transcribing and coding the interviews through a method that is oriented on grounded theory. This resulted on the one hand in information that is used to generate a generalised theoretical model on the process of moving from the phase of ease towards a fully aware decision-making process on cross-border activity. On the other hand, case specific insights have been found on how activity of entrepreneurs from Gelderland across the German border can be stimulated.

After the interpretation of the interview results, not all expectations can be confirmed. There is not a threshold or obstacle that obstructs entrepreneurs in making the step from the phase of ease towards a fully aware decision-making process on cross-border activity. Rather, there are factors that

create ease with activity inside the national borders and factors that create unease with cross-border activity. When ease and unease are lowered to a certain level, there seems to be a tipping point on which entrepreneurs start a fully aware decision-making process on cross-border activity.

The theoretical model, that has been built on the process of moving from the phase of ease towards a fully aware decision-making process on cross-border activity, exists of reasons for being in the phase of ease and triggers for passing the phase of ease. Three main reasons have been found for entrepreneurs to be in the phase of ease. Firstly, the fact that business is going well in the Netherlands is an ease creating factor that can cause entrepreneurs to see no reason to consider starting cross-border trade. Secondly, the ignorance about cross-border trade can be of influence: a lack of knowledge on market opportunities in other countries and unfamiliarity with differences between the own country and other countries can cause entrepreneurs not to be active across the border out of a feeling of unease. The lack of knowledge can also have an influence on the image that entrepreneurs have of trade across the German border and this can result in prejudices. Thirdly, when entrepreneurs have little contact with foreigners and thus do not get confronted with life and business across the border at such a level that the possibility of cross-border activity becomes part of their frame of relevance, they will not make fully aware decisions on cross-border activity. A trigger that can initiate the process of moving towards a fully aware decision-making process on cross-border activity is a worsening future perspectives in the own country. This can give entrepreneurs the insight that cross-border activity is necessary in order to keep their company growing, as well as the insight that cross-border activity is important for spreading their risk. Other triggers are a sudden confrontation with new information on cross-border activity, which can take away the ignorance about cross-border activity, while an unplanned increase in contact with foreigners can make sure that entrepreneurs are confronted with cross-border activity and this could lead to the border becoming part of their frame of relevance.

The created theoretical model together with critique of the respondents on government instruments is used to analyse the efficiency of the existing government instruments. This way opportunities for government influence on the step of entrepreneurs towards a fully aware decision-making process on cross-border activity have come forth. The opportunities resulted in strategic guidelines that should be followed in order to better stimulate cross-border activity in the future. At first, future government instruments should be specifically aimed at entrepreneurs of SMEs who only have a minimal form of decision-making process on cross-border activity. Most government instruments that are presently used to stimulate cross-border activity are primarily aimed at the group of entrepreneurs that has already passed the phase of ease. Intermediate actors and especially RCTs should have a more active role in approaching entrepreneurs on the subject of cross-border activity. Hidden qualities of trade with the German market that have been found in this research should be promoted in order to create an appealing image of trade with the German market. The most prominent hidden qualities that have come forth are the quality in the products and services that German companies deliver and the advantage that the formal and organized way of working in Germany can be. More concrete and sector specific information should be given during meetings of intermediate actors. German interest in trade with Dutch entrepreneurs should be evoked by keeping a strong focus on innovation and showing the qualities of the Dutch market to German entrepreneurs. Finally, the activities of institutions that provide services in advice and support on cross-border activity should be better coordinated and can be more centralized to give entrepreneurs a better overview of where which information can be found.

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1. Introduction

1.1 Problem description and research objective

Through the programme 'Topsectoren en Innovatie' Provincie Gelderland wants to realize its ambition of a sustainable and international competitive economy in Gelderland on the basis of strong innovative food-, health- and manufacturing sectors. Provincie Gelderland therefore has the aim to internationalise in order to give a direct positive impulse to the economy of Gelderland. International trade and acquisition are important for Provincie Gelderland, because it will create jobs in Gelderland and it will offer opportunities for the growth of business in Gelderland. International competition between regions is increasing and public authorities can be an important factor in boosting new economic development and investments. This is why Provincie Gelderland wants to make SMEs in the Provincie benefit from international technological- and trade innovations, by being active on the international market. This aim is scientifically supported by a research by Van Hemert (2012). She argues that cross-border interactions, like economic relations and knowledge linkages can lead to a stronger Regional Innovation System and in order to be more innovative, Dutch SMEs should look for international partners and knowledge sources more often (Van Hemert, 2012, p. 134-135). In order to internationalise, Provincie Gelderland aims to make SMEs aware of the importance of contact with relevant companies and organisations in regions across the border. It is this awareness (or rather the unawareness) that can often be seen as a problem related to cross-border issues.

A single market has been one of the main aims of the European Union (EU) right from the start (Treaty of Maastricht, 1992) and the EU offers a lot of possibilities for economic cross-border activity. The European Commission expected that economic cross-border relationships would have positive effects on cross-border interaction and cohesion between the economies of member states and border regions in Europe. "The idea is that border-regional economies could benefit from the increase of the amount of cross-border networking" (Van Houtum, 1999, p. 330). Still, this has not resulted in the desired amount of economic cross-border activities in the EU (Van Houtum, 1999, p. 330). In the 1990s the first two INTERREG-programmes did not result in a lot of cross-border activity of SMEs (Dagevos, in Gielen, 2006, p. 3). Anderson and Wever argue that "in general, one might expect the most intense economic interaction to be found in European border regions where political barriers seemingly have been removed completely. (...) In fact, the economic interaction between many neighboring European border regions tend to be rather weak" (2003, p. 33). Van Geenhuizen et al. agree with Anderson and Wever and conclude that "vanishing political borders do not automatically imply more openness.(...) Although political borders disappear, their heritage in terms of cultural and institutional differences may remain for a long time" (1996, p.672). A research by Provincie Gelderland has pointed out that Dutch companies miss out on 46 milliard Euros of profit because they do not internationalise and that international trade has a positive impact on the resistance of companies in times of economical crisis. Also, only one in three SMEs is active on the international market (ARCUSplus, 2013, p. 7-8). Why is there still just one third of the Dutch SMEs active on the international market? A research by ING Economisch Bureau (2013) points out that of the total economy of Gelderland, only a quarter is provided by international trade. Why does this cross-border inactivity exist?

Provincie Gelderland has a directing role in stimulating international trade. They cooperate with several partners to encourage entrepreneurs to become internationally active. There are organisations that are specialized in Dutch-German business relations and offer advice and support

to entrepreneurs that are interested in becoming active across the border. The Nederlands-Duitse Businessclub, the Deutsch-Niederländische Handelskammer and the Dutch Chamber of Commerce are examples of this. There are also organisations that are not specialized in cross-border trade, but which have (INTERREG) projects aimed at stimulating cross-border trade as one of their many projects. Still, this economical cross-border inactivity exists. Van Gielen has distinguished several possible reasons for SMEs not to be active on the international market in his research on Dutch-Flemish economic cross-border interaction (1996), which I will elaborate on in the theoretical framework in Chapter 2. Provincie Gelderland assumes that there exists a certain unawareness of the other side of the border in the minds of entrepreneurs from Gelderland and that this is a reason for the international inactivity.

Van Houtum and Van der Velde refer to the 'threshold of indifference' in their theory on cross-border labour markets (2004). This term means that a large number of people do not have the border in their mind-set and thus do not include the border in their decision-making process (Ernste, 2010, p. 229). "In general terms if there is no active attitude to make and value difference there will be no active decision-making with regard to that specific place" (Van Houtum & Van der Velde, 2004, p. 104). Schütz (1982) came up with the term 'frame of relevance' for the set of influences that people have in their mind-set when they make a decision. If the border is not part of the frame of relevance, people will not take the border into account when they make a decision. When people surpass the threshold of indifference and include the border in their frame of relevance and thus in their decision-making, cross-border mobility is taken into full consideration and cross-border mobility in the EU can increase. Cross-border immobility by borderland inhabitants can be compared to international inactivity by the SMEs in Gelderland. The unawareness of the other side of the border can be the reason for the inactivity. The question is, however, how entrepreneurs from Gelderland can surpass this threshold of indifference. In 2011 a research was done on the influence of the threshold of indifference on the cross-border inactivity of entrepreneurs in Euregio Rhein-Waal located not farther than 25 kilometres from the border (Van de Griend, 2011). Ten entrepreneurs were interviewed about their zone of action in order to find out if the German market was part of it. The interviews led to the suggestion that pure indifference is not a factor in their cross-border inactivity. The entrepreneurs are slumbering aware of the possibilities of the German market, but they do not really consider it as a part of their zone of action. There is a minimal form of aware consideration. The pure threshold of indifference seems to be passed, but there is no real consideration to become active on the German market. Van de Griend argued that there is a transitional phase in which possibilities across the German border have a slight part at the background of consideration, but are almost directly shoved away because it is an uneasy option. Van de Griend calls this the 'phase of ease', which helps to explain the inactivity of his respondents out of a tendency toward comfort. As the Dutch part of Euregio Rhein-Waal is situated in Provincie Gelderland, I can base my research on these conclusions about the international inactivity of entrepreneurs. I will further look into the way that entrepreneurs move from the 'phase of ease' to a fully aware consideration of possibilities across the border.

Inhabitants of borderlands can be stimulated to cross the border by advertisement. In his paper on Scandinavian region promoting, Löfgren (2008) discusses the influence that new infrastructural connections, like the Öresund bridge between Sweden and Denmark, have on people living in the borderlands. Besides an infrastructural connection, the Öresund bridge also became a symbol for transnational integration and of course cross-border mobility (Löfgren, 2008, p. 200-201). Active advertising was also an element that stimulated cross-border mobility. On both the Danish

and the Swedish sides, advertising campaigns were carried out to increase traffic over the bridge. Swedish buses carried slogans that promoted the Christmas feeling in Denmark, while in Denmark the lower pricing in Sweden for specific goods was highlighted. The other way around, with Swedish slogans like 'With the bridge the wilderness is only one hour away from Copenhagen' Danes were attracted to visit Sweden (Löfgren, 2008, p. 204). It is interesting to find out if this kind of stimulation to cross the border can also be applied to stimulate international activity of SMEs and if it can be used to pass the phase of ease of entrepreneurs. In the case of SMEs, instead of advertisement on billboards, one should think of advertisement in professional journals, in which government instruments that can influence SMEs' international activity are promoted. There exist a number of government projects that are aimed at stimulating cross-border activity of SMEs, for example the INTERREG programmes. The question is if and how government instruments can result in an increase of the number of SMEs from Gelderland that are active on the international market. My research objective therefore is:

To gain understanding in how entrepreneurs make the step from the phase of ease to a fully aware consideration of cross-border activity and in the way that government institutions can influence this step, by analysing entrepreneurs' experiences with the phase of ease.

Van de Griend's research (2011) is focused on Dutch entrepreneurs and the German border and that will also be the case in my research. I will focus on entrepreneurs from Gelderland and their activity and inactivity across the German border. The location of Gelderland next to the German border makes cross-border trade with German partners the most obvious choice for entrepreneurs. Besides that, Provincie Gelderland also has the aim for SMEs in Gelderland to become active on the German market especially. In this research I define cross-border activity of entrepreneurs as import and/or export. Findings can contribute to the stimulation of cross-border trade of SMEs from Gelderland with the German market. By conducting interviews, experiences of entrepreneurs can be found out. By comparing and analysing the experiences, a clearer view can be discovered on the process of moving from the phase of ease towards a fully aware consideration of the possibilities across the border. I will elaborate on the methodology in Chapter 3.

The influence that government instruments can have on cross-border activity of SMEs is not extensively researched yet. This research can be seen as part of the field of economic geography. In general, "how individuals perceive the opening up of borders has not received a great deal of attention in economic geographical literature" (Van Houtum, 1999, p. 329) and this is of relevance because entrepreneurs are individuals with their own view on borders. More specific, because the threshold of indifference is a relatively new term, there is still much unknown about the influence it can have on cross-border activity of entrepreneurs. The 'phase of ease' is even a newer term on which there is not much research done yet. This research can provide new understanding in how SMEs decide to become internationally active and in how they can be stimulated to become active on the international market. Also, insights on how the step from the 'phase of ease' to a fully aware consideration of possibilities across the border is made, can be found and so this research contributes to the scientific discussion on the threshold of indifference and the phase of ease.

Foremost, the research provides insights on aspects that have an influence on the phase of ease and on the step from the phase of ease towards a fully aware decision-making process on cross-border ability. This way opportunities come forth for new or improved government instruments that aim to stimulate cross-border trade. In practice, this can be used to set up specific processes,

instruments or projects in Gelderland. As the research is not specifically aimed at instruments of the Provincie level, but at government instruments in general, the insights can possibly also be applied at other government levels and in other borderland regions, where the cross-border activity of SMEs is also still lacking. The results of this research can thus be used to stimulate international trade and this way can make companies more resistant in times of an economical crisis. This can all contribute to the economy of Gelderland and the Dutch and European economy in general.

1.2 Research questions

To achieve the research objective, I have formulated the following main research question:

How can government instruments stimulate entrepreneurs in making the step from the phase of ease to a fully aware decision-making process on cross-border activity?

Answering the following sub questions enables me to ultimately answer the main research question:

1. *What does the theory on the threshold of indifference and the phase of ease mean and how can it be applied to cross-border inactivity of entrepreneurs?*
2. *What causes entrepreneurs to be in the phase of ease and what are criteria for entrepreneurs to move from the 'phase of ease' to a fully aware decision-making process on cross-border activity?*
3. *What are hidden qualities of trade with the German market?*
4. *What aspects can future government instruments be aimed at to initiate the process of entrepreneurs moving from the 'phase of ease' to a fully aware decision-making process on cross-border activity?*

By answering sub question 1 I will explain the theory on the 'threshold of indifference' and how the 'phase of ease' is part of this theory. Also I will elaborate on how this theory can be applied to explain the cross-border inactivity of entrepreneurs in Gelderland. Sub question 2 is relevant because I want to find out more about how the process of moving from the 'phase of ease' to a fully aware consideration of the possibilities across the border takes place. Through what stimulants is the process initiated? These first two sub questions are aimed at building a theory on the process from moving from the phase of ease to a fully aware decision-making process on cross-border activity and thus provide information that can be generalized. The third and fourth sub questions are specifically aimed at activity across the German border by entrepreneurs from Gelderland, which is a special focus in this research and will thus not result in findings that can be generalized. By comparing the images that entrepreneurs have of trade with the German market, differences and hidden qualities can come to the fore as an answer to sub question 3. Information on these hidden qualities can give new insights on what cross-border activity promotion should be aimed at. With sub question 4 I want to find out at what aspects future government instruments should be aimed to initiate the process of change from the phase of ease to a fully aware consideration of cross-border activity. The answers to sub question 4 will mostly be in the form of recommendations.

1.3 Structure of the research

The theoretical framework that acts as the basis for this research is outlined in Chapter 2. Theory on border approaches, the 'threshold of indifference', the 'phase of ease' and destination images are themes that are discussed. The methodology that is used to do this research is focused on in Chapter 3. The research character, selection of respondents, data collection and methods of analysis are elaborated on, as well as a set of principles for guiding qualitative research. In Chapter 4 the analysis of the data that is derived from the interviews is central and a theoretical model for the phase of ease is developed. Previous to this part, there is a narrative description of my interpretation of the interviews. This chapter also deals with the image that entrepreneurs have of trade with the German market and aspects that are important to make cross-border activity work. The instruments that are used to stimulate cross-border activity are described and analysed in Chapter 5, in order to come up with an overview of opportunities to further stimulate cross-border activity in the future. Finally, conclusions are drawn and recommendations are given in Chapter 6.

2. Theoretical framework

2.1 Border approaches

There are a lot of studies done in geography on how to perceive borders and borderlands. Van Houtum (2000) distinguishes three trends, three dominant strands of debate on European borders and border regions. He focuses on the internal borders of the European Union and tries to categorize the different studies on these borders into three types of border approaches: the flow approach, the cross-border cooperation approach and the people approach.

With the flow approach, Van Houtum follows classic economic geography. The basic idea is that "(European) space can be seen as a homogeneous physical abstraction in which artificial obstacles prevent a natural continuity in the flow of activities" (Van Houtum, 2000, p. 60). The artificial obstacles are the state borders and these are the cause of discontinuities and an increase in the marginal cost of interaction. The border is in this approach thus interpreted as a physical barrier that distorts economic interactions that would otherwise be taking place.

While borders are seen as obstacles in the flow approach, the cross-border approach focuses on a more general interest in integration and cooperation in geography. Increased attention to structures and processes of regional, national and international integration led to the popularity of this approach. The underlying assumption in this approach is that "borders *can* be overcome, and what is more, they *should* be overcome in the seemingly 'borderless' space of the European Union" (Van Houtum, 2000, p. 64). Borders are here seen as (non-physical) barriers to success, prosperous integration and harmonization in the European space. The importance of cross-border cooperation of institutions and organisations in border regions is highlighted in this approach. Anderson and Wever add that "rather than being marginalized, peripheral regions are viewed as frontiers for economic integration and economic development" (2003, p. 29).

The last approach that Van Houtum distinguishes is the people approach, which focuses on "the (mental) creation, (symbolic) shaping, and reshaping of borders by human beings—including politicians, firms, consumers, and citizens" (Van Houtum, 2000, p. 67). In this approach the analysis of the viewpoint and behaviour of individuals or groups of individuals that take part in cross-border interaction replaces the analysis of the border (region) itself, as is the focus in the other two approaches. "Borders are not regarded as political dividers or lines of separation with a direct visible function, but as separators and products of people with different nationalities and identities" (Van Houtum, 2000, p. 68). Differences in culture, language, religion and identities can create stereotypes and an 'us' versus 'them' distinction in which those living on the other side of the border are seen as less real and less important. According to Anderson and Wever (2003, p. 29), the people approach is especially useful when trying to explain why the internal European borders still exist as barriers, while all physical and economic barriers have formally been removed.

These three approaches can be seen as an economic approach, a political-institutional approach and a social-cultural approach, respectively, by applying the categories of cross-border actions that Van der Velde (1998) distinguishes. As Van der Velde also argues, these approaches cannot be seen as three independent approaches. People do not act purely economical, political or social, but combine these approaches. For example, for an entrepreneur the flow approach is important because he wants to maximize his profits. Cross-border cooperation can help in stimulating cross-border economic flows, to help the entrepreneur to get maximal profit. The people approach has a part because entrepreneurs are people with their own perceptions, identities,

stereotypes and behaviour. All three approaches are needed in order to understand cross-border activity (Anderson & Weber, 2003, p. 30). This research is thus not based on just one of the three approaches to borders and borderlands. Cross-border activity of entrepreneurs has to do with cross-border economic flows, cross-border cooperation and the viewpoint of the entrepreneurs towards the border. As this research is trying to find a way to stimulate entrepreneurs to cross borders, the cross-border cooperation approach, which is focused on an "analysis of effective strategies to overcome borders and stimulate cross-border development" (Van Houtum, 2000, p. 73), seems to be the most relevant approach in this research, but the flow approach and the people approach should not be forgotten.

