

A NEW CAREER IN A NEW TOWN: ENTREPRENEURSHIP AMONG SYRIAN REFUGEES IN GERMANY AND THE NETHERLANDS

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ABSTRACT

The purpose of this exploratory phenomenological research study was to shed light on the structural challenges Syrian refugee entrepreneurs face in Germany and the Netherlands. Eighteen Syrian refugees entering two European cities (Berlin (8) and Amsterdam (10)) were interviewed using semi-structured questionnaires. The questionnaires captured information on stress levels and problems Syrian refugees experienced during mass migration to Germany and the Netherlands.

Five major themes were discovered during this research and analysis: the importance of national identity; the funding options available to entrepreneurs, the previous professions of the refugees and their motivation for starting a business, and their advice in helping other refugees to become entrepreneurs. The results indicated that there are some significant similarities between the refugees in both Amsterdam and Berlin. Nearly all of the refugees came with some form of higher education received in Syria. They tended to mainly come from the larger cities of Damascus and Homs. In most cases, the businesses started were similar to ones they had owned in Syria. A striking finding in the research was that 17 of 18 refugee entrepreneurs did not accept any governmental funding.

Refugee entrepreneurship as a research field is separate from ethnic entrepreneurship and migrant entrepreneurship. This phenomenological study explores and discovers diverse aspects of refugee entrepreneurship which are quite different from research in the ethnic and migrant entrepreneur. This research will demonstrate qualitatively the socioeconomic impact of refugee entrepreneurs in Berlin and Amsterdam, coupled with ethnic-cultural factors not commonly found in other studies. This systematic approach offers current finding and ways forward for the refugee entrepreneur. It is hoped the study can provide current and future refugee entrepreneurs, as well as government and non-government agencies the ideas of the strategies and needed resource required for success. This research fills an essential gap in the literature of refugee entrepreneurs while comparing this research with past findings.

Keywords: Syria, Germany, Netherlands, Refugee Entrepreneurs, Support Systems, Entrepreneurial Strategies.

INTRODUCTION

Germany and The Netherlands have been two of the most popular choices for refugees to resettle from the war-torn society of Syria. This sudden influx of refugees in both Germany and The Netherlands has created a vast amount of societal stress and conflict. This study sheds light on what challenges are being faced by refugee entrepreneurs through an examination of their lived experiences. A European Parliament report on refugees (2017) showed in 2016, the most

significant number of refugees resettled in Germany at 1.4 million, with the Netherlands at 121,744. European cities are critical to help the integration of refugees as Organization of Economic Cooperation and Development (OECD) research found nearly two-thirds of refugees migrates to cities, and the number is rising (2017).

A significant gap in the literature regarding entrepreneurship was found on refugees who relocate to Western Europe and attempt to become entrepreneurs. Through an examination of experiences of refugee entrepreneurs, challenges were revealed, adding to the paucity of literature in this subject. The research also shows how refugees and migrants add their competencies and skills to the local development trajectories of the cities and communities where they settle. Kerr & Kerr (2016) acknowledge that a primary challenge of refugee entrepreneurship is finding both the right community and opportunity for the new business.

Refugees have entered the European Union nations in unprecedented numbers since September 2015 (OECD, 2017). Most of these arrivals, primarily from Syria, will require years of language and skill training, along with cultural education to successfully integrate and become productive members of society. The research from this study explored adult refugees who have successfully mitigated the challenges in their new land through their entrepreneurial initiatives.

LITERATURE REVIEW

Definitions

Defining the construct of refugee entrepreneurship was a significant first step toward establishing a foundation from which to conduct this phenomenological study. Found in the research were the terms ethnic, immigrant, and migrant entrepreneurs; those terms were found to be used synonymously. However, distinctions exist between the three. Volery (2007) stated ethnic entrepreneurship is a set of connections and regular patterns of interaction among people sharing common national background or migration experiences, as originally stated by Waldinger et al. (1990). Immigrant entrepreneurs would only include individuals who have immigrated over the past few decades as migrant entrepreneurs (Volery, 2007) while entrepreneurs are considered migrant if they have been outside their origin country for at least 12 months (Aliaga-Isla & Rialp, 2013). These entrepreneurs have been defined as a first-generation immigrant and have acquired characteristics different from those born in a host country (Aliaga-Isla & Rialp, 2013). Those cultures living in a country for centuries would no longer be considered as an ethnic entrepreneur.

