

An Investigation into Small Business Activities of Croatian Migrants in Australia

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Declaration

I, Miro Ljubicic, declare that the Doctor of Business thesis entitled ‘An Investigation into Small Business Activities of Croatian Migrants in Australia’ is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references, and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature:

Date: 25th March, 2014

Dedication

I wish to dedicate this dissertation to my loving partner, Gordana Dujmic. You have always encouraged and inspired me to be the best that I can be.

Acknowledgements

The completion of this research degree and the journey undertaken has been immensely challenging and equally satisfying. Reaching this point would not been possible without the support and encouragement from many individuals and organisations.

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Miro Ljubicic

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List of Publications and Conference Presentations

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Abstract

Small and Medium Sized Enterprises (SMEs) play a substantial role in the Australian economy. They are the key generators of employment and income, and drivers of innovation and growth (OECD 2009). In Australia, the growing participation of ethnic minorities in self-employment has been a noticeable feature of the small business arena, and has remained a topic of considerable contemporary relevance.

In the context of migrant entrepreneurship, several scholars have highlighted the impact of different migrant group cultures on entrepreneurship. They emphasise the importance of values such as social or business attitudes, close family and religious ties and trust, all of which enable some immigrant groups to compete successfully in business.

A substantial literature of ethnic business involvement exists, but comparable literature of Croatian migrants and their role in local community business development is very sparse. The objective of this research is to analyse the phenomenon of ethnic business creation amongst the Croatian ethnic community in Australia. The main emphasis is on finding the motives for the actual process of starting a business, focusing on differences between two different arrival groups, which I have called the early arrival and later arrival groups (pre-90s and post-90s). Furthermore, the study explores the migration experience of these two groups in Australia, concentrating on the fact that the two groups are from different socio-economic backgrounds and are thus affected in different ways.

This research also examines the theories of ethnic small business development and identifies their applicability and relevance to the development of ethnic Croatian small businesses in Australia.

In exploring the historical and contemporary dimensions of Croatian-immigrant community self-employment in Australia, this research draws on the growing literature relevant to immigrant entrepreneurship in Australia and the literature relating to the impact of globalisation on western economies.

This thesis presents a brief history of the important role of immigrant entrepreneurship and self-employment in Australia before presenting data obtained from the 35 participants that were interviewed. It goes on to summarise the key findings of the study, with a particular emphasis on the ways that the Croatian minority group in Australia draws on social and ethnic resources.

The findings of this study enabled the development of a new theory and model for ethnic business creation (The SEI-model) that links small business creation processes with success. This study reveals that pattern identification plays a pivotal role in the entrepreneurial opportunity-identification process. However, most of the motivating factors experienced by these Croatian immigrant entrepreneurs are similar to entrepreneurs in general and are both positive and negative.

This thesis presents as its conclusion that the emergence of ethnic small business can be related to the relationship between the cultural and social characteristics of different groups together with the circumstances of their arrival and settlement.

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Small Businesses and Australian Migrant Contributions

1.1 Introduction

As of June 2009, there were 2,051,085 actively trading businesses in Australia. Of these, around 96% (1,961,337) were small businesses, more than 3% were medium-sized businesses and less than 1% were large businesses (ABS, 2011). A further investigation of the small business sector indicated that “non-employing businesses” represented the largest grouping, accounting for 60% (1,230,282) of total businesses, followed by “employing micro businesses” (defined as having 1–4 employees) which accounted for 24.2% (497,098 employees) and the remaining small businesses (defined as 5–19 employees) accounted for 11.4% (233,957 employees) (ABS, 2008).

Although these figures are taken from slightly different time periods, they clearly show the significant and perhaps surprising effect that small businesses have on Australian trading business activity. They contribute the largest proportion of business entities within Australian business, and as such are clearly an essential component of the nation’s economic structure. A corollary of this observation is that small businesses, as a grouping, contribute a significant proportion of Australia’s GDP. Data sources show that almost half of the employment figures due to industry are attributable to small business, with 4.8 million people employed in 2009–10. Furthermore, in 2009–10, small business revenue contributed over one third of the industry “value added” figures (ABS, 2011).

One obvious implication of these observations is that the nation’s small business activity requires careful and specialised understanding to preserve its key role in raising national revenue. It is argued that the processes of setting up, running and maintaining small businesses are different to those in medium-sized and large businesses, and, in particular, the quick revenue turnover of small businesses, a product perhaps of their specialised focus, presents industry with problems that are not well administered (Bickerdyke, Lattimore, & Madge, 2000; DIISR, 2011, 2012; Lepoutre, & Heene, 2006; Reijonen, 2008). Thus, this study, which is related to aspects of small business generation, will provide a useful and timely contribution to the understanding of ethnic entrepreneurship in Australia, considerations which are particularly important in the current financial climate.

At this time in Australia, as indeed across the world, there is a growing concern regarding general economic and industrial stability. The Global Financial Crisis of 2007–10 has underscored the need for continued and vigilant concern with the business sector (DIISR 2012), both at government and community levels. Whilst Australia has been relatively fortunate in avoiding some of the worst effects of this crisis, there are, however, a number of vulnerable social factors, such as the increase in population from migration, the changing professional background of the populace, their entrepreneurship preferences as well as cultural and religious beliefs which are particularly apposite to the Australian context. In this regard, many of these factors impinge upon the viability and success of small businesses, and such disruption is of especial concern because of the potential effect on national economic stability (Barringer & Ireland, 2008; Buttner, 2001; Chrysostome & Lin, 2010; Collins, 1995; FECCA, 2009; Makhbul, 2011).

Because of the relatively late European historical development of Australia, it is not surprising that one of the most sensitive continually changing social factors is the increase in population from migration. Particularly in the post-WWII period, migration has catalysed a significant change in the domestic social demand for services and goods, and has also altered export potential in a number of key areas. There has been a significant increase in the Australian population due to immigration from a range of countries. Indeed, Australia is now a very diverse country, receiving migrants from more than 200 countries across the world. As a result, Australia's population has grown to more than 23 million, whereas without expanded migration policies it would be only 13 million. This has meant that, today, nearly 27% of the population are first generation migrants, 20% are second generation migrants and more than 53% are either migrants or the offspring of migrants (ABS, 2011). The magnitude of this social change not only implies a large change in traditional conditions for goods and services, but it has potential effects on the quality of life and degree of community wellbeing (Jupp 1991; 2001; McMaster 2001; Walsh 2001).

Migration has thus been an important influence on contemporary Australian society. Furthermore, as suggested by Kaplan (2010), when you bring more people into the country there is more production, more demand and most certainly more wealth created, since migrants

are also big contributors to economic growth.¹ In this respect, Commonwealth budgetary figures for 2009–10 (DIAC, 2012) showed that the net economic contribution of migrants was around \$880 million in their first year. This demonstrates that, as immigrants settle into their new home, their capacity to build national economic prosperity increases. Recent analysis of the migration program has indicated that over the first 10 years of settlement, migrants will provide a net fiscal benefit of over \$10 billion (DIAC, 2012).

The recognition of the economic and social importance of migration and its potential contribution to Australia's economic needs, led to immigration policy in the 1980s, to be changed in favour of skilled migration. This change was largely aimed at improving the labour market outcomes for immigrants (Collins, 1991). Current preference for skilled migration has helped to buttress the economy against the Global Financial Crisis. Between June 2008 and June 2010 migrants accounted for 63% of job growth during that period with 79.3% workforce participation rates for those who had arrived within the six months prior, compared to 65.3% for the national average. Skilled migrants averaged a 95% participation rate (ABS, 2011).

It is also evident that immigrants not only affect the demand side of Australia's economy but also the supply side of the economy.² They contribute through such activities as their own spending (food, housing and leisure activities), their business expansion (investment to produce extra goods and services), subsequently expansion of government services (health, education and welfare) and their contribution to the labour force. Importantly, and of relevance to this investigation, immigrants also bring new skills and capital into Australia, they develop new businesses, contribute to technology and add productive diversity through knowledge of international business markets.

However, a somewhat contrary view is given by Paul Sheehan (2010), who suggested that by far the greatest beneficiaries of high immigration are the immigrants, not the native population. Sheehan states that high immigration lowers per capita productivity growth which is a key to sustainable growth. In particular it: (i) retards the growth of per capita wealth; (ii) accelerates

¹ This is not to downplay the important contribution to human development, in both the home and host countries, and the enrichment of societies generally through cultural diversity, and fostering understanding and respect among peoples, cultures and societies.

² Like all Australians, migrants pay taxes too, and receive benefits and goods and services from the government. Research shows that overall, migrants contribute more in taxes than they consume in benefits and government goods and services. As a result migrants generate surpluses for government (Hugo, 2005).

the rate of food importation; (iii) accelerates the increase in urban overcrowding and traffic congestion; (iv) increases Australia's greenhouse emissions per capita; and (v) lowers Australia's food security.

Notwithstanding these comments, it is clear that whilst many migrants participate in the labour market as employees, they also contribute to the economy as self-employed business persons. Light and Rosenstein (1995) suggested that this is the case in many high immigration countries such as Australia, Canada and the United States, where immigrants manifest a higher rate of self-employment and entrepreneurship than their non-immigrant counterparts. A report compiled by "The Partnership for a New US Economy" (2012) suggested that the rate at which immigrants start new businesses grew by more than 50% between 1996 and 2011. In the Australian context Liebig (2006) argued that there is value in assisting migrants to start their own businesses as it also supports newer migrants in obtaining employment. Research conducted by the Refugee Council of Australia (2010) indicated that migrants from non-English-speaking backgrounds are comparatively more successful at establishing small business enterprises and have lower rates of failure when compared to Australian-born entrepreneurs and migrants from English-speaking backgrounds. This finding was based on 2002 research which assessed a small business start-up program and found that many new enterprises started by migrants were still in existence two years after the program activities ceased. In Australia 25.8 per cent of all self-employed are foreign-born, higher than all the major OECD countries other than Luxembourg (OECD 1998, p. 36). Similar research was conducted previously, and the findings were found to be consistent (Lever-Tracy, Ip, Kitay, Phillips & Tracy, 1991).

It is also clear that such contributions add significant value to Australian society, and more detailed analysis indicates that a large number of SMEs in Australia are owned and run by people from ethnic minority communities, possibly because many migrants are traditionally inclined to be self-employed (OECD, 2010). Liebig (2006) indicated that approximately 25% of the workforce in Australia is foreign born, and many are small business operators. In total they own and operate some 33% of small business (ABS, 2011). This demonstrates the significant involvement of migrants in small and medium enterprises in supporting the Australian economy, both locally and internationally through exporting goods and services, mainly through dealings with the home country (Collins, 1997).

Consequently, the contribution of migrants to the small business sector underlines the importance of ethnic business activities. However, this phenomenon of migrants being attracted to, and being successful in small businesses, is currently not well understood, and if this is to be a growing feature of the Australian trading activity, there is a growing need to understand the nature and level of entrepreneurial operations within ethnic communities (Theophanous 1996). Indeed, until the last decade, almost no research had been undertaken in Australia on the motivation of these immigrant groups in becoming self-employed. In particular, there has been little understanding of those groups that are relatively less represented in the Australian population. What contributes to the importance of this issue is that many different ethnic groups are represented in Australia's small business community, and each community has specific needs. Therefore, in order to sustain this varied and rich involvement of migrant groups in small business, it is important to understand their specific needs in order to provide assistance and stability to this essential area.

Although, some work has been conducted, continuing development of research is necessary to further clarify that: (i) the strengths and resources are precursors to the establishment of successful small business enterprises; (ii) the economic and social contributions these businesses make to the Australian community; (iii) the specific problems encountered in the establishment, conduct and continuance of migrant-owned enterprises; and (iv) most importantly, how these issues can be tackled by rational and equitable policies. Other countries, such as the European Union member countries, Britain and United States of America have carried out relatively extensive research in the last decade, looking to find out why some immigrant or minority groups have had higher rates of business involvement compared to others who having lower representation rates (Aziz, 1995; Chavan, 2000; Collins & Low, 2010; Zhou, 2004), and this work will be of significant benefit to this investigation.

It is anticipated that a better understanding of this phenomenon of small business activity by migrant groups might allow better support of this area, ensuring both a strengthening of Australia's long-term economic position and the development of a more integrated and harmonious society.

The following terms will be used throughout this thesis and are defined here:

Migrants: defined as persons who have moved from their birth country to another country.

Minorities: A small group of people within a community or country, differing from the main population in race, religion, language, or political persuasion (Oxford Dictionary <http://www.oxforddictionaries.com/>).

Immigrant: defined as a person who comes to live permanently in a foreign country.

Ethnic Minority: see minority above.

Co-Ethnic: a person who is sharing a common and distinctive culture, religion or language.

1.2 The Case of Croatian Migration and self-employment

In 1851, after the discovery of gold in Australia, the first group of Croatian migrants arrived. Many worked on the goldfields, however, some worked as labourers, some worked as seamen, others were caterers. By 1890 more than 450 of them were living in Melbourne, Victoria. The fruit growing industry was very attractive to them and by the 1920s many moved to Mildura and worked in the fruit growing industry. During these times there were many displaced people in Australia, and Croatians were among the larger numbers. During 1960s and 1970s there was growing unemployment and deteriorating economic condition, forcing many Croatian migrants to move to the main cities. Many new arrivals in the 1970s came under the family reunion program. When the conflict erupted in the former Yugoslavia in the 1990s many Croatian migrants fled their homeland and settled in Victoria (Sutalo 2004).

It has been observed (Sutalo, 2004) that one migrant group that has been particularly successful in Australian business are the Croatian migrants, whose contributions to the economy are well beyond their proportion in society. There are close to 49,000 Croatian-born immigrants living in Australia who participate in labour market outcomes either as employees or self-employed business people (ABS, 2011). Of interest to this investigation is that a large percentage of Croatian migrants in Australia are self-employed. Furthermore, out of the 20 countries most often the source of migrants destined for Australia, Croatians occupy tenth place, at 8.4%, when measured by the proportion of people in business. This proportion is more than those from India, 5.8%, which was Australia's number one migrant-source country in 2012, and also more than those from Greece, 7.9%, Japan, 7%, and those who are Australian-born, 7%. A large proportion of Croatian-ethnic businesses (57%), employ other staff, again demonstrating the significance of the Croatian community in supporting the Australian economy (ABS, 2011).

This contribution is not a recent phenomenon. Croatian arrivals to Australia began in the 19th century and this movement has continued to the present day. According to Collins (1991) and Kipp, Clyne, and Pauwels (1995), Croatians form one of the larger migrant communities in Australia (Collins, 1991; Kipp et al., 1995). This claim may seem surprising, however it is explained by Colic-Peisker (2008) that until recently (1991), Croatians were recorded as being part of Yugoslavia, and thus their numbers were conflated because they were being combined with migrant Slovenians, Serbians, Montenegrins and Bosnian and Herzegovinians.

In addition to this masking effect, Jupp (1998) deliberated about the impact that various groups of migrants have on the social landscape of Australia, stating:

In view of the prevailing social attitudes to migration and immigrants, it is no surprise that in the first half of the twentieth century the small communities of Jews, Italians, Greeks, Germans, Chinese, Maltese and Croatians were usually self-effacing and unobtrusive (pp. 101).

This statement suggests why the Croatian migrant group was a relatively invisible minority, and further implies that they have fitted very well into their host society.

Further examination of the available data shows that a large number of Croatian settlers to Australia who arrived between 1946 and 1960 had a high representation in small business involvement, which was higher than the proportion of Australian-born entrepreneurs (ABS, 2006). These observations have not been emphasised before, and it is anticipated that a scholarly case study of the characteristics of this group will provide significant insights into the establishment, conduct and development of small businesses amongst migrants generally in Australia.

This study looks at the self-employment experience of two cohorts of Croatian migrants in Australia focusing on the fact that they arrived at different economic and political times and are non-English speaking background (NESB) migrants. The first group migrated in the 1960s and were primarily working class; the second group migrated from the late 1980s and were primarily professional. It is debated that living in another country where language is different to their native affects migrants in practical, cultural, identity and status terms. This determines their life chances, employment prospects and the feeling of belonging to the Australian community. However, the two groups of migrants, being from different socioeconomic backgrounds, are affected in different ways (Colic-Peisker 2002).

1.3 Research Proposition

This study aims to gain an understanding of the experiences of Croatian-born migrants in Australia who operate a small business. Whilst the literature in general discusses those groups that are largely represented in small business, other minority groups seem to be neglected with respect of being self-employed or employing others. These Croatian-born migrants in Australia are rarely specifically talked about with regard to their entrepreneurial inclinations. Therefore, there is a gap in our current knowledge regarding migrants' motives behind starting their own businesses and the applicability of prior theories that have been proffered to explain this phenomenon. Contemporary research indicates that there are two different groups of Croatians who have arrived in Australia (Colic-Piesker, 2006), thus it would first be useful to know if there are any differences between the two different cohorts regarding their entrepreneurial intentions. This study involved an exploratory first stage engaged in providing a systematic body of knowledge relating to Croatian business involvement in Australia. Further, the study explores whether Croatian business start-ups stem from observing others in business and whether they are followers or innovators.

1.4 Aim of the Research

The main question directing the research intention is: "What factors led Croatian-born migrants in Australia to choose to operate a small business." Subsidiary questions co-exist: "Are any existing social theories of ethnic small business applicable to Croatian small business involvement"; and "Is there any difference between two different arrivals, early arrivals and later arrival groups" as suggested by Colic-Peisker (2006).

1.5 Business Definition

The definitions of a small business operator are rather unclear and intuitive. Some, like Fair Work Australia (FWA), define small business on the basis of number of employees, while others, like the Australian Taxation Office (ATO), look at the annual revenue of the business. Financial institutions, in contrast, take into account a number of different criteria such as the loan amount, number of employees and revenue in order to define small business (Council of

Small Business Australia – COSBOA, 2011). These inconsistencies regarding the definition of small business make things awkward in particular when cross-country and cross-report comparisons are being made. According to the OECD (2012) report, the number of employees should give an indication as to whether the business is micro, small, medium or large.

For statistical purposes, the Australian Bureau of Statistics (ABS) defines a small business as an actively trading business with 0–19 employees. Micro businesses are small businesses with 0–4 employees. Actively trading businesses are businesses that have an Australian business number (ABN) and are actively remitting in respect of a goods and services tax (GST) role (or are businesses that are monitored directly by the ABS and are determined to be “active”). The ABS defines a medium-sized business as an actively trading business with 20–199 employees, and a large business as an actively trading business with 200 or more employees.

For the sake of defining a small business operator, this study uses the ABS definition of number of employees as the measure of whether the business is micro (less than 5 employees), small (5–19 employees), medium (20–200 employees) or large (more than 200 employees).

1.6 Overview of Chapters

This thesis is divided into six chapters. Chapter One has outlined the broad summary of the study and explained its aims and intentions. It has briefly discussed the different definitions used for small business, and proposes a specific definition for the purpose of this study. This chapter also provided background and justification to the research, in particular why it is considering the motivational factors which underlie migrants choosing self-employment over other types of employment.

The literature review of immigrant self-employment is discussed in Chapter Two, which begins by looking at the phenomenon of migration in general. However, the bulk of this chapter deals with the concept of “ethnic small business” and closely examines previous studies related to migrant business involvement. This chapter also discusses aspects of the difficulties in the labour market and its effect on people’s perceptions and behaviours which have been observed previously. In this discussion, the different motives that contribute to migrants choosing self-employment are delineated, and a number of conceptual theories which have been developed about immigrant entrepreneurship are presented.

Details of the research methodology, project design and data collection are outlined in Chapter Three. This chapter justifies the selection of these approaches and describes the data collection and analysis methods used. This discussion includes an account of the ethical issues faced in the data collection and reporting phases, and notes the steps taken to minimise any potential ethical problems.