Besides these rational factors that influence cross-border activity, Van Houtum argues that psychological factors also need to be taken into account. The distinction (action, affection and cognition) that is made in social psychology in the psychological personality of human actors is applied by Van Houtum (1999) on personality as a spatial construct. By translating this triad to space, Van Houtum distinguishes action space, affection space and cognition space. With these three different spaces, Van Houtum tries to explain cross-border economic relationships. Action space is constructed through the actual actions and deeds of actors. The personal and professional network, the intensity of indirect and direct contact and the individual preference on relationships are central in this space. With cognition space, Van Houtum refers to "The awareness, the subjective knowledge and recognition of the characteristics and conditions in another territorial unit, originating in personal experience or studies" (Veitch & Arkkelin, in Van Houtum, 1999, p. 332). The idea is that accuracy of knowledge would have an effect on taking actions across the border. Affection space is determined by a person's feelings towards and emotional connectedness with space. In practice, affection space is formed through perception of differences in the business environment, feeling at home, a person's spatial identity and a person's view on the phenomenon of the state border. These psychological spaces are an addition to the earlier mentioned economical, political and social aspects.

2.2 Causes of cross-border inactivity

Gielen (2006) distinguishes several reasons for SMEs not to be internationally active and the economical, political, social and psychological aspects that were mentioned in the previous paragraph all come forth here. First, there can be economical motives not to start international activity, which can be associated with the flow approach. International trade is only attractive for entrepreneurs when it is profitable. International trade is often seen as a difficult task that brings high costs with it and entrepreneurs often want to have a large, stable national network. Bourdieu adds to this that the state is traditionally the terrain of economy: "The economic field is, more than any other, inhabited by the state, which contributes at every moment to its existence and persistence, and also to the structure of the relations of force that characterize it" (Bourdieu, 2005, p.12). Also, the spatial connection that an entrepreneur has with a country has an influence on the choice to interact with SMEs from that country. Entrepreneurs often need a certain affinity with the country in order to start interaction; a negative image of the country is also negative for cooperation chances. This can be caused by a classic 'us' versus 'them' distinction (Said, 1978) in which people's nationality determines one's spatial connection with a country. The people approach comes forth here with its socio-cultural aspects that determine how people feel about the border.

Differences between two countries in law and regulation can cause difficulties in cooperation and this can be a reason not to start international activity. There are a lot of minor differences

between national legal systems, which can be demotivating for entrepreneurs to inquire for international trade (Gielen, 2006, p. 39). The company strategy could contain an exclusively national action radius, which rules out the possibility of cross-border activity. Differences in language and business culture can also be an obstacle that makes starting international trade difficult. It is often the differences in culture and language that get attention, while there are often also a lot of similarities. This way the differences in culture and language are extended and this results in entrepreneurs being discouraged to inquire for activity across the border (Gielen, 2006, p. 43). A lack of information on the market of other countries causes a lack of knowledge on the possibilities across the border and thus entrepreneurs often do not know how to start international trade. A lack of information can thus be a major reason for entrepreneurs to remain active only in a national context (Kaufmann, 1995, p. 27). The geographical distance between the SME and the border can also be an aspect that influences the decision on cross-border activity. Finally, Gielen (2006, p. 39) argues that the difficulty to recruit employees from abroad is a restriction in entrepreneurs' cross-border activity. Recruiting employees from across the border gains an entrepreneur knowledge on the market of the other country and can be a step in creating an international network.

Before all these aspects can become an obstacle for starting international activity though, the threshold of indifference is of importance (Van Houtum & Van der Velde, 2004) which can be seen as an aspect of Van Houtum's cognition space. As long as this threshold is not surpassed, none of the reasons mentioned before can be an influence on cross-border activity. Being the first possible threshold in the process towards international activity of SMEs, it is essential to have more insight in how this threshold can be surpassed.

2.3 The threshold of indifference

Van Houtum and Van der Velde first coined the term 'threshold of indifference' in reference to the cross-border labour market (2004). As mentioned in the introduction, the threshold of indifference refers to the non-existence of the border in the mind-set of people when they make decisions. Figure 1 visualizes Van Houtum and Van der Velde's theory.

Cross-border labour market passiveness	Indifference-factor		
Threshold of indifference			
Cross-border labour market activeness	Stay	Keep-factor	Repel-factor
	Go	Push-factor	Pull-factor
		Home	Away

Figure 1: The threshold of indifference in cross-border labour markets (Based on Van Houtum & Van der Velde, 2004, p.105)

Van Houtum and Van der Velde (2004, p. 103) argue that the dominant mode of practice in the debate on labour market mobility is cross-border immobility, although many researchers have focused on cross-border mobility. They explain this by stating that while the action and willingness to move is overestimated, the non-action is underestimated. Comprehending the power of international immobility helps to understand the non-existent cross-border mobility according to Van Houtum and Van der Velde.

In their theory on the threshold of indifference they draw on Bourdieu. Bourdieu views the human being as a combination of a powerful subject and an object driven by powerful external

processes. These external processes are internalized in embodied schemes of action, which are activated in specific situations in everyday life, but are not consciously and rationally controlled. Bourdieu calls this the concept of habitus: "an internalised, normalised and compliant everyday practice" (in Van Houtum & Van der Velde, 2004, p. 104). Van Houtum and Van der Velde argue that the indifference towards the opportunities at the other side of the border is caused by the internalized national habitus that still exists in human rationality: "the nation still functions as an intuitive structure and embodied sense of place" (Van Houtum & Van der Velde, 2004, p. 104). The comfortable space of one's own nation becomes a space of withdrawal and this bordering of oneself and identifying with the own nation become important motivators for non-action. As a consequence of the power of the national habitus, not everyone is willing to make an optimally informed decision on action, based on differences between both sides of the border (Van Houtum & Van der Velde, 2004, p. 104); thus not everyone will enter the bottom part of Figure 1 in which push- and pull-factors become a part of the decision-making progress. The space behind the national border is perceived as distant and interpreted as 'the other side' (Van Houtum & Van der Velde, 2004, p. 104) and it is neglected, emptied, neutralized and made indifferent. This way borders create spaces of indifference, which helps to explain why a lot of people do not even consider to cross borders (Van Houtum, 2002, p. 45; Van Houtum & Van Naerssen, 2002). Van der Velde and Van Naerssen (2011, p. 221) explain a space of indifference as "a space that impacts on the decision to cross borders. It consciously or unconsciously creates a threshold that has to be overcome before the 'there' is included in the search for a destination." When this threshold is overcome, a space of difference is entered, where the locational factors are taken into account by the person who has overcome the threshold (Van der Velde & Van Naerssen, 2011, p. 221). These locational factors form push and pull factors. While Van Houtum and Van der Velde (2004) base their theory on the cross-border labour market, this theory can be used to explain cross-border immobility in people's daily lives in general. As companies are run by people, I argue that the threshold of indifference can also play a part in the cross-border activity of SMEs. Van Houtum (1999, p. 329) makes a plea for using "psychology of the behaviour of human agents in the study of economic geographical border issues". In this case cognitive space is important. The threshold of indifference explains unawareness of the border and I argue that the economic geographical border issue of cross-border inactivity can thus also be partly explained by theory on the threshold of indifference. It is not always a choice of entrepreneurs not to import or export across the border. In some SMEs the national habitus is probably still a cause of cross-border inactivity, as Van Houtum argues, "The national ties that separate economic actors at the border, fed by the cohesive action emanating from a demarcated society, is expressed (...) through the perceivedly continued relevance of the border's presence" (1999, p. 334).

No aware decision	Indifference-factor		
Threshold of indifference			
Fully aware decision-making	Inactivity	Keep-factor	Repel-factor
	Activity	Push-factor	Pull-factor
		Dutch market	German market

Figure 2: The threshold of indifference in cross-border activity of entrepreneurs (based on Van de Griend, 2011, p. 26)

The decisions of entrepreneurs are influenced by mental aspects and are not always made out of economic rationality. The international inactivity of SMEs exists thus partly because

"entrepreneurs draw their own subjective borders and build their own behavioural patterns that do not necessarily align with what is economically realistic or desirable" (Van Houtum, 1999, p. 333). Figure 2 shows how the concept of the threshold of indifference is applied to cross-border activity of entrepreneurs.

Ernste (2010) elaborated on Van Houtum and Van der Velde's theory by focusing on how the attitude of people can change from indifference towards a conscious consideration of the potential opportunities at the other side of the border. He relates the threshold of indifference to Werlen's (1992) action theoretic approach and Schütz's (1982) concept of 'frames of relevance' (p. 228). Werlen views that the social constructions of space can "be found in individual actions, in which internal and external structures of meaning can play a role, without one-sidedly emphasising one of them at the cost of the other" (Ernste, 2010, p. 231). Werlen conceptualizes spatial decision-making as everyday place making, in which place making is done by living people and not by institutions or systems (Ernste, 2012, p. 91). Each person has its own intentions, interests, characteristics, goals, talents, attitudes and cultural background and makes decisions on actions accordingly. People make choices between places and interpretations of places and this way people "allocate meaning, purpose and value to places and create spatial orderings" (Ernste, 2012, p. 91). According to Van Hulst and Yanow, frames "direct attention toward particular features of the political landscape and away from other features, thereby shaping the possibilities for taking action" (van Hulst & Yanow, in Ernste, 2012, p. 93). In reference to the threshold of indifference, the bordered nation-states can be seen as the political landscape that gets attention and the freedom of movement in the EU can be seen as part of the political landscape that attention is directed away from.

This view is a shift from the concept of habitus as coined by Bourdieu to unbiased spatial actions. The subconscious attitude of indifference could be seen as part of the practical consciousness that Giddens distinguishes from discursive consciousness. The practical consciousness regulates many of our actions in everyday life (In Ernste, 2010, p. 231). "The indifference towards the border in first instance does not involve explicit and conscious decision-making but nevertheless could enter the process of reflexive monitoring once it is problematised" (Ernste, 2010, p. 231-232). This leads us to Schütz's concept of 'frames of relevance'. Schütz explains the term frame by describing how "reality is subjectively and intentionally experienced and categorized, in a hierarchy of more or less consistent situative frames of reference, of sense, of relevance and of meaning at different levels of abstraction" (Ernste, 2012, p. 94). Frames lead to certain habits, patterns of action, informal power relations, routines and subcultures. Goffman (in Ernste, 2012), who is often seen as the godfather of frame analysis argues that with frames, people order social reality and make sense of their actions. If the border is no part of the frame of relevance of people working for SMEs, then they will not involve the border in their decision-making and they will see the company only in national context. In this case Schütz would see these people's attitude of indifference as a frame of irrelevance (Ernste, 2010, p. 232), everything that is not in the mind-set when people make decisions. The concept of framing is described and used by a lot of different authors, of which Bateson was the first in 1972. Later, Benford (1997) used the concept of framing in his theory about social movements. The process of re-framing can in a sense be seen as starting a new social movement by changing the old mind-set, but as theories on social movements analyse framing as deliberative and strategic categorizations, they cannot be used to explain the attitude of indifference towards the border (Ernste, 2010, p. 232). The attitude of indifference towards the border and so the frame of irrelevance is created by the routinized and internalized everyday life in which people do not cross the border. When people with this frame of irrelevance get in contact with people, who do have the

border in their frame of relevance and thus cross the border occasionally, they are confronted with life across the border and this way their frame of irrelevance is irritated and problematized. The existing frame does not fit in the changed situation and an alternative new framework is triggered. A process of habituation of the new framework or an adapting of the old framework by introducing formerly irrelevant aspects can be initiated, which could lead to a framework in which the border is part of the mind-set when making decisions and in this way the threshold of indifference is surpassed (Ernste, 2010, p. 232). This can again also be applied to the cross-border activity of SMEs. When entrepreneurs that are not active across the border get in contact with entrepreneurs that are active across the border, they are confronted with the land across the border and possibly its business advantages, which can lead to the entrepreneurs surpassing the threshold of indifference and becoming active across the national border.

2.4 The phase of ease

Van de Griend's research (2011) suggested that there is another phase after the threshold of indifference is surpassed and before a fully aware decision-making process is started. In this phase, there is no longer real indifference towards the possibilities across the border, but those possibilities are also not fully considered. Van de Griend (2011, p. 57) uses the words 'slumbering awareness' to refer to this not fully aware and not fully unaware phase in which entrepreneurs have an idea that there might be some benefits of cross-border trade, but do not really start to consider cross-border activity. He explains this slumbering awareness with the term 'ease'. With 'ease', he means the feeling of comfort that is caused by the acquaintance with the environment in which the entrepreneur is active. There is a feeling of comfort in staying active in the same environment, while becoming active across the border means to step out of this zone of comfort. Possibilities across the border can cause a feeling of 'unease'. Van de Griend's respondents mentioned reasons like language differences and differences in law and regulation for their cross-border activity, while they do not even have personal experience on those obstacles. They assume that activity across the border is difficult and shove the option away in an early stage in order to stay in their zone of comfort. Entrepreneurs have the assumption that becoming active across the border will bring more problems and effort than it will bring profit, even before making a fully aware consideration. The slumbering awareness is thus taking place under the condition of ease. The entrepreneurs first get in a 'phase of ease' after surpassing the threshold of indifference and do not consider the four factors of the bottom part of Figure 2 yet. Ease and comfort are central in this phase and there is not much attention for the possibilities across the border. As long as there is ease, entrepreneurs do not have to deal with the trouble of crossing the border, as this is an extra effort. Van de Griend argues that when an entrepreneur gets extra information or is part of an international network, the phase of ease can be passed in order to make a fully aware decision. This conclusion is not based on a lot of data and I want to find more data on how the phase of ease can be passed. Van de Griend's work suggests that ease-creating and unease-lowering factors exist. It is these factors that I will try to gain more insight in. It is not yet entirely clear what causes entrepreneurs to be in the phase of ease. Besides, it is not researched yet what causes entrepreneurs to move from the phase of ease towards a fully aware decision-making process on cross-border activity. These two aspects are probably closely related. Taking away aspects that cause entrepreneurs to be in the phase of ease can be seen as something that makes entrepreneurs move past the phase of ease. It is thus these reasons to be in the phase of ease and to pass the phase of ease that I will search for.

Van de Griend added the 'phase of ease' to the conceptualisation of the process of starting cross-border activity. He placed the 'phase of ease' in the continuum of the process of entrepreneurs, after the phase of indifference and before the phase of a complete aware consideration. The 'phase of ease' this way nuances and extends the concept of indifference in order to explain the behaviour of entrepreneurs. This leads to the following conceptual model in Figure 3.

No aware decision	Indifference-factor		
Threshold of indifference			
Minimal form of aware decision-making	Phase of ease		
???			
Fully aware decision-making	Inactivity	Keep-factor	Repel-factor
	Activity	Push-factor	Pull-factor
		Dutch market	German market

Figure 3: Hypothetical model of the phase of ease (based on Van de Griend, 2011, p. 57)

I have added a new black box to the model, to mark the step from the phase of ease to fully aware decision-making. It is still the question if this step from the phase of ease to fully aware decision-making has to do with a real threshold or if it is a process that is influenced by other factors, such as ease creating and unease lowering factors. With this research I will try to find out what this black box is and how it fits in the process of a minimal form of aware decision-making to fully aware decision-making. Van de Griend suggests that there is need for a certain trigger for entrepreneurs to pass the phase of ease. He gives examples like a shortage of employees and a too tight consuming market in the zone of comfort as necessities to consider possibilities across the border in order to keep the company profitable. I will try to find out if it is really these kinds of triggers that make entrepreneurs pass the phase of ease and if so, how government instruments can influence or even be such triggers. I have formulated the following hypothesis, that I will keep in mind during the analysis of the interviews: there is a certain obstacle or threshold that hinders the step from the phase of ease to a fully aware decision-making process on cross-border activity of entrepreneurs.

2.5 Destination images

The advertisement in Scandinavia on opportunities for people on the other side of the Oresund bridge, has to do with influencing the image that people have of the other side of the border, in order to stimulate cross-border mobility. In the field of tourism, research has been done on destination choice and the influence of advertisement on the decision-making process of people. According to Fakeye and Crompton (1991, p. 10), projecting images of a destination to potential tourists is the primary goal in promoting a destination. Fakeye and Crompton (1991, p. 10) draw on Reynolds by defining image as: "the mental construct developed by a potential visitor on the basis of a few selected impressions among the flood of total impressions; it comes into being through a creative process in which these impressions are elaborated, embellished, and ordered." This perception of the destination is formed by processing information from various sources over time (Fakeye & Crompton, 1991, p. 10). Kim and Richardson (2003, p. 218) define image as "a totality of impressions, beliefs, ideas, expectations, and feelings accumulated towards a place over time." They also argue that the image of an area is a critical factor in decision-making process and that

perceptions of destinations and decisions on destinations are positively correlated (Kim & Richardson, 2003, p. 218). I will try to find out if the image of a country across the border is a reason that the phase of ease exists and how this image can be changed.

Different types of image are distinguished. Exposure to nontourism specific information sources, such as newspaper reports, magazine articles and television reports will result in the shaping of an organic image of a destination (Gunn, in Fakeye & Crompton, 1991, p. 10) and this organic image is linked to non-visitors of the destination. When tourist organizations influence this image by advertisement and the desire to visit the destination surfaces, the organic image evolves into an induced image. People with an induced image enter the bottom part of scheme of the process of decision-making on cross-border activity (Figure 3), in which the push and pull factors have a part. After actually visiting the destination, the experiences will contribute to the forming of the complex image (Fakeye & Crompton, 1991, p. 15). People who have not passed the phase of ease probably have a simple black and white perception of the other side of the border and thus only an organic image. With this organic image they are 'slumbering aware' of the other side of the border and have not searched for more information on the other side of the border, but put the other side of the border aside to continue in their own national environment. Fakeye and Crompton argue that informative promotion is effective at the organic image state, because it "provides potential tourists with knowledge of a destination so they are aware of it when making a selection decision" (1991, p. 11). More information on the other side of the border can result in the organic image that people have into an induced image and this can help people to pass the phase of ease, as this new information could be a trigger to start a fully aware decision-process on cross-border activity.