Immigrant entrepreneurs have been further delineated by necessity and opportunity. Necessity immigrant entrepreneurship is defined as those who become entrepreneurs due to obstacles preventing them from having access to the job market in their host country. Opportunity immigrant entrepreneurship is defined as those who freely choose to become an entrepreneur to take advantage of an opportunity (Chrysostome, 2010). Cultural and geographic distances were found to be stronger indicators of where an entrepreneur immigrates rather than an economic opportunity (Crockett, 2013).

Refugee entrepreneurship as a research field is separate from ethnic entrepreneurship and migrant entrepreneurship. This phenomenological study explores and discovers diverse aspects of refugee entrepreneurship which are quite different from research in the ethnic and migrant entrepreneur. This research will demonstrate qualitatively the socioeconomic impact of refugee entrepreneurs in Berlin and Amsterdam, coupled with ethnic-cultural factors not commonly

found in other studies. This systematic approach offers current finding and ways forward for the refugee entrepreneur.

Entrepreneurial Success Factors

In studying immigrant entrepreneur success Efrat (2008) distinguished between financial and non-financial characteristics of those in bankruptcy. Among the barriers faced included language and networking, limited access to affordable credit, and over-concentrated in low-growth industries such as cafés and restaurants. While they had fewer years of education, business experience and operating the business, immigrant entrepreneurs were under-represented in bankruptcy compared to host-nation entrepreneurs. This may be attributed to the barrier of limited access to financial debt (Efrat, 2008).

Further examined in the literature is the significance of immigrant entrepreneurship in Europe, specifically, occupational and industrial orientation of self-employed immigrants within 10 selected European countries. Immigrants are more likely to be in the northern, central, and eastern countries of the EU while natives are more in the south. Also, immigrants were more likely to take on risks (Hermes & Leicht, 2010).

Determining performance conditions for ethnic entrepreneurship has best been described as a dynamic match between local market opportunities and local demand. Three classes of resources for ethnic entrepreneurs include opportunity structure (market conditions and access conditions for entrepreneurship), group characteristics (predispositional factors, such as language and mobilization of resources), and ethnic strategy (development of survival patterns) (Masurel, Nijkamp & Vindigni, 2004). In The Netherlands, second-generation immigrant entrepreneurs are more active in mainstream markets and move from one market to another by the strategic use of ethnicity than first-generation immigrant entrepreneurs (Rusinovic, 2008). Immigrant entrepreneurs tend to seek advice on export questions and have lower survival rates than natives (Yazdanfar et al., 2015). Native German entrepreneurs are pulled into self-employment if it offers higher earnings while immigrant entrepreneurs in Germany are pushed into self-employment when they feel discriminated. Married immigrants are more likely to pursue self-employment, but less likely if they have young children. The earnings of both groups are not much different; however, when immigrants feel discriminated against, they suffer from financial earnings while they receive a premium if they are German-educated (Constant & Zimmermann, 2006).

According to Wauters & Lambrecht (2006), about 75% of new refugees in Belgium consider self-employment, mainly due to their hope to integrate into their new society, but also to be their boss. Those who were previously self-employed, had direct family members self-employed, and were male having a higher chance to become entrepreneurs, although their income will be considerably lower than Belgian self-employed persons.

According to the Global Entrepreneurship Monitor (2017), The Netherlands and Germany are considered as innovation-driven and this may be a driver for refugee entrepreneurs to enter those countries. Further, The Netherlands ranks 12th for perceived opportunities, 28th for total early-stage entrepreneurial activity, 22nd for an improvement-driven opportunity, and 8th for entrepreneurship as a right career choice. In contrast, Germany ranks 40th for perceived opportunities, 63rd for total early-stage entrepreneurial activity, 26th for improvement-driven opportunity, and 53rd for entrepreneurship as a good career choice (Global Entrepreneurship Monitor, 2017).