Results of the study are presented in Chapter Four. These results have been presented with the help of tables, figures and quotes of the participants interviewed, and the information so collected has been neutralised to ensure that anonymity and confidentiality agreements have been respected at all stages. This reportage of results is followed by an in-depth discussion of the findings, and constitutes the bulk of Chapter Five. Continual reference to the relevant literature is made throughout this discussion in order that the concordance or deviation from previous studies can be made.

Chapter Six concludes the thesis, with the research question and sub-questions answered separately. This final Chapter includes a detailed discussion of the limitations of the study and posits areas for further research before presenting a closing statement.

Literature Review

2.1 Introduction

This chapter begins with a discussion of the literature related to economic effects of migration, particularly as applied to the evolution of the Australian economy. This economic contribution of migrants is particularly focussed upon their traditional role of as employee versus the more entrepreneurial choice as self-employed in a small business. The possible factors influencing migrants to be self-employed are looked at and discussed broadly, and traditional and contemporary theories about entrepreneurship are examined and elaborated.

Relevant literature which was thought to be applicable to this research involved a systematic inspection and review of the following electronic databases. These databases were accessed through the Victoria University library, and included:

Australian Bureau of Statistics, Business Collection, Business Source Complete, CEPR's (Centre for Economic Policy Research) Discussion Papers, Ebook Library (EBL), Emerald, Eurostat (European Commission), Global Economic Monitor (GEM), IngentaConnect,

International Labour Organisation (ILO), JSTOR Arts and Sciences Collections, National Bureau of Economic Research (NBER), OECD Library, Oxford Reference Library, ProQuest Dissertations & Theses database (PQDT), Regional Business News, Sage Premier, ScienceDirect, Social Science Research Network (SSRN), Springer Reference Collection, SpringerLink, and the World Trade Organization (WTO).

Searches for information were also conducted via the popular search engines Google, Google Scholar and AltaVista. Keywords used to locate relevant literature included, but were not limited to, the following:

Entrepreneurship, small business, self-employment, economic contribution, immigrant small business, migration, self-employment motivation, entrepreneurial theories, migrant discrimination, immigrant assimilation and acceptance, culture, culture differences, culture and entrepreneurship, migrants in Australia and their contribution to Australian economy, immigrants' way of living in Australia, migrant networks, migrant business finances, migrant spread in various industries.

Articles that were identified as relevant and useful to the research were noted both for the article itself and the published journal within which it appeared using the American Psychological Association (APA6) reference system. Journals searched and used in this project included, but were not limited to, the following:

- Journal of Small Business & Entrepreneurship
- Journal of Entrepreneurship
- Journal of Business Venturing – Elsevier
- International Journal of Entrepreneurial Venturing
- International Entrepreneurship and Management Journal
- International Journal of Entrepreneurial Behaviour and Research
- International Journal of Entrepreneurship and Small Business
- International Small Business Journal
- Journal of Developmental Entrepreneurship
- Entrepreneurship Theory & Practice Journal
- Labour and Management in Development
- Journal of Labour Economics
- OECD Social, Employment and Migration Working Papers

Substantial emphasis in the review is placed on observed employment barriers in the host country. Since self-employment and other types of employment are at the core of this discussion, the literature examined concentrates on people's contribution to host country's economic development, in particular those contributions of Croatian migrants to the Australian economy. This section brings together all the elements of this discussion by considering the empirical evidence and theoretical understandings in order to determine the current understandings of the motivation behind Croatian immigrants to become self-employed in Australia.

2.2 Case of Croatian Migrants in Australia

A substantial number of Croatian migrants are residing in Australia and are continuing to significantly contribute to its economic development (ABS, 2006). It is a matter of record that Croatian arrivals to Australia began in the 1850s, where early migrants were working on the Victorian gold fields, and a constant flow of migrants has continued to the present day. Because Croatia was part of former republic of Yugoslavia, for many years separate data on Croatian-born migration was not recorded prior to the Australian census in 1996 (DIAC, 2009), where for the first time Croatian born migrants were included as a separate group.

Recent studies use the term "chain or serial migration" describing network migration. Networks can be defined as clusters of relational ties that connect migrants, earlier migrants, and non-migrants in origin and destination areas through links of relationship, friendship, and shared community membership (Johnston et al., 2002; Massey et al., 1993). The enabling role of such "family and friends networks" makes it extremely difficult for governments to exercise control over migration. Network connections are a form of social capital that people draw upon to gain access to employment in a foreign country (Massey et al., 1993). Above and beyond material and human capital such as education, skills and knowledge, social capital is an essential migration resource in assisting and stimulating people to migrate. "Cumulative causation" is the term used to describe the social and economic effects of migration, which in turn promotes further migration (Massey, 1990).

It is noted that chain or serial migration (Sutalo, 2004) has in particular led to a continuous increase of Croatian migration to Australia, and this has contributed to a total of around 49,000

migrants. Documentation of Croatian migration is not precise or comprehensive due to the political issues mentioned above, and that which is available is partitioned into two different “cohorts of arrival”, early arrivals (pre1990s) and later arrivals (post1990s) (Colic-Peisker, 2006).

Consequently, there is very little known about these groups regarding their economic contribution to Australian society, and this thesis has been developed to explore the entrepreneurial involvement of these two cohorts of Croatian migrants in Australia. They are non-English speaking background (NESB) migrants, and many of the considerations discussed earlier in this chapter are likely to apply to this group. In the thesis, central attention is given to their motivation for becoming self-employed entrepreneurs, and the differences between the two different cohorts of arrival, which have been characterised by Colic-Peisker (2006) as economic (pre-1990s) and professional (post-1990s) migrants, were investigated. Of key interest is that the report compiled by the Australian Bureau of Statistics (ABS, 2006) shows that Croatian migrants have proportionally higher business representation compared to other migrant groups in Australia. However, further knowledge about this group is non-existent, and this represents a significant gap of importance in our understanding of migrant entrepreneurship.

2.3 Economic Contribution of Migrants

According to recent research, migrants tend to have higher unemployment rates than the native-born population (Le & Miller, 2000; Miller & Neo, 1997, 2003; OECD, 2010; Thapa, 2004). There have been various reasons proffered for this observation: there are policies that restrict migrants’ access to certain professions (Barrett, Jones, & McEvoy, 2001; Boeri & Brücker, 2005; Brouwer, 1999; Dinh & Mung, 2008; Light & Rosenstein, 1995; Mai, 2005; OECD, 2010; Portes, Fernández-Kelly & Haller, 2005; Ram & Jones, 1998); some claim that migrants’ limited understanding of the national language presents an on-going barrier (Carrington, McIntosh, & Walmsley 2007; ECCV, 2008; Ziguras, 2006); it has been noted that migrants have qualifications that are either too limited or are unrecognised (Castles & Miller, 2009; Douglas, 2002; Hawthorne, 1996; Richardson, Robertson, & Ilsley, 2001; Slootjes, 2013); and there is evidence that migrants have been discriminated against because they are seen as taking jobs away from native-born residents (Borjas, 2004; Card, 1997, 2004; Castles & Miller, 2003).

Notwithstanding these barriers, be they real or imagined, there is data which shows that migrants are an important and growing factor in the economic fabric of Australia. For example, according to Liebig (2007), approximately 25% of the work force in Australia is foreign born. Therefore, it has been found that immigrants not only participate in the labour market as employees, but they also contribute to the economy via self-employment by creating unique small businesses (Tzivilakis, 2005; Bakalis & Joiner, 2006; Miller, 2007; Swan, 2010). As observed by Watson, Keasey and Baker (2000), migrants turn to self-employment for various reasons, including a lack of education, lack of language knowledge or discrimination by native employers. These reasons, although undoubtedly playing a part in such decisions, are all negative. It is part of the intent of this thesis to seek a more positive reading of this phenomenon, particularly given the success of ethnic small businesses for many migrant groups. In order to examine this notion further, some perspectives on self-employment have been sought which may help to clarify the reasons for the emergence of ethnic entrepreneurs.

2.3.1 Self-employment

Deakins (1999) stated that entrepreneurs are people who are willing to take risks and bear uncertainty in order to attain a reward. Hisrich and Peters (2002) stated that an entrepreneur is someone who embraces a kind of behaviour that incorporates risks and failures. In the first instance, therefore, it is perhaps not surprising, given these definitions, that migrants, who are used to taking risks and living in uncertainty, should involve themselves in the area of self-employment.

Furthermore, whilst an entrepreneur is a business owner or business founder who faces extra risks and uncertainty, they are also someone who introduces a new entity or an existing product or service into a new or existing market, whether for a profit or not-for-profit venture (Hisrich, Peters & Shepherd, 2005). Again, it is perhaps not surprising that a migrant entrepreneur should be able to provide new products or services in a host country, particularly if they have a relatively stable home group as a focus for their contribution to the market.

2.3.2 Immigrant Self-employment

Research into ethnic private enterprise began with the ground-breaking research of United States (US) sociologist, Light (1972), who struggled to explain why some immigrant groups in the US had higher rates of participation in entrepreneurship than native-born US citizens. Two decades later, Waldinger, Aldrich, Ward & Ward and Associates (1990) claimed that the immigrant entrepreneurship experience derives from (i) a particular group's cultural similarities; (ii) a group's social characteristics which include their financial resources and their human capital; and (iii) the opportunity structures they are able to experience when establishing a new enterprise in their host country. However, the model developed by Waldinger et al. failed to adequately emphasise how the changing patterns of globalisation and the racialization of immigrant elements in many Western countries affect the dynamics and characteristics of immigrant entrepreneurs (Collins 2003b).

According to Collins (2003a), the rate of participation in entrepreneurship in Australia vary, based on the birthplaces of immigrants. Some migrant groups in Australia, such as Koreans and Taiwanese, have higher rates of self-employment than Australian-born people. Other groups, such as those born in Singapore and Malaysia, United Kingdom (UK), New Zealand, Canada and the US, have similar rates of entrepreneurship to Australian-born people; immigrants from Japan, India, Sri Lanka, Vietnam, Indonesia and the Philippines have lower rates of entrepreneurship participation than Australian-born people. Low (2004; 2005) indicated that female immigrant entrepreneurship is gradually becoming significant in Australia. Immigrant women tend to have similar rates of entrepreneurship to those of their co-ethnic males. As a result, these figures suggest that there may be some culturally specific factor operating, particularly for non-English speaking groups. Chand and Ghorbani (2011) also suggested that the varying rates of venture formation and performance among different ethnic groups points to the role that the different dimensions of culture play in how immigrants use their social networks to start such firms. They performed a study on Indian and Chinese communities in US and found out that (i) different immigrant groups have different ways of accumulating and using social capital in starting and managing their ethnic undertakings; (ii) these dissimilarities manifest themselves in variations in the motives for forming these ventures, human resource practices and termination rates; and (iii) that these variations can partly be explained by the differences in their respective national cultures. On a similar note Urban (2006) using ANOVA and Duncan's multiple tests indicated some significant

differences across ethnic groups, while correlation and multiple regression analysis demonstrated that it was the beliefs rather than cultural values that influence intentions.

Further to the above, the Australian research on immigrant entrepreneurship (Stromback and Malhotra 1994; Lever-Tracy et al. 1999; Collins 2002) indicate that there is increasing diversity in the pathways that new immigrants take to entrepreneurship. Some immigrants were previously unemployed, while others were manual labourers before opening a small business. According to Collins (2000) there is a diversity of class background among birthplace groups of immigrant entrepreneurs and also a great diversity in educational achievement. One survey of immigrant entrepreneurs in the mid-1990s found that while one in four had university qualifications, another one in four had not completed secondary school (Collins et al. 1997). Some immigrant entrepreneurs are recent immigrants; others have been here for decades. Finally, most immigrant entrepreneurs, like 90 per cent of entrepreneurs in Australia, are engaged in small businesses.

The latest research on immigrant self-employment in the Organisation for Economic Cooperation and Development (OECD, 2010) indicates that business uptake by migrants differs markedly across countries. Cross-national variations are due to different environments, the socio-demographic characteristics of migrants compared to the indigenous population, and other factors pertaining to migration trends. Differing background characteristics, including education and skills, and entrepreneurial exposure in the source country explain some differences in entrepreneurship participation rates. Basu and Altinay (2002) acknowledged that socio-cultural factors appear to be the reason for the difference in representation between immigrants and natives. Cultural diversity between various ethnic groups reflects dissimilarities in business entry motives, which may also indicate how a business is, or will, perform. As stated by the OECD (2010), immigrants are slightly more entrepreneurial than native-born people in almost all OECD countries; however, it is also observed that entrepreneurship may be a less stable employment option for immigrants (Collins, 2003a, 2008).

The basis for these variations in immigrant entrepreneurship appears to be embedded in culture-specific values (Zhou, 2004). This view supports that of Light (1972), who suggested that immigrants perceive entrepreneurship differently and are more inclined to entrepreneurship than natives because of their socio-cultural inheritance. Wildeman et al. (1998) stated that, in general, people's perceptions of self-employment vary depending on which country they have

come from. Those who come from areas where self-employment is a tradition such as in Italy or Greece, are more likely to become self-employed in another country. Shane (2000) suggested that people's experiences influence how they perceive future opportunities. This belief is similar to that of Delmar and Davidson (2000) and Peterman and Kennedy (2003), who also opined that, if a person lives in an entrepreneurial family or is trained in a certain field, their perception and attitudes are influenced by this. Thus, researchers tend to similarly believe that education or predispositions towards certain behaviours appear to have a positive effect on entrepreneurship.

Sternberg and Wennekers (2005) believed that the economic condition of a host country determines the level of entrepreneurial awareness and engagement of the culture. Despite this, the entrepreneurial engagement of different groups seems to be stable (Wennekers, Stel, Thurik & Reynolds, 2005). This stability must be caused by an interaction between some deeply embedded elements of the culture with the economic elements of the host society. This coincides with the views of Hayton, George & Zahra (2002), Reynolds, Storey & Westhead (1994) and Baughn and Neupert (2003). Hofstede (2001) stated that national cultures should not change substantially overtime. As for individuals, he anticipated that individual cultural values formed in early childhood remain unchanged throughout one's life. Suggesting that by the time a child is ten, most of his or her basic values are probably programmed into his or her mind. Hofstede and McCrae (2004) argued that national culture is the main influencing force for self-employment because national culture is a stable attribute of an individual and does not change over time. Hofstede denies that culture influences personalities while McCrae argues that cultural values tend to be reflections of personality (McCrae 2004; Hofstede and McCrae 2004). This supports contemporary researchers' views regarding the premise that migrants are more entrepreneurial than native-born residents (Akee, Jeager & Tatsiranos, 2007; Irastorza & Pena, 2007; Fairlie, 2008). However, Hofstede's work has been criticized (Bond 2002; McSweeney 2002; Sivakumar & Nakata 2001) and it is suggested that in any case Hofstede's four dimensions were never intended for and are not appropriate for individual-level analyses. Hofstede (1991) stated that the applicability of the country scores was not for describing individuals, but for describing the social systems the individuals were likely to have built. Van de Vijver and Poortinga (2002) stated that country broad indicators that result from individual-level data, for example Hofstede's four dimensions, are clearly applied at the individual level. McCrae (2004) indicated that Hofstede's five traits are basic tendencies tied to genetics of individuals that are not affected by environmental factors, and unusually stable throughout

adulthood. However, there is a good reason to believe that cultures can change more swiftly than Hofstede's supporters would believe. On the other hand modernisation believers suggest that societies will converge around some set of values as they age (Bell 1973; Adams 2005).

2.4 Possible Motives for Self-employment

Zhou (2004) stated that immigrants contribute to the growth of the self-employed to a larger degree than that of the population as a whole. They seem to be willing to act on their own resources taking charge of their own financial destiny (Hunter 2007). Li (1993) suggested that migrants use their home country values to expedite their entrepreneurial success. Masurel et al. (2004) specified that there is a mixture of factors like, cultural and structural, playing an important role in entrepreneurial activity. According to Basu (2004) and Clarke and Drinkwater (2010) many factors are at play when it comes to migrant entrepreneurship, limited employment opportunity, blocked mobility, family, length of time in a country, lack of education and many more. Some researchers have come up with push and pull factors. Push factors are those that get activated due to discouraging situations like, failure to obtain career promotion, or perhaps being fired from work, possible downturn in the economy, job dissatisfaction or just a survival pressure. On the other hand, pull factors are those that attract people to be involved, like skill and entrepreneurial capability, economic situation, need for achievement or just trying new things (Alstete 2002; Robertson et al. 2003). Reynolds et al (2001) used different terminology, instead of push and pull factors they introduced necessity and opportunity elements. However, there is a compromise in that necessity factors are considered to be driven mainly by 'push' motivation, and opportunity factors are driven by 'pull' motivations. According to Wagner (2005) and Block and Wagner (2007), necessity entrepreneurs differ from opportunity entrepreneurs in terms of their socio-economic characteristics, like the level of education, experience and age. Light and Gold (2000) and Pio (2007) suggested that if immigrants cannot achieve labour market outcomes appropriate to their human capital because of individual or possibly racial discriminatory factors, they start their own ventures. By setting up their businesses they not only earn more money but also escape prejudice that possibly exists in the workplace.

Shane (2003) stated that personal rather than cultural motivations are the formulae that determine the likelihood of a person becoming an entrepreneur, suggesting that a certain

mixture of a person's personality produces entrepreneurial thinking. In this regard, different personalities have different propensities towards risk taking, have different knowledge, different reasoning skills, and different propensities towards innovation, supporting the notion that a migrant entrepreneur might have certain advantages when developing a small business in a host country. In summary, migrants are generally more or less risk takers, are more cross-country experienced and have useful connections in their home country.

Further, Carter, Gartner, Shaver & Gatewood (2003) differentiated between six types of motivational drives: innovation, independence, recognition, roles, financial success and self-realisation. Kirkwood (2009) studied small business owners in New Zealand and developed four similar motivational aspects in becoming an entrepreneur: independence, financial, economic security and flexibility. Wang, Walker and Redmond (2006) studied small business owners in Western Australia by concentrating on the motivational aspects of the participants. Out of 17 motivational aspects, they developed four major motivational factors:

- Flexibility/Independence;
- Financial;
- Opportunity;
- Economic security/Discrimination.

Recognition of these four factors represents an important step in understanding the success or otherwise of entrepreneurial activity, and each will be discussed further in the next section of this chapter.

2.4.1 Flexibility/Independence

It has been suggested (Hughes, 2003, 2006; Smeaton, 2003; Carter et al., 2003) that self-employed workers can be categorised into two broad groups: those who have entered voluntarily into entrepreneurship for reasons such as independence, job satisfaction and/or anticipated higher incomes; and those who have been forced into self-employment because of the lack of any other attractive alternative.

The concept of flexibility/independence seems to be a motivation for self-employment in general. Many self-employed people desire to have a favourable work/family balance and not

be required to conform to other people's rules. McDowell (1995) considered this the key motivational factor behind people's decision to become self-employed. Mallon and Cohen (2001) in the UK, and Hisrich and Ozturk (1999) in Turkey, also suggested that this notion of flexibility/independence is the number one motivating factor for entrepreneurs.

In a similar article, Carter et al. (2003) stated that independence, the wish to be free from others' control and the desire to be one's own boss, are important motivational factors for starting one's own business. Indeed, according to Gitile, Francis & Bertha (2008), for many younger women, the search for independence is associated with freedom from unemployment and recognition that self-employment offers a way around this.

Research conducted in Canada in 2000 on a large number of self-employed participants, showed that independence and freedom are the most important motivational factors for both men and women entering into self-employment (Hughes, 2006). Similarly, evidence from the US showed that the motivations identified by emerging entrepreneurs when starting a business are dominated by self-realisation, financial success, innovation and independence (Carter et al. 2003).