In their research on the image of the Rio Grande Valley in Texas, Fakeye and Crompton (1991, p. 15) concluded that there existed significant differences in image between non-visitors and visitors and that in order to change the organic image into an induced image, the 'hidden qualities' of the region, that were not obvious to the non-visitors, should be promoted. The following quote can be of great importance for my research on stimulating cross-border activity of entrepreneurs from Gelderland:

"Knowledge of the organic image of nonvisitors and how it compares with the more complex image of visitors forms a useful basis for developing a strategic promotional plan. The organic image states, 'Here is where they are now.' The more complex image of visitors states, 'Here is where we want them to be, if they are to be attracted here and have a satisfying experience.' The challenge of the strategic plan is to address how to move the organic image to the desired more complex image. It is likely to be a particularly useful approach when the target market is so tightly defined, as when the subsamples from whom the data are solicited are from the same geographic area with similar sociodemographic profiles." (Fakeye & Crompton, 1991, p. 15)

This theory can be applied to the cross-border activity of SMEs, by comparing the choice of destination of tourists with entrepreneurs' choice of an area across the border to become active in. Non-visitors with an organic image can be compared to SMEs who are not active across the border. Informative promotion could lead to an induced image and fully consideration of economic action across the border and thus to passing the phase of ease. This way it seems that informative promotion can stimulate entrepreneurs to become active across the national border. In a geographic

area like Provincie Gelderland, which lies along the German border, the target market can be tightly defined, which could make the development of a strategic promotional plan a useful approach (Fakeye & Crompton, 1991, p. 15). In this research I will apply this theory to find out if there are hidden qualities in trade with the German market.

3. Methodology

3.1 Research character

By doing qualitative research, I have gathered data in order to be able to answer my research questions. Quantitative research was also a possibility, but qualitative methods would serve me with more in-depth information. With interviews, data on why behaviour is practiced can be derived, which is of importance in this case, as the threshold of indifference and the phase of ease are linked to behaviour in the national habitus. The research has an explorative character and I have done an open interpretative analysis. That I want to find out what kind of aspects influence the step from the phase of ease to a fully aware decision-making process, which is not extensively researched yet, gives the research an explorative character (Verschuren & Doorewaard, 2007). Although there is the hypothesis that there is a certain obstacle or threshold that hinders the step from the phase of ease to a fully aware decision-making process on cross-border activity of entrepreneurs, this research is not really aimed at testing this hypothesis. The hypothesis functions more as a theoretical idea that I keep in mind when analysing the results. An approach has been used that is oriented on grounded theory in order to “generate or discover a theory, an abstract analytical schema of a process” (Strauss & Corbin, in Creswell, 2007, p. 63), this process in this case being the process of moving from a minimal form of aware decision-making on cross-border activity towards a fully aware decision-making on cross-border activity. The participants have experience with cross-border activity, or with cross-border inactivity and have thus experienced (parts of) the process that is researched. Theory has been developed on the basis of ‘grounded’ data from participants who have experienced (parts of) the process (Strauss & Corbin, in Creswell, 2007, p. 63). However, I do not limit myself to the statistical way of looking for confirmation of my hypothesis and presumptions, which is usual in grounded theory. I started with an open interpretative attitude in which I tried to put aside my expectations and presumptions that can be derived from the theoretical framework and I built a theory, based on my own interpretation of the interview results. During the analysis I have looked for indications that could point out that my theoretical ideas and expectations turn out to be true. After the interpretation of the research data I can say that there are some theoretical expectations that can be confirmed, while other expectations cannot.

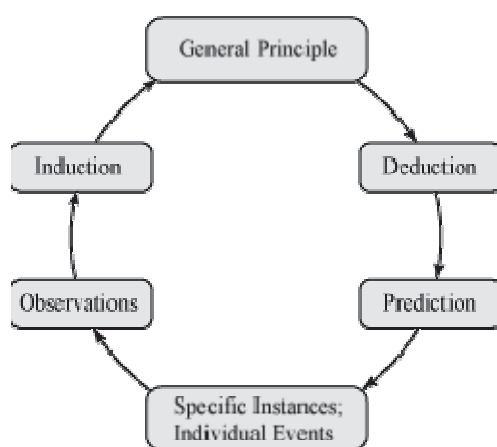


Figure 4: The process of induction and deduction (source: <http://thelycaeum.wordpress.com/2012/05/16/induction-and-deduction>)

The applied method is an inductive process, in which “researchers build their patterns, categories, and themes from the ‘bottom-up’, by organizing the data into increasingly more abstract units of information” (Creswell, 2007, p. 38). General propositions have been constructed, derived from specific examples. Theory on the step from the phase of ease to a fully aware decision-making process has been constructed, based on experiences from entrepreneurs. In a way, this research also makes use of deductive methods, in which an existing theory is 'tested' from the 'top-down' by looking for indications that can point out that the hypotheses might be true. The emphasis in this research is thus on the inductive methods, although there are also some deductive aspects.

By comparing the different experiences of entrepreneurs, a theory can be constructed on aspects that influence cross-border activity of entrepreneurs. The constant comparative method, that is often used in a grounded theory research, is also applied in this case. This method uses a "process of taking information from data collection and comparing it to emerging categories" (Creswell, 2007, p. 64) and passes on the field should be made until the categories of information become saturated. When using this method, the researcher is constantly comparing data to earlier findings in order to find patterns of similarities and differences between the experiences of the respondents.

3.2 Selection of the respondents

3.2.1 Intermediate actors

Intermediate actors have been interviewed in order to get information about their projects on stimulating cross-border activity and to get insight in their view on the cross-border (in)activity of entrepreneurs from Gelderland. They probably know very well what the problems and obstacles are for SMEs in starting cross-border trade and what are criteria for entrepreneurs to start with inquiring for the possibilities of cross-border trade. The decision on which intermediate actors to interview was partially made by employees of Provincie Gelderland, as they knew which persons could provide relevant information for my research. The intermediate actors that I have interviewed are a representative of the Dutch Chamber of Commerce, a RCT agent and a representative of Food Valley. The Dutch Chamber of Commerce supports Dutch entrepreneurs and internationalisation is one aspect that they focus on. There is a special focus on trade with the German market in the INTERREG project '2 connect Business'. This project is a cooperation of the Dutch Chamber of Commerce and several German sectoral institutions. The aim is to realize cross-border cooperation between Dutch and German SMEs by supporting SMEs with advice and information on starting such cooperation. Regionale Centra voor Technologie (RCTs) support and develop innovations in SMEs. The manufacturing industry is a special focus. An important role is connecting different companies so that innovations are used to create business. The RCT agent I interviewed did not do a lot to stimulate cross-border activity, but he had the intention to start a new project that is aimed at internationalisation. Food Valley is an organisation that aims to strengthen the innovation possibilities and entrepreneurship of the Dutch food sector. One of its secondary objectives is to create international (trade) cooperation between companies and knowledge institutions, in the INTERREG project Food2Market. With this Dutch-German-Belgian project, SMEs are supported in the whole trajectory from product development until introduction on a foreign market, through free advice.

3.2.2 Entrepreneurs

It was important to choose the right entrepreneurs to interview. Interviews with both internationally active and internationally inactive entrepreneurs are of importance. This can give me insights on when entrepreneurs make the step from the phase of ease to a phase of fully aware decision-making and on what factors influenced this step. It is important to define which kind of companies I include in my research. Firstly, the companies of the respondents should be situated in Gelderland. Secondly, the companies should be part of the private sector and be categorised as SME, which means that the company should have 1 to 250 employees. Public and semi-public companies are not part of the target group, as only the viewpoints of entrepreneurs who are independent from government aims are relevant. Thirdly, the companies should be in a sector in which it is possible to do business across the border. The product or service that the SMEs sell or buy, should be a logical product to sell or buy across the border; a bad choice would for example be a law office that is specialised in Dutch law, as they will not benefit from international clients. Cross-border activity should be a logical possibility for the company and thus the threshold of indifference and the phase of ease should be able to play a part. Next, it is important to define which kind of economical activity to focus on. As I mentioned before, I define cross-border activity as export and/or import in this research. I will thus primarily focus on trade between commercial private companies. Cooperation to exchange knowledge between companies and knowledge institutions are not included in this research, because this cannot be categorized as economical activity. Companies that buy or sell directly to consumers can be part of the research on the condition that it is clear for the company whether the customers are living in the Netherlands or not.

The selection of the respondents is thus done through theoretical sampling, as a pure random sample would not suffice. The aim was to interview both entrepreneurs that are active across the border and entrepreneurs that are only active in a national context. I also tried to get respondents that are geographically spread across Gelderland, so that the locations of the respondents would be diverse. Contact with the entrepreneurs has been made through employees of Provincie Gelderland and the intermediate actors. In some cases a snowball effect provided respondents. In grounded theory, with the constant comparative method, the number of respondents is not a fixed number, but passes on the field are made until saturation of categories of information.

When saturation of new information was more or less the case, I decided that I had a sufficient amount of data to draw conclusions. Ultimately, approaching 28 entrepreneurs led to a response of twelve entrepreneurs, which is thus the number of entrepreneurs that has been interviewed in this research. There is not a black and white distinction between internationally active and internationally inactive entrepreneurs and this is also not really important. The cross-border activity of the respondents has either the form of export or import (or both) and the degree and manner in which this export or import is executed can differ a lot, from one accidental occasion to a long-term cooperation. There are also respondents who are not active across the border at all. The respondents are mostly directors in the company and thus should have a reliable view on the choices that are made and the inquiries that have been done on the subject of cross-border activity. Table 1 provides an overview of the respondents and information about their companies. The information on the company size and years that the companies exist is added to see if these aspects have an influence on them being active across the border or not. The last two columns show if the company is active across the border and if the company exports to Germany. This last column is relevant for comparing the images of trade with the German market.

<i>Respondent number</i>	<i>Function of respondent</i>	<i>Company activities</i>	<i>Company size (personnel)</i>	<i>Years that company exists</i>	<i>Company location</i>	<i>Active across the border?</i>	<i>Export to German market?</i>
1	Owner-Director	Trade in LED-lights	5	23	's-Heerenberg	yes	yes
2	General Manager	Design, production, maintenance of synthetic material machinery and pipe systems	45	13	's-Heerenberg	little	yes
3	Technical Director	Design, production and trade of test machinery	10	14	Duiven	yes	yes
4	Owner-Director	Engineering and production of machinery and service in technical measurements	11	10	Wijchen	little	yes
5	Owner-Director	Engineering, support in development and production	20	7	Malden	little	yes
6	Co-owner	Design and trade of electrical bicycles	2	3	Malden	little	yes
7	Marketing Director	Design, production and trade of banisters with LED-lights	10	10	Wijchen	yes	no
8	Owner, Interaction designer	Design of visual communication	2	7	Puiflijk	no	no
9	1: Owner-Director 2: Commercial employee	Supplying the professional market with game and chicken products	100	60	De Klomp	no	no
10	Owner-Director	Overprinting on clothing, shops, cars, bill boards	2	23	Malden	no	no
11	Owner-Director	Production and trade in honey, bee-keeper products and education in bee-keeping	10	40	Rhenen/Emst	yes	no
12	Accountant-Director	Various services in advertising	2	3	Nijmegen	no	no

Table 1: Overview of the respondents

The entrepreneurs are from various sectors. As I selected companies for which it is realistic and logical to be active across the border, all respondents provide qualitative information related to the phase of ease that can be compared. The sector that the companies are part of is of minor importance. The geographical spread of the respondents is visualized in Figure 5. The companies are

not spread over the whole area of Gelderland, but in and around the highest populated area Nijmegen-Arnhem-Ede-Wageningen, where the top sectors of Gelderland are well represented, there is a wide geographical spread of the respondents.

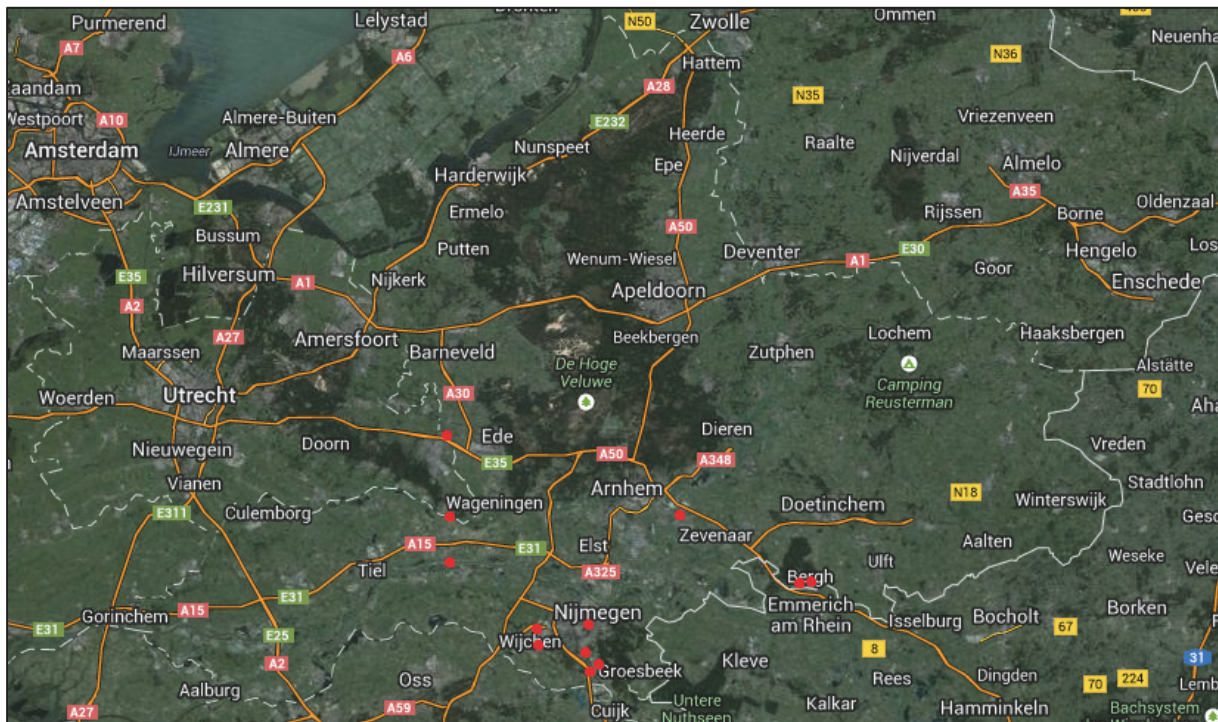


Figure 5: Geographical spread of the entrepreneurs

For the data from the interviews to be of relevance, it is important that the phase of ease is or was the cause of the cross-border inactivity of the respondents. Most of the respondents have experienced the phenomenon of the phase of ease in a way. For some of the respondents this was the case in the past and for others the phase of ease is still influencing their cross-border inactivity.

The phenomenon of the phase of ease is recognizable as still being of influence on part of the respondents. This comes forth in their admission that the easy decision to only stay active on the Dutch market is made because they do not have sufficient information on cross-border trade but also have never inquired for information and market opportunities. Most entrepreneurs never really considered cross-border activity and have a passive stance towards it. At one company I interviewed two respondents simultaneously, who at a certain point asked each other the question why they are not internationally active, but they did not have a clear answer for it, besides admitting they do not know what the options are and they are influenced by prejudices. These are all aspects of being in the phase of ease and having a minimal form of an aware decision-making process. For some respondents the phase of ease is still influencing them, although they are already involved in some cross-border activity. This is visible in their cautious approach and passive stance towards further cross-border activity. The manner in which the phase of ease is of influence on the entrepreneurs and their cross-border activity differs a lot. One of the respondents mentioned that his company was too small to become active across the border and that the economic crisis has an enormous negative influence on the activities of his company. While the company was active across the border in the past, it is not anymore, but he still has the knowledge on how to do it. As he explains his reason for his cross-border inactivity as not having enough resources, he seems to have made a proper consideration. The respondent pointed out that he now only wants to work in a trusted surrounding

with familiar partners, in which an important ease creating factor is recognizable. Aspects of the phase of ease are thus visible after analysing the data of this respondent, although he has made fully aware decisions on cross-border activity in the past. Although the phase of ease is not as clearly recognizable as with some of the other respondents, the data from this interview has still provided me with valuable information. This is one example of how the phase of ease is influential on the cross-border inactivity of a respondent and this way each interview provided me with valuable information somehow. Some companies did not show signs of the phase of ease. Most of those respondents showed signs of the phase of ease in the first years of the company though. They pointed out that they never considered cross-border activity when they set up the company and that the consideration came later, triggered by certain events. The other respondents who did not show signs of the phase of ease and have also not experienced the phenomenon in the past, have always been internationally oriented. Their sharing their experiences has given me relevant information on their image on trade with the German market, aspects that are important for making cross-border activity successful and on how they view the phenomenon of the phase of ease that is experienced by other entrepreneurs.

3.3 Data collection by conducting interviews

By doing open, guided interviews I have been able to use the answers that the respondents gave to immediately form new questions and this way I could be more flexible in asking questions in order to get more qualitative answers and more information, than when I would have used a quantitative method like a survey. With a survey, this flexibility would not have been possible and the answers could have been too short and too shallow. I made three interview guides (aimed at entrepreneurs who are active across the border, entrepreneurs who are not active across the border and intermediate actors) in order to give all interviews with comparable respondents the same basis. As some respondents were active across the border in a small degree, I did not restrict myself to ask entrepreneurs questions from only one of the interview guides that are aimed at entrepreneurs. In these cases questions from the interview guides were mixed. New important information as a result of previous interviews is used for new questions in the next interviews, which is customary in the constant comparative method. Although there is an emphasis on activity across the German border in my research, questions on international trade in general also provided relevant information for insights on the phase of ease. By asking entrepreneurs about their reasons for their cross-border activity or (former) cross-border inactivity, I have first put aside all my own expectations and presumptions that are based on the theoretical framework. This was in most interviews the first substantive question I asked and this has thus contributed to the exploring open character of this research in order to build a theory on the phase of ease. After a few interviews, I started to analyse the data and this way my own interpretation became more important. This resulted in more specifically aimed questions. In Paragraph 4.1 the open interpretative method of analysis comes forth in a narrative description of the interviews. Each interview guide contains four major themes. The guidelines contain the main questions to ask, around which I am flexible to improvise with new questions. The interview guidelines can be found in Appendix I and the interview transcriptions are accessible on a cd-rom that is added to this document.

During the interviews with entrepreneurs that are active across the border I asked questions about when and why the step was made to become active across the border, in order to get insight in the black box from Figure 3. The next theme is the information and advice that entrepreneurs got from other organisations, so that I could find out which kinds of instruments and projects are

effective to stimulate cross-border activity. Questions about how the entrepreneurs experienced starting international trade have provided insight in difficulties during this process.