However, a dearth in the literature exists regarding refugee entrepreneurs even though they are becoming a vital part of the entrepreneurship ecosystem. As the impact of refugee entrepreneurship became less apparent through the literature, a question emerged as to what was assumed to be known of a refugee entrepreneur. The survival rate for ethnic entrepreneurship in The Netherlands is low, partly due to low educational and professional preparation, and lack of entrepreneurial qualification (Masurel et al., 2004). Would the same hold for refugee entrepreneurs? This propelled the phenomenological study into a more profound realm in which reality usurped perception.

RESEARCH METHOD

The main research question guiding this phenomenological qualitative study was: What are the lived experiences of Syrian refugee entrepreneurs in Berlin, Germany and Amsterdam, The Netherlands? Creswell (2009) discussed how phenomenological research facilitates the study of the experiences and perceptions where the entrepreneur's experiences, in addition to the context in which they occurred. Semi-structured interviews of 18 Syrian refugee entrepreneurs (10 in Berlin and 8 in Amsterdam) were conducted October through November 2017. This study's intent was to cast light on Syrian refugee entrepreneurs in Amsterdam and Berlin by focusing on the following areas:

1. Profile of Syrian refugee entrepreneurs in Amsterdam and Berlin
2. Main reasons why individuals decided to open their own business in a new land
3. Challenges facing refugees while beginning and operating their businesses
4. Lessons learned from these entrepreneurial enterprises
5. Strategies for helping future refugee entrepreneurs

Participants

The participants in the study consisted of Syrian refugees who recently arrived in Amsterdam, The Netherlands and Berlin, Germany. This homogeneous group of Syrian men self-identify as being refugees as well as being entrepreneurs in their new land. The refugee entrepreneurs were at least 18 years of age and read/spoke English.

Snowball sampling, a purposeful form of sampling, was used to identify members of the group of entrepreneurs in Amsterdam and Berlin. The sample target is Syrian refugees in Amsterdam and Berlin who are operating their own business. The data collection procedure for this study was interviews, conducted in English, using a 14-question survey (Appendix A). Interviews were conducted and recorded in-person in Amsterdam and Berlin and also over Skype.

Data Analysis

NVivo 10 was used to perform content analysis, extract themes, and present the results in the form of tables and graphs. The analysis identified patterns in the lived experiences of refugee entrepreneurs to include the five major themes found in the research. This study was qualitative and was limited to only Syrian refugees living in Berlin and Amsterdam; therefore, the results are not generalizable to the overall Syrian refugee population in Europe.

Findings

To answer the research question: What are the lived experiences of Syrian refugee entrepreneurs in Berlin, Germany and Amsterdam, The Netherlands, 18 Syrian refugee entrepreneurs (10 in Berlin and 8 in Amsterdam) were interviewed October through November 2017. It is essential to view the entrepreneurial experiences of these 18 Syrian refugees through their day-to-day lived business experiences in Amsterdam and Berlin to gain a first-hand account of their entrepreneurial adventures. Through the responses, five core themes emerged:

1. Importance of their national identity in remembering roots and sharing the culture
2. Whether the refugee entrepreneurs accepted government funding or were self-starters
3. The prior professions of the entrepreneurs
4. Their motivations for beginning a business in a new land
5. The advice they can give other refugee entrepreneurs based upon their experiences

Theme 1: Demographics and the Importance of National Identity

Responses for the length of stay in the new country (Germany or The Netherlands) ranged from 10 months to three years. Syrian refugee entrepreneurs were from Aleppo, Palmyra, Homs, and Damascus. Others were from refugee camps in Jordan, Turkey, and Greece. One participant previously lived in Dubai and the United States. All 18 respondents were Syrian men, and the age range was 19-55 years of age. The majority of participants, 56%, had 11 to 20 years of work experience. An overwhelming majority, 83%, were sole proprietors while the remaining 17% had a partnership. Half of the participants had 11 to 20 employees. Sixty-seven percent had a high school education level, with 28% University education, and 6% post-graduate (Table 1).