Other research conducted on Canadian female entrepreneurs in the province of Alberta showed that push factors were not found to be the primary motivating factor behind the decision to become self-employed. Instead, the motivation stemmed from a wish for independence and a positive working environment (Hughes, 2003). A study conducted in 2001 by the British government showed that the majority of respondents' entry into self-employment was influenced by a range of factors, with the need for independence being the most significant.

Frey and Benz (2004) advocated that an immigrant's primary drives towards starting their own businesses are work non-satisfaction and wanting to be independent and be their own boss, and not necessarily being motivated by the income.

According to Bender (2000), the promise of having autonomy, establishing employment roles at one's own leisure, working flexible hours, having personal freedom, working from home, having no boss, being self-employed and being tired of working for someone else, have become the ultimate motivations for migrant women becoming entrepreneurs.

It might be commented at this point that flexibility and independence are attributes that might be strongly suspected to be part of a migrant worker's approach to life. Many migrants will have experienced severe conditions of control and determination of behaviour in their home

countries, and the opportunities to express freedom through independence of action would be quite liberating.

2.4.2 Financial

As stated by Watson, Woodliff, Newby & McDowell (2000) and Kirkwood and Walton (2010), financial drive is also an important extrinsic influence for entrepreneurial behaviour, whilst also noting the incorporation of other motivational factors such as independence. In the US, Lofstrom (2002) conducted research on self-employed immigrants and found that financial return was an important factor that influenced the establishment of immigrants' own businesses. Li (1992) also studied self-employed migrants in Canada and found that self-employment gave higher economic returns than salaried jobs.

Georgellis, Sessions & Tsitsianis (2005) suggested that financial gain is positively associated with a move into self-employment. Equally, Clark and Drinkwater (2000) advocated that the difference between an individual's projected earnings in paid employment and self-employment has a powerful influence on employment decisions.

In this respect, it is clear that many migrants have been motivated to move from their home countries because of financial hardship and want, so the attraction of financial gain through self-employment is eminently understandable. It will be expected, therefore, that whatever motivations are revealed by this investigation, that financial reasons will naturally have an important place.

2.4.3 Opportunity

Perception and judgement are claimed to be the key elements in the process of entrepreneurial venturing (Kirzner, 1983; Krueger, 1993; Kor, Mahoney & Michael, 2007), and visions of opportunities are powerful aspects of personal surroundings that arise from the potential for legal profit. Casson (1982) pointed out that there were both entrepreneurial and non-entrepreneurial business owners. Those that are entrepreneurial are typified by a much better sense of judgement and as a result, are often more successful. Business judgement and identifying an opportunity are both essential abilities that are most often directly derived from experience. In this regard, Locke (2000) stressed that people assume that all actions are the

result of motivational and cognitive factors, but it appears that human judgement and external factors also play an important role.

Entrepreneurial progression occurs because people follow opportunities, but it has been observed that people differ markedly in their preparedness and ability to act on these opportunities. This variation among people in their preparedness and capability to act has important effects on entrepreneurial progression (Shane & Venkataraman, 2000).

A more subtle form of opportunity has been suggested as arising from the demographic character of an entrepreneur's family. Often, within particular cultures, family tradition seems to be a driver towards entrepreneurship (Aldrich & Cliff 2003; Kirkwood 2009). For example, Agrawal and Chavan (1997) studied small business operators in Sydney with different ethnic origins, and one of the key groups studied was the Lebanese self-employed. The responses they received suggested that the family tradition was an important factor when starting one's own business because uncles, fathers and other family members were already in business and were therefore able to help them set up and sustain their own business. This is clearly an opportunity which is presented to a family or community members by means of an ethnic tradition.

2.4.4 Dissatisfaction with Employment

In many instances where the work ethic is an important cultural attribute, people can feel worthless to themselves and society if they are not in the workforce. This attribute can push them to start their own business (DeMartino & Barbato, 2003). These researchers found that often people's economic stability is very important, therefore, they are particularly driven to find a stable work environment. In addition, it has been noted that if people are discriminated against in the workplace, they are more inclined towards seeking alternative work. Similarly, if people are dissatisfied with their present work conditions or are not stable in their current work, they are more likely to pursue self-employment. Bauder (2008) completed a survey in Canada on residential immigrants in three regions, and found that individuals who are more dissatisfied with their current jobs are more likely to move into self-employment to ensure their economic survival.

2.5 Culture, Ethnicity and Entrepreneurship

In general, the literature suggests that some cultures are more inclined towards entrepreneurship than others (Fairlie, 2008; Hunt & Gauthier-Loiselle, 2010; Van Frank, 2005). For example, Asians are self-employed to a higher extent than natives in Sweden (Joona, 2009), Koreans have the highest entrepreneurial rates in New Zealand (Lee, 2008), South Asians in Britain are nearly twice as likely to be an employer than their average British counterpart (Basu, 1998), African Americans in US have low self-employment rates (Fairlie & Meyer, 2000) however, Asian Americans are a success story in the American labour market (Bates, 1997), in particular the Koreans. It is apparent that people from different cultures perceive things differently, have different decision-making skills, have different knowledge and possess different learning and cognitive development. However, Mitchell, Smith, Seawright, & Morse (2000) and many others have pointed out that the field of entrepreneurial thinking is rich for researchers to study because there is not yet a substantive understanding of how humans perceive opportunity.

2.5.1 Social Networks

It has been found that people's decisions to migrate can often depend on the thoughts and actions of other people (Hugo, 2005). It seems that migration networks and contacts are primary drivers for migration, and social networks, which develop and convey much social comment and opinion, are a conduit for many forms of resources. In many areas, networks can provide the resources required to start a business, and provide valuable links with other resources and opportunities (Basu, 1998; Delft, Gorter & Nijkamp, 2000; Greene & Chaganthi, 2009; Light, 1972; Massey, 1999; Portes, 1995).

Light (1972), Aldrich and Waldinger (1990) and Greene and Butler (1996) all studied ethnic entrepreneurs and agreed that substantial differences in communities exist regarding the types of resources available and the processes of acquiring these resources. Immigrants face many obstacles when they land on foreign soil, one of the primary obstacles being the process of integrating into the host society. A significant barrier is the fact that merging with the host society can take different forms and challenges such as conforming to unfamiliar social, physical and emotional mores (Bottomley & de Lepervanche, 1990). Not surprisingly, migrant networks, such as friends, family and prior co-ethnics can make this transition smoother and is

an important element in settling migrants in an unfamiliar context. Although human or social capital is in limited supply for a migrant on arrival, recent arrivals rely heavily on prior networks in the host country (Portes, 1995).

As stated by Delft et al. (2000), social networks embrace one of the critical ethnic-related features and building blocks that give potential advantages and multiple benefits to migrant entrepreneurs. According to an OECD (2010) report, migrants tend to form a social network with fellow nationals, and these networks can facilitate access to the necessary resources, capital, customer bases, knowledge and support needed to build a business. Similarly, immigrants tend to concentrate in areas where they have relatives (Aldrich & Waldinger, 1990). Additionally, Sequeira and Rasheed (2006) stressed the importance of networks and stated that their resulting social capital can be a significant determinant of the success of immigrant entrepreneurs' businesses.

2.5.2 Host Country Policies

The host country's regulatory and legal environment can significantly influence the economic contribution of immigrants through either regular employment or self-employment. Regulation can also affect an immigrant's decision to become self-employed. Klapper, Laeven and Raghuram (2006) conducted a study in Europe and found that complex entry procedures can hinder business start-up. According to an OECD (2010) report, Italy has experienced a lower rate of new business creation than France, UK or Germany, and this is due to excessive institutional hurdles. Immigrants are faced with unexpected greater costs due to unfamiliarity with a host country's rules and regulations. Rules that determine ease of access to capital, entry to a market and contract enforcement can have a significant effect on the decision to become self-employed (Ardagna & Lusardi, 2008).

An immediate implication of these findings for the host country is that unless there is a deliberate policy of discrimination against entry to domestic markets, the easing of business creation policies can be a positive step towards a general strengthening of the small business area.

2.5.3 Access to Capital

Access to necessary resources, such as financing, a customer base and support, is very important and a difficult step to achieve for immigrant entrepreneurs who are starting their own business (Waldinger et al. 1990). The usual sources of finance, such as banks and lending societies require security which is not readily available to a recent arrival. Therefore, it is most often left to family members to raise the appropriate capital, since within the family there is trust and commitment to the business. A study conducted by Lever-Tracy et al. (1991) in Brisbane suggested that 80% of the entrepreneurs surveyed relied on family labour, including spouses, children and other extended family members. This view was shared by Stromback and Malhotra (1994), who undertook a study on South Asian entrepreneurs in Perth. Many researchers, regardless of their approach, have suggested that an ethnic community is the main source for the provision of co-ethnic markets, suppliers, employees and finance to ethnic entrepreneurs (Menzies & Paradi, 2002).

2.6 Conceptual Theories

The field of entrepreneurship and its understanding continues to struggle, in particular for the development of a modern theory of entrepreneurship (Gartner, 2001). Nevertheless, despite the attempts of many entrepreneurship researchers to develop theory in this field there continues to be a lack of consensus about what constitutes entrepreneurship theory and no generally accepted theory of entrepreneurship has materialised. This lack of consensus is in large part due to the lack of clarity that entrepreneurship scholars have about the implied assumptions of entrepreneurship. Gartner (2001) indicated that those in the field of entrepreneurship are unconscious of the assumptions they make in their theoretical perspectives.

Theories about entrepreneurial discovery are important to entrepreneurship. Research on entrepreneurship in the field of psychology and sociology contributed extensively, both content- and method-wise, to the study of the phenomenon of entrepreneurship. These studies have been principally concerned with an identification of factors associated with entrepreneurial behaviour.

This study introduces and discusses the three most communicated theories behind ethnic entrepreneurship; the 'Middleman Minority', 'Blocked Mobility' and 'Ethnic Enclave' theories.

2.6.1 Middleman Minority Theory

Attempts to provide a clear definition of middleman minority theory are often disputed by many social scientists; however, many academics have contributed to the development of this theory and have used it as a basis for their work. Most usually, middleman theory is defined as a group that concentrates in small enterprise, has strong ethnic groupings, is subject to stereotyping, provides services to minor groups and obtains supplies from large corporations (Bonacich, 1973; Bonacich & Modell, 1980; Turner & Bonacich, 1980).

Bonacich (1973) first presented the concept of 'middleman minorities'. This concept describes immigrant communities and their position in the economic and social structures of their host societies. The name specifically describes this group as communities or groups in the middle, where they service their own inter-groups, and are regarded as necessary intermediaries between market players (agents, money lenders, rent collectors, brokers). In addition, they are situated between the social classes of the wealthy elite and the everyday people. The main characteristic of middleman minorities is that they are, at least in the beginning, sojourners who do not plan to settle permanently in their host country. This is not an adequate condition in which to establish a middleman minority, yet it is assumed to be an important one in the planned set-up. There is an emphasis placed on the temporariness of immigrants' stay in the host country, which results in socio-economic behaviour that is specific to the middleman minorities.

The middleman minority theory states that members of a minority group arrive in a geographic location where they are a recognisable minority, and they subsequently develop enterprises that are located in the 'middle' of the economic system (Zhou, 2004). First, this group faces discrimination from the majority group, particularly with regard to economic opportunities in the primary sector of the labour market. Second, this group tends to develop enterprises located in specific industrial sectors, and, as the middlemen, they negotiate products between the producer and consumer. Third, this group exhibits strong elements of solidarity among its members (Bonacich & Modell, 1980; Greene & Owen, 2004).

One of the behavioural arrangements arising from the nature of being a sojourner is a strong focus on the future and a consequent willingness to make significant sacrifices in terms of social status and individual well-being in exchange for greater future returns. The temporariness also strongly affects the types of business activities undertaken by middleman minorities because, by the nature of their stay, they aim to achieve the highest returns and the possibility of returning to their country of origin at their earliest convenience. Thus, they seek involvement in occupations such as trade, where the trader does not have to formally possess property rights to the goods traded (Greene & Owen, 2004). Generally, the businesses specific to middleman minorities are those that do not tie up significant capital, are easily transferable and liquidated (Bonacich & Modell, 1980; Greene & Owen, 2004). These could also include independent professions such as hairdressers, shoemakers, tailors and jewellers.

Considering that this group has a vision of returning to their country of origin in the near future, they are not willing to integrate into the host society nor are they interested in closely associating with the native born people, thus creating an element of isolation. This group keeps close ties with their own group, exploits their own group based on mutual trust, establishes business partnerships with their own group and hire their own co-ethnics. This group of small business operators either hire their family members in the business or count on low cost other ethnic members to work for them. The strong emphasis upon ethnic solidarity also provides resources such as financial capital or information for initial business set-ups, or in many cases can lead to upward social mobility (Greene & Owen, 2004).

Due to their access to a low-cost co-ethnic labour force, this group is able to compete favourably with native businesses. A common strategy is the establishment of businesses in high concentrations in certain industries or certain occupations creating a dominant market force and monopolies (Bonacich, 1973; Bonacich & Modell, 1980; Zhou, 2004).

Bonacich (1973) also examined the sojourner's explanation from the receiving point of view by exploring the host country's hostilities towards these groups. She identified three areas of conflict between the minority and the host society in terms of economic matters: conflict with clientele, conflict with business and conflict with labour.

The main accusations of the native-born population are that middleman minorities are not willing to naturalise, send significant remittances to their home country, are disloyal to the host, drain the host economy of resources, restrain themselves from spending the in host country and, most importantly, do not collaborate with native-born residents.

Thus, as Bonacich (1973) stated, because hostilities exist between these groups, segregation is an inevitable outcome and there is no willingness to integrate into the host society. She classified this group of entrepreneurs as 'strangers' to the host society.

However, whilst the assumption is that this group of entrepreneurs are temporary residents, they might not actually return home. This could be due to (i) the perhaps unexpected start of integration; (ii) the lack of similar or better opportunities in the entrepreneur's home country; or (iii) the possible level of success in business and the unwillingness to give it up. If this situation occurs, then members of this group might eventually decide to integrate and either become permanent residents or even become naturalised. They do, however, often maintain close ties with their home country but never actively pursue a strategy of returning. This strategy may be classified as that of 'likely drifters', who leave their options of settling and returning constantly open.

This group of residents commonly segregate themselves from the societies in which they live, and engage in occupations that can easily satisfy the needs of sojourner, and are only bound to the host society by an economic success (Bonacich, 1973; Zhou, 2004).

Some critics suggest that there is a lack of explanation regarding what happens during the transition from sojourners to stayers (Wong, 1985). This is seen in the case of multiethnic societies in the US, where, depending on the particular perspective, the function of a middleman minority can be attributed to various groups depending on the circumstances. Wong also accuses academics who use the middleman minority concept to generalise subgroups of a group, thus characterising them as a unified concept. He indicated that, in this way, academia does not separate subgroups from the major group, classifying them within one category as is the case with Japanese and Chinese in the United States. He stressed that there is a difference between second and third generation Chinese and Japanese migrants living in the US; however, they are still classified as middleman minorities despite the fact that they do not fulfil the socio-economic function of a middleman minority, nor do they properly belong to the sojourner class.

According to McKee (2003), most middleman minorities live in societies where strong confines exist between people of different ethnicities and socio-economic backgrounds. Usually Jews, Indians, Chinese, Arabs and Koreans are cases of middleman minorities, as their over-representation in self-employment is a result of having customers outside their restricted ethnic markets (De Raijman, 1996). Volery (2007) acknowledged that immigrant business expansion is a result of the growth of immigrant communities, who predominantly cater to the

immigrant population itself, and will only stay afloat if there are enough customers to buy the products sold by these businesses.

Min and Bozorgmehr (2003) have undertaken research in the US since the 1970s. They have found that there is a concentration of Korean immigrants in retail businesses in low-income African-American and Latino neighbourhoods. One of the reasons given is that due to low spending capacity and high crime rates, mainstream businesses are reluctant to establish in these neighbourhoods, thus creating a niche. In this context, Korean businesses meet some of the definition of the middleman theory but are also different in some respect such as they are the middlemen for other minority ethnic groups. They provide a link between the majority white suppliers and the minority customers (Min & Bozormehr, 2003). In the US, the minority communities of African and Latino Americans are important markets for middleman minority groups such as Koreans, Arabs, Indians and Chinese people who have opened businesses in these localities (De Raijman, 1996).

As indicated, the middleman minority theory assumes that immigrants usually arrive as temporary residents in their host country, having in mind the strategy of eventually returning back home (Bonacich & Modell, 1980). Therefore, it is reasonable to assume that their initial thought is to make money quickly. Consequently, according to Bonacich (1973), these immigrants who start their own businesses tend to favour certain industries where start-up costs are relatively low, where competition is minimal, where capital can be raised quickly, and where assets can be easily liquidated and turned into cash. Understandably, Volery (2007) stated, the middleman minority theoretical understanding is the primary explanation as to why immigrants become self-employed.

To further elaborate, Bonacich's article "A Theory of Middleman Minorities" (1973) remains the seminal work on the topic. Bonacich proposition an explanation for the development and persistence of middleman minorities as minority groups serving an intermediary position between the majority group and other isolated minority groups. A key characteristic for Bonacich is the tendency of middleman minorities to be sojourners. Moreover, they maintain strong ties with their countrymen in the host and origin countries while remaining detached from the host society. In short, middleman minorities have little incentive to develop ties to the host society. Furthermore, they tend toward businesses in which assets are quickly accumulated and liquidated. Due to their sojourner status and their strong intergroup ties, middleman minorities develop a competitive business edge. In particular, these entrepreneurs minimize

their labour costs through their reliance on family members and fellow ethnic workers willing to work long hours for little pay, giving them the edge of economic dominance, and placing them in conflict with other sectors. Subsequently, their success as self-employed creates a contradiction whereby they eventually abandon their intentions to return to their country of origin and become settlers. As settlers, they tend to become more integrated into the host society. This was the case with many Jews, Chinese, Indians, and Japanese in the United States (Bonacich 1973). Likewise, some continue to be detached from the host society and live continuously as middleman (Blalock 1967).

In summary, middleman minorities are those ethnic entrepreneurs who have few social ties with the community in which they conduct commercial activities due to their unwillingness to integrate with the majority culture; however they remain very connected with their own minority groups. They most commonly establish businesses in low income minority neighbourhoods that are neglected by business owners of the society's majority group.

Recently, they have also been noted to create business niches in affluent urban neighbourhoods. Historically, they were sojourners who sought to realise profits from their businesses and reinvest the money elsewhere, often saving to return to their home country (Zhou, 2007). The most common examples of middleman minorities are Korean entrepreneurs in the US, Jewish people in Europe, Chinese people in Southeast Asia, Asians in East Africa and Armenians in Turkey (Douglas & Saenz, 2007).

2.6.2 Blocked Mobility Theory

The blocked mobility hypothesizes that because of relative disadvantages experienced by immigrants in the labour market in the host society, many will turn to self-employment as an alternative to their survival. According to Light (1979) immigrants experience various kinds of disadvantages in the labour market. Many experience unfamiliarity with the social, economic and legal systems of the host country besides having difficulty with language, non-recognition of credentials and discrimination (Kim et al. 1989). According to Aldrich (1977) 22 per cent of Asian shopkeepers in Britain had college degrees. Comparing to natives, only 3 per cent had college degrees, consequently, Aldrich regarded this as a direct evidence of blocked mobility.