Entrepreneurs that are not active across the border have been asked about reasons for their cross-border inactivity and about their considerations and inquiries on the possibilities for international activity, in order to get insight in the influence of the phase of ease. Next the entrepreneurs have been asked about their future prospects on cross-border activity and their current network and information which are necessary to become internationally active. This way I could find out which aspects have an influence on their cross-border inactivity. By asking about the awareness and influence of projects and instruments that aim to stimulate cross-border mobility, I can value the effectiveness of the projects and instruments to trigger entrepreneurs to make the step to a fully aware decision-making process.

The first theme that I have asked intermediate actors about is their own dedication and activities to stimulate cross-border activity of entrepreneurs. Questions about the phase of ease have been asked in order to find out if the intermediate actors recognize and acknowledge this phenomenon. The next theme is about the effectiveness of different instruments and projects that aim to stimulate cross-border activity.

Both entrepreneurs and intermediate actors have been asked about advantages and disadvantages of trade with the German market in order to find out if there are differences in the images of trade with the German market.

3.4 Analysis through coding

The analysis of the interviews is done through a method that is based on grounded theory, which was developed by Glaser and Strauss (Creswell, 2007, p. 64-65). The interviews are transcribed and analysed through coding. First, I started with open coding until saturation, in which crucial parts of the text are selected and given codes that characterize the text sequences. This is compared to the other interview transcriptions in order to categorize the codes. Figure 6 shows how I give codes to text sequences with the computer programme Atlas Ti.

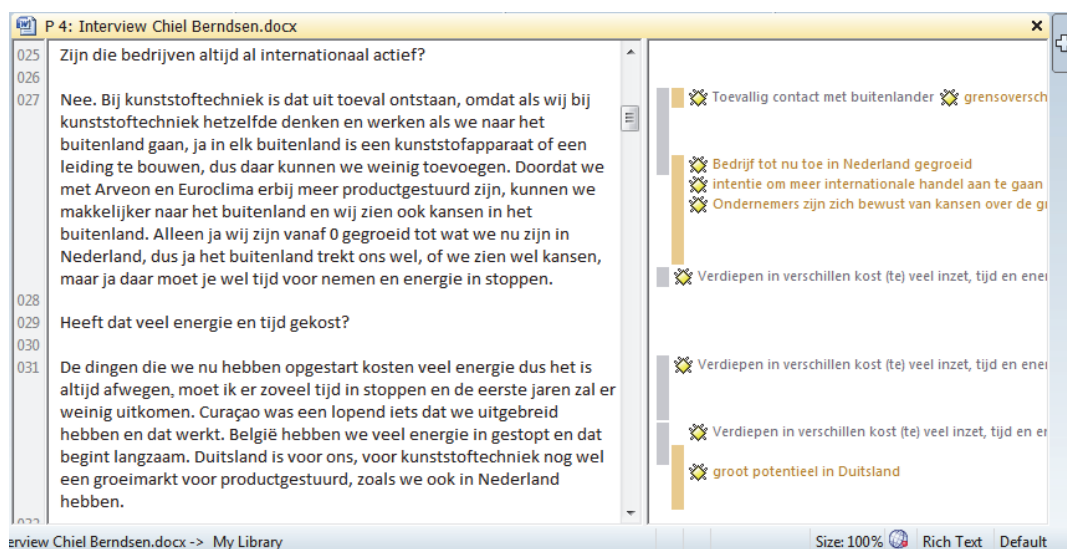


Figure 6: Example of a coded interview transcription

Through axial coding the codes and categories are refined, by merging codes and categories that have similarities and can be summarized or generalized into one category. Then the most relevant categories are selected, which fit to the maximum number of quotes. A hierarchy of the most

relevant categories is created in which there is often one core category: the phenomenon. Other categories are linked to this phenomenon and relationships between the categories are established. Different types of relationships can be distinguished: causal conditions, action and interaction strategies, contextual and intervening conditions and consequences. This axial coding results in a network of categories. It is very important that the researcher includes perspectives and voices of the people who are studied in the interpretations. The transcriptions must be perceived from the perspective of the entrepreneurs in order to understand the actions and experiences of the entrepreneurs. The voice of the respondents is not just reported but also interpreted by the researcher. The role of the researcher is thus of importance here, because the researcher is responsible for what he observes and how he interprets the information (Strauss & Corbin, 1994, p. 274). All the interview data are analysed through open and axial coding, so that the relations between categories are made clear. After the axial coding, I divided the found data in four categories, that I have analysed further through different methods.

First there is information that is related to the phase of ease. This includes reasons for not considering cross-border trade, events and actions that can be triggers to start considering cross-border trade and aspects that are related to these two categories. These are the aspects at which instruments should be aimed in order to influence the step of entrepreneurs from the phase of ease to a fully aware decision-making process on cross-border trade. It is important to make a difference between on one hand aspects that cause entrepreneurs to use only a minimal form of decision-making process and on the other hand aspects that are obstacles for starting cross-border activity which are considered during a fully aware decision-making process. For each respondent the phase of ease has (had) a different role. The insights in this part that the phase of ease has is qualitative information and it is important that the researcher perceives the data from the perspective of the entrepreneurs and that he interprets the data accordingly. I analyzed this data that is related to the phase of ease further through the next step of coding: selective coding, in which the researcher “develops propositions that interrelate the categories in the model or assembles a story that describes the interrelationship of categories in the model” (Creswell, 2007, p. 65). The developed theory is articulated by visualizing it in a network view that is explained through a narrative statement. The theoretical model is the basis which shows at what aspects ideas for new government instruments can be aimed.

The next category of information is about the advantages, disadvantages and difficulties of trade with the German market. This is used to compare images of trade with the German market. This part of the analysis is based on a method that Fakeye and Crompton used in their research on destination images. Fakeye and Crompton (1991) did qualitative research in their case of the Rio Grande Valley in Texas by conducting a survey to find out how different factors of a destination were qualified by both non-visitors and visitors of the destination. This way, the differences in image came to the fore. The factors that were given a high value by visitors, but a low value by non-visitors, were seen as 'hidden qualities'. Although Fakeye and Crompton did quantitative research, such hidden qualities can also be discovered by conducting interviews. Fakeye and Crompton concluded that in order to change the organic image of the non-visitors into an induced image, the 'hidden qualities' should be promoted with informative promotion. When people have more information on a destination, they form an induced image and start fully aware decision-making on the destination. When they have actually visited a destination, they have a complex image. In my research, I have compared images (advantages, disadvantages and difficulties) of trade with the German market amongst three groups of respondents: companies that export to Germany, companies that do not

export to Germany and the intermediate actors. Export to Germany is a criteria for the division of the groups of entrepreneurs, because export, more than import, requires entrepreneurs to get really involved in the market of another country. With export entrepreneurs often try to reach a lot of different clients to sell their product of service as much as possible, while import is mostly applied to get the products which are necessary to maintain the company activities from one or two companies from abroad. This implies that entrepreneurs who export to another country have an image of trade with the German market that comes forth out of a lot of experience, a complex image, according to Fakeye and Crompton's theory. For the entrepreneurs who only import from Germany or who are not active across the German border at all, this image is not based on (a lot of) experience, which makes their image an organic or induced image. The questions are asked about the image of cross-border trade in general (thus import and export). By comparing the images that the groups of entrepreneurs have of trade with the German market differences came to the fore, which can be seen as hidden qualities. Comparing this with the insights of the intermediate actors can point out if they aim their promotion at the right aspects of trade with the German market. The difference in sectors of the two groups of entrepreneurs is not a problem with regard to the comparability of the data. Advantages and disadvantages that are sector-related are indicated as such.

The next category of information is mostly related to the bottom part of Figure 3: information on strategies for handling cross-border trade and other aspects that are important for making cross-border activity successful, which methods can be used, ideas and insights on how to stimulate cross-border trade further. The different views and insights on how to make cross-border activity successful is summarized in Paragraph 4.4 and is used to think of new strategies and instruments for stimulating cross-border activity.

The last category contains information on and experiences with intermediate actors and instruments and projects that aim to stimulate cross-border activity. The interviews with intermediate actors provided information that describes the existing INTERREG programmes. A closer look on the projects points out if there already exist cross-border trade stimulating instruments, which are aimed at removing causes of the phase of ease or at stimulating the occurrence of triggers that result in fully aware consideration of cross-border activity. If there are important aspects that influence the phase of ease that have not got any attention in the INTERREG programmes, then those are the aspect to aim new instruments at. Interviews with the entrepreneurs gave an insight in the different experiences with projects that aim to stimulate cross-border activity and with intermediate actors and the data is used to analyse the existing government instruments for stimulating cross-border trade further.

3.5 Principles for guiding qualitative research

Lincoln and Guba (in Baxter & Eyles, 1997, p. 512) came up with four criteria that should be guidelines for a qualitative research, so that the study can be judged and evaluated. Those four criteria are: credibility, transferability, dependability and confirmability. In this paragraph, I will explain how I aimed to satisfy these four criteria.

According to Lincoln and Guba (in Baxter & Eyles, 1997, p. 512) credibility may be defined as 'the degree to which a description of human experience is such that those having the experience would recognize it immediately and those outside the experience can understand it'. In this case, the experience of a minimal form of considering cross-border activity and thus the phase of ease should be reflected into a network view of the phase of ease in such a manner that the respondents recognize their own experiences in the network view, and besides, other people can understand how

the phase of ease could play a part in cross-border inactivity of entrepreneurs. By analysing the interviews bottom up through open coding of text sequences, the descriptions the respondents have given for their experience are analysed from their point of view, so the researcher has had an empathetic role. This way the experiences of the respondents will be recognizable to them in the network view that visualizes the phase of ease. Simplifying the data through refining and categorizing the codes makes sure that the experience is understandable for people who have not had the experience of the phase of ease.

Transferability refers to the question whether the findings of the study fit in contexts outside the study (Baxter & Eyles, 1997, p. 515). By theoretical sampling, a broad selection of entrepreneurs is interviewed. The respondents are geographically spread over the research area and are in different sectors and the companies are of different sizes. This is all displayed in Table 1 and when differences of these aspects had influence on the experience, it has been described in detail. This way, people who may want to use the findings of this research can determine themselves if the findings are transferable to another context.

Dependability is about 'the consistency with which the same constructs may be matched with the same phenomena over space and time' (Baxter & Eyles, 1997, p. 516) and is concerned with documenting the research context. Idiosyncrasies in interpretation should be minimized and when variability occurs, it should be explained and tracked to identifiable sources. The researcher should focus on consistency in their interpretations from one interview transcript to another (Baxter & Eyles, 1997, p. 516). By audio recording the interviews, transcribing the interviews literally and analysing the transcriptions bottom up, I have been able to focus on consistency in the interpretation of the data.

Confirmability refers to 'the degree to which findings are determined by the respondents and conditions of the inquiry and not by the biases, motivations, interests or perspectives of the inquirer' (Lincoln and Guba, 1985, in Baxter & Eyles, 1997, p. 517). By using quotes from the interviews in Paragraph 4.1, I show the exact words of the respondents and I explain my interpretation of those words. I also added the interview transcriptions and coded data (on cd-rom) to this document, so readers can see that I tried to let the respondents display their own motivations and biases by asking open questions. Through coding, all the textual data is taken into account and analysed for the construction of theory.

4. Analysis of the interviews

4.1 Interpretation of the interview results

In this paragraph I will show how my own interpretation has had a role in the analysis of the interview results. The reasons that entrepreneurs have mentioned for their cross-border (in)activity function as the basis of the paragraph structure and I elaborate on the parts where my own interpretation has had an important role. This paragraph contains quotes from the interviews. The quotes are translated from Dutch and the respondent numbers correspond with those in Table 1.

The respondents gave several reasons for their cross-border inactivity (in the past). The most obvious reasons the respondents literally offer themselves have an economical character. An often heard response is that there is enough work inside the national borders, so the entrepreneurs see no need to start cross-border activity: *"Why would I go looking so far away, when I can just do business here in the Netherlands?"* (Respondent 10). Also the influence of an experience with growth inside the national borders is often given as a reason why entrepreneurs are not active across the border. The following quote is representative for the economical reasons given by a fair amount of respondents:

"We have surely experienced growth. It is noticeable that the crisis has a negative effect on business now and you also see that in your revenue. But the idea for cross-border activity has not come up the past years, because there are so much opportunities for us on the Dutch market and we are growing every year between 5 and 10 percent and then the last thing on your mind is Germany. That's just the way it is." (Respondent 9)

The positive experience in the Netherlands is an aspect I see as creating a feeling of ease with business inside the national borders, which is a reason for entrepreneurs not to consider cross-border trade. Sometimes there is also a business plan that first focuses on growth in the Netherlands and in which cross-border trade is the last step to gain some more profit:

"For us, the Netherlands is now our market because that is where we are in our development, so from the principle of a shop to wholesale and then first regional business and after that you will aim for nationwide coverage. That's the phase we're in right now of course, we have a nationwide coverage. Then comes the next step of looking across the border. But I think we have the intention to first do the things we are presently working on well, so from a shop to wholesale, from regional to nationwide. We first want to have our national business in order. And look, that is of course the case for 95 percent, but we just want to get that last 5 percent. And after that we can determine policy on a project aimed at the Ruhr area for example." (Respondent 9)

The combination of the often mentioned reasons that there is enough work in the Netherlands and that entrepreneurs have an experience with growth in the Netherlands results in an experience that business is going well in the Netherlands so far and thus that entrepreneurs feel no need to explore possibilities for cross-border activity. I interpret this as a main reason for entrepreneurs to only have

a minimal form of aware decision-making process on cross-border activity. This is backed up by the often mentioned reason for entrepreneurs to start considering cross-border activity, namely that they get the insight that they should start cross-border trade if they want to keep their company growing. After asking an entrepreneur how he feels about support from the government in starting cross-border trade, he answered the following, which shows the influence of the economical situation in the own country on the decision-making process on cross-border activity:

"Actually, you should approach it in two ways. Supposing you approach it from the idea that we can grow enough in the Netherlands at the moment, then I do not necessarily need support from the government. But if the economical growth would have stagnated in the Netherlands, and we would have to move to other market areas in order to still be able to grow, and one of the options is to do that in the borderlands, than it would obviously be nice to get some help." (Respondent 12)

In this quote the obvious option to move to another market if the economical situation in the own country worsens comes forth. This insight that cross-border activity is necessary to keep growing is mentioned by a lot of the internationally active respondents as a reason to start considering cross-border trade, of which the following quote is an example:

"Actually, you are looking for a new group of customers or new economical potential, because I think we do have to aim at growth. I want the base of the company to be good and solid, so that we can continue to grow internationally from there. And I just really see Germany as a big market with a lot of potential for us." (Respondent 7)

An aspect that makes the need to start cross-border activity, because there is not much growth to gain in the Netherlands, appear quite often is mentioned by a number of respondents, namely that the Dutch market is small and it saturates quickly. Also, the word crisis was often mentioned in the interviews and has a negative effect on the economical situation in the Netherlands and thus on the insight that cross-border activity might be necessary to keep growing as a company. Also, the economical crisis results in the insight that spreading your risk is important, and one of the respondents mentioned this as a reason to start cross-border trade:

"Spread. Risk spreading. The German economy is doing well, in the Netherlands it worsens. Hey, that's weird. Then you know one thing for sure, that there might be possibilities. Easier than here. So then it might be easier to do business there. (...) Look we are still just an engineering company and in simple terms, we cannot be very large in the Netherlands. We can earn a good living in the Netherlands, but I think you should spread your business even wider. And 10 kilometres away lies an area ten times as large as the Netherlands. We do nothing there." (Respondent 5)

After that interview, I started asking other respondents if this was also the case for them and quite a lot of them confirmed that as a possible reason to start considering cross-border trade. During the interviews it came forth that it is already hard for small companies to do extra activities besides the daily company activities. The economical crisis makes it even harder for small companies to use a part of their budget to do research on market opportunities across the border. This comes forth in a

number of interviews, when asked about whether the entrepreneurs have done research on cross-border activity:

"Of course we are only a small company, so we have had to brake and accelerate quite a lot. In particular two years ago we have grown quite a lot. The idea to go to Germany existed longer. This subsidy was awarded about two years ago and then you do just need to have the time and space to use that subsidy. We're just very busy, and at a certain point time's up, your business should also continue. You're a relatively small player, so you do not really have the budget to put someone on that full time or to be working full time on that myself." (Respondent 7)

"There are possibilities but there are also a lot of restrictions. Plus you also have your daily activities. It is impossible to put someone on doing research on cross-border activity as a daily job, because we are too small for that and we do not have the means for it. So you have to spend some time on it occasionally and try to get a piece of the pie and get a little wiser every time." (Respondent 4)

These quotes also make clear that it takes a lot of time to do research on market opportunities and on differences between the countries. The entrepreneurs who are successfully active across the border all point out that it takes a lot of time and energy to do research on these aspects, but that it is also really necessary to put this time and energy in it to make cross-border activity successful as the RCT I interviewed underlined: *"You just simply have to know the market opportunities. That's where it all starts"*. So far I have described the economical influences on cross-border activity of SMEs that are literally mentioned during the interviews. The other aspects that I interpret as being of influence on the phase of ease are mostly not mentioned this straightforward and come forth after analysing the interviews.

The following quote brings us to the often mentioned reasons for cross-border inactivity of differences in language, culture and law and regulation: *"You have to know very properly what the differences are with the market you are about to enter"* (Respondent 1). Almost all respondents mention differences in language, culture and/or law and regulation as a reason for their cross-border activity. These differences are thus mentioned a lot, but the following quotes are the most expressive: *"There is an extra threshold because it is international. Different languages, different habits, different regulations and that is hard"* (Respondent 4). *"There is a different market of course. Other behaviour, people are used to other things, have other references. So you actually have an information gap, besides the language barrier. I think you have to know how people behave in business"* (Respondent 12). *"There are new rules. I think that's also a factor, there is so much involved in terms of administration and knowledge of documents, what kind of documents, you have never heard of those before"* (Respondent 3). These quotes point out that if an entrepreneur is not active across the border, he does not have sufficient knowledge on those differences. During the interviews it occurred to me that some of the respondents only expected some differences while they did not have any experience with them. I thus do not interpret these differences in language, culture and law and regulation as reasons for the minimal form of aware decision-making process of entrepreneurs, because the actual differences are not yet an obstacle. The expectations of the differences play a part though. This made me think that the ignorance about differences between countries could play an important role in the phase of ease. Having insufficient information or possibly wrong information

on cross-border activity can cause a feeling of unease with cross border trade. The interviews confirmed my expectation that ignorance plays an important role in the phase of ease and can also cause fear and prejudices. I reread the first interview I held, with the RCT, and the following reaction to the explanation of theory on the phase of ease caught my attention:

"I think that it is true. I really think that it is true. Or at least, I have that feeling too. It also plays a role in my own activities. And it is hard. It is a different culture. And when you think in kilometres, it is ridiculous that you do not look across the border. So I think it is true. I think that what you described, that fear, or well, that shyness in that direction, that that is true." (RCT)

The word 'fear' especially caught my attention, because I did not mention it myself in my explanation of the phase of ease. In a later interview it was also mentioned after asking an internationally active entrepreneur what the main reason is for cross-border inactivity of SMEs from Gelderland:

"Yes, ignorance, from both sides I think. That's what I think. It is just ignorance and fear. A lot of companies say: 'oh I'm afraid, oh I cannot write in German and speaking German is also hard'. That is all fear, I think. I think that it is foremost fear from Dutch side and ignorance from the German side." (Respondent 5)

This ignorance is not just about the differences between countries but also about market opportunities. An internationally inactive entrepreneur literally mentioned ignorance himself as a reason for his cross-border inactivity and started a discussion with his colleague:

"Ignorance. I do not mean that we are unable to do things, but that we do not really know what the demand is across the border. We do not know if our product would sell and what the market is like there. In my perception, 80 percent of the products is for freezers. We never really inquired whether our product would sell there or whether we have opportunities. Maybe we have a lot of opportunities there".