CURRENT COUNTRY	FREQUENCY	PERCENTAGE
GERMANY	10	56%
THE NETHERLANDS	8	44%
PREVIOUS RESIDENCE	FREQUENCY	PERCENTAGE
SYRIA		
REFUGEE CAMPS		
DUBAI & QATAR		
UNITED STATES		
GENDER	FREQUENCY	PERCENTAGE
MALE	18	100%
AGE (YEARS)	FREQUENCY	PERCENTAGE
<20	1	6%
21-30	3	17%
31-40	10	56%
41-50	3	17%
>50	1	6%
WORK EXPERIENCE (YEARS)	FREQUENCY	PERCENTAGE
<5	2	11%
6-10	4	22%
11-20	10	56%
>20	2	11%
OWNERSHIP TYPE		
SOLE PROPRIETOR	15	83%
PARTNERSHIP	3	17%

FUNDING		
SELF-FUNDED	12	67%
SUPPORT FROM FAMILY	2	11%
LOAN FROM BANK	2	11%
WEBSITE DONATIONS	2	11%
GOVERNMENT FUNDING	0	0%
NUMBER OF EMPLOYEES		
1-10	7	39%
11-20	9	50%
>20	2	11%

Theme 2: Funding Options

Twelve of the 18 businesses, 67%, were self-funded and the others received funding from family (11%), bank loans (11%), and website donations. Surprisingly, none of the entrepreneurs received government funding. This would support Efrat (2008) that [immigrant] entrepreneurs are under-represented in bankruptcy due to limited access to financial debt. Specific responses included:

1. (Participant 1) I started out in the Netherlands with money I saved up from my other businesses and jobs in Damascus, Syria.
2. (Participant 2) I am staying away as far as possible from loans because I have seen how a lot of people want to help you, especially large organizations, but the problem is the money they throw at you has so many strings attached-they tie you with it.
3. (Participant 9) We needed to rely on our Syrian refugee friends. Someone could do some electric, others were carpenters. It's a real family feeling when building the business.
4. (Participant 13) I only needed my computer and the Internet to set up my IT consulting.
5. (Participant 18) I had many fresh fruits and vegetables stands in Damascus. I sold them all in order to leave Syria and come to Europe.
6. (Participant 10) The restaurant was paid for by my family and my savings. We did not wish to take money from the government. Not taking money from government sources was common through all study participants.

Theme 3: Prior Profession

This research included information on the previous profession in the refugee entrepreneur's home country and was followed up with discussion on their current business profession and experiences. Some of the entrepreneurs began completely new businesses outside of their professional areas of expertise; however, others began businesses utilizing the industry knowledge of prior professions, such as restaurants, fruit and vegetable vendors, and clothing shops. Two subthemes with professions emerged, a sense of community and culture.

(Participant 2) Damascus is the oldest, inhabited capital city in the world. Old houses would be turned into restaurants. I wanted to do something like that here in Amsterdam. It is part of our culture. This gives you a good feeling, a feeling of family.

When it comes to culture, the refugees wanted to share it with others, as Participant 3 stated we all have something to present. Culture can act as a sense of community, learning from others. (Participant 1) In Istanbul, I started my café and cultural centre because I think it is important for the community and for different nationalities from all over Europe, many of them young people, they need an opportunity to present themselves and my business is open for everyone to present themselves.

Theme 4: Motivation for Beginning a Business

The Syrian refugee entrepreneurs in the sample were asked what their primary motivations was to become a business owner in either Amsterdam or Berlin. Five subthemes came from the questioning of motivation and goals, with crossover in other areas. For instance, family, while a motivator of focus, was also discussed in other areas, such as work ethic. According to Constant & Zimmerman (2006), immigrant entrepreneurs in Germany are pushed into self-employment when they feel discriminated. None of the participants in this study discussed feeling discriminated against; thereby, countering earlier research. A differentiator could be between immigrant entrepreneur and refugee entrepreneur. Perhaps local natives have different perspectives of immigrants versus refugees (Table 2).

MOTIVATOR	FREQUENCY	PERCENTAGE
HELP OTHER REFUGESS	8	44%
WORK ETHIC	8	44%
MENTOR OTHERS	5	28%
SHARE CULTURE	5	28%
USE SKILLS AND KNOWLEDGE	5	28%
PROVIDE FOR FAMILY	4	22%

Help Refugees

Helping other refugees was a major motivator for refugee entrepreneurs by being able to show new refugees how to start-up in a new country.

Mentor Others

Many refugees stated they wanted to be an example to other Syrian refugees, a place as an example to other Syrian refugees in Amsterdam or Berlin, that they also could start a business. Some felt the calling to be a mentor early on in the refugee camps.