Blocked mobility theory suggests that one of the reasons that non-English-speaking background immigrants become self-employed is their response to the blocking of social

mobility on racial grounds. This is also echoed by Ram and Jones (1998), who stated the same. Ram (1994) indicated that there is the evidence that Asian migrants drive into self-employment is better seen as a survival mechanism during a period of de-industrialisation and catastrophic job loss which, in a discriminatory job market, affected ethnic minorities even more severely than other workers. Lever-Tracy et al. (1991) provided evidence to support this view. They researched Chinese and Indian business-owners in Australia and suggested that these two groups are faced with bias, discrimination and obstacles as to the recognition of their overseas qualifications. Thus, it has been generalised that migrants become potential business owners because they are prevented from fully using their other professional or trade skills (Stromback & Malhotra, 1994). This view was supported by Kim and Kim (1999), who discussed Korean immigrants in the US who were not involved with entrepreneurship before arriving in the US, but established businesses in reaction to discrimination in the US labour market. Similarly, Baycan-Levent, Masurel, Nijkamp & Vindigni (2004) explained the inclination of immigrants towards self-employment as a consequence of their lower socio-economic situation caused by a lack of education and skills.

This situation is echoed by Fozdar and Torezani (2008) who noted that discrimination has denied a large proportion of immigrant groups the opportunity of employment within the mainstream economy, thereby leaving them to work in undesirable manual jobs with concomitant low wages. A similar view was shared by Stromback and Malhotra (1994), who suggested that many entrepreneurs reported difficulties in having their qualifications recognised in Australia. They encountered difficulty in finding jobs and reported problems in gaining access to professional services offered by government for small businesses. As a result of such discrimination, many South Asians have started their own businesses in Australia.

US sociologist, Ivan Light, undertook research that has become a benchmark in the field of entrepreneurship. Light and Rosenstein (1995) indicated the two main drivers that steer immigrants into self-employment are: (i) lack of sufficient resources (such as education, skills or networks); and (ii) being disadvantaged due to labour market discrimination, in which individuals with sufficient skills remain unemployed because of unfair treatment.

Fregetto (2004) suggested that immigrants are stereotyped as having a significant disadvantage by comparison with native-born, that hampers them upon arrival in the host country, and this also steers them towards entrepreneurship. Due to immigrants' shortage of human capital such as language knowledge, lack of education and experiences, this halts them from obtaining

salaried jobs, thereby leaving self-employment as the only possibility of becoming financially stable.

At the same time, a lack of mobility due to financial difficulties, discrimination and the inadequate knowledge of the local culture, can lead ethnic minorities to seek an alternative source of income. Min and Bozorgmehr (2003) conducted a study of Korean immigrants in the United States which indicated that immigrants are disadvantaged in the primary labour market and, as a response, start their own businesses.

In summary, it would seem that blocked mobility theory sees self-employment not so much as a sign of success, but simply as an alternative to unemployment.

2.6.3 Ethnic Enclave Theory

The research pioneered by Wilson and Portes (1980) produced the paradigm for a body of literature that became known as the 'ethnic enclave theory'. These authors analyzed the integration of Cuban immigrants into the American labour market between 1973 and 1976. They found a significant difference between migrants who worked in the marginal economy and those who worked for Cuban employers. Cubans who worked for Cuban employers were found to experience significant returns from this situation, including a boost to their self-esteem. They observed that a large number of newcomers willingly went to work for co-ethnics, thereby indicating some form of positive integration and enclave creation. This became known as the 'ethnic enclave', where an initial period involving low wages and learning the trade were followed by the establishment of one's own business. Interestingly, Wilson and Portes compared this process to an apprenticeship.

An additional finding in this research was that, in the span of six years, the proportion of refugees who ran their own businesses increased from 8% to 21%. The main predictor of self-employment was employment by another Cuban three years earlier. In addition, 37% of these immigrants who were still employees in 1979 worked for other Cubans. The reason for this was that they were receiving better returns than those who worked for non-ethnic firms.

The work of Wilson and Portes (1980) indicated two factors that play important roles in the creation of enclaves: (i) access to start-up capital, either through connections abroad or in one's home country; and (ii) a supply of labour within the enclave through immigration. Subsequent

work by Wilson and Martin (1982) suggested that the success of an enclave economy lies in its collective vertical and horizontal integration. This leads to additional spending within the economy once initial demand is injected.

Portes and Jensen (1989) stressed that the three prominent features of an enclave economy are:

1. It provides access to otherwise inaccessible capital required to establish one's own business, and this arises as an opportunity, rather than a trap;
2. It enables employees to attain returns on their human capital that are larger than those they would have earned in the open economy;
3. It enables upward mobility of employees.

They also added that an enclave economy offers employment comparable in returns to the mainstream economy for recent immigrants and to those who have limited language proficiency. Ethnic enclaves provide social and cultural networking as well as a resemblance to the immigrant's place of origin (Wright, Ellis & Parks, 2005). Solidarity, trust and cultural comfort are thus established through the creation of enclaves. The geographic proximity of the enclave network permits easy movement of knowledge and varying types of assistance between businesses as well. Contacts with members in an enclave may possibly also afford the new arrival work opportunities. Immigrants may also receive informal training regarding the customs and practices of the larger culture outside of the enclave (Johnston, Forrest & Poulson, 2002; Fong & Chan, 2010).

As suggested by Portes (1998), these enclaves create a pool of social capital through which members can access resources that lower the overall costs of migration. Portes also stated that economic assistance through enclave membership takes the form of job opportunities, loans and other forms of economic assistance. The same view is also shared by Ooka and Wellman (2006) who indicated that small ethnic firms within the enclave provide new immigrants with immediate access to economic opportunities by undermining the secondary sector of the economy and creating numerous low-wage jobs that are easily accessed by members. The obstacles to entry into the enclave economy are significantly lowered due to the ethno-centric nature of businesses and firms. Goods and services tend to be offered in the language of that enclave. Additionally, social and cultural norms specific to the host country are not required of employees in the enclave economy. Thus, the ethno-specific nature of enclave economies makes them attractive to new immigrants who lack the social and cultural skills necessary to

integrate into the mainstream economy (Portes & Jensen, 1992). Furthermore, the tendency of residential and commercial enclaves to coincide within a physical space decreases additional concerns about transportation.

While studying small business enterprises in Britain, Basu (1998) developed an understanding that the nature of a business establishment mainly depends on the availability of informal resources, such as finances and necessary information. Massey et al. (1998) embarked on a complete review of theories claiming to account for international migration. They assessed each of six theories against research piloted in the world's several international migration systems to distinguish the degree of support for their propositions. Based on their evaluation, a synthesized theoretical justification for the emergence and persistence of international migration emerged, concluding that international migration originates in the social, economic and political transformations that accompany expansion of capitalist markets. Massey (1999) stated that new immigrants unintentionally lower the costs for future immigration of co-ethnics by pooling resources for themselves. Immigrants create a social arrangement that makes it easier for future immigrants to become upwardly mobile. According to Massey, momentum is built by creating ethnic networks that lead to growth over time. Massey also suggested that ethnic enclaves thus contribute to continued immigration by providing co-ethnics with a space to make connections that ultimately lower migration costs and promote economic mobility.

Upon arrival in a foreign country, immigrants face challenges in assimilation and integration processes and thus experience different modes and levels of merger within the host society. Many factors influence the level of ease or challenges experienced by immigrants as they make these transitions and undergo physical, social, and psychological challenges. One influential factor in an immigrant's journey is the presence of relatives or friends in the receiving country. Friends and family, making up an association network which is willing to help the newcomers, can be classified as a type of capital commonly referred to as 'social capital'. Upon arrival, many immigrants have limited or no access to human capital and thus rely heavily on any available source of social capital.

According to Delft et al. (2000), social networks embrace one of the critical ethnic-related features and building blocks that can provide a potential advantage in the undertaking of new entrepreneurial activity. These social networks provide multiple benefits, in that they provide personnel, the acquisition of money for the purpose of business establishment and, possibly in cases of hardship, help in running a business and providing a customer base. Financial help is

obtained by informal borrowing, and all dealings are generally made in an informal way due to mutual trust between parties in the same group.

While never empirically defined, the term “ethnic enclave” began to be widely used to represent two distinct definitions: (i) that of an enclave economy; and (ii) that of a residential area of high co-ethnic concentration (Portes & Jensen, 1992). However defined, the most fundamental concept within the enclave assumption is that of social capital, which lays the foundation for the establishment of migrant networks and the advantages associated with them (Massey, 1999).

The discussion surrounding ethnic enclaves has prompted debate among scholars in two related areas of thought. Both areas discuss the role that ethnic enclaves play by either offering aid or hindering the economic and social well-being of the enclave’s members. One area of thought discusses the role of enclaves in assimilative patterns and upward mobility while the second area of thought argues the economic ramifications associated with membership within ethnic enclaves.

Sanders and Nee (1992) asserted that the entrance of immigrant-workers into low paying jobs is actually motivated by the existence of ethnic enclaves; therefore, they insisted that the proposition by Wilson and Portes (1980) should be revised to outline the entrepreneur/workers’ economic benefit difference.

According to Werbner (2001) the spatial concentration is a critical, but not determining factor, of the ethnic enclave economy. Drawing on theories of industrial clustering, Werbner (2001) has defended the definition of an enclave economy as a networked cluster of ethnic-owned firms producing certain goods, together with other ethnic-owned firms which provide services to the cluster. Thus, as she claims, the firms need not be spatially concentrated in the strict sense of space; however, they need to have a common space of networks and flows of goods and services. It is these goods that may actually shape these networks and social interconnections.

Lee (2002) adds to the discussion, noting the particular niches and types of business that immigrant groups enter. She notes that it is most common for immigrants to participate in long hours of physically demanding work in the retail industry. The retail market is a viable option due to the relatively low startup costs and a minimal knowledge of the host country’s language is needed. Different niches have different levels of communication, and the retail and self-

service niche, (such as fruit and vegetable markets and take-away restaurants) typically require the lowest level of customer interaction and communication. Lee notes the embeddedness of ethnic enclaves brings the thought that such practices are good for those within the enclave but harmful to certain groups outside of them. According to Volery (2007), ethnic communities can have their own specific needs that only co-ethnics can satisfy, which leads to the creation of opportunity and niche markets.

According to Zhou (2004), an ethnic enclave is regarded as a geographic concentration of ethnic businesses providing diverse economic activities, and individuals located in such an ethnic enclave share a common culture and have a tendency to be a resident in an ethnic region. Sequeira and Rasheed (2006) argued that individuals in ethnic enclaves tend to have connections with each other, which can benefit immigrants who are ready to establish a business. This also provides specific advantages that can be actively used by immigrant entrepreneurs. In this respect, Altinay (2008) defined an ethnic enclave as a geographic location where opportunities for new immigrants can be found in locations where there are businesses which have already been established by the same ethnic group.

The immediate economic and social advantages associated with membership in an ethnic enclave are undisputed by scholars; however the long-term consequences remain an area of uncertainty. For example, the role that these networks play remains uncertain due to the fact that ethnic enclaves allow immigrants to function successfully within the host society without a significant amount of adjustment either culturally or linguistically. As such, they can either help or hinder naturalization within the host country. The relatively low levels of skill required allow immigrants to achieve financial stability which can, in turn, encourage eventual naturalization and assimilation. Unfavorably, this same factor can afford enclave members the opportunity to remain considerably segregated and secluded from the host society. As such, members may avoid the need to acquire skills necessary for life in the larger host society such as knowledge of cultural norms and language (Duncan & Waldorf, 2009).

Entrance into the enclave economy is dependent upon the conditions of assimilation experienced by the individual. It is important to note that some researchers have suggested that unfavourable modes of merger into the host society provide incentives for immigrants to enter the informal economy (Borjas, 1998; Mingione, 1999). Ethnic enclaves are always rich in informal activities, and these informalities can prove very favourable for immigrant entrepreneurship, often allowing them to bypass costly regulations. Additionally, the scope of

employment for immigrants is greatly widened by the availability of informal jobs in the enclave economic sector. This informality of the enclave economy is a possible reason for the emergence of levels of risk and fraud. However, these informal activities are constantly under risk of detection by the formal sector, which has an understandably negative effect on job security. Furthermore, due to the absence of a legal framework, immigrant labourers often remain silent about various forms of exploitation, the most common form of labour exploitation in immigrant economies being unpaid labour. Despite these concerns, informal activities thrive within the enclave economy (Basu, 1998; Hondagneu-Sotelo, 2001).

An ethnic enclave retains some cultural distinction from the larger surrounding area. The formation of ethnic enclaves may be involuntary, due to ethnic or racial tensions, such as housing discrimination that prevents members of ethnic or religious minorities from settling in other parts of a town or city. Ethnic enclave theory adds the element of geographic concentration. If a small business owner resides and owns a business in physical proximity to their minority group, ethnic enclaves present strong cultural and economic linkages as well as physical concentration. This is in addition to the availability of a regular and sustainable supply of enclave labour. The low wage for immigrants is a catalyst that has led to the expansion of these enclaves, with the consequent effect of creating the opportunities necessary for economic development.

The skill level of the immigrant and possession of social and cultural capital relevant to the host country is also a factor of influence. Skilled workers are more likely to enter the mainstream labour market, as the possession of human capital makes them lucrative assets in the mainstream economy. Relatively unskilled workers experience much greater barriers to amalgamation and tend to find employment through the enclave economy.

2.7 Necessity - Opportunity Entrepreneurship

Reynolds, Camp, Bygrave, Autio & Hay (2001) and others have examined what motivates people to be self-employed, consequently introducing the concept of “necessity versus opportunity” entrepreneurship. This concept suggests that the motivation that drives business ownership is broadly based on either necessity or opportunity.

Dawson, Henley and Latreille (2009) stated that people are either pulled into business because an opportunity came up or they were pushed into business because of necessity. Those that were pulled into business were motivated by perceived benefits and the start-up was purely voluntary. In contrast, those that started businesses because of some difficulties in finding work or difficulties at work are pushed into an alternative source of work and did not start their businesses voluntarily.

In the first category, necessity driven, it is observed that people often opt for business ownership because they have a lack of income due to the inability to find an alternative source. These individuals may have been dismissed from their jobs, they may have left wage-employment for personal reasons, and some simply cannot find work, either because they lack education or language skills or because their personal history is unattractive to employers (Sarasvathy, 2004). In contrast, there are people who look for opportunities rather than merely seeking a source of income. They start businesses because they recognise an opportunity that they believe can be exploited for economic or other advantage. Some opportunity entrepreneurs seem to be driven by market prospects, but others prefer to be privileged members of society whilst some simply enjoy the financial benefits. Wagner (2005) suggested that family role models are incentives for opportunity-driven individuals, but not for necessity-driven entrepreneurs.

Necessity and opportunity entrepreneurs appear to be different in terms of their socio-economic characteristics, such as level of education, relevant experience and age (Wagner, 2005; Block & Wagner, 2007; Bergmann & Sternberg, 2007).

According to Wagner (2005), fear of failure, manifested as a bid to avert losses, is lower among emerging opportunity entrepreneurs than emerging necessity entrepreneurs. In addition, because opportunity entrepreneurs begin their business willingly, often in areas about which they are passionate, they are better prepared physically and mentally for their entry into self-employment. They thus have a higher likelihood of survival. Necessity-driven entrepreneurs are less satisfied than opportunity-driven entrepreneurs, which can affect how successful their business is and can influence the businesses' economic growth and potential for job creation.

Block and Wagner (2007) developed a consensus that necessity entrepreneurs are driven mainly by need and survival in the job market, while opportunity entrepreneurs are usually innovation driven, pursue business for personal interest while still earning wages, and most often are emerging entrepreneurs.

Age also seems to have a positive effect on the establishment of a business because older people are potentially less employable. In this case necessity pushes older people into self-employment (Giacomin, Guyot, Janssen & Lohest, 2007). The social identity of entrepreneurs determines their motivational characteristics, leading them to become either a necessity or opportunity entrepreneur. Block and Sandner (2009) indicated that opportunity entrepreneurs are likely to be more motivated by non-monetary rewards than are necessity entrepreneurs.

As stated by Block and Wagner (2007), the opportunities exploited by opportunity entrepreneurs on average are more lucrative than those exploited by necessity entrepreneurs. Block and Wagner suggested that the earnings of opportunity entrepreneurs are 15% higher than those of necessity entrepreneurs. This research by Block and Wagner pointed out that education and labour market knowledge has a positive effect on the remuneration of opportunity entrepreneurs, but not those of necessity entrepreneurs. In a similar comment, Block and Sandner (2009) suggested that specific vocational training enhances the earnings of necessity entrepreneurs, but not those of opportunity entrepreneurs.

Many developed countries have reported a high proportion of opportunity-motivated businesses ownership rather than necessity motivated businesses. This is also the case with Australia as indicated by the Global Entrepreneurial Monitor (GEM) (GEM, 2011).

2.8 Research into Other Minority Groups

The study conducted by Yoon (1997), on Korean immigrants in the United States, indicates that this group recorded the highest representation as self-employed among all ethnic groups. Indeed, this view is also reported by Bogana and Darity (2007) stating that Korean-Americans displayed the highest rate of self-employment in 2006. Other studies, such as that of De Rajman (1996), utilised household surveys as well as interviews with business owners, and looked at the pathways to self-employment and entrepreneurship in some immigrant communities in Chicago. The findings were that Koreans, Middle-Eastern and South-Asians used self-employment as the avenue of overcoming discrimination in the labour market. He suggested that Koreans were 24 times more likely, and Middle Eastern and South Asian businessmen were 12 times more likely than white traders, to report blocked mobility as a reason to choose business ownership. Nonetheless, Hispanics, who also lack English language skill, did not express any discrimination as such.

Fernandez and Kim (1998) stated that the more Asian immigrants are excluded from the mainstream economy, the more they tend to enter self-employment as the means of economic survival. In general, US findings are consistent with the blocked mobility proposition, predominantly with Korean immigrant entrepreneurs (Bates, 1999; Min & Bozorgmehr, 2003). Bates (1999) indicated that Indians operate more profitable businesses than Koreans who work mostly full time in their small businesses, suggesting that whilst Indians are pulled into business, Koreans are pushed due to lack of knowledge of spoken English. Lee (2003) and Min and Bozorgmehr (2003) also suggested that Korean business owners depend heavily on their ethnic resources for business activity, compared with other immigrant groups. Collins (2003) also reported similar findings with the Korean group in Australia; they possess the highest level of business representation among all immigrant groups. It was found that Korean female entrepreneurs are represented almost three times more than native-born women, and Collins (2003) indicated the main reason behind this is not a cultural tendency, but it is a response to blocked mobility.

Li (1992) conducted a study on Chinese immigrants in Canada and suggested that there was an increase in small-business establishment within this group mainly due to problems of racism and discrimination in the regular labour-market. According to Hiebert (2003), a combination of group resources and human capital is the primary reason behind small-business establishment among Chinese immigrants in Canada.

De Vries and Kantor (2012) conducted a study on Chinese immigrant entrepreneurial orientation in New Zealand, in which they discussed two different cohorts of Chinese people. The first cohort was the Cantonese-speaking people from the Guangdong province of Southern China, who arrived in New Zealand during the gold rush. The second cohort was the Mandarin speakers, who started arriving in New Zealand in the mid-1980s. Both groups were very much disconnected, yet remarkably similar in entrepreneurial characteristics.

The first cohort, which was exclusively males, arrived between 1865 and 1900, and faced significant hardship, discrimination, separation from their families in China, tight legislation and exclusion from mainstream society. Nevertheless, this cohort held together and retained their traditional ways as a means of overcoming language difficulties, discrimination and a lack of personal assets. This outcome was opposed to New Zealand's expectation that they would acculturate and eventually assimilate into the dominant Western culture of the country. The group could not fully assimilate because they were visibly different, retained strong ties to their

traditional culture and adhered to strong family obligations. Many of these immigrants established themselves as small business operators in areas such as market gardens, laundromats and fruit shops.