"Yes, but that depends entirely on the fact that we have not really looked into it."

(...) "But we do have prejudices."

"Well, not prejudices, I would call it fear of the unknown."

(...) "My brother has once had a small cross-border project. But that did not go well. It was kind of a failure, I understand. So that does confirm your prejudices and that makes you even more cautious." (Respondent 9)

Whether you call it prejudices or fear of the unknown, the interviews made clear to me that the ignorance about market opportunities and differences between countries have an influence on the feeling of unease towards cross-border trade. The information the entrepreneurs have is not based on actual experiences, but on conversations and things they have heard or read in the press or from other entrepreneurs. The lack of actual research into differences and market opportunities plays a role, but after a few interviews I also felt that the mentality and attitude of the entrepreneur has a role in this.

Most internationally active entrepreneurs mentioned that they like the challenge of cross-border activity and are internationally oriented and open to new ideas. An active attitude is important: *"That does not come naturally, you should really commit yourself to the notion of starting international business and how do I deal with that and that is what we are working on"* (Respondent 4). The opposition in the following quotes on cross-border activity of respectively a successful internationally active entrepreneur and an internationally inactive entrepreneur, shows the importance of an entrepreneur's mentality.

"At a certain point you have to grab the opportunity and must have the guts to jump on one of the trains passing by. That is how you grow. Waiting does not work, but you have to be entrepreneurial. You must reach out to things and bring them back to you, opportunities do not offer themselves to you. You must go to the mountain, the mountain will not come to you. That is the motto." (Respondent 3)

"It just does not arise and we also have enough work so that we do not need to actively approach customers across the border." (Respondent 8)

After the first time that mentality was mentioned, I asked the entrepreneurs with an international mentality during the remaining interviews how they got that mentality, but it seems to be just something personal that can hardly be influenced. An active attitude can help in spending time and energy on cross-border trade in order to make it successful. I asked the internationally active entrepreneurs if there are also aspects that turned out to be easier than expected, but all of them answered this negatively, which again shows the importance of an active attitude and the time and energy that it takes to make cross-border activity work. An example:

"No really, no. I really have had to work for everything, for every screw and nail. We have received nothing for free. Ah that's not entirely true, what we got back are very good relationships, we have very good contacts with Norwegians, Germans, Koreans. We are prepared to do things for each other. That is an enrichment. But easier than expected? No nothing is easier than expected. It always takes effort and energy. No not easier than expected, no, absolutely not, we really have had to fight and we still have to fight." (Respondent 3)

Not all entrepreneurs are familiar with the options for getting support, advice and subsidies for cross-border trade, which I found out when asking about INTERREG projects and contact with intermediate partners. This can easily be seen as a partial cause for the ignorance about market opportunities and differences between countries. Some entrepreneurs said they know about the options for support, advice and subsidies and that they have chosen not to make use of these options: *"You can do an entire research, make an entire plan, but if that does not result in business than it's a waste of energy. So first we make sure we have trade and then we'll see how to frame it"* (Respondent 2).

When I asked entrepreneurs for their reasons to start a fully aware decision-making process on cross-border activity, besides the answers with an economical character, it is mentioned a lot that a coincidental contact made the entrepreneur start to think about cross border trade. *"It is born out of coincidence rather than there has been a plan behind it. It was suddenly on our path, we suddenly came in contact with a foreigner"* (Respondent 2). The following is an even more expressive example:

"I never thought in those seven years that I would start trading across the border, no, never. That did not come to mind at all. Until the end of that period. At the end of that period, I met someone from Sierra Leone..." (Respondent 3)

I started thinking on this way of making contact with other entrepreneurs or clients. When an entrepreneur is in the phase of ease, he probably does not approach foreign entrepreneurs himself. The passive stance comes forth again here. When an entrepreneur does look for contact with entrepreneurs from other countries, he has probably passed the phase of ease. The internationally active respondents all said to have an international network of contacts, while the internationally inactive respondents all did not have an international network. This is how the importance of having an international network comes forth. I started to pay extra attention to the way that entrepreneurs try to, hope to or do get in contact with foreign entrepreneurs or clients. In some cases new contact was made indirectly through a relation of a Dutch partner: *"The choice for export was made because we had sales partners who are active in Belgium, which made us start business on the Belgian market too"* (Respondent 7). The last three quotes point out that those entrepreneurs were triggered to start a fully aware decision-making process on cross-border trade because they were approached by someone else. My interpretation is that a sudden unplanned increase in contact with foreigners can result in an entrepreneur moving past the phase of ease. There need to be approaches from foreign people's initiative then. This brings me back to the ignorance from the German side that Respondent 5 mentioned. After that interview I started asking other entrepreneurs on their view on the interest of German entrepreneurs in cross-border trade. As the respondents cannot give me firsthand information on German ignorance, the interest that the Germans show seemed a good indication of it to me. It turned out that most Dutch entrepreneurs have to approach German entrepreneurs and that it hardly happens the other way around. One of the respondents explained:

"For Germany, there is not so much profit in the Netherlands. How can you cooperate, if only one party wants it. If I want to trade with a German partner, he also has to have some profit. That is probably not found on the Dutch market. When I want to sell a product that he can buy next door, he will choose to buy it next door. So we have to bring unique things and the Netherlands has that. A lot of innovations." (Respondent 2)

It was also mentioned in a fair amount of interviews that the German market is hard to enter. One of the reasons given for this is that Germany is trying to protect its own market:

"As a foreigner, you cannot enter the market that easy. They do not let you enter the German market. Not that easy. You really have to do something for that, you need to pull off a trick to sell your products there. (...) In our case, they are protecting their own products. There is a different system of measuring in Germany and they do not want us on that market." (Respondent 3)

Other respondents do not agree with that:

"No, I cannot agree. No, no they really look across the border. The Netherlands is an important import country for them. For a long time now. I cannot say that they really work protective for their own market. Price is just important to them, and quality, that's where it comes down to." (Respondent 6)

"I don't think that. It is more a matter of German virtue. They do not know you, what you sell, what they get themselves into. In my perception, that is what makes the Germans have a more reserved attitude. But when you have proven your worth, through references and they see you have worked with well-established companies, than they might give you a chance." (Respondent 4)

This points to a sort of ignorance towards the Dutch market from the German side. After doing all the interviews, I do not interpret the Germans as being protective of their own market. I think it is more a difference in business culture and I base this foremost on information that I got from the respondent from the Dutch chamber of commerce:

"A bit generalized, when Germans want to do business, it does not matter in which sector, they prefer to do business with a German party, because they know exactly who he is, and what kind of background he has, how he is enrolled. (...) A German entrepreneur wants to define all the obstacles that could be encountered in advance and wants to know what the solutions are. He wants to avoid any legal problems, so works on that in advance too. He is thus busy on the preparing phase way longer than a Dutch entrepreneur."

I think there are a number of aspects that cause the minimal number of approaches from German entrepreneurs. This wish to outline everything before taking action is part of that, as well as a certain ignorance towards the Dutch market. The fact that Germany has an extensive market itself has also come forth during the interviews and it is also mentioned that German entrepreneurs prefer to have long-term relationships with familiar partners and thus do not switch business partners that often.

"I think that the German clients are loyal and that they keep coming to the same supplier when they have found a good one. They are more loyal than Dutch clients. That is a disadvantage for entering the German market, but an advantage when you have actually entered the market." (Respondent 11)

All the arguments on the German interest are based on interview data with Dutch entrepreneurs though and can thus not be seen as a complete view on the German side of cross-border trade. It is the perception of the Dutch side and thus not the most valuable information. The lack of approaches from the German side still is an important factor in the cross-border inactivity of Dutch entrepreneurs though and this points to the influence of a lack of an international network in general. The importance of having a network is literally mentioned in almost every interview and I interpret that thus as one of the main influences on cross-border (in)activity.

Some aspects that are discussed during the interviews are not involved in the theory building on the phase of ease in the following paragraph. The actual differences between countries are part of those aspects. According to my interpretation, these aspects only become important after an

entrepreneur has started a fully aware decision-making process on cross-border trade. The opinions and experiences that entrepreneurs have related to support, advice, subsidies and instruments of intermediate actors and government institutions are also interpreted as not being of influence on the theory of the phase of ease.

4.2 From the interviews to a network view for the phase of ease

4.2.1 Core of the theoretical model for the phase of ease

Coding that is based on the method of grounded theory resulted in a network view with the phase of ease as its central phenomenon. Figure 7 shows the core of the network, Appendix II shows the entire network. The network view is a visualization of the theory on the phase of ease. I will elaborate on the theory by explaining the relations between the various nodes of the network. Central in the network is the process of a minimal form of aware decision-making in the phase of ease towards a fully aware decision-making which is initiated by a certain trigger. The core that is depicted in Figure 7 is the generalization of the core of the theory, which is applicable to other cases.

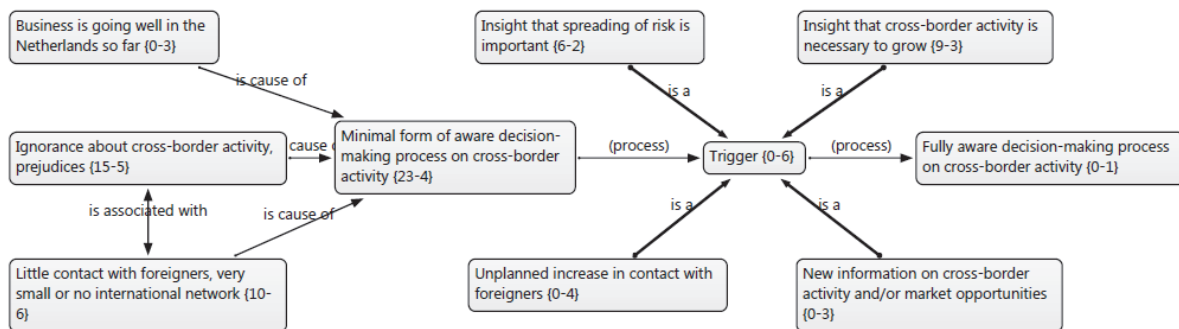


Figure 7: Core of the network view for the phase of ease

The network view shows the aspects that have an influence on an entrepreneurs' decision-making on cross border activity. All the data derived from the interviews could be brought back to three aspects that cause entrepreneurs to only use a minimal form of decision-making on cross-border activity, which are depicted on the left side of Figure 7. The events or actions that, according to the interview data, can be a trigger for entrepreneurs to move from the phase of ease towards a fully aware decision-making process on cross-border activity are on the right side. Not every entrepreneur is influenced by the same aspects, but the network shows the possibilities that have come forth from the data that I found. Let me also make clear that the aspects do not always have to apply all together for one entrepreneur to cause him in staying in the phase of ease. Just one of the aspects can be enough for an entrepreneur to be in the phase of ease. On the other hand, one of the possible trigger can also be enough for entrepreneurs to move from the phase of ease towards a fully aware decision-making process on cross-border activity. In this respect, there is no hierarchy amongst the reasons for the minimal form of decision-making process, there is not one of them that is more important than the others. The same is true for the various triggers. In Appendix II, which shows the entire network view, some aspects are specific for activity across the German border. This way the focus of this research on Germany is included in the visualization of the theoretical model. These aspects can also be of relevance for other countries, but to what extend this is the case has not been part of this research, as the focus was on Germany.

4.2.2 Causes of the minimal form of aware decision-making process on cross-border activity

Three main aspects that are reasons for the minimal form of decision-making process are derived from the interview data, which are visible in Figure 8. I will now elaborate on these three aspects separately.

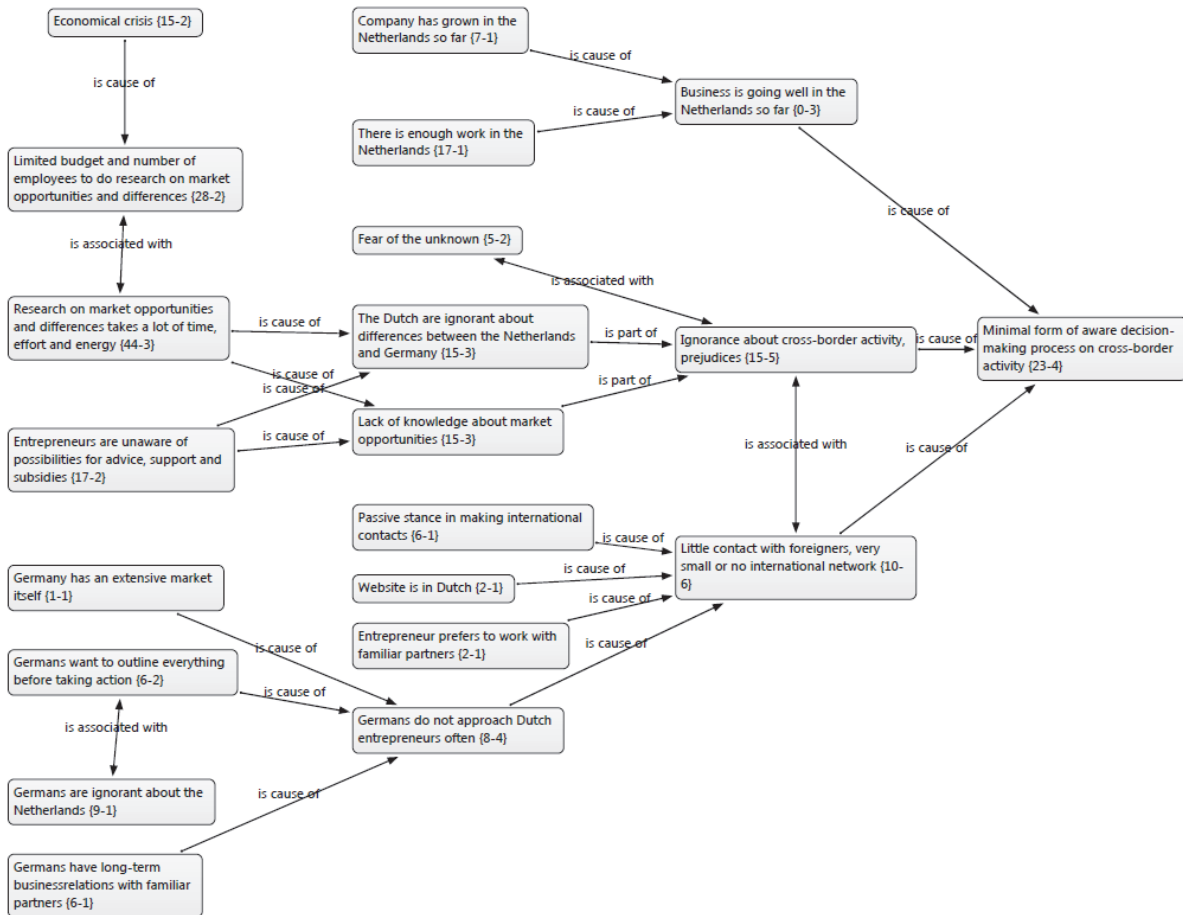


Figure 8: Aspects that cause the phase of ease

The first possible reason for entrepreneurs to be in the phase of ease is that when business is going well in the Netherlands, there is no reason for entrepreneurs to consider starting cross-border trade. Most entrepreneurs explained their (former) cross-border inactivity by the fact that their companies are established in the Netherlands and have grown over the years by working inside the national borders. When there is enough work and customers in the Netherlands, where they have always experienced growth as a company, becoming active across the border does not occur to them, because they do not see the necessity of it. This causes ease inside the national borders and causes them to shove away options for cross-border activity without considering them very well. The phase of ease plays a part this way. Some entrepreneurs also mentioned that the company is too small to become active across the border and that they first want to grow in the Netherlands to a certain size and can then look for opportunities across the border.

Ignorance about cross-border trade can cause entrepreneurs to be unable to make a fully aware decision on cross-border activity. A lack of knowledge on market opportunities in other countries and unfamiliarity with differences between the own country and other countries are the main knowledge problems that came forth during the interviews and this lack of knowledge causes entrepreneurs not to be active across the border after only a minimal form of decision-making

process. The lack of knowledge can also have an influence on the image that entrepreneurs have of trade across the border and this can result in prejudices, based on organic images. The image that entrepreneurs have of cross-border activity is thus important and I will elaborate on this in the next paragraph. The phenomenon of entrepreneurs who are not possible to make a fully aware decision on cross-border activity because of a lack of knowledge seems not to be related to the concept of ease, but I will explain that this is the case. Entrepreneurs can choose to inquire for more information, but they choose not to because of the unease they feel with the unknown aspects of cross-border activity. Some of the respondents literally mentioned that they have fear of the unknown and for others, who did not say it literally, I could make it up from their words. This unease can be taken away by getting new information. A lack of available resources to do research on market opportunities and differences between countries can be a cause for entrepreneurs not getting the necessary information. Most entrepreneurs pointed out that the economical crisis also had an effect on this. Both the respondents who have experience with cross-border activity and the respondents who do not have the experience felt that doing research on market opportunities and differences takes a lot of time and effort. Combined with a low budget and the daily activities that need to be done, this results in companies not having the number of employees that are necessary to explore market opportunities and do research on differences between countries. Besides, the lack of information can be caused by entrepreneurs not having acquaintance with possibilities for support and advice that can be provided by intermediate actors. When asked about the awareness of possibilities for support and advice on cross-border activity, a lot of the internationally inactive entrepreneurs said they did not know about them. This way no new information that is necessary to make a fully aware decision on cross-border activity is obtained and the unknown aspects of cross-border activity remain an unease creating factor. A striking observation of the interview data is that most of the internationally active entrepreneurs did not or just hardly make use of support or advice by intermediate actors. This shows that support and advice by intermediate actors is not necessary to make cross-border activity work.