Share Culture

For most participants, imparting cultural knowledge onto their new countries was essential. As Participant 1 so pointedly stated, we want to inspire all people; the world is a place for all the people. It was also discovered the Dutch were open to supporting and helping the Syrian refugees. Both cultures learn from each other. What I learned in the past six or eight months is that I am having around 90 percent locals; I do not have many tourists. In return, the refugee entrepreneurs help with the communities and charities. I learned about the beautiful people around the world by opening this restaurant.

Work Ethic

None of the participants wanted to accept money from the government of their new country as funding for their business. Most of the participants had the same thoughts shared by Participant One, who stated; we don't expect or want 300 or 400 Euros a month from the government. We want to work, earn money and pay taxes.

Provide for Family

All refugees made comments with regards to their family in some way.

Theme 5: Advice for Other Refugee Entrepreneurs

The final area from the research concerns the advice given to other refugees who are interested in beginning a business. All of the refugee entrepreneurs in this study are actively helping new refugees become successful in their business pursuits (Table 3).

Advice for other Refugee Entrepreneurs		
ADVICE	FREQUENCY	PERCENTAGE
WORK HARD	14	78%
HELP OTHERS	10	56%
REASON TO START A BUSINESS	8	44%
BE ORIGINAL	8	44%
BE PASSIONATE	8	44%
SHARE YOUR CULTURE	8	44%
DREAM	6	33%
DO NOT RELY ON GOVERNMENT	6	33%
BE FLEXIBLE	5	28%
STAY TRUE TO YOUR VALUES	4	22%
FILL A NICHE	3	17%

CONCLUSION AND DISCUSSION

Avenues of opportunity are often paved for those without hope. With the advancement of technology, social media, and the Internet, global issues are not so localized to a specific country anymore. What affects one country or society, affects another in some form, whether directly or indirectly.

Throughout this study, some of the following questions were unanswered or unexplored. What are the similarities among Syrian refugees?

1. What are the key motivators behind Syrian's decision to start their own businesses?
2. What are the specific challenges faced by them while starting and operating?
3. What kind of support mechanisms can be provided, social and financially, in The Netherlands and Germany, to included non-governmental and governmental agencies?

While the literature was currently lacking specifically for refugee entrepreneurs, one overarching similarity emerged with this study-funding. Participants from this study relied on self-funding (67%), support from family (11%), bank loan (11%), and website donations (11%); none relied on government help. To date, this trend seems to hold true whether the entrepreneur is refugee, ethnic, or immigrant. However, further research is needed to support this claim.

Participants did seem to pay attention to opportunity with market conditions and access conditions for entrepreneurship as all settled in areas thought brought opportunity, such as being located in the center of Amsterdam, which aligns to Masurel et al. (2004). Language and mobilization of resources, however, did not seem to hinder this group of refugee entrepreneurs.

Further research to include these specific characteristics would be encouraged to deepen the understanding of this group.

Taking on risks is often seen as a characteristic of being an entrepreneur. Hermes and Leicht (2010) found this supported their research of immigrants. In contrast, this current study's participants did not discuss risks associated with being a refugee entrepreneur. They felt success was within their reach and all are there to help each other. Additional research should include an investigation focused on risks.

While further research should be done to help learn more about this group of entrepreneurs, Overall, this study brought to light an emphasis on sharing cultures and being open to all in their host country; the participant refugee entrepreneurs very much wanted a community feel. Family was an important aspect to their success as well as helping others and being a mentor to other refugee entrepreneurs. Entrepreneurship continues to be a foundation of business in countries as refugee entrepreneurs become a vital part of the entrepreneurship ecosystem.

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APPENDIX

Questionnaire

1. Where are you from and how long have you lived here?
2. Have you received funding for your business?
3. What was your profession in your home country?
4. What is your education background?
5. What was your primary motivation for starting a business?
6. Did you write a business plan?
7. What were your goals at the time you started your business?
8. Did you feel prepared to start the venture at the time you started it?
9. How long was a typical work day and work week when you first started your business?
10. Was there a time when you knew the business would be a success?
11. How have your goals and values changed since starting the venture?
12. Did the assumptions you made when you first started the business prove to be correct?
13. What key learning conclusions did you make along the way?
14. What advice do you have to other refugees who want to start a business?

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