The second surge of Chinese migration occurred when there was a shift in New Zealand immigration policy in the mid-1980s. This group came from a variety of Chinese destinations, in particular Northern and Central China, Hong Kong and Taiwan. Generally this group was from prosperous and entrepreneurial families that had less than four siblings and they arrived in New Zealand for the purpose of education and lifestyle instead of solely seeking business opportunities. They predominately spoke Mandarin as their primary language. Additionally, they were all knowledgeable in English before arriving in New Zealand; however, language integration was still a problem to varying degrees. The respondents also spoke of difficulties in career integration as several expressed their frustration with the lack of job opportunities which matched their skill sets. All of the respondents had tertiary qualifications, with one having completed a PhD, and four having completed business qualifications. However all placed emphasis on the importance of constant learning and practical business experience. Generally they had their Chinese community networks but no strong affiliation to the broader Chinese community. All respondents spoke of working long hours and coming from a hard working business culture.

This cohort was not subjected to the same level of discrimination as those from the first arrival. Many of these immigrants have established businesses within New Zealand and have also invested personal capital from abroad (Chen & McQueen, 2008).

All Chinese immigrants, throughout the two different times of migration to New Zealand, have been provoked with the dual challenge of holding true to their cultural values whilst striving to find their place in a new society. A major element of their social and economic adjustment to life in New Zealand has been tied to the status attained through some form of employment which influences such factors as their family viability, social acceptance and personal esteem. A prominent means of satisfying this need has been to engage in entrepreneurial activity in the New Zealand small business sector.

De Vries and Kantor (2012) also indicated that Chinese immigrants' children talked about how their parents worked long hours in family market gardens or restaurants and that they had to overcome prejudice and discrimination during their upbringing. However, it seemed that this aspect was far less than that experienced by their parents and grandparents. Respondents also

suggested that there was also a lack of acceptance because of physical differences. It appeared that there was not a strong affiliation of this latter group to the initial New Zealand Chinese community who were the first wave respondents. In fact, it has been claimed that there was a distancing from the Chinese who had arrived in the second wave (De Vries & Kantor 2012), leading to a definite disconnect between the two waves of Chinese immigration.

Other research conducted in the UK by Fielden and Davidson (2011), explored (i) the differences between female and male migrants; and (ii) the case of small business owners from a number of minority groups, in terms of their motivation to start and operate a small business, and how cultural and social factors affected their experiences. The findings in their study showed that women from all ethnic backgrounds are more disadvantaged than either BAME (Black Asian and Minority Ethnic) male or white females, experiencing twofold effects of prejudice related to traditional sex roles and racism. They also suggested that gender and ethnicity have a significant influence on their motivations to start their businesses and as well experiences as business owners. Further to this, they indicated that achievement factors such as lack of career progression were important factors for all participants in their study. However, lack of employment for black men and women was a greater motivator to become self-employed. In summary, they concluded that men in general reported experiencing high levels of racial discrimination, although it was black business owners, especially women, who were more likely than other ethnic group to admit that their ethnic background could be difficult.

Early work on entrepreneurship suggested that entrepreneurship was a male-dominated field. Kirzner (1973) assumed that most entrepreneurs would be male, perhaps because business creation at that time was a male domain. However, the situation has changed markedly, with women now owning more than 40% of privately held firms in the US (Brush, 2006). Female entrepreneurship is also increasing globally, with a recent study estimating that companies owned by women comprise between 25% and 33% of the formal business sector around the world (Minniti, Allen & Langowitz 2006).

A study by Fielden and Davidson (2011) identified specific factors arising from ethnicity and gender. They suggested that women from all ethnic backgrounds are more disadvantaged than males of the same ethnic group or native white females. Women from ethnic backgrounds experience prejudice related to traditional gender roles and racism. Gender and ethnicity have a significant influence on people's motivations and experiences as business owners. Women

and men from the same ethnic group may share similar issues, but will not necessarily experience these issues in the same way.

Fielden and Davidson's (2011) study focussed primarily on the comparative experiences of black, Asian and minority ethnic women and men (such as Indian, South Asians, black, Chinese and other Asians) in the establishment and operation of small businesses in the north west of England. Their research suggested that "pull" factors are significant drivers and key motivations for starting business. While the group of female participants rated independence as one of their top motivators, this was significantly less influential for male participants. However, a study undertaken by Still (2005) on white UK women suggested a greater balance between "push" and "pull" factors. For example, work-life balance is cited throughout the literature as a key factor for all women, although the issue of flexibility is suggested to be more culturally bound. However, lack of employment was a greater motivator for males and females.

In the same study, Fielden and Davidson (2011) reported that cultural influences are much stronger for women than they are for men. They stated that women from other Asian backgrounds (referring to those from Muslim countries) felt that they were under pressure from their husbands not to work with other men, due to religious constraints. Women from all Asian backgrounds felt that their husbands did not approve of them working with anyone from a different cultural background. These cultural conflicts explain why so many Bangladeshi and Pakistani women are outside the general labour market (Metcalf, Moodood & Virdee, 1996) and explain the importance of business ownership as a viable alternative form of employment for women from these ethnic backgrounds.

Earlier, Fielden and Davidson (2005) found that black women used their relevant experience to prove their worth, and this was reported to be a highly influential factor in their decision to enter in to business ownership. They were significantly more likely to be single parents than any other group and thus had less emotional support, which bolstered their self-efficacy because they saw their personal experiences as entrepreneurial capital (Fielden & Davidson, 2005). They suggested that women from other groups drew on family experiences and support to develop and maintain, self-efficacy, which led to variations in business success.

Ram and Smallbone (2001) stated that women and men from different ethnic backgrounds experience business ownership differently and that women from minority communities face additional barriers to those faced by other business owners.

Le (2000) looked at self-employment in Australia and found that migrants' level of education, their experiences in the labour market, home ownership, marital and occupational status, together with English proficiency, are the main determinants of self-employment among immigrant groups. He suggested that immigrants who speak another language and have English proficiency are more likely to be self-employed. Similarly, the more concentrated the group, the greater the opportunity for networking, therefore self-employment. However, Le indicated that the level of educational attainment plays an important role in business creation, observing that education attained in Australia has a negative impact on small business creation because it is a one-generation phenomenon and advantages appear to be non-transferable to the second generation.

2.9 Summary

This review of the literature on the global movements of people indicates that immigration is increasing, and globalisation and technology have made such migration easier than ever before. People are migrating for various reasons, including the pursuit of labour, to bring families together, for security reasons, for trade migration and to escape persecution. From an economic and social perspective, immigration is embraced as an essential and inevitable component of all countries.

Among Western nations, Australia has received, in relative terms, one of the largest and most varied intakes of immigrants from other countries, many of whom have established small- and medium-sized enterprises. Australia is one of the major immigrant-destination countries, together with Canada and the US. The immigration policies in Australia have evolved since the beginning of Australian colonisation, thereby addressing the various issues and needs of specific times throughout Australia's history. The focus of migration policies has changed since 1945 to enable economic development and attract skilled migrants. There was subsequently a remarkable change in Australia's migrant influxes in terms of the source countries.

Self-employment is often necessity driven, that is it is seen as a possible alternative to employment for those who are out of work or unemployed. Self-employment is thus viewed as a prospective source of employment growth. Research by Global Entrepreneurial Monitor (GEM) stated that approximately 12% of the world's adult population aged between 18 and 64 are active entrepreneurs (GEM, 2011).

Research also revealed that 99 per cent of the businesses in Australia are small- and medium-sized enterprises that have contributed significantly to the country's economy (DIISR, 2011a). There is a growing involvement of ethnic minorities in the operation of small business enterprises. Around 33% of these small- and medium-sized enterprises are owned by first generation immigrants, from both English and non-English-speaking backgrounds (ABS, 2008), which indicates the importance of a more comprehensive and critical understanding of how migrants contribute to the economic strength of the country.

In addition, various theoretical formulations have been proffered in the quest for determining the reasons for self-employment inclinations among different immigrant groups. Whilst each theory has its own strengths, at this time no single theory is capable of demonstrating all the reasons why one ethnic group is different from other ethnic groups when it comes to self-employment creation. This study will consider those possible motives behind Croatian immigrants' involvement in small-business in Australia, and in so doing attempt to clarify or contribute to the current theoretical understandings of migrant entrepreneur activity.

Research Methodology

3.1 Introduction

This chapter outlines the research philosophy, approach and design which underpin the investigation of Croatian migrants' experiences of self-employment as broadly described in Chapter One. One of the key purposes of this chapter is to justify the choice of methodology and methods used to create a trustworthy dataset. The chapter thus begins with a justification of the choice of the qualitative research approach, and will show how the methods of sampling, data gathering and the techniques used for analysis are consistent with this approach in order to ensure the veracity of the final research claims.

Because the research seeks to gather data from a number of individual life experiences, careful consideration regarding the ethical collection, treatment and reportage of data has been involved at all stages of the investigation. A brief discussion of these important considerations is also given in this chapter.

3.2 Choice of Research Approach

According to Cavana, Delahaye and Sekaran (2001), the methods used in an investigation bring a unique view to the research. Consequently, Clark (1998) suggests that the selection of an appropriate method for the research should be determined by an accurate understanding of the aims of the inquiry, selecting the best fit of methodology for the specific purpose of the investigation. Further, Annells (1999) suggests that it is the nature of the research question that should determine the methodology to be used.

As presented in Chapter One, the main question which is directing this research investigation is: "What factors led Croatian-born migrants in Australia to choose to operate a small business?" In addition to this central concern, important sub-questions co-exist: "Are any existing social theories of ethnic small business applicable to Croatian small business involvement?" and "Is there any difference between the two different arrival groups, (pre-1990s and post-1990s)?" as suggested by Colic-Peisker (2009)

What these questions are seeking is a deeper insight into the ways in which this definable group of migrants have, either consciously or unconsciously, taken an approach to entrepreneurship in a host country, which has been, according to a number of measures, remarkably successful (ABS, 2006). An assumption has been made initially that elements of the shared culture of the group may be providing actions or approaches which support self-employment. Such insights are, this study claims, related to the way people and groups construct their world, and this contextual reality is most profitably sought using a qualitative methodology (Crotty 1998).

In this respect, Saunders, Lewis and Thornhill (2000) and Sekaran (2003) recommend that if an accurate profile of a person or a group is an objective of a study, then a phenomenological approach is most appropriate. This is consistent with the investigative aim of the study; rather than attempting to establish conclusive evidence behind this entrepreneurial course of action, some indications were sought by exploring what the possible motives are behind Croatian immigrants starting their own businesses. To meet such open-ended and exploratory aims, a qualitative methodological approach is ideal.

To further justify the choice of this approach, two added things about the nature of the qualitative method should be mentioned. First, qualitative research emphasises the task of understanding what people perceive as the reality of their circumstances rather than the researcher making mathematical or predetermined assumptions. Second, the aim is to discover personal patterns of behaviour, a task which is not ideally approached through a positivistic stance.³ Bryman (1989) concurred that if the emphasis is on an individual's interpretations of theirs and others' behaviour, then the qualitative methodology is most appropriate. This view is also shared by Ticehurst and Veal (2000) who stated that if the aim of the research is to come to terms with the meaning rather than the frequency of more or less naturally occurring phenomenon, a qualitative methodology is to be employed. In this study, a qualitative approach was thus incorporated into the research to determine perceptions, attitudes, feelings and motivations of Croatian immigrants regarding their self-employment intentions in Australia. Some comments on the qualitative research approach taken now follow.

³ Positivism is strongly committed to quantification and analysis of relations between variables in an organised and controlled situation. Remenyi, Williams, Money and Swartz (1998) and Saunders et al., (2009) both state that positivists have a preference for working with observable social reality where the conclusions lead to generalisations. This is not the intention in this investigation.

3.3 Qualitative research

Qualitative or empirical research is non-numeric, evidence gathering, is described as the study of essence, occurrences, and the exploration of human experience (Merleau-Ponty, 1962; Polkinghorne, 1989; Van Manen, 1997; Collis & Hussey, 2003). According to Spiegelberg (1982), qualitative research is a thinking that is never static, and it is determined by its fundamental principles. The object of qualitative research is the participant's experience of occurrences, the way in which consciousness gives meaning to their world in a subjective dimension.

Collis and Hussey (2003) argue that the qualitative paradigm is interested in understanding human behaviour from the studied entity's own frame of reference. According to Carson, Gilmore, Perry and Gronhaug (2001), the qualitative approach asserts that there is no single reality and utilises qualitative research methods with a view to understanding and interpreting the research area. A qualitative approach states that the researcher accepts that the world is what people perceive it to be, and as a consequence, reality is understood to be socially constructed (Cavana et al., 2001).

Qualitative researchers study things in their normal settings, attempting to make sense of it, or interpreting phenomena in terms of the meanings people infer about them (Denzin & Lincoln, 1998). This approach to research, commonly known as interpretivism, is closely linked with a small sample population and lends itself to the interview process where the observer seeks a high level of detail, often referred to as "rich" data (Collis & Hussey, 2003).

According to Creswell (2005) qualitative research can be open to researcher bias, as frequently the researcher is part of the research tool and consequently interprets data subjectively through their own eyes. Collis and Hussey (2003) and Creswell (2005) indicated that in order to expose the nature of events, understand how things happened and gain new insights about various phenomena, subjectivity and biases are expected. The research objective within this paradigm is to "understand the subjective experience of individuals" and describe the "point of view of the participants directly involved in a social process" (Burrell & Morgan, 1979, p. 227).

According to Hatch and Cunliffe (2006), qualitative researchers argue that in the social world people make sense of situations depending on their experiences and expectations. Their reality is, therefore, constructed and reconstructed depending on unique experiences, resulting in many interpretations. Denzin and Lincoln (2003) have strongly emphasised this point, and

Hatch and Cunliffe (2006) suggest that there are therefore multiple and parallel realities and establishing knowledge is all part of a researchers' academic experience and is inductive and theory-building. These latter authors state that making subjective sense of data is important in order to understand an individual's point of view. Therefore, the researcher is focused on understanding the meaning and interpretations of individual respondents, and understanding their world from their personal point of view.

According to Saunders, Lewis and Thornhill (2007), results that emerge from this method are not widely generalizable. Easterby-Smith, Thorpe and Jackson (2008) again reinforce that the significance of qualitative research is to reveal how individual people think, feel, and communicate, hence generalizability is not expected.

Furthermore, Van der Zalm and Bergum (2000) indicated that qualitative inquiry produces empirical knowledge in the form of descriptive and explanatory theory, which leads to virtually relevant knowledge, and it also contributes to ethical, visual, personal and socio-political ways of knowing. However, as Ford-Gilboe, Campbell and Berman (1995) indicate, because qualitative research is largely subjective in nature, steps must be taken to avoid overt bias. Often, a process of self-reflection has been used for this purpose (Polkinghorne 1989; Chapman & Smith 2002), and such is the case in this investigation.

3.3.1 Interviewing method

In qualitative research, the commitment is not to generalise to a population, instead it is to develop an in-depth exploration a phenomenon that is being researched (Creswell 2005).

A number of data collection methods exist in qualitative research and interviews are among the best suited and most commonly used instruments (Kumar 2005). According to Kumar (2005) interviewing can be very flexible, when the interviewer has the freedom to formulate questions as they come to mind around the issue being investigated. On the other hand, interviews can be inflexible, when the investigator has to keep strictly to the questions decided beforehand. A number of approaches can be distinguished on the spectrum between the two extremes of improvisation and determination but the one thing they all have in common is the fact that they do not give any specifications or limit the participants' freedom in answering the various interview questions. For the investigation of the central phenomenon of this study, a semi-structured interview design was employed with open-ended questions and was thought most

appropriate. This choice was based on the following thoughts: (i) results obtained through semi-structured interviews can be compared among each other since all participants are required to express their views about the same general refrains (ii) semi-structured interviews allow not only for assessing the participants' opinions, statements and convictions, they also allow to provoke narratives about their personal experiences, (iii) open-ended questions allow the participants to freely voice their experiences and minimize the influence of the researcher's attitudes and previous findings, (iv) Anonymity was guaranteed in order to give the participants the opportunity to freely express their views and encourage them to also address politically delicate issues.

A list of guiding questions was composed and used to guide the interviewer in order to make sure that all respondents address in the interview process the issues that are of interest for this study. However, this list was not used for standardizing the data collection procedure, it merely provided a frame for the discussions and was intended to trigger and guide the interviewer. Therefore, as indicated above, the purpose of this study is not to generate a representative sample and then generalize the results to other groups or other contexts, but rather to learn from people who are 'information rich' and can best help to understand the specific interest of this research

3.4 Sampling and Data Collection Methods

To ensure that the work presents findings that are trustworthy, the data collection was developed to allow information to be gathered which was as rich as possible. By nature, of course, it was recognised that the data gathering process was somewhat subjective due to the level of involvement of the researcher,⁴ but it is also recognised that there are very positive advantages arising from conducting “insider” research (Hockey 1993; Robson 2002; Ravitch & Wirth 2007; Mercer 2007; Coghlan & Holian, 2007).

Recalling that the primary aim of this research is to inquire into what motivates Croatian-born migrants in Australia to become self-employed, it was the first important task to ensure that a reliable source of data could be guaranteed. For qualitative research, a non-probability sample

⁴ It is recognised that all researchers possess their own view of reality; therefore this stance affects the nature of the epistemological conclusions that are drawn. According to Blaikie (1993) social science research involves the understanding that researcher will possess their own values and preferences, which will have a subjective influence over the process, making it impossible to achieve absolute objectivity.

is required, and in this case, due to the small number of participants required, a snowball sampling method was used. This is a type of chain-referral sampling⁵ (Jeffri 2004) in which recruited subjects are identified from suggestions made by other informants. Such an approach is suitable here, since the required participants represent a very small percentage of the population and, because they are not commonly gathered in specific groups, they may often be hidden or difficult to identify or contact. The investigation thus relied to a large extent on personal contacts as well as introductions obtained from those interviewed, which is a commonly used practice in this qualitative type of research.

Using this sampling approach the study was able to gather data on Croatian small businesses from a range of sources including; Australian-Croatian Chamber of Commerce and Industry South Australia (ACCC), Chamber of Commerce Victoria, Croatian General Consulate Victoria (CGCV), Victorian Employers' Chamber of Commerce and Industry (VECCI), Ethnic Chamber of Commerce (ECC), Small Business Victoria (SBV), Federation of Ethnic Communities' Councils of Australia (FECCA), and any relevant documents and materials from those organisations.

The selection of participants was helped with the assistance of the Croatian Consul General,⁶ who has a close association with many Croatians living in Australia. Collected data came from two groups of Croatian small business owners; those business operators closely linked to ethnic business associations and those not closely linked to such associations. In particular, Adelaide has a very strong Croatian business association and through local contacts this group provided access to a number of interviewees.

The primary research tool that was employed was in-depth semi-structured interviews, an approach that is consistent with the qualitative nature of this work. Such interviews are in particular suited to data collection when the intention is to (i) study people's understanding of the values in their lived world; (ii) describe their lived experiences; and (iii) describe and elaborate their own viewpoints on their lived world (Kvale 1996). Yin (2009) identifies two imperatives that need to be followed in the interview process. First, there is a need to follow a defined line of inquiry – in this case an “appreciative inquiry”; second, there is a need to ask the actual questions in an unbiased manner such that they serve the needs of the line of inquiry without “leading” the respondent. The questions in the interviews were thus chosen to be open-

⁵ A technique where existing study subjects recruit future subjects from among their acquaintances.