Entrepreneurs having little contact with foreigners is another possible reason not to make fully aware decisions on cross-border activity. When entrepreneurs do not often get in contact with people from other countries, they are not confronted with life and business across the border at such a level that the possibility of cross-border activity becomes part of their frame of relevance. This results in them not fully considering business across the border, because they are not confronted with it that much. What also plays a role is that when an entrepreneur does not get in contact with foreigners, he does not know which foreign companies he can possibly do business with. This part is associated with the reason of a lack of knowledge on cross-border activity. When an entrepreneur does not have an own international network, chances are high that he has a low amount of contact with foreigners. Entrepreneurs who search for customers themselves, rather than waiting for customers to get in contact with them, are themselves responsible for the lack of contact with foreigners. This passive stance in approaching customers shows that ease in the national context is important again. This is related to an aspect that some of the respondents mentioned, namely that they prefer to do business with familiar partners. This results in the entrepreneurs not looking for new contacts and thus no new international contacts. All of the respondents that are not active across the border have a website that is only in the Dutch language. This results in no or few international customers making contact with the company. These are all aspects that are related to the ease that the Dutch entrepreneurs feel in doing business in the Netherlands. The perspective from the foreigners is also important here. As I especially focused on activity across the German

border, I will use that information here to elaborate, but the following can also be the case in relation to other countries. Dutch entrepreneurs are not often approached on the matter of business by German entrepreneurs. The respondents who are active across the German border, mostly had to approach the German entrepreneurs themselves and it did not often occur the other way around. The cause of this lack of interest from the German side is not totally clear. A suspicion that some of the respondents have is that Germans are not very interested in trade with Dutch companies because they try to protect their own market, but other respondents state against this. This disagreement made me choose not to see this protection of the own market as an aspect that causes the lack of interest from the German side. From the interview, other aspects came forth that better explain the low amount of approaches by German entrepreneurs. One of the aspects that causes this is that German companies seem to have long-term business relations with familiar partners. Looking for new partners is not often necessary, because of these long-term relations; not in Germany and not across the border. Another aspect that plays a part is that Germany has a large market on its own and companies do not feel the need to do business across the border because of all the opportunities in the own country. Experiences of entrepreneurs and intermediate partners in cooperation with German entrepreneurs has points at a difference in doing business between both countries, namely that German entrepreneurs want to outline everything before taking action. They are thus more conservative and are less inclined to take risks. This results in caution when it comes to approaching other entrepreneurs, and especially to approaching entrepreneurs from another country. Combine this with the suspicion that respondents had, that German entrepreneurs have a certain ignorance towards the Dutch market, and it seems that the phase of ease is also of relevance for German entrepreneurs and their decision-making process on cross-border activity. This is only a presumption and as the research is not aimed at the influence of the phase of ease on German entrepreneurs, I cannot divert any conclusions on this aspect. This presumption does not take away the relevance of Dutch entrepreneurs' international network and amount of contact with foreigners for their consideration of cross-border activity. To approach foreign entrepreneurs is then again an unease creating factor for cross-border activity and on the other hand, contact with familiar Dutch companies is an ease creating factor for being only active in a national context.

4.2.3 Triggers for moving from the phase of ease towards a fully aware decision-making process

The events or actions that can be triggers to move from the phase of ease towards a fully aware decision-making process on cross-border activity are mostly related to the aspects that cause entrepreneurs to be in the phase of ease as described in Paragraph 4.2.2. Figure 9 visualizes the triggers and aspects that have an influence on the appearance of the triggers. The triggers should be seen factors that lower ease inside the national borders and that lower unease with cross-border activity. This can result in entrepreneurs reaching the tipping point of their ease and unease levels, which makes them move from the phase of ease towards a fully aware decision-making process on cross-border activity.

A decrease in future perspectives in the Netherlands can lead to entrepreneurs getting the insight that cross-border activity is necessary to keep the company growing or the insight that they should spread their risks by becoming active on multiple markets. Both of these insights have been mentioned by part of the internationally active entrepreneurs to be a reason of their ambition to become active across the border. These new insights can be seen as triggers to move from the phase of ease towards a fully aware decision-making process on cross-border activity. A link can be seen with the reason for entrepreneurs to stay in the phase of ease because business has always gone well

in the Netherlands. Worsening future perspectives can be caused by an economically bad situation in the Netherlands, such as the economical crisis that a lot of respondents pointed at. This can result in a decrease in customers and work in the Netherlands.

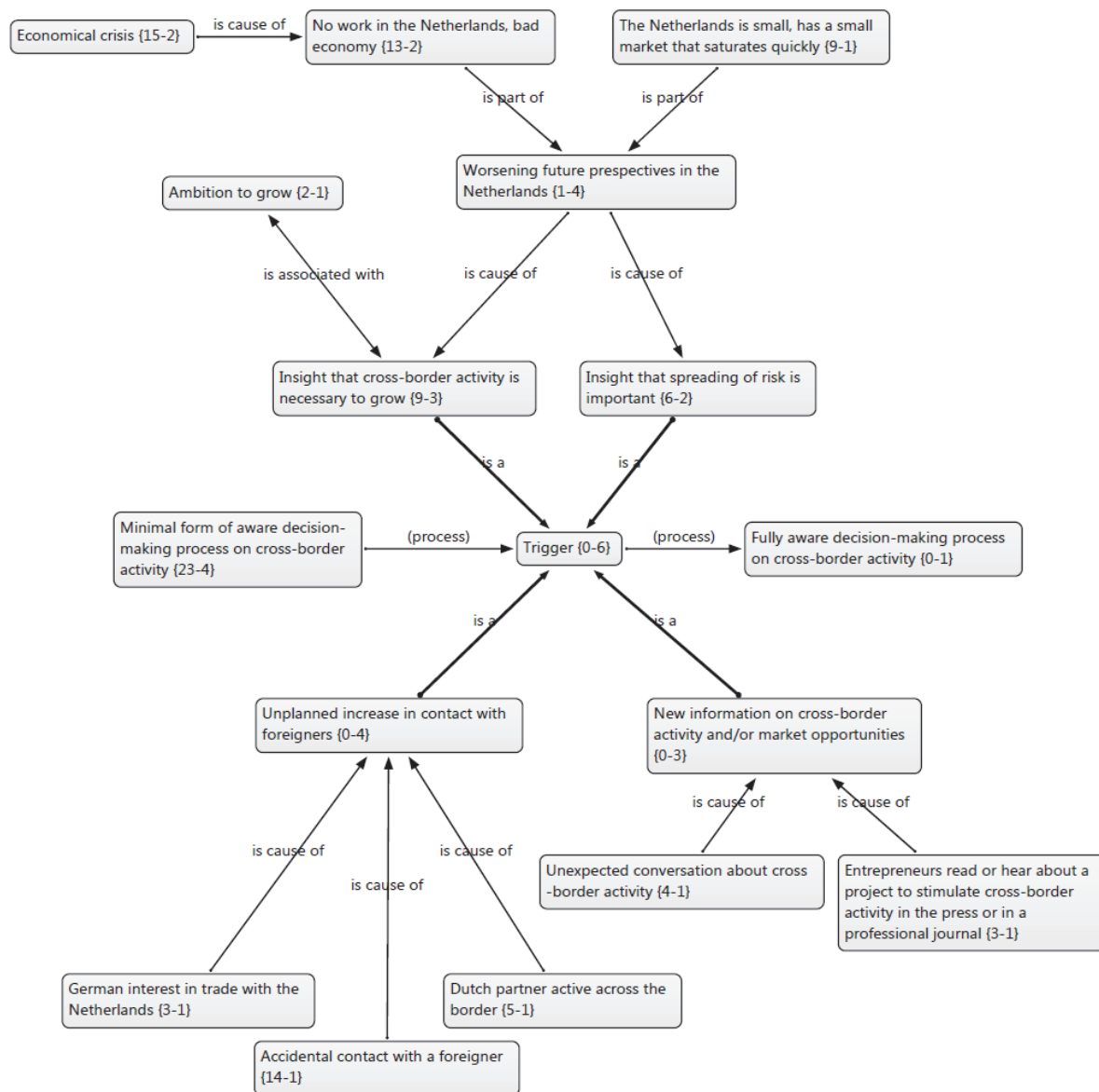


Figure 9: Triggers for moving to a fully aware decision-making process on cross-border activity

Also, the Dutch market is a limited, small market that saturates quickly and thus, as the internationally active entrepreneurs pointed out, options to grow in the Netherlands are limited. Some of the respondents saw opportunities for cross-border activity in the future, when their company will have grown in the Netherlands to a certain size and cross-border activity will be the action to take in order to keep the company growing. Other respondents who already were active across the border mentioned that the saturation on the Dutch market was the reason to start cross-border activities. With regard to the insight that cross-border activity is necessary to keep the company growing, there is the assumption that entrepreneurs want their company to grow. With one of the internationally inactive entrepreneurs, this was not the case. He did not have the ambition

to grow anymore, so he could not be triggered by this insight. This shows that not all triggers apply to all entrepreneurs and that every entrepreneurs are influenced in a different manner.

A sudden confrontation with new information on cross-border activity can also be a trigger to start a fully aware considering of cross-border activity. This can be caused by hearing or reading about a project that aims to stimulate cross-border activity in the press. Intermediate actors promote their projects through advertisement and when this reaches entrepreneurs, they can have such an amount of new information that it can be a trigger to start a fully aware decision-making process on cross-border activity, although this has not often been successful according to the respondents in this research. This new information can also be presented to entrepreneurs by other entrepreneurs through a simple conversation on their successful experience in cross-border trade. One respondent that is not active across the border spoke of the interview for this research itself as an eye-opener for considering cross-border activity. He showed signs of ease in his familiar surroundings, but during the interview he found out that there are various opportunities for him in Germany. In this case, the interview itself may have been a trigger (it depends on whether he starts making fully aware decisions on cross-border activity, or it was only a moment of enthusiasm). This can also be seen as an unplanned conversation on the subject of cross-border activity that gives entrepreneurs new information and makes entrepreneurs start to think about cross-border activity more seriously. The new information can result in a change of image of trade across the border, because hidden qualities can be brought into the light. The organic image can change into an induced image which will make entrepreneurs see the opportunities in cross-border trade and make them start a fully aware decision-making process on cross-border activity.

An unplanned increase in contact with foreigners is an aspect that can take away the reason to be in the phase of ease because of a small or a lack of an international network. Some of the interviewed entrepreneurs mentioned an accidental encounter with a foreigner as a trigger to start cross-border activity. In these cases, there first was one deal with a foreign entrepreneur, that later led to more contact with the foreigner and his network. This later resulted in more cross-border activities. Sometimes internationally inactive entrepreneurs have Dutch partners that are active across the border and this results in contact with foreigners and an international network. An approach by a foreign company can also cause entrepreneurs to start a fully aware decision-making process on cross-border mobility. An increase in contact with foreigners can result in business across the border becoming part of entrepreneurs' frame of relevance and can thus be seen as a trigger to start a fully aware decision-making process on cross-border activity. This trigger can also be related to the trigger of new information. For example an encounter with an entrepreneur from another country can also lead to a conversation on cross-border activity, which will give the Dutch entrepreneur new information on differences between the two countries and on market opportunities and this may make the Dutch entrepreneur start a fully aware decision-making process on cross-border activity, which will later result in the entrepreneur looking for companies across the border to do business with.

4.3 Comparing the images of trade with the German market

4.3.1 Comparison

In order to clarify the image that entrepreneurs have of the German market, I asked during the interviews about what aspects the respondents see as advantages and disadvantages of trade with the German market. I also include difficulties in trading with the German market that entrepreneurs,

who do not export to Germany, expect and compare this with the experienced difficulties of the entrepreneurs that are active across the German border. This way I can compare the image that both the entrepreneurs, who have experience in export to Germany and those who do not have this experience, have of trade with the German market, in order to make clear if there are any hidden qualities that can possibly be used in promotion of cross-border activity.

Advantages	Entrepreneurs who export to Germany	Entrepreneurs who do not export to Germany	Intermediate actors
Large potential on German market	xxxx	xxx	xx
Germans work more formal and organized	xx		
Germans are craftsmen and deliver quality	xxxx	x	xx
Germany and the name GMBH have global appeal	x		
Difference in taxation system can be used to entrepreneurs' advantage	x		
Connection to German export leads to global export			xx
There are a lot of large, well-established companies in Germany	x		
German clients are prepared to pay a high price	x	x	
When the German market is entered, there can be a long-term relationship with clients	xx	x	
Opportunities specific for company's sector	x	x	
Disadvantages and difficulties	Entrepreneurs who export to Germany	Entrepreneurs who do not export to Germany	Intermediate actors
Germans work more formal and organized	x	xxx	
It is hard to enter the German market and it is a slow process	xxx	xx	x
It is hard to operate on the entire German market as a small company	x	x	
Mastery of the German language is important to do business	xx	x	xx
Differences in law and regulation	xx		x
German clients want high quality for a low price	x	x	
Working out the contracts is hard	x	x	

Table 2: Advantages, disadvantages and difficulties of trade with the German market

The questions have been asked about the respondents image of cross-border trade in general (thus import and export), although the groups are based on the entrepreneurs exporting or not. This choice is explained in Paragraph 3.4. Of the advantages and disadvantages that are mentioned by the entrepreneurs who do not export to Germany, only those that are mentioned on their own initiative are included as part of their image. By excluding those that are presented by the researcher, the entrepreneurs' own image of trade with the German market comes forth. Table 2 shows the advantages, disadvantages and difficulties of trade with the German market that the internationally active entrepreneurs and intermediate actors have experienced and the internationally inactive entrepreneurs expect. The number of x-es shows how many of the respondents mentioned an aspect. Simply summarizing all the mentioned advantages and disadvantages would generalize the images too much. By showing the frequencies in which the aspects come forth in the respondent groups, it becomes clear which aspects of image are encountered the most and this makes the analysis more valuable. When comparing the aspects of the image the difference in number of respondents in each group has to be taken into account: there are more respondents who do export to Germany than there are respondents who do not export to Germany.

The entrepreneurs who have experience in export to Germany see two major advantages: the large potential on the German market and the quality that the Germans deliver because of their craftsmanship. Of these advantages of the German market, the large potential seems to be recognized by the entrepreneurs who do not export to Germany, while the quality that Germans deliver is only mentioned by them once. The long-term business relations that can arise when the German market is entered is seen as an advantage by some of the internationally active entrepreneurs, but this is confronted by the acknowledgement of the difficulty to enter the German market and the slow process this takes. Both these aspects are equally recognized by the exporting as well as the not exporting entrepreneurs. The business culture in Germany to work more formal and organized is by some exporting entrepreneurs seen as an advantage, while one exporting entrepreneur and the majority of the entrepreneurs who are not active across the German border see this as a disadvantage. Other advantages of trade with the German market that the exporting group mentioned and the non-exporting group did not mention are the global appeal that Germany and the name of a GMBH (German company) have, the profit that can be made by making good use of the difference in taxation systems and the large amount of well-established companies in Germany. These advantages are all just mentioned one time. This can mean that they are not as advantageous as the other mentioned advantages, or that these are hidden qualities even for some of the internationally active respondents. Besides the difficulty of entering the German market, the language difference and the differences in law and regulation are the most mentioned disadvantages of trade with the German market by the exporting group. The differences in law and regulation are not at all mentioned by the entrepreneurs who do not export to Germany. As for the other disadvantages and difficulties, they are recognized by both groups of entrepreneurs equally. The intermediate actors also see the large potential on the German market and the quality that the Germans deliver as major advantages of trade with the German market. A third advantage they acknowledge is the connection to global export that trade with the German market leads to. This is not mentioned by any of the entrepreneurs, although it can be slightly related to the advantage of global appeal of Germany and the name GMBH. The most mentioned disadvantages and difficulties by the intermediate actors are the same aspects as the entrepreneurs who export to Germany mentioned.

4.3.2 Hidden qualities

Based on this comparison of advantages, disadvantages and difficulties of trade with the German market, there are several aspects that can be seen as hidden qualities. Firstly, the quality that German companies deliver is an obvious hidden quality as it is much less mentioned by the non-exporting group than the exporting group. Further the formal and organized way of working in Germany can be seen as a hidden quality, although it depends on the entrepreneurs own preferences of working methods if this really is an advantage. Promoting the good experience with this aspect would not hurt though, as it could change the image (which is possibly a prejudice) of non-exporting entrepreneurs that this formality can only be a disadvantage. Then there are the three advantages that are mentioned once by the exporting entrepreneurs: the global appeal that Germany and the name of a GMBH (German company) have, the profit that can be made by making good use of the difference in taxation systems and the large amount of well-established companies in Germany. These five aspects can be seen as hidden qualities that require more attention when promoting cross-border activity to entrepreneurs. The global trade as a result of connection to German export is presently promoted by intermediate actors, but none of the internationally active respondents acknowledges this aspect as an advantage. This aspect should thus be given less attention.

4.4 Important aspects for making international trade successful

4.4.1 In general

In this paragraph, I will describe aspects that the internationally active respondents have experienced as being important for making cross-border activity successful. Firstly, all the internationally active entrepreneurs pointed out that cross-border activity requires a lot of effort, commitment, time and energy. None of these respondents could think of aspects of cross-border activity that turned out to be easier than expected. Most of them did not make use of any support or advice by intermediate actors, but acted on their own. Examining the market opportunities and differences in culture and law and regulation is very important and is one of the aspects that takes a lot of effort and time. The mentality of having an active attitude, being open to new things and looking for challenges is recognizable with most of the internationally active respondents and they also underline the importance of entrepreneurs' mentality for success in cross-border activity. This is important because cross-border activity brings a lot of new things and challenges with it that require effort, commitment, time and energy of the entrepreneur. They point out that sometimes an active attitude can result in some failures, but it is necessary to be active and keep trying new things. In making contacts for example, German entrepreneurs are not very active, so the Dutch entrepreneurs should take the initiative in approaching German companies in order to create an international network. Mentality can be considered part of one's personality and it is difficult to change that. This mentality is also linked to the willingness to adapt to other working methods, which is important to make cross-border cooperation successful, instead of carrying on with the own familiar methods. Not having the mentality to look for challenges and be open to trying new things is obviously related to being in the phase of ease. Challenge and new working methods can be seen as unease creating factors. Possibly the triggers that I have acknowledged in this research can result in the necessary change in mentality.