⁶ To whom grateful acknowledgement is given for his assistance.

ended and were intended to encourage unsolicited discussion. This approach was taken in order to increase the veracity of the final outcomes. The strength of data collection collected through interviews is that it allows participants to focus directly on the study topic as they perceive it, and thus insightful and unforced opinions can arise. However, it was recognised that, unless the questions were well constructed and that the line of inquiry was carefully followed, there could have been (i) emergent biases on the part of the researcher; (ii) inaccuracies on the part of the respondent due to poor recall; (iii) a large amount of irrelevant or unfocussed data; or (iv) a possibility that the interviewee might be disposed to provide the interviewer with only what he/she wants to hear (Cohen, Manion, & Morrison 2000).

A total of 35 in-depth interviews were conducted⁷ in order to allow the researcher to construct a story that captured the participants' experiences (Veal 2005). The interviews were carried out with the founders of each of the selected businesses, and some historical and demographic data was gathered through the interview process, which was required for determining the personal and business history of the founder(s). In addition to the interview data, field notes were used to capture observations of the business and its environment. These notes included a description of first impressions of the business and reflections about the business and its operator after the close of the interview.

Because of the semi-structured nature of the interview,⁸ rather than just recording a simple answer to each question and moving on, the interviewer encouraged the respondent to talk discursively around the topic, and was able to ask supplementary questions and pursue more in-detail responses. Characteristically for qualitative research, where the respondents of the research were relatively few in number, the information obtained from each subject was expected to vary considerably and each interview was a "story", or reality, in its own right. The subsequent synthesis of the research outcomes was sensitive to this issue, and although the aim of the work was to understand migrant entrepreneurship as a concept, no attempt at naïve generalisation was made.

⁷ The questions that were used in an interview are presented in Appendix D. The questions are of a general nature, and are neutral and exploratory. In addition to questions listed, probing questions were used, such as: "What do you mean by that?" "For example?" or "Is there anything else that you would like to mention?" These probe questions were intended to allow respondents to introduce issues that were important to them, and which contributed to the richness of the data. As mentioned earlier, an introduction to other possible participants was requested as consistent with a snow-balling technique. Each interview was transcribed as soon as possible after the event, and depersonalised to ensure confidentiality.

⁸ See interview protocol, Appendix D.

3.5 Ethical Considerations

The nature of qualitative research is that it probes respondents' private understandings and beliefs. As such, data must be treated with respect (Patton 2002), and the dignity and security of the respondents needed to be protected. In this respect, respondents were assured of complete anonymity and confidentiality throughout the research, and that all preparations for data collection were to be carried out with regard to the needs of the respondents (Fontana & Frey 1994; Tolich & Davidson 1999). The Victoria University Ethics Committee (HREC) approved this research in July 2010, and as noted below, their requirements were carried out with all respondents.

It was estimated that the semi-structured face-to-face interviews of one hour would be sufficient for each participant, and with this information interviews were booked in advance with each respondent via a phone call. All interviews were conducted on the premises used by the respondents for their business. At the beginning of each interview, a brief outline of the interview process was conveyed to the respondent describing the nature of the study (see Appendix A for details). In particular, the interview approach was detailed, a "Consent to be interviewed" form was completed, the intended use to which the data would be put was described, data confidentiality was assured, and the recording method was revealed.⁹ At this time, the participants were given the opportunity to clarify any issue that might have been a concern to them, and were asked to confirm their willingness to participate by signing the consent form. In some cases, a follow up interview was conducted to clarify any issues or missing data.

It was made clear to participants that no incentive was to be offered to the participants, and involvement in the interview for this research was voluntary. To ensure anonymity, no individual contributor's name was mentioned in the study, and all contributors were guaranteed that the results of their interview would only be used for this particular research. Regarding any concern participants may have had, the information and consent sheet had the contact details of the researcher and research supervisor so that the participant had the option to opt out of the study. No problems, however, arose during the data collection process and no negative or concerning comments were made by any participants during the conduct of the research.

⁹ Whilst most respondents agreed to recordings being made of the interviews, there were some initial reservations expressed; however, subsequent to this, all respondents agreed to the recordings being made.

3.6 Data Analysis

According to Polit and Hungler (1995), data examination is the methodical organisation and separation of the obtained data. This consists of categorising, arranging, handling and putting together the data and labelling it in meaningful expressions (Brink, 1996). The researcher in this study has considered general logical procedure to deal with qualitative data. As recommended by Miles and Huberman (1994), a general, logical procedure is made of three distinct processes: data reduction; data display; and conclusion drawing. The data was thematically analysed using standard qualitative techniques as follows.

In data reduction, the data is summarised, coded and broken down into themes and categories. In data display, the reduced data is displayed in a visual form to show the implication of the data. Finally, in conclusion drawing, the graphic representation of the displayed data is interpreted and meaning derived from it. According to Miles and Huberman (1994) when developing conclusion data is checked for irregularities, patterns, explanations, possible configurations and emergent propositions. Hindle (2004) identifies these data analysis techniques as “methods for analysing data irrespective of either the methodical cluster within which the technique is applied or the methods used to collect the data” (p. 594).

In essence, the analysis process included taking the collected data (observations and transcribed interviews), coding the mass of data into emergent themes (which reduced the complexity of the material), presenting it as an integrated diagram (to assist in the organisation of emergent ideas), and finally drawing out the key themes and concepts into sustainable patterns and explanations. The relationships between the themes were identified and collated into a thematic conceptual matrix as recommended by Miles and Huberman (1994) prior to the development of an overall reflection on the similarities and differences in approach related by the respondents.¹⁰ (Appendix E).

¹⁰ This research is inductive and not deductive in nature and theory building rather than theory testing is involved. Because of the contextual nature of the research, generalisation will be limited due to restrictions on the external validity of collected data. Considering that the investigative emphasis is on language and communication, this inductive research method is appropriate for this study.

3.7 Quality and Validity of the Research

Ensuring quality outcomes is one of the most important concerns in scholarly research. In qualitative approaches, the notion of validity is one of the standards that this study uses to judge the quality of our research. The study introduces the idea of validity to refer to the quality of various conclusions that arise based on our research project. The research of this nature can be undertaken by using different research approaches, which can, in some way, influence the focus of the research. It is therefore important to recognise the possibility of methodological biases, and ensure that they are exposed and minimised (James & Vinnicombe 2002).

In this respect, according to Blaikie (1993), expected inclinations are highly significant in Social Science research. To mitigate this, it is usual that different perspectives are used to study phenomena from different angles, thus bringing a new sense of confidence about the issue investigated (Hatch & Cunliffe 2006) This is often referred to as triangulation of data sources, and can particularly reveal outlying perspectives from a particular respondent (Punch 1998).

3.8 Summary

Research in a social context involves considerable complexity because it recognises, and encourages, the subjective perceptions which arise naturally from a respondent's attribute of "free will". This complexity is most readily handled through a qualitative research approach, and the beginning of this chapter was largely devoted to a description of, and justification for, using such an approach.

The research method selected for the qualitative research involved semi-structured in-depth interviews with each of the participants taking part in the interview process. Some discussion and detail of the steps taken to provide an ethical, systematic and trustworthy dataset has been given, and the next chapter (Chapter Four) presents the results in more detail from the data which was collected.

Results

4.1 Introduction

The empirical data for this investigation has been gathered from semi-structured in-depth personal interviews, held in the latter part of 2010 and early 2011. The interviewees were Croatian ethnic small business owners in either the greater Melbourne or Adelaide region of Australia.

This sample encompasses only Croatian ethnic small business owners who had expressed willingness to participate in an interview. Details regarding the interview questions and the protocol used to ensure ethical and unbiased responses, can be found in Appendices A, B, C and D.

This chapter will lay out the responses obtained from those interviews. The data obtained has been summarised, coded and segmented into themes as described in Appendix E. In this chapter the study will display the reduced data in a visual form as recommended by Miles and Huberman (1994) to reveal the associations within the data.

At planning stages of this research, the study developed some working concepts, a set of logically consistent ideas about the relationships between empirical phenomena that allows those ideas to be tested. These concepts permit the researcher to reduce the data in an effective way, and allow the visual identification of themes and patterns. It is these relations between the concepts that enable the process of understanding interconnections and meanings contained in the data.

There are a number of practical decisions that must be made about the framing of an interpretive study that will ultimately influence its quality. Such decisions include communicating and refining the research questions, determining the theoretical orientations, and establishing appropriate methodological procedures (Corbin & Strauss, 2008). In this respect, it has been advocated (Randall, 2010) that mapping one's goals, knowledge, and beliefs while outlining and carrying out qualitative research, can be useful for maintaining the quality of the study, again emphasising the importance of the conceptual work outlined above.

The dataset for our research is provided in the form of commentary drawn from the open-ended interviews with each of the informants. Analysis was based upon recognition of strong themes arising within each interview, and then subsequently searching for repeated themes across interviews. There were a number of expected themes which came from the interviews, such as the reasons for migrating and other motivational factors which encouraged the informants to consider setting up a business. These included financial reasons, a desire for economic independence, making use of an opportunity which was presented, and to mitigate discrimination and unemployment issues. Other more subtle themes will be revealed during the analysis.

It is important, however, to comment here that whilst some themes were presented as discrete drivers to business development, it became apparent that a number of informants noted that there were multiple and mutually supporting reasons for their decision. It was a common experience for informants that a business opportunity would present itself, and the consequent recognition of this opportunity provided a strong impetus to start their own business; however, there were often other reasons also present which created even greater momentum in the decision to become an entrepreneur. It was an understanding of this complexity of themes and elements, and their contribution to successful enterprise, which was a key objective in this investigation.

4.2 Format of the Chapter

There were 35 informants who contributed to this study. Semi-structured interviews, all face-to-face, were conducted at either the business premises of the respondent or their own residence following a prior appointment.

The informants in the study were not related, nor did they have any business relationship. As a consequence, the information obtained from each interviewee was expected to vary considerably, suggesting that each interview would be a “story” in its own right. The interviews were conducted on the basis of a detailed interview question list (Appendix D), which was used to systematise the semi-structured approach used by the interviewer. This method offered us the advantage of ensuring that all issues important to the respondents could be followed up. Types of questions that were pursued included: personal and family background of the business operator, their work experience prior to migration, their work experiences in Australia, their

motivations for going into business, their business history and questions about business performance including growth, employment size, market share and profit history.

The following sections will discuss socio-economic factors, language proficiency of participants, age upon the arrival, prior employment status, education, first impression, jobs availability, experiences in job search, residence upon arrival, initial work experiences in Australia, motivational factors in starting business, financial and family support as well as their business performance.

4.3 Socio-economic factors

The circumstances in which different groups arrive can greatly affect how positive a contribution each group is able to make to their new country. For the purpose of this study two groups of arrivals were seen as different in terms of their age, English knowledge, education and purpose of their arrival. These two groups are from different socio-economic backgrounds.

The early arrivals were part of the so called “working class”. They were part of Australia’s labour importation; they had limited education and usually no English on arrival. They took low-status jobs, usually taking-up factory work in the Australian post-WWII industrial boom. The latter group of arrivals is classified as predominantly professional migrants who spoke reasonably good English and were skilled.

In the 1980s, Australia’s economic needs, and consequently immigration policies, changed in favour of skilled migration. At the same time Croatia had much more skilled labour to offer. The Croatian “education boom” during the 1970s created a surplus of professionals who could not fulfil their aspirations in their native country stricken by a deep recession that started in 1980s. A large number of them emigrated in the 1990s, joining the ranks of the highly mobile, English speaking “global professional middle class”.

Close to two thirds of those interviewed came to Australia in the 1960s to the late 1980s period, and their personal reasons for emigrating were varied but similar, as indicated by the quote below:

I came to this country in 1969, escaping conscription service which was compulsory in former Yugoslavia. Yes, sure this was meant to be for three years only and not for life as it seems that way. Australia is a far land and people don’t intend to be stayers at first; most that came here

would have come as workers on a temporary basis. I came here to earn some money and once three years expired had plans to go back to Austria and live there (Case No 2).

We wanted to give our children a better life than we had. We came as part of labour import to Australia and our initial plan was to earn as much money as we could at the same time we wanted to provide better education for our children (Case No 4).

The latter group, who arrived more recently, were those that experienced difficulties, either political or economic, due to tensions or possibly fighting back home as indicated by the quotes below:

I was an educated person but unfortunately could not fulfil my desires back home. There was no work, recession hit hard in late 80s, there were lots of people with higher education but unfortunately things were heading for worse not better. I felt like I needed to do something about it and this was the outcome. Initially I headed west to Austria then Germany and that was not satisfactory up until the doors opened for me to Australia (Case No 18).

In fact who would think that the furthest country on this globe would be so generous? We came in the 90s, just before war stopped after spending some time in Austria. Fortunately Australia was one of the rare countries to open their arms to many post war displaced people from Europe (Case No 33).

Table 1 displays the year of arrival, which indicates that the early arrival group migration from Croatia was spread over a longer period of time (22 years) as opposed to latter arrival group (5 years). This might suggest that the early arrival group migrants may have been exposed to a wide range of economic environments and social conditions, while the conditions related to the latter arrival group must be considered within a much narrower window, and will most likely be related to the direct conflict conditions in the area. This would suggest that the milieu under which the early arrival group migrants were making decisions meant they were a somewhat heterogeneous group, but nevertheless were arriving in Australia on their own will. This contrasts with the refugee nature of the later arriving group, who all may have been pressured to leave Croatia to look for shelter and safety elsewhere. These different scenarios might account for some of the differences in alternative strategies used by the groups in settling and setting up small businesses.

Table 1. Period of arrival of the respondents

Period of arrival	Case number(s)
1966–1988	2,3,4,6,8,9,10,11,12,13,14,16,19,20,21,23,25,27,29,32,35
1990–1995	1,5,7,15,17,18,22,24,26,28,30,31,33,34

It should be appreciated that the interviewees, who arrived in Australia between 1966 and 1995, came via the various channels that were available to them at that time, which introduced another level of complexity to this study. Almost two thirds of respondents arrived in Australia as either economic or professional migrants¹¹ who migrated under a scheme of normal migration processes. Many of these were displaced people that resided in other parts of Europe, mainly Austria, Switzerland and Germany, where they resided as permanent residents and were looking to establish themselves on a more permanent basis elsewhere. Australia was, at this time, bringing people in due to either labour shortages or number shortages as indicated by the quote below:

Australia needed lots of people then. There was a workers' shortage and I came to perform any work available, however, did not expect more than labouring. This is because of my language knowledge deficiency, however, labouring work can be done by anyone whether or not one could speak (Case No 3).

Figures show that the largest wave of the pre-1990s Croatian intake to Australia stems from the 1960s to the late 1970s. Some of these migrants will have now reached their retirement age. However, some of those that are self-employed are still actively participating in the survival of their businesses and were involved in this investigation. This group largely entered Australian shores through the intake of the so called “Displaced Persons”. The typical stereotype of this cohort was young males who came to Australia, usually, through so-called “Chain migration” program, and planned to stay temporarily. They were often homesick and were sending home remittances to their families. However, this temporariness was prolonged due to both economic reasons and having developed a strong ethnic bond with co-ethnics in Australia, as the quotes below suggest:

¹¹ Migrants choose to leave their country to seek a better life. They choose where they migrate to, and they could usually return whenever they liked. They had time to prepare for their trip and their new life. Those that arrived in Australia between 1960 and 1980 were classified as economic or working class migrants while those that arrived in the late 1980s are predominantly professional migrants (Colic-Peisker, 2006).

When I came here things did not impress me right away; however, as time went by I got to know lots of Croatians in fact one family was from my village back home. In a short period I found lots of friends and things became a lot friendlier and I was not as nostalgic as when I initially got here. I started earning lots of money more than what I ever did. After a while my nostalgic feeling was slowly diminishing (Case No 2).

Once I started working, money kept on coming in, in fact every week you get paid here and not every month or never as it is back home. My thoughts were not as when I initially got here. Got to know lots of Croatians, it was like at home (Case No 12).

Of those that came here as singles, some went back home in search for a bride and bringing her to Australia while those that were married brought their families with them. Their initial plans were changed and thoughts of going back and fulfilling a long-standing nostalgic desire were only extended till retirement age (Colic-Peisker 2008). All respondents from the pre-1990s cohort had a long gestation period before contemplating starting a new chapter in their lives and becoming self-employed. The reason behind this is that they always thought that they would go back home in the future, as is shown in these comments:

I came here as a single man and my intention was to work hard and possibly go back home once I save enough money. After few years things changed and I got accustomed to the Australian way of living. This was really the reason that I contemplated that long before starting my own business (Case No 3).

Well whatever we planned did not eventuate; we came here as workers for couple of years; however, once the kids started their school it was difficult to stop their lives, then we also learnt our ways around. Before you blink ten years has gone past you (Case No 21).

However, it appears that, for these migrants, as the years went by, things changed, weekly wages kept on coming, houses and cars were bought, things became much more stable and life was becoming more liveable. Having gained work experiences, becoming accustomed to new life and learning what other ethnics and co-ethnics were doing, they became wiser and more acquisitive. This seems to have been a turning point in their lives, and they now want to take further financial risks and start their own ventures in Australia as is encapsulated in this response:

Once I started work things changed for better. I established lots of friends, not just Croatian but other nationalities as well. I wanted to know how others survive and what work they were doing.

Some of friends were running their own businesses and sure they were wealthy. After some years of work and life experiences I was looking for the alternative source of income, preferably starting my own business (Case No 32).

This pattern of accustoming to a new life is evident with some other groups from southern Europe who had similar socio-economic backgrounds (Castles & Miller 2003). However, the difference is that Croatian migrants to Australia have a significantly lesser residential concentration compared to other south-European groups, who have tightly knit communities (Marcus, Jupp & McDonald, 2009). This suggests that Croatians were rather more spread and possibly rather more integrative and assimilative compared with other groups. This also might indicate that their ethnic enclave was not as restrictive as it might have been with some other groups.

Due to the labour market outcomes, the Australian Government was constantly fine-tuning Australian immigration policies. The Croatian early arrival group continued to grow in numbers mainly due to the economic crisis that hit ex-Yugoslavia. This period of arrival was faced with having to be educated and work experience-equipped in order to pass testing procedures to qualify for the permanent visa entry to Australia. The following quotes indicate that some respondents to this study fell into the professional migrant category:

I was fortunate to have had some education and work experience back home, otherwise would have had no chance to come here. Similarly, my education and work experience was important on my arrival here. It was easier to find work besides many other benefits such as, if I wanted to further my studies, the platform was there (Case No 8).

Hmm, I had someone to go to. Having said that, I had my secondary school completed back home and wanted to go further and study at the University. Sure, people look at you different once they know that you have some education completed. Also work was easier to come by because we had some language knowledge that we obtained while at school back home (Case No 9).

The latter period of arrivals is characterised as the gradual change in the internal structure of the Croatian community in Australia. “Working class” Croatian migrants were gradually replaced by a new batch of (professional) arrivals as well as the second generation of Croatian

migrants.¹² At this point in time there was a visible increase in numbers of the second generation and their heavy presence in community activism and public representation soon became apparent (Colic-Peisker 2006).

These early arrivals were characterised as being in their late-20s or very often in their 30s. It was also observed that this group of arrivals married and had their off-spring born in Croatia. This cohort had a common reason for arrival and it is likely that they had a similar outlook towards their plans for a longer stay and for their increased economic prospects in Australia.

The interview data suggest that this cohort waited for a shorter time compared to the previous cohort before starting their businesses. There were no indications regarding their desire to return home in the near future as was seen with the previous cohort:

Once we arrived here we felt like at home. There were lots of Croatians here who wanted to help us. Another good thing was that we could communicate in English as well. I started work the next day and learnt the trade very quickly. Few years down the track I started my own business (Case No 9).

Initially this group came as wanderers with no single objective in their minds; however, all indicated that they were looking for better life for themselves and their children no matter where. This decision of staying in Australia could be because there were many prior established networks and co-ethnic organisations creating a home-like or welcoming atmosphere. However, many were refugees and were not in a position to seriously contemplate returning home. Further to this, this cohort created a different impression, suggesting that they were more relaxed and keen to try exploratory careers:

Look, we always wanted to come here. We wanted to try a different life; if it didn't work well there would have been something else. Further to this we had an excellent welcome from Croatian people that were established here (Case No 6).

There was no indication that they wanted to be pressured in any way and were living lives on a day-to-day basis. The feelings are that they started their businesses with some optimism, suggesting that if the enterprise was seriously pursued, then it would work.

¹²Multicultural Middle Class was formed in the 1980s onwards from the first and second generations of NESB who experienced upward social mobility. These groups became increasingly present in business and many other professions and government (Colic-Peisker 2009).

However, more than one third of the participants in this investigation were post-1990s immigrants. Almost all in this group suggested that they came under a scheme that was in place for persons who had suffered gross violations of human rights. These migrants were accepted under the “Special Humanitarian” component called “Special Assistance”, which was designed for people from countries which have close links with Australia, and where hardship and suffering such as those found in war-like situations, were evidenced (UNHCR, 2010). This cohort is classified as being a status mix of economic, professional and refugees¹³ and it is likely that they were not in a position to seriously consider returning to Croatia in the foreseeable future.

Records indicate that since 1991, almost 30,000 settlers from the republics of the former Yugoslavia¹⁴ have migrated to Australia. Among this group there were many war refugees; however, those from Croatia were not in large numbers, but many ethnic Croatians escaped from Bosnia and Herzegovina and other former Yugoslav states. However, the majority, 81.9%, of Croatian-born people in Australia came before 1996 (ABS, 2006). It is appropriate to assume that those that arrived in the period between 1990 and 1996 had similar reasons for departing their home land – there were continuing prospects of escalating internal tensions and a situation representative of a virtually non-existent economy. It is noted here that whilst some of the participants officially originated from Bosnia and Herzegovina, they were actually Croatians by nationality (Jupp, 1998; Colic–Peisker, 2002a). It is not surprising perhaps, that in such complex and unsettled conditions, many people in this area had good reasons to leave and search for a more secure refuge. This unfortunate situation in the post-1990s might have been the most critical reason for their desire to enter Australia via the proper channels.

Overall, the reasons for arrival were characterised as either having escaped the uncertainties due to the War, or having legally exploited the humanitarian scheme that was put in place to enter Australia. Whatever the precise mode of arrival, what is observed is that post-1990s

¹³ Refugees are forced to leave their country, often without warning and preparation, and cannot return unless the situation that forced them to leave improves. The concerns of refugees are human rights and safety, not economic advantage, and a person who is unable or unwilling to return to their country of origin, is typically because of a well-founded fear of persecution on racial, religious, ethnic or political grounds. Australia uses this definition of “refugee” to determine the legitimacy of claims for refugee status in Australia. If a person is found to be a refugee, Australia has an obligation to offer support and ensure the person is not sent back to the country of origin against his/her will.

¹⁴ Up until 1996 Croatians were counted as Yugoslavs, therefore, it is not clear what numbers of Croatians arrived in the period between 1990 and 1996. The Population Census in 1996 reported 47,000 Croatian-born persons living in Australia. However, the Census in 2001 reported a slight increase to 51,860. It is also assumed that some Croatian-born would have stated their ethnicity as Yugoslavians in the 1996 Census.

respondents waited a lesser period of time before starting a business than the first wave of Croatian immigrants and whilst they did not wait long to start a business, they did not start in business immediately. This small lead time is possibly due to the availability of more co-ethnic networks and the creation of “home-like” conditions, as indicated here:

We were fortunate since I had a cousin living here. He and his wife had their own fish and chip shop. Initially both of us were working there and after a while they wanted us to buy half of the business and we did (Case No 28).

There were lots of Croatians when we arrived. Almost everyone worked on a building site and it was easy for me to get a job there. I was quick in learning a trade and in fact I liked it. I felt like at home, spoke Croatian at work and had lots of friends (Case No 26).

Another point to consider is that this group is characterised as having explored other professions as opposed to the pre-1990s groups. The responses suggest that a mix of industry preferences were evidenced by this group. In fact, one respondent stated that he did not want to work on a building site as most others did, indicating that other industries like interior decoration, were a lot more appealing to him as indicated by the quote below:

Hmm...., many Croats were and still are working on building sites, and it was easy to find work there, but I wanted to do something not as hard and something different (Case No 24).

As indicated above, whilst the circumstances of arrival might have influenced business outcomes, possibly in a positive manner, it is nevertheless probable that those that arrived pre-1990s would have experienced better economic conditions and would have had more time in planning their business start-ups. However, in contrast, those that arrived post-1990s would have: (i) had more professional background and thus had the social capital to understand business development; and (ii) they also met better networking and social support opportunities due to a larger prior establishment of co-ethnic groups.

Many interviewees, close to 40%, arrived on Australian shores as singles, while the other half came with family members. Not surprisingly, given the difficult circumstances back home, a significant number of the post-1990s arrivals, in fact 12 out of 14, came with their family members. In total, out of 35 interviewees, 23 came with their family, ten came as singles and two got married on arrival to an Australian citizen. Marrying an Australian spouse was the reason given to stay for two of the cases in our study.

As reported above, a large proportion of interviewees, mostly post-1990s, came with their wife and children. This indicates that these people were forced to take risks by resettling in a new country in order to make a better life for their families. This also indicates a willingness to take risks and confidence in their ability to make a new life. This may indicate why this cohort did not take long to establish themselves within the business community. This element of risk is often talked about within entrepreneurial research. As stated by Drucker (1985), entrepreneurship is focused towards economic performance of an enterprise through risk-taking decisions. This reasoning is also echoed by Hatten (1997), who stated that to become a self-employed person, one needs to have a strong need to achieve, and the willingness to accept risks (cited in Omar 2011, p.36). The quotes below suggest this assumption held for this cohort:

We wanted to give a better life to our children, no matter what it takes. We were truly drifters and had our minds set to succeed or fail. Having said this, coming to Australia was a bit risky in a way since we never flew plus we spoke very little of English (Case No 30).

If we could go to Australia, furthest country on earth, we could do anything. Sure we wanted to succeed in our lives, but this was not failsafe. Yes we took a risk and sure taking a risk is not always good; things get sour sometimes; however this is our nature. At the end it all paid off for us (Case No 22).

The reporting indicates that the post-1990s cohort waited a shorter time before starting their business, than the pre-1990s group, suggesting that they had a more risk-taker mentality, which may have been linked to the social conditions whence they came.

The post-1990s period in Croatia was characterised as going through a phase of social transitioning. At the commencement of the 1990s, the risks orbited around the essential internal issues of transformation of the type of ownership and the political system, the latter including a deferred nation-building process and the war. In comparison, present-day risks can be said to be principally globalisation-related.

During the transition process Croatian people were subjected to, and simultaneously affected by, the work of two modernisation processes of different character; first, brought about in relation to pre-industrial social institutions affecting various aspects of social organisations, and the second, a more advanced present in countries with advanced post-industrial economies (Maldini, 2012). Maldini (2012) stated that the second, modernity, was directed at everything that the first process left unmodernised such as family and gender roles, workplace relations, individual biographies and a sense of belonging.

4.4 Language proficiency on arrival

Almost two thirds of respondents in this study came to Australia with no English understanding, whilst more than one third had “various levels” of English knowledge. Many informants stated that it was unfortunate that they had not learned English at school, revealing that they did have an option to select what language to choose at this time. This may have some relevance to the later decision to migrate to Australia, where English is the single standard language, and may also have some influence on the different times of arrivals that were evidenced before embarking on self-employment activities.

Living in a country which has another language poses lots of difficulties, besides experiencing difficulties in practical and emotional integration. However, prior established co-ethnic groups would have been a significant support to new arrivals in this regard, which is often observed for groups coming from a culture which is of a non-English speaking background (Massey 1999). Further observation suggests that almost two thirds of the post-1990s cohort had some English knowledge on their arrival to Australia, again suggesting that this cohort had better social resourcing in coming to terms with integration and assimilation into an Australian way of living, as indicated by the quote below:

We loved it here from day one. People were nice to us and the good thing was that we could communicate with everyone. This was, most certainly, very important for us and our comfort. Long before we wanted to come here, since people that we spoke to were saying all good things about Australia and sure we were pleasantly welcomed here (Case No 24).

4.5 Age upon arrival

The interviewees in this study came to Australia at various ages in their lives, and their arrival ages varied from 10 to 34 years old. All of the interviewees were first generation immigrants to Australia. The sample’s mean age of arrival is 23 years, with almost 90% being less than 30 years old (Fig 1). In this study, the pre-1990s cohort was younger upon arrival than the post-1990s cohort.

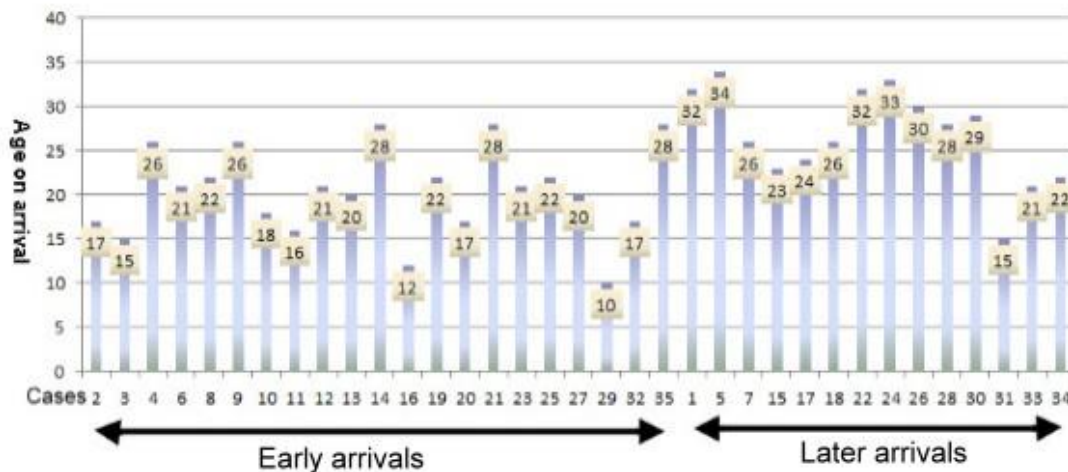


Figure 1. Age on arrival

The respondents in this study were of different ages before embarking on their business ventures. The average age for the early arrival group was 32 years and 34 years for latter arrival group.

According to the Global Entrepreneurial Report (GEM, 2012), whilst nearly half of the World's entrepreneurs are between the ages of 25 and 44 years, in general, however, 25 to 34 year olds exhibit the highest rates of entrepreneurial activity. In some regions such as Latin America and certain parts of Africa, 45 to 64 year olds are in the majority as entrepreneurs, yet some other regions such as the European Union and China, the majority of entrepreneurs fall into the bracket of 18 to 34 years of age.

Age is an important variable when considering entrepreneurship. According to Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) (2003), migrants to Australia in general, fall into different age groups depending on their visa category. The Business Skills visa group has the highest mean age-at-arrival of around 58.5 years, followed by special assistance scheme (SAS) migrants around 51.5 years. The mean age-at-arrival for Family migrants is around 45.5 (work-aged adults) years on average and Humanitarian migrants have the lowest mean age-at-arrival at around 41.5 years. However, this study is based on a much younger sample group not fitting any above category, due to a snowballing technique chosen for the research.

Age-selective migration affects the social, economic, and political features of both sending and receiving communities (Singer & Lauc, 2004). The degree of household materialisation,

fertility rates, need for educational institutions and demand for child or elderly care services are all determined by the age composition of the local population.

In addition Bates (1989) and Boyd (1991) stated that there is a positive relationship between age and entry into self-employment. Also research indicates that the age of the businessman at the start-up of a business is a very important determinant of the survival of a business (Vijverberg & Haughton, 2004).

An interesting observation here is difference between the ages of the two cohorts when they arrived in Australia. Whilst the implications of this for being involved in business will be elaborated in more detail in the next chapter, it can be seen that the mean age for the pre-1990s group is 20 years in contrast to 27 years for the post-1990s group. This in itself indicates a different level of maturity upon arrival, suggesting that the post-1990s group were in the prime of their lives and possibly knew what they wanted out of life.

However, there was not much difference in age between these groups at the start of their business ventures. This is mainly because the early group waited longer before starting their businesses as opposed to the latter group. Therefore, it is important to note that both cohorts were at the age which was the optimum for entrepreneurial activism, as specified by GEM (2012), further suggesting why they were able to so successfully engage in small business.

The Global Entrepreneurial Monitor (GEM, 2012) data shows consistently that patterns of entrepreneurship vary significantly by age. There are several reasons for this. Entrepreneurship involves financial and human resources that usually differ with age, counting on personal capital, a network to rely upon, skills, abilities, and experience. Similarly, the stimulus to participate in self-employment varies across age groups. This is because it is influenced by such factors as one's financial needs, the availability and attractiveness of traditional employment opportunities, and access to the resources needed to start and operate a business. All of these factors are evident in the examination of both groups in this study.

4.6 Gender of participants

There is a growing belief that despite recent gains, women still lag behind men on key measures of start-up activity, and their ventures tend not to grow or prosper nearly as much (Kane 2010). In this study only five women who were self-employed were interviewed. Therefore, it is very difficult to draw the lines whether Croatian women entrepreneurs are more successful than men and the comparison

between the two. All female entrepreneurs were involved in entirely different industries than men which was retailing and only one was involved in food. As opposed to men entrepreneurs who were predominantly engaged in building, hospitality, auto, transport and meat industries. All indications are that building industry in particular was easy to get in and there was lots of work there. Due to the nature of work women are not attracted to this kind of work which is societally expected. Two out of three came before 90s and were in retail sector yet one was in food. The study interviewed only two women that came after 90s and both were engaged in retail industry (Table 2a-b).

Table 2a. Gender of early participants

	Case No.	Gender	Type of Business	No of Employees	Year started
Pre 90's	2	M	Building	100	1976
	3	M	Building	2	1982
	4	F	Retail	1	1981
	6	M	Hospitality	10	1993
	8	F	Food	8	1988
	9	M	Building	12	1988
	10	M	Building	4	1983
	11	M	Building	30	1980
	12	M	Steel	100	1987
	13	M	Wine	2	1989
	14	M	Auto	20	1972
	16	M	Book keep	6	1997
	19	M	Building	2	1980
	20	M	Meat	10	1982
	21	M	Building	2	1979
	23	M	Hospitality	8	1978
	25	M	Transport	2	1986
	27	M	Food	4	1990

	29	F	Retail	3	1989
	32	M	Food	8	1988
	35	M	Hospitality	15	1989

Table 2b. Gender of later participants

	Case No.	Gender	Type of Business	No of Employees	Year started
Post 90's	1	M	Building	10	1996
	5	M	Cleaning	4	2002
	7	M	Hospitality	6	2005
	15	M	Painting	6	2000
	17	M	Hospitality	12	2000
	18	M	Hospitality	8	1998
	22	M	Food	5	1999
	24	M	Painting	4	1998
	26	M	Building	3	1994
	28	M	Food	4	1999
	30	F	Retail	2	1998
	31	F	Retail	3	2001
	33	M	Hospitality	6	2005
	34	M	Hospitality	20	2003

4.7 Prior Employment status of early and latter arrivals

About one in six of the respondents stated that they did not work in any kind of business in Croatia. Others indicated that because of lack of opportunities for employment, they were forced to stay at their parents' home, assisting with their farming work as indicated in the following quotes:

All work that I performed at home was farming, labouring and hospitality. This was the only work that was available there since lots of people had higher levels of education and were unemployed. Yes there was a saturation of over-educated people and shortage of work (Case No 20).

Considering that I was brought up on the farm, I was lucky to at least have four years of education. We had a teacher coming to our village on an occasion. I was lucky enough to learn how to write and read. My primary job was working on the land with my parents (Case No 10).

A small number of interviewees worked in the hospitality industry, and a small number held a professional position as revealed here:

I was a primary school teacher so, I was fortunate in that sense. At least I could survive and that was it. Teachers are not that well paid positions over there (Case No 28).

Back home I had (a) full time employment in the local post office. This was really a government job and to be honest people bludge when working in Government jobs. No matter how hard you work you still get paid which is OK but no inspiration as such (Case No 1).

Only one informant indicated that he worked in the building trade (as a bricklayer) and was self-employed, while only one other worked in a factory. These are noted in these quotes:

Back home I worked in a factory. I was fortunate to have had a relative working there who assisted me in getting the job. Yes it was the case of “who you know” but not “what you know” (Case No 22).

Back home I was a bricklayer, working for myself most of the time and this was (a) hard work. People down there do not pay on time and many do not pay at all, since the law was not that protective and when I did work I was always risking being paid (Case No 26).

Many had no work despite having completed some education back home as indicated by this response.

I finished the HSC back home but had no work. Had no connections as many did, unfortunately. It was really hard to survive. There were lots of people with a University degree and were unemployed (Case No 4).

Only a small number worked in the transport industry, either as drivers or in the management team as illustrated by this quote below:

I was driving a lorry back home. This was (a) good work but was not plentiful. I loved driving and still do. In fact this was an excellent skill on arrival here since I just had to get some extra training here and jobs were plentiful (Case No 21).

The above responses suggest that work was scarce, regardless of what level of education the respondents possessed. Although the sample of informants was not meant to be representative of prior experiences, these small numbers indicate that there was a relative lack of building and factory work experience in Croatia. Furthermore, as displayed in Table 3, there is a significant difference in the type of jobs held between the pre-1990s and the post-1990s cohort. Many pre-1990s migrants either had no jobs or worked on the land as farmers, yet the post-1990s group were spread across various industries and professions. This again highlights the differences between the two cohorts, with more than 85% of the post-1990s cohort stating that they were in paid employment in Croatia. This was in sharp contrast to the pre-1990s cohort, where almost 30% stated that they had no work and more than 45% stated that they worked with their parents on the land and did not have paid employment. This indicates that paid work was scarce before the 1990s in Croatia, suggesting that it might have been a significant reason for them migrating to Australia. In many cases, almost 30%, their parents were farmers and the children were assisting them while looking for an alternative source of work.

Table 3. Type of job(s) held

	Type of job held before emigrating	Number of Cases
1966–1989	Farming	8
	No work	6
	Hospitality	3
	Driver	1
	Sales	1
	Building	1
	Sales	1
1990–1995	Hospitality	4
	Postal worker	1
	Soldier	1
	No work	2

	Self employed	1
	Local Government	1
	Factory	1
	Building	1
	Teacher	1
	Transport	1

4.8 Educational status¹⁵

Whilst Baycan-Levant, Gulumser, Kundak, Nijkamp & Sahin (2006) indicated that ethnic groups, in general, belong to the lower socio-economic segment, largely as a result of their lack of education and skills, they also suggested that some exceptions do exist. They observed that a lower socio-economic situation leads to a significant shift in the work orientation of ethnic groups, namely towards self-employment. In contrast however, many studies which focused on education level yielded different findings; indeed, although some studies found a positive correlation between education level and a self-employment decision, and some studies found a negative correlation.

For example, Robinson and Sexton (1994) found that the self-employment decision is influenced by educational attainment. However, a study at macro level by Uhlaner and Thurik (2004) shows that a higher level of education is accompanied by a lower self-employment rate. Contrary to this, Blanchflower (2004) point out that education is positively correlated with self-employment in some countries but negatively correlated in others. According to research conducted in the Netherlands by Hessels et al. (2005), the majority of those involved in early-stage entrepreneurial activity were highly educated people (cited in Baycan-Levant et al., 2006). Similarly, those with higher educational levels also had a more positive perception of setting up their own firm compared to people with a more limited education and they were also comparatively more active in business services and consumer oriented sectors.