The internationally active entrepreneurs also pointed out that basic products and services from Dutch companies are not really appealing for a large market as Germany, as these are mostly

present in their own market. The loose style of work that Dutch people have, combined with their creativity and innovations, is something the German market lacks though. Therefore the best chance to evoke German attention is to use the Dutch creativity and innovations in order to enter the German market. An aspect that German entrepreneurs deem important is virtue and quality and this results in caution and the slowness of the process of entering the German market. German entrepreneurs often want Dutch companies to prove their virtue and qualities, so they know the company is reliable. When a company has brand awareness and a good reputation in other countries, there may thus be a better chance that Dutch companies are approached for trade by German entrepreneurs.

4.4.2 Strategies

The strategies that the internationally active entrepreneurs have used to make their activities across the border successful are described in this paragraph. Most of the respondents underlined the importance of working in international networks. Accidental international contacts for one job can later lead to a long-term cooperation. They used their own existing networks and worked on extending their networks with international contacts by visiting international fairs and meetings. One way to adapt to the German market that is often applied is cooperating with a German company who can solve all the problems that differences in law and regulation entail. Other options to adapt to the German market is hiring an agent who is specialized in cross-border trade or hiring German personnel. Establishing a German company (GMBH) can be a way to avoid problems with differences in law and regulations. Although the company is then still led by a Dutch entrepreneur, this can also make German entrepreneurs perceive the company as one of their own and make Germans more eager to approach the company to do business. This strategy of establishing a GMBH was not applied by any of the respondents, although half of them are considering the option. A way to get through to more international contacts and potential clients is to have an international multilingual website that can be found through international internet search systems. In order to examine the opportunities on an international market for a relatively low price, students have been hired in some cases to do a market research.

5. Opportunities for government influence

5.1 Existing government instruments and INTERREG projects

5.1.1 INTERREG projects and the 'Nederland-Duitsland' programme

Government instruments that are used to stimulate cross-border activity can have many forms. In this case, I will especially focus on the INTERREG projects that can stimulate cross-border activity. The data derived from interviews with entrepreneurs gives a view on other instruments that are used, but none of the respondents participated in INTERREG projects. Most of the respondents were also not aware of the existence of INTERREG projects. As these are subsidised projects which all have a certain cross-border aspect, a closer look on them is relevant for this research. The interviewed intermediate actors provided information on the projects I focus on.

The European government cannot give high subsidies on its own to companies. There has to be an intermediate actor for the European government to be able to provide high subsidies. One option for this is to provide subsidies through the INTERREG programme 'Nederland-Duitsland', which focuses on economical development of the borderlands. The programme has three priorities. The emphasis is on the priority 'economy, technology and innovation', which aims at development and enforcement of an innovative economical cross-border space and through this a further development of employment in the region. The priority 'sustainable regional development' is aimed at improving the liveability in the region. By trying to improve 'integrity and society' in the cross-border area, the programme is used to improve the cross-border identity of inhabitants of the region (Gemeenschappelijk INTERREG Secretariaat). As part of this programme, projects are started that can make use of subsidies. Public and private organisations from the cross-border region can come up with ideas for new projects, which are then tested. The most important criteria is that the project has a cross-border character. The subsidies that are given have to be justified to European and both national governments. This can result in a lot of conditions and commitments for companies that make use of the subsidies, although the government tries to minimize these conditions and commitments. After a subsidy is provided, the company takes over the responsibility for the use of the money (P. Opic, personal communication, 11 June, 2013).

A closer look on the existing INTERREG programmes that can be related to cross-border activity of SMEs points out at which aspects part of the government instruments are aimed. The experience that entrepreneurs have with these instruments is also described in this paragraph. A lot of INTERREG projects are aimed at a certain aspect of innovation with cross-border activity as a secondary objective. When stimulating cross-border activity of SMEs is a primary objective, the target groups of the projects often contain mostly entrepreneurs who have already passed the phase of ease and are in a fully aware decision-making process on cross-border activity. There are no projects especially aimed at stimulating entrepreneurs to start to fully consider cross-border activity. I looked at three INTERREG projects in particular: Food Future, 2connect Business and Food2Market. 2connect Business and Food Future are part of the 'Nederland-Duitsland' programme. Food2Market is a transnational project and besides the Netherlands and Germany also aimed at Flanders. The choice for these three projects is justifiable because these are the INTERREG projects which focus the most on stimulating cross-border activity of entrepreneurs.

5.1.2 Food Future

Food Future is aimed at stimulating innovation in the food sector by sharing knowledge between Dutch and German companies and knowledge institutions. Through advice, entrepreneurs get recommendations on how to stimulate and use their innovations. There are also special projects on cooperation between companies from both sides of the border. An objective is to create a knowledge network in the food sector, through which innovation can be stimulated. To encourage entrepreneurs to participate in the project, meetings are arranged. The target group is entrepreneurs in the food sector in the Dutch-German borderlands. The need for innovation is more important than the size of the company. Entrepreneurs are approached through networks of cross-border related organisations and the networks of organisations in the food sector. The start up conference is promoted and press is invited to call attention to the project. Information is provided on websites of the affiliated organisations. Entrepreneurs who only have a minimal form of aware decision-making process on cross-border activity are thus approached indirectly through press and information on websites and directly through the networks of organisations in the food sector. They then have to make their own choice on attending meetings and participating in projects. This INTERREG project is thus aimed at providing entrepreneurs with advice and information and on creating an international network. The trigger of a sudden confrontation with new information can appear as a result of this project. More contact with foreigners is a secondary trigger here, as the new information is the first incentive for entrepreneurs to start considering participation in the project. An increase of contact with foreigners happens only when the choice is already made to participate in the project and can be a trigger to start a fully aware decision-making process on cross-border activity when the new information is not enough to make the border part of the frame of relevance of the entrepreneur. The focus on innovation can make sure German entrepreneurs get interested in Dutch products and can result in German entrepreneurs approaching Dutch companies who do not participate in this project and are thus suddenly approached by a German entrepreneur. This way new foreign contacts can be a primary trigger to start a fully aware decision-making process.

5.1.3 2connect Business

In the project 2connect Business entrepreneurs can get individual advice, support and practical information on starting international trade from Dutch and German experts in cross-border cooperation. There is an option to get subsidies to start cross-border trade. Through sectoral organisations, by advertisement in professional journals and by informing the press, entrepreneurs are made aware of the project and its free meetings, which can be either general for information on juridical and fiscal aspects or concentrated on specific market sectors to give more specific information. During the meetings entrepreneurs can extend their professional network. This project offers subsidies for letting experts do market research and partner search. Just as with project Food Future, entrepreneurs themselves decide what to do with the information and whether to participate in the project or not. The confrontation with new information can be a trigger for entrepreneurs in the phase of ease to start a fully aware decision-making process on cross-border activity. As in the Food Future project, unplanned new contact with foreigners is the second trigger that this project is also aimed at, as the new contacts can cause entrepreneurs to start making a fully aware decision on cross-border activity when they are not persuaded by the new information.

5.1.4 Food2Market

In Food2Market, five network organisations in the food sector combine their networks into one Dutch-German-Flanders network. Entrepreneurs can get support on different points in the development of a new idea for a product or process. Free trainings and meetings are organised with an expert on a certain theme. If the entrepreneurs want more contact with the expert, that is their own choice. This way the projects help entrepreneurs in extending their networks. Information can be attained on who can help entrepreneurs and where they can find information they need. Entrepreneurs who are successful in cross-border activity are asked to do presentations on their methods and success in order to inspire other entrepreneurs. All five organisations distribute the information on the project amongst their networks. Information is also provided on important websites in the food sector. A social media experiment in which entrepreneurs approach customers is part of this project, although it is only carried out in the Netherlands. As for the other two projects, this project also aims at a confrontation with new information as a trigger for entrepreneurs who have a minimal form of decision-making process to pass the phase of ease and on a sudden confrontation with foreigners, who are present at meetings, as a secondary trigger.

5.1.5 Influence of instruments on entrepreneurs

The respondents had different opinions on instruments that are used to stimulate cross-border activity. Most of the internationally active entrepreneurs did not make use of any support or advice by intermediate actors for starting cross-border trade. The other entrepreneurs stated that the intermediate actors are useful help for getting information and new contacts. A lot of the respondents also mentioned that advice and support is too expensive and taken into account the possibility that it could ultimately result in no cross-border activity at all, they chose not to make use of it. One entrepreneur had the opinion that there are too many institutions with information, which makes it unclear for entrepreneurs which institution they should approach, and that it would be better when there is one central organisation with all the information on cross-border activity. One of the intermediate actors also mentioned that sometimes multiple intermediate actors are working independent on the same subject, which should be better arranged. Also a critique is that the institutions give too general information, while specific concrete information specific for a certain case would be much better. A number of entrepreneurs has the opinion that the government should aim more at internationalisation of SMEs than of large enterprises. A point of critique on the intermediate actors in general that is mentioned by some respondents is that the people working for the intermediate actors are not committed enough to the aims of the projects and that after the projects have come to the end of their time period, there are no actions to keep on running what has been built up during the projects. This way there are not a lot of long-term results. This argument can be countered with the argument that when entrepreneurs have participated in the projects and have started cross-border activity (which is the main focus of intermediate partners: supporting entrepreneurs in starting cross-border activity), they are responsible for their success themselves and should put their own effort and time in it.

Only a few entrepreneurs made use of meetings from intermediate partners to extend their network and to gather information. There are more negative reactions on the meetings: they bring no results, there is no new information or the meetings do not suit their company because the meetings are aimed at small scale international business. Sometimes entrepreneurs do go to meetings but are still not considering cross-border activity afterwards, because they did not get the right information. One of the intermediate actors mentioned that meetings are most effective when

they are aimed at a specific sector. Entrepreneurs are often also critical about the advisors that seem to be present primarily to promote their own business. The intermediate actors mentioned that there is a lot of interest in the meetings, although there tend to be more Dutch than German visitors. This can again be caused by the caution and conservative stance of the German entrepreneurs. One of the entrepreneurs that was successful in business across the border offered an intermediate partner to give a presentation of his activities across the border, but the initiative could not count on interest of the intermediate actor. Of the internationally inactive entrepreneurs who are participating in one of the INTERERG-projects, most do not go to any meetings they are invited to and others do not even get invited to the meetings. Reasons not to go to meetings are often that they are too time-consuming and in some cases too expensive in relation to what it ultimately results in.

Subsidies are hardly used by the internationally active entrepreneurs, although they acknowledge that subsidies speed up cross-border activity. Reasons they give for not making use of subsidies is that the subsidies are a too low amount of money, are hard to be eligible for in the case of SMEs, are not necessary at all, or that there are too many conditions and commitments bound to the subsidies. Entrepreneurs that participated in organised business trips to another country, stated that it did not result in cross-border trade, although it did sometimes result in new contacts and knowledge.

One of the entrepreneurs offered the idea that the RCTs should create a Dutch-German network instead of a Dutch network of entrepreneurs. This is actually what the RCT I interviewed is working on: a cross-border project without subsidies, meetings and general information, in which questions and needs are met with detailed information through making new connections in the cross-border network. The strengths of Dutch SMEs will be surveyed and promoted on the German market in order to arouse interest in trade with the Dutch market. Some of the entrepreneurs mentioned how speeches and presentations where the passion of the entrepreneur came forth worked inspiring on them. These talks were not part of the projects of intermediate partners and were not aimed at stimulating cross-border activity, but it is interesting information.

5.2 Aspects that offer opportunities for new government instruments

5.2.1 Aspects that government instruments are aimed at in the present

The overall problem of the INTERREG projects is that they are primarily aimed at entrepreneurs who already have a fully aware decision-making process on cross-border activity and thus choose to participate in the projects. The only way that the projects can have an influence on entrepreneurs, who are in the phase of ease, is by the advertisement for the projects. The new information that is part of the advertisement can be a trigger for entrepreneurs to start a fully aware decision-making process. When this new information is not a trigger for entrepreneurs to visit meetings, the other trigger of new contacts with foreigners will not occur. It thus seems that the way that entrepreneurs are approached to stimulate them to start cross-border trade is essential. This is presently done on the one hand through websites about the projects. This means entrepreneurs have to search for the information themselves, which will not be done by entrepreneurs who are in the phase of ease. On the other hand advertisements are placed in professional journals and in the press, which is a way in which information on projects for stimulating cross-border activity can reach entrepreneurs in the phase of ease. The information that is in the advertisements is then of utter importance in order to persuade entrepreneurs to participate in the projects and visit meetings. The discovered hidden

qualities provide chances to distribute the right information. The manner in which the information is distributed is also an aspect that needs attention. The intermediate actors can have a more active role in approaching internationally inactive entrepreneurs, because as the interviews pointed out, another way to provide entrepreneurs with new information is by someone with related experience or knowledge approaching them for a conversation about cross-border activity.

The meetings that are organized by intermediate actors are aimed at providing information on differences between the two countries and on market opportunities. There is a lot of critique on them though. The information that is given sometimes makes entrepreneurs leave without having moved towards a fully aware decision-making process on cross-border activity. The new contacts can then lead to making this step. Still, the information that is given during the meetings should also be effective. After analysing the interviews it seems that the information should be more concrete and aimed at specific sectors to be effective.

Some INTERREG-projects also aim to stimulate innovation, as Provincie Gelderland itself does too, which can result in German entrepreneurs becoming interested in Dutch products and approaching Dutch entrepreneurs who are not participating in any INTERREG projects. This way the government aims at the trigger of an unplanned increase in contact with foreigners and this focus on innovation should thus also be pursued in the future.

This results in the following points that offer opportunities for improvement (encircled in red in Appendix II):

- There can be an improvement in the information in advertisements, which can be based on the found hidden qualities in this research;
- There can be a more active role for intermediate partners in approaching entrepreneurs;
- More concrete, sector specific information can be provided during meetings instead of giving general information;
- The focus on innovation should also be pursued in the future.

5.2.2 Aspects that government instruments are not aimed at in the present

When looking at the network view in Appendix II, there are still some aspects that are given no attention by the government and intermediate partners. Some of these aspects are not fit to have influence on. Aspects related with the notion that business is going well in the Netherlands so far as a reason for being in the phase of ease, cannot be influenced effectively by the government. This would mean that the government would try to worsen the economical situation in the Netherlands in order to stimulate entrepreneurs to look at opportunities across the border, but that is obviously not an option. Also the preferences of both German and Dutch entrepreneurs to prefer working with familiar partners is an aspect that cannot really be influenced by the government, neither are the German caution in approaching new partners and the large size of the German market.

There are also aspects that get no attention by the government and intermediate partners and that provide chances for new government instruments. There can be more effort in stimulating unexpected conversations about cross-border activity. There seems not to be any effort to take away bad images and therefore prejudices that exist of cross-border activity, but there are opportunities to change this by promoting hidden qualities. Nothing is presently done against the ignorance of German entrepreneurs about the Netherlands. By showing the strengths of the Dutch market to German entrepreneurs, something that the interviewed RCT was planning to do in the future, the Germans can become more interested in trade with Dutch companies. An increase in contact with

foreigners can be stimulated by connecting Dutch internationally active and inactive entrepreneurs more with each other so there is more chance that internationally inactive entrepreneurs are confronted with cross-border trade indirectly by doing business with internationally active entrepreneurs. The insights that cross-border activity is necessary to grow and that spreading risk is important could be given more attention. Also there are chances on the minor aspect of the language of company websites.

The following aspects thus provide opportunities for new government instruments (encircled in green in Appendix II):

- Internationally inactive entrepreneurs can have more unexpected conversations about cross-border activity;
- Promotion of hidden qualities can create an organic image and can prevent prejudices to be of influence on the consideration of cross-border activity;
- Germans can be made more aware of market opportunities in the Netherlands and of differences between the Netherlands and Germany;
- Dutch internationally inactive entrepreneurs can have more confrontations with experiences in cross-border activity, by having more internationally active partners;
- The need to become active across the border in order to keep the company growing and to spread their risks can be made clear to entrepreneurs better.

5.3 Strategic guidelines for future government instruments

In this paragraph I have worked out a strategy that is aimed at acting on the opportunities for stimulating activity across the German border by entrepreneurs from Gelderland, that have come forth in Paragraph 5.2. I have defined a number of guidelines that should be followed in order to better stimulate entrepreneurs to make the step from the phase of ease towards a fully aware decision-making process on cross-border activity. The guidelines are deliberately kept short and to the point. In Paragraph 6.2 I will provide more detailed recommendations, of which these guidelines function as the basis.

- Future government instruments should be specifically aimed at entrepreneurs who only have a minimal form of decision-making process on cross-border activity. Most government instruments that are presently used to stimulate cross-border activity are primarily aimed at the group of entrepreneurs that has already passed the phase of ease. These instruments do not have much effect on entrepreneurs in the phase of ease though. This group requires other ways to stimulate them to start considering cross-border activity and instruments should be specifically aimed at this group.
- Instruments should specifically be aimed at SMEs and not at large enterprises.
- Entrepreneurs should be approached more on the subject of cross-border activity. This way they are confronted with the options more often and may start to consider the opportunities across the border in a fully aware way. The intermediate actors can play an important role in becoming more active in this.
- There should be more attention given to having influence on the image that entrepreneurs have of trade with the German market. The hidden qualities that have been found in this research should be promoted, together with well-known advantages of cross-border trade. This way influence of prejudices can be prevented and cross-border trade can become more appealing to entrepreneurs.

- More concrete and sector specific information should be given during meetings in order to give entrepreneurs the information that they want. The information is presently often too general, which does not trigger entrepreneurs enough to start a fully aware decision-making process on cross-border activity.
- Interest of German entrepreneurs in trade with Dutch entrepreneurs should be evoked by keeping the strong focus on innovation. As innovative products are especially interesting for the German market, there should be a focus on sectors where innovation is already strong. The strengths of the Dutch market should also be visible for German entrepreneurs and the Dutch government institutions and intermediate actors should have an active role in this. The Dutch strengths should be surveyed and presented to German entrepreneurs.
- There should be a better coordination of the activities of institutions that provide information, advice and support on cross-border activity. There is a lot of knowledge on cross-border activity on hand in a lot of different institutions, but for entrepreneurs it is not clear which institution they can approach for which kind of information or support.

6. Conclusions and recommendations

6.1 Conclusions

6.1.1 General conclusions

The following question functioned as the main research question for this research:

How can government instruments stimulate entrepreneurs in making the step from the phase of ease to a fully aware decision-making process on cross-border activity?

In order to draw conclusions with regard to this question, the four sub questions that form the structure of this research will be answered. These answers all together form the answer to the main research question and this way the research objective is achieved. The results can be divided in on the one hand general information and insight in the step from the phase of ease to a fully aware decision-making process on cross-border activity and on the other hand insights that are specific for this case of activity across the German border by entrepreneurs from Gelderland. The general conclusions will be drawn on basis of the first two sub questions in this section. The case specific conclusions are dealt with by answering sub question 3 and 4 in the next section.

1. *What does the theory on the threshold of indifference and the phase of ease mean and how can it be applied to cross-border inactivity of entrepreneurs?*

The term 'threshold of indifference' was first coined by Van Houtum and Van der Velde (2004) in their research on the cross-border labour market. The term means that a large number of people do not have the border in their mindset and thus do not include the border in their decision-making process on taking action across the border. The importance of the unawareness aspect in this term is best phrased by Van Houtum and Van der Velde (2004, p. 104): "In general terms if there is no active attitude to make and value difference there will be no active decision-making with regard to that specific place". This theory builds on Van Houtum's (1999) notion that psychological factors have an influence on people's actions in space. The comfortable space of one's own nation (the national habitus) becomes a space of withdrawal and this bordering of oneself and identifying with the own nation become important motivators for non-action. As a consequence of the power of the national habitus, not everyone is willing to make an optimally informed decision on action, based on differences between both sides of the border. While Van Houtum and Van der Velde (2004) base their theory on the cross-border labour market, this theory can be used to explain cross-border immobility in people's daily lives in general. The threshold of indifference can thus also explain cross-border inactivity of entrepreneurs, as the way they perceive borders can be influenced by psychological factors. It thus seems that the cross-border inactivity of entrepreneurs is not always a choice.

After Van de Griend did research on the threshold of indifference in the Dutch-German border region, he suggested that there is a transitional phase after the threshold of indifference is surpassed and before a fully aware decision-making process is started. In this phase the indifference towards the possibilities across the border makes place for a 'slumbering awareness', in which the entrepreneur is aware of the possibilities across the border, but almost directly shoves the

possibilities away because it is an uneasy option. Van de Griend calls this the ‘phase of ease’, which helps to explain the inactivity of entrepreneurs out of a tendency toward comfort. While possibilities across the border can cause a feeling of unease, the acquaintance with activities inside the own national borders can cause a feeling of ease. The feeling of unease with cross-border activities is not based on actual personal experiences but on expectations and assumptions.

I asked myself the question whether there is a certain threshold or obstacle that obstructs the step from the phase of ease towards a fully aware decision-making process on cross-border activity or that the process is influenced by other factors. This resulted in the hypothesis that there is a certain obstacle or threshold that hinders the step from the phase of ease to a fully aware decision-making process on cross-border activity of entrepreneurs. The hypothesis cannot be confirmed. This research pointed out that there are a number of ease and unease creating factors that are essential in the move from the phase of ease to a fully aware decision-making process on cross-border activity. If there are a lot of factors that create ease with staying active in the national context and factors that create unease with cross-border activity, then entrepreneurs will not make the step towards a fully aware decision-making process on cross-border activity. The black box that I implemented in Figure 3 should thus not be seen as a threshold or obstacle. In order to make the step to a fully aware decision-making process on cross-border activity, the ease and unease that entrepreneurs feel should be lowered to a certain level, where a tipping point is reached. The black box is thus removed from the model, which results in Figure 10. The dotted line represents the tipping point of the ease and unease levels, which makes entrepreneurs move to the next phase. In the answer on the next sub question, I will elaborate on the ease and unease creating factors.

No aware decision	Indifference-factor		
Threshold of indifference			
Minimal form of aware decision-making	Phase of ease		
Fully aware decision-making	Inactivity	Keep-factor	Repel-factor
	Activity	Push-factor	Pull-factor
		Dutch market	German market

Figure 10: The phase of ease in the process of decision-making on cross-border activity (based on Van de Griend, 2011, p. 57)

2. *What causes entrepreneurs to be in the phase of ease and what are criteria for entrepreneurs to move from the ‘phase of ease’ to a fully aware decision-making process on cross-border activity?*

A distinction is made between reasons for entrepreneurs to be in the phase of ease and triggers that can cause entrepreneurs to move from the phase of ease towards a fully aware decision-making process on cross-border activity. Every one of the four border approaches that are distinguished in the theoretical framework, the economic approach, the political-institutional approach, the social-cultural approach and the psychological approach, is recognizable in a number of aspects of the theoretical model. Appendix II provides an overview of all the influential aspects.

Three main aspects that are reasons for the minimal form of decision-making process are derived from the interview data. The first aspect is mostly related with the economic approach. The fact that business is going well in the Netherlands is an ease creating factor that can cause

entrepreneurs to see no reason to consider starting cross-border trade. The second aspect has to do with the ignorance about cross-border trade. A lack of knowledge on market opportunities in other countries and unfamiliarity with differences between the own country and other countries are the main knowledge problems that can cause entrepreneurs not to be active across the border after only a minimal form of decision-making process. The lack of knowledge can also have an influence on the image that entrepreneurs have of trade across the border and this can result in prejudices, based on organic images. This aspect can be related to the political-institutional approach as government institutions are to some extent responsible for spreading knowledge on cross-border activity. Third, entrepreneurs having little contact with foreigners can be a reason not to make fully aware decisions on cross-border activity and this is related to the socio-cultural approach. When entrepreneurs do not get confronted with life and business across the border at such a level that the possibility of cross-border activity becomes part of their frame of relevance, they will not make fully aware decisions on cross-border activity.

The research resulted in a number of triggers that can motivate entrepreneurs to move away from the phase of ease and the triggers are mostly related to the reasons to be in the phase of ease in the first place. First, there are triggers that lower the ease inside the national borders. When future perspectives in the own country worsen, entrepreneurs can get the insight that starting cross-border activity is necessary in order to keep their company growing, as well as the insight that cross-border activity is important for spreading their risk. The other triggers I found have to do with a decrease in unease with cross-border activity. A sudden confrontation with new information on cross-border activity can take away the ignorance about cross-border activity, while an unplanned increase in contact with foreigners can make sure that entrepreneurs are confronted with cross-border activity and this could lead to the border becoming part of their frame of relevance.

6.1.2 Case specific conclusions

3. What are hidden qualities of trade with the German market?

Hidden qualities of trade with the German market have been found by comparing the image that exporting and non-exporting entrepreneurs and intermediate actors have of trade with the German market. Advantages, disadvantages and difficulties of trade with the German market were the examined aspects. This has resulted in the following hidden qualities of trade with the German market, of which the first two are quantitatively backed up the best by the interview data:

- The quality in the products and services that German companies deliver;
- The formal and organized way of working in Germany can be an advantage;
- The global appeal that Germany and the name of a GMBH have;
- The profit that can be made by making good use of the difference in taxation systems;
- The large amount of well-established companies in Germany.

4. What aspects can future government instruments be aimed at to initiate the process of entrepreneurs moving from the 'phase of ease' to a fully aware decision-making process on cross-border activity?

When the existing government instruments and attempts to stimulate cross-border activity of entrepreneurs are analysed, it becomes clear that those are primarily aimed at entrepreneurs who

have already passed the phase of ease and make fully aware decisions on cross-border activity. The only ways in which entrepreneurs that are in a phase of ease are stimulated are related to a sudden confrontation with new information on cross-border activity and evoking German interest in trade with the Netherlands. Through advertisement on websites and in professional journals and other press, new information can reach entrepreneurs who are in the phase of ease. When the new information results in entrepreneurs visiting meetings, the information that is given there can result in them starting to make fully aware decisions on cross-border activity, although the interview data points out that this is not always the case. Otherwise, new contacts that are made during the meetings can result in passing the phase of ease. When the new information in advertisements is not a trigger for entrepreneurs to visit meetings, the other trigger of new contacts with foreigners will not occur. It thus seems that the way that entrepreneurs are approached to stimulate them to start cross-border trade is essential. In the present, intermediate actors have a passive stance in approaching entrepreneurs. The other way in which entrepreneurs, who only have a minimal form of aware decision-making process, are influenced by government attempts to stimulate cross-border activity is through the focus on stimulating innovation in the Netherlands. This can indirectly evoke interest of German entrepreneurs in Dutch products and services.

This leaves a lot of aspects of the theoretical model of Appendix II that are given no government attention. There are thus opportunities for improvement in stimulating entrepreneurs to start a fully aware decision-making process on cross-border activity. These points are summed up here:

- There can be an improvement in the information in advertisements, which can be based on the found hidden qualities in this research;
- There can be a more active role for intermediate partners in approaching entrepreneurs;
- More concrete, sector specific information can be provided during meetings instead of giving general information;
- The focus on innovation should also be pursued in the future;
- Internationally inactive entrepreneurs can have more unexpected conversations about cross-border activity;
- Promotion of hidden qualities can create an organic image and can prevent prejudices to be of influence on the consideration of cross-border activity;
- Germans can be made more aware of market opportunities in the Netherlands and of differences between the Netherlands and Germany;
- Dutch internationally inactive entrepreneurs can have more confrontations with experiences in cross-border activity, by having more internationally active partners;
- The need to become active across the border in order to keep the company growing and to spread their risks can be made clear to entrepreneurs better.

6.2 Recommendations

The conclusions give me the opportunity to make recommendations to further stimulate entrepreneurs from Gelderland to make the step from the phase of ease towards a fully aware decision-making process of activity across the German border. The first recommendation is to follow the guidelines that are formulated in Paragraph 5.3. In the following, I will formulate some more detailed recommendations and ideas that are based on those strategic guidelines.

Foremost, in order to focus instruments specifically on the group of entrepreneurs of SMEs who have a minimal form of aware decision-making process on cross-border activity, instruments

should be aimed at the aspects of the theoretical model in Appendix II that now do not get any attention while they do offer opportunities.

There is an important role for the intermediate actors in acting on the opportunities that the theoretical model offers. They should all be more active in approaching entrepreneurs. There are opportunities for the RCTs especially. As these are people who personally visit companies, they are the perfect actors to approach entrepreneurs more actively on the subject of cross-border activity. They could be given the task to bring up the subject of cross-border activity and encourage entrepreneurs to start thinking about starting cross-border activity by inspiring them with stories about successful internationally active entrepreneurs from the RCT's network. They can also have a role in showing entrepreneurs their need to start cross-border activity if they want to pursue growth with their company as well as their need to spread their risk. The mentality of entrepreneurs can this way possibly be influenced. The access that RCTs have in companies and the level of contact with entrepreneurs thus offers opportunities. I recommend that the RCTs get an extra task of stimulating internationalisation. This can also contribute to the aim of stimulating innovation, as internationalisation can result in more knowledge sharing amongst companies. There could also be a new organisation that focuses on these tasks, as long as it shows similarities with RCTs with regard to their access to personal contact with entrepreneurs.

Making their networks more international can then also be an extra task for RCTs. The options for connection to existing networks of entrepreneurs in Germany should be explored. This way there can be more contact between Dutch and German entrepreneurs. Also, internationally active and internationally inactive Dutch entrepreneurs should be connected with each other more often, in order to make confrontations with experience in cross-border activity occur more often. Another option for building and enlarging networks of entrepreneurs that should be explored, is the use of social media. Social media could offer a way to quickly enlarge entrepreneurs' networks and can possibly be multilingual and this way deal with language differences. Further exploration is necessary.

The idea that the RCT that I interviewed had, to survey the strengths of the Dutch market and actively present them to German entrepreneurs, should be put into practice. This can show the Dutch strengths in creativity and innovations in order to make the Germans interested in trade with Dutch entrepreneurs. As innovative products are especially interesting for the German market, there should be a focus on sectors where innovation is already strong. There is already a strong focus on innovation and this should thus also be pursued in the future. This can contribute to taking away the ignorance of German entrepreneurs about the Dutch market. Again, this should be done actively, as there also seems to be a certain passiveness of German entrepreneurs towards the Dutch market. This ignorance could have to do with an influence of the phase of ease on German entrepreneurs. Doing research from the German perspective has not been an objective in this research. In order to get more insight in the considerations of German entrepreneurs, I recommend to start a research on the phase of ease, that is similar to this one, but is then done from the German perspective.

The hidden qualities that have come forth in this research should be used to have influence on the image that Dutch entrepreneurs have of trade with the German market. The image that entrepreneurs have now, an organic image can be changed through informative promotion into an induced image. The theory on destination images pointed this out and the following quote phrases the idea very well: "The organic image states, 'Here is where they are now.' The more complex image of visitors states, 'Here is where we want them to be, if they are to be attracted here and have a satisfying experience'." (Fakeye & Crompton, 1991, p. 15). The hidden qualities should be used to

create an image that is desirable for the Dutch government in order to make cross-border activity more appealing and to stimulate Dutch entrepreneurs to start a fully aware decision-making process on activity across the German market. This image should then be promoted through the existing advertisement on websites and in professional journals and other press and also by the intermediate partners when they approach entrepreneurs. Influence of prejudices and bad images of cross-border activity can this way be prevented.

An often heard problem in the interviews is that entrepreneurs do not know where to get the information and advice that they need. There are so many institutions that provide services in advice and support on cross-border activity, that it is hard for entrepreneurs to get an exact overview. There should be a better coordination between all those institution that provide advice as there is a lot of overlap. Combining several institutions and sharing the knowledge is an option to be able to give better information and advice. Entrepreneurs can benefit from a better overview over the options for advice by a certain centralisation of the comparable institutions. Another option is to create one central institution that has an overview of all the options and that acts as the first institution to be approached by entrepreneurs when they are looking for information on cross-border activity.

The meetings that are organized by the various intermediate actors should give less general information. When entrepreneurs decide to visit such a meeting, they want to have their own questions answered. The interviews pointed out that this is not often the case. The meetings are presently effective for creating networks, but less effective in providing the information that entrepreneurs are looking for. A solution can be to focus the meetings on specific sectors and give visiting entrepreneurs time to ask detailed questions. Small-scale meetings are probably necessary to make this work. This way it can be prevented that entrepreneurs leave meetings without having moved from the phase of ease towards a fully aware decision-making process on cross-border activity.

A way in which entrepreneurs can get contacted by foreigners more often is by having a multilingual website. Possibly there are some ways to stimulate entrepreneurs to translate their website in German and English. This can be explored, although this is a very specific measure and thus a minor recommendation.

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List of interview respondents

- Ronald Cieraad, Kamer van Koophandel Centraal Gelderland
- Chiel Berndsen, Altop Kunststoftechniek
- Wilco Brinkhorst, W&G Groep
- Maurits van Delden, DeltecEquipment
- Mia Holleman, Food Valley NL
- Remco Janssen, Zinzo
- Saskia de Jong, Laguski
- Sten Knuiman, Promec
- Dick Sas, CCC Projects & Engineering b.v.
- Peter Steens, Fives Trading BV
- Martin Stor, Achterhoeks Centrum voor Technologie
- Harrie Straten, HSI Reclame
- Csaba Szabo, Synergybikes
- Kees Verrips, Imkerij De Werkbij
- Paul Weijers, Reclamemerk

Appendices

Appendix I: Interview guidelines

General questions

What is your function?

What are the company activities? What is the product of service?

For how many years does the company exist?

What is the size of the company? (Number of employees? Revenue?)

Is the company active across the border?

Internationally active entrepreneurs

In what manner are you internationally active? (import/export/cooperation)

Has the company always been active across the border?

- If not, why was your company not active across the border in the past?

Have the possibilities been researched well at that time?

What made you ultimately come up with the idea to become active across the border?

- If so, how did you come up with the idea to start an internationally oriented company?

Did you have sufficient information to start cross-border trade at that time?

Was your international network large enough to start cross-border trade?

Did you get support or information for cross-border trade from another organisation?

- If so, in what way? How was this of influence?

Do you ever get in contact with organisations that aim to stimulate cross-border trade?

Are you familiar with projects/organisations as 2connectbusiness and the Duits-Nederlandse Businessclub?

What do you think of the role of the government and the chamber of commerce in stimulating cross-border trade by entrepreneurs from Gelderland?

What have been difficulties in starting cross-border trade?

Did you expect this? How did you handle this?

Have there also been aspects in starting cross-border trade, which you expected to cause trouble or problems, that were easier than expected?

Hidden qualities

What do you see as advantages of trade with the German market? Were you aware of these advantages before you started cross-border trade?

What do you see as disadvantages of trade with the German market?

Has your image of the German market changed since you have started cross-border trade?

Internationally inactive entrepreneurs

At what market does your company aim? Why this market? What is your position on the market? Is there a lot of competition?

Why are you not active across the border?

Have possibilities for cross-border trade been considered/researched by your company?

- If so, in what way? What were the considerations? Did you ask for help or advice?
- If not, why not? What would be arguments to do this?

What would have to happen/change in order for you to start to really consider cross-border trade?

Are there plans for cross-border trade in the future?

(Suppose you want to start cross-border trade)

Do you have sufficient information yourself about the German market and on how to start cross-border trade?

Are you familiar with possibilities to be guided in this/to get advice on this?

Do you have an international network? Do you have enough contacts to become active across the border?

What do you expect to be difficulties in starting cross-border trade?

Do you ever get in contact with organisations that aim to stimulate cross-border trade?

- If so, in what way? How was this of influence?
- Why are you still not active across the border?

Are you familiar with INTERREG projects?

What do you think of the role of the government and the chamber of commerce in stimulating cross-border trade by entrepreneurs from Gelderland?

Hidden qualities

What do you see as advantages of trade with the German market?

What do you see as disadvantages of trade with the German market?

Intermediate actors

Does your company do anything to stimulate cross-border activity of entrepreneurs from Gelderland?

- If so, how? What are the results? Examples?
- If not, why not?

Do entrepreneurs come up with the idea of cross-border trade themselves or is that an idea/advice of your organisation?

Can you explain the lack of cross-border activity?

What are in your perception reasons for entrepreneurs to start cross-border trade?

Explain phase of ease. Do you recognize the phase of ease?

- If so, how do you explain it? Is your company trying to counteract the phase of ease?
- If not, what is the reason for entrepreneurs not to be internationally active according to you?

What is the trigger for entrepreneurs to start a fully aware decision-making process on cross-border activity? When is this step made?

Has the mentality/personality of the entrepreneur to do with the phase of ease and the ambition to become active across the border?

Are there aspects of cross-border trade, that entrepreneurs expect to be difficult, but that are easier than expected in practice?

In what way have projects (INTERREG) influence on cross-border activity of entrepreneurs?

Which projects are most effective? What is the influence of subsidies?

How can cross-border trade be stimulated better in the future? Through what kind of instruments?

Hidden qualities

What do you see as advantages of trade with the German market for Dutch entrepreneurs?

What do you see as disadvantages of trade with the German market for Dutch entrepreneurs?

Appendix II: Network view of the phase of ease

The theoretical model of the process of moving from the phase of ease towards a fully aware decision-making process on cross-border activity is visualized here. The aspects that are encircled in red are aspects that government instruments are presently aimed. The green encircled aspects offer opportunities for further stimulating cross-border activity in the future. A thin line shows an aspect with minor government attention (red) or a minor opportunity (green).