¹⁵ Educational system in Croatia had four phases. Elementary (4 years), primary (8 years), secondary (12 years) and University level that followed after secondary and was for 4 years.

In this study, there is a marked difference between the two groups of arrival regarding their level of educational attainment. While out of 35 respondents, 22 had secondary education and three had completed university study (Fig 2), it was almost 90% of those who arrived in the post-1990s cohort that had completed their secondary education.

It is interesting that many interviewees did not feel the need to have their foreign qualifications recognised. Some of them found jobs that they liked and time did not allow them to engage with the recognition process, whilst some believed that there was no need to have their qualifications recognised since the work they performed did not have any requirements for it, as indicated in the quotes below:

Well, as a builder why would someone go to have your HSC certificate recognised; no I never bothered having it recognised. First of all, I knew that my English skill was not up to scratch therefore what else could I have worked as. If you want to be a blue collar worker you would have to speak the language first. Secondly my wish for further education deteriorated as I had my children to support and that required me to have a full time job. I could not imagine working full time and going to school (Case No 35).

My qualification, to be exact my Secondary education was valid here but, my teaching education was not unfortunately and I can understand this. What was the reason for having it recognised when I got stuck in a fish and chip shop ever since? (Case No 28).

We did not bother having our secondary school certificate recognised, since we wanted to get a job and start working; we were money hungry (Case No 12).

Similarly some wanted to have their qualification recognised but unfortunately extra training did not appeal to them as the quote below:

I went to enquire about my qualifications and was told that I would have to do some additional study to fill in some gaps and this is how far I went. Reason behind it was my English was not sufficient at that time to go to school. I attended many short courses in English and this helped me to get better in communicating (Case No 24).

Notwithstanding these somewhat disappointing experiences, some others went all the way and had their qualification recognised in a bid to be better off workwise, as this quote indicates:

I had my HSC recognised so did my wife but for her degree to be valid here she had to do extra units here (Case No 22).

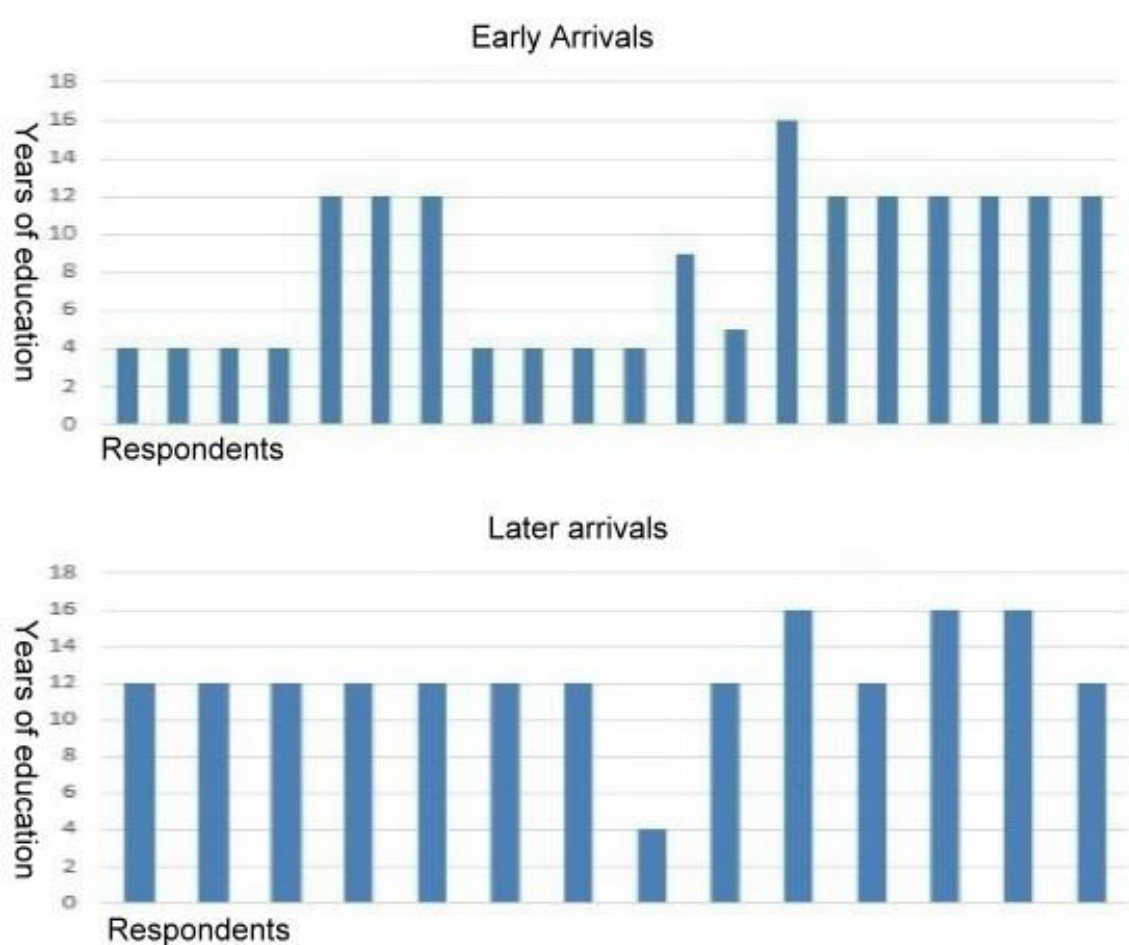


Figure 2. Educational status on arrival

Figure 3 clearly suggests that the mean educational attainment between two different arrivals is quite different. For instance, for the pre-1990s group, the mean value for their educational attainment is eight years in contrast to the post-1990s group being above twelve years. This suggests the better entrepreneurial preparedness of the latter group, which is thus a significant differentiation between the two groups, giving an edge towards better outcomes for business success of the post-1990s group (Baron, 2006; Dandago, 2010). The observed data in this study confirm that higher educational attainment equips a person with better communication skills, analytical skills and organisational skills. This affirmation is supported by the quote below:

We were fortunate to have finished our secondary schooling back home. Having said that, we were lucky to having learnt English and no other language. This was a big stepping up for us. Firstly, we fell in with the community and did not experience as much of a stranger element

within ourselves. From day one we were about looking for the information regarding business start-up. Secondly, we did not just jump into business, we put lots of thought into it before we got it going. Thirdly, when we started our business we were very much organised, and we knew what we were doing. We were able to create a proper foundation for our business (Case No 33).

4.9 First impressions

When entering a new environment or encountering a new and unfamiliar situation, an impression is formed. These first impressions can be nearly impossible to reverse or undo, making those first encounters extremely important, for they set the tone for all the relationships that follow. This is most important in changing the environment in which a person lives and works. The study asked all respondents about their first impressions of Australia and what jobs were available to them; most respondents indicated that they had positive experiences on arrival as recorded in the quotes below:

When we arrived our first impression was, peaceful, hot, different language, different driving, name it but overall was nice. People across the board were nice to us and that makes you a lot more comfortable and confident (Case No 18).

When I came here I loved it. I noticed left hand side driving but did not bother me because I had no licence back home so it was not a big deal. I had some problems communicating, most time I was using body language to communicate (Case No 20).

When we got here we were exhausted after long flying. On the arrival we were picked up by my aunty and her husband in a mini bus. I noticed right hand drive which was a bit of a shock, apart from this the reality did not come till next day after we had a long night of rest. We stayed with them for some time and kids loved it (Case No 26).

Some informants felt strange, in particular driving on a different side of the road, with some indicating that culturally this was very different territory. Some even expressed dislike at first as shown in the quotes below:

My first impression was left hand driving which seemed a bit odd, eventually got used to it. The first few days became somewhat nerve wracking. Everything was new and first time for me not been able to communicate in my own tongue was really a pain, but I was kind of brave (Case No 31).

We were exhausted as we first got here; we just needed some rest after long and delayed trip. Following day we were given a brief tour around Adelaide by my uncle. Visited a Croatian Club here saw some friends of his; felt a bit strange and different to what we were used to (Case No 7).

When we arrived here obviously first most noticeable thing was different language, different driving and of course different culture. Right hand drive was a bit freaky, sometimes when crossing the road you get a bit confused (Case No 9).

I suddenly realised that I was far from home. Checked in on the ship and it took about a month to get here, funny things were going through my head like; will I ever be back home. Must admit that left hand driving was a bit strange, besides different language and obviously different culture (Case No 10).

The above reporting suggests some difference in cultural norms between Croatian immigrants and the native population, but in general there was a close resemblance between the two cultures¹⁶. This indicates the friendliness between two cultures and few difficulties in integration and adaptation to a new way of living. Further to this assertion, the link between the two cultures stems from early days (1930s) when a significant influx of Croatians took up farming and market gardening in New South Wales and Queensland, or perhaps some began work in the mines in Western Australia. The degree of their assimilation over a number of years varied; however, during World War II some of these settlers joined the Australian armed forces, while others were interned (Budak & Lalich, 2008). Croatians were never strong in numbers but were generally quite readily assimilated. This resemblance might have created a home-like atmosphere within a very different economic situation, giving the edge to small business orientation.

Further to this, the Australian economic system is a free enterprise system structured in such a way that it facilitates and stimulates entrepreneurship. It is based on a private ownership marked by great openness to the implementation of new commercial ideas coming from entrepreneurs. Second, this system consists of various institutions aimed at protecting the interests of stakeholders and social partners, such as unions. Therefore, Croatian immigrants to Australia were put at ease by being welcomed by established Australians and at the same time

¹⁶ Croatians considered themselves to be more of a part of those European countries that had adopted Western style of living, such as Austria, Italy and Germany, which meant that they assimilated with the Australian culture which already had Italians and other Europeans becoming settled and playing an important part in the economic life of the country.

were exposed to a free enterprise system and capitalistic ideas which they turned into their own enterprises.

4.10 Jobs availability for early and latter group

The study asked respondents what jobs were available to them when they arrived in Australia, and their responses varied as indicated by the quotes below:

The time we arrived over here there were not many jobs out there, factory and building jobs were only on cards; no communication skill, no experience, no knowledge of culture and many more put us in lowest category jobwise (Case No 9).

There was work in factories, building, cleaning, farming, these were the kind of jobs that were suitable for people that did not have any English skill, surely there were jobs in places where people spoke our language but there were not many (Case No 27).

Any job was available, in fact those days there was work in Australia, lots of it, but you need to be able to communicate; my English skill was not there. Lower paid jobs like labouring, building or factory jobs were the jobs that were doable by people with no English skill (Case No 32).

Time we came here we could truly work as labourers, building workers or factory workers. There are jobs that did not require you to speak good English like ones that I just said but most other jobs require you to be proficient in language. On building site you need muscles and a bit of brain, yes surely you need to understand what is required from you to do, but why do we have our hands, use them to communicate. Plus, I worked for a Croatian builder and many that worked for him were Croatians. Even he was not that good in English (Case No 35).

Labouring work was plentiful in Australia after World War II especially in the 1960s and onwards. Undeniably, people were coming from various parts of the world in response to this need. Many participants in this study talked about the availability of work on their arrival. However, it seemed that factory and building work was the only work available to new arrivals. It was not clear, however, whether there was generally only work in these two industries or whether this group followed the footsteps of prior co-ethnics working in these industries. The suggestion is that because of the lack of communication skills, this group may have been encouraged to work in industries where communication skills were not compulsory. This further suggests reasons why the respondents initially found work on building sites and

industries where English was not a required attribute. However, this led to further development of the specific skills needed by the area that they were working in and this consequently aided them in establishing themselves as small business owners in similar industries. Therefore, the strong message from this study points out that the milieu in Australia was “just right” for a group who were not afraid of hard work.

4.11 Search for work

To some extent, all of the informants had slightly different experiences when looking for work. Some had difficulty finding work because they could not speak the language while others found difficulties because they did not have appropriate experience. Many were fortunate because they were assisted by family or friends, an observation which again underscores the importance of the existence of an established ethnic community. Here are quotes indicating what some had to say when asked the question: “what did you find were the barriers to employment?”

If you communicate well there are no barriers because people do not want to employ those that cannot communicate in English. Yes some jobs do not need much language skill although you still need some basic spoken English. On the other hand I felt sometimes discriminated against, I knew that my work ethic was excellent and I was prepared to work hard and long hours but because of my language skill I was not given a chance (Case No 1).

When I came to Australia there was heaps of work you just had to be willing to work. No barriers as such but would have been a lot easier if we could speak English. We used our hands to communicate (Case No 2).

At the start we had problems finding work. Firstly everyone is asking for the experience but how to get the experience if you don't get the opportunity anywhere, this is stupid in my opinion. Second if you don't speak good English then you are slightly discriminated against (Case No 5).

You must be fluent in English and no problems although I must admit that people from non-English speaking background often held and still do poorer jobs regardless of their education (Case No 7).

It was not easy to find work at the beginning. It took me a while to get my first job. In 1982 there were many racial elements within society, locals did not like foreigners. Besides that if you could not speak English that was another barrier (Case No 9).

There were no barriers, this is a golden country, if you want to work there is work. People that don't like work are the ones who are unemployed (Case No 23).

There are no barriers if you look for work but there are lots of barriers if you don't. Jobs don't come to you, you have to go out to look for jobs (Case No 22).

No barriers exist, no matter what country you live in. If you want to work there is one for you, don't be too choosy, start from the lowermost and work your way up. Must admit if you speak English well it is a lot easier to get a job in many fields, however on building you only need muscles (Case No 35).

The above reports give a somewhat negative indication regarding finding work at the beginning. However, these moods were expected considering that these are NESB migrants who lack language knowledge and at the same time had no prior work experiences in a new country. In general, new arrivals used prior networks and social resources to find work. All indications suggest that discriminatory elements existed to a small extent; however, there were no indications or suggestions that these elements contributed to their involvement in starting their businesses. In general, many respondents appear to have had other more encouraging motives. This assertion is based upon the respondents reporting that all found work on arrival and could support their day-to-day living. Only a few respondents indicated that some barriers existed; however, those barriers were minor and their existence was encouraging people to look for alternative directions and not to give up.

4.12 Residence on arrival

From the responses received, many early arrivals initially lived in immigration camps established by the Government for new arrivals as per quotes below:

Firstly we were sent to the Maribyrnong camp then after few months I was sent to Hobart where I stayed for two years (Case No 2).

Initially we were held at the immigration camp for four months then found a lease in West Footscray where I stayed for six years (Case No 10).

However, the latter group had different circumstances on arrival; they either lived with, or lived near their relatives, who also resided very close to other countrymen as indicated by the quotes below:

Initially we established ourselves at my sister's place in Geelong then I found a job and after 12 months we moved out into a leased place close to the Croatian centre in Corio. There were lots of Croatians living there (Case No 5).

We lived in Brompton for many years because my uncle lived there and the Croatian club was there nearby (Case No 6).

Initially lived with my uncle say for two months, started receiving social benefits then headed looking for place to rent and found a unit nearby for cheap where we lived for four years. Most times we visited Croatians around, went to Croatian clubs and bars (Case No 7).

I lived at auntie's place for two years up until I got married. No she wasn't a rich girl but parents were quote comfortable. Yes we rented a place near Croatian church, it was handy, on Sundays went to religious services on foot, got to know lots of countrymen. So really everyone was living close by then, I guess many of them did not speak fluent English so living near people that speak your language is more comforting (Case No 8).

I had a relative here who signed for my papers to come, lived with him for six months in Richmond. I got to know lots of Croatians, because there were lots of refugees coming from our region then (Case No 15).

Person that was our guarantor is my aunty, she is not with us any longer she is deceased. We stayed at her place for two years in Springvale and that was a nightmare since she lived on her own and she was pedantic, things had to be spot-on and we weren't brought up like that. But the good part was, we didn't have to pay for the rent at all (Case No 18).

The implications for living in camps versus the community are varied. Those that lived with family members had increased chances of existence "workwise", and found that they had more immediate and better resources in establishing themselves in the community at large. However, those that lived in camps did not establish connections with prior co-ethnic networks as soon as they arrived, but did manage to establish useful links with other co-ethnics while living in camps. Only a few of them lived in isolation from their co-ethnic groups for many years, working in factories and not having any exposure to other forms of employment.

All suggestions lead to conclusion that those who came earlier were living in Government camps for shorter periods, were given jobs right at the start and never bothered searching for alternative sources of work. Later arrivals had better co-ethnic networks established prior to their arrival, therefore, from day one were mixing with their own group.

4.13 Work in Australia

As noted earlier, many informants found work on building sites, either as labourers or carpenters. To be more precise, more than one third reported working on building sites; almost one quarter found factory work; some worked in the hospitality industry and some found professional jobs as indicated by the quotes below:

I worked in a factory; this was my first job and loved it; liked people there and was making lots of money; we had lots of overtime work (Case No 4).

Initially I was a labourer on building site; got this through connections, then became plasterer and then eventually became carpenter. One thing leads to another and so on, really if you had common sense you pick them up quickly; no need to go to school (Case No 19).

My first casual work was cleaning bricks on residential homes; this was cash in hand and was doing this for almost one year. My second job was delivering smallgoods for local businesses and did this for next five years (Case No 22).

After few unsuccessful interviews I decided to go and get my truck licence. Eventually I succeeded getting a driving job. First, I was delivering bread from a bakery to milk bars and supermarkets in their truck. This followed driving interstate for two years. Finally I succeeded buying my own truck and became a contractor (Case No 25).

I was fortunate to get a casual work in one of the Croatian owned restaurants and most of their clients were Croatian so I could speak Croatian to them otherwise I would be lost (Case No 34).

As these extracts suggest, work was not scarce, however there were only a handful of vocations that the respondents were able to access. This implies that either they could only work in areas where English language knowledge was not important, or they just followed prior networks in establishing themselves, and this investigation suggests indications leading to the conclusion that it was prior networks that assisted them on their arrival.

4.14 Period before starting business

On average, the respondents lived in Australia for about ten years before starting their own businesses. While one interviewee started his business upon the arrival in Australia and one quarter waited for less than five years before they committed themselves to business, more than half of those interviewed from the early cohort waited ten years or more before starting their own business.

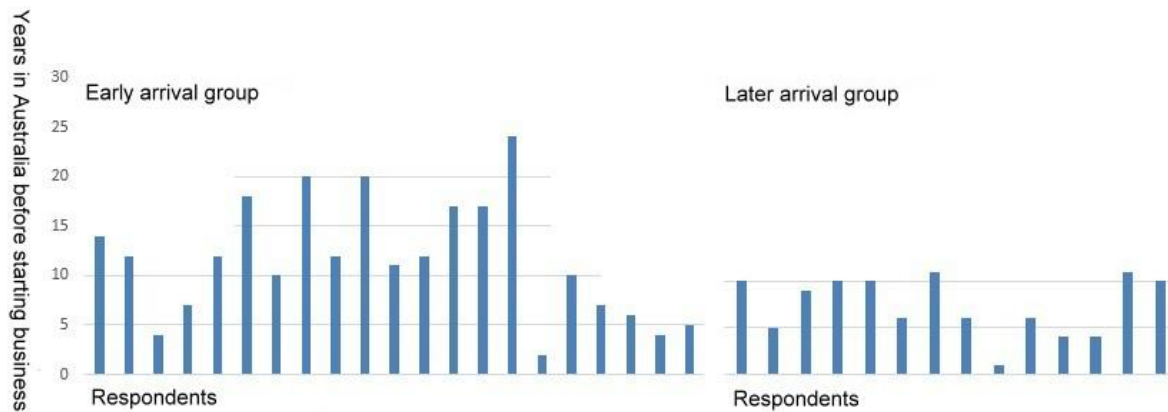


Figure 3. Time taken before commencing business

In comparing the two different cohorts, (early arrival and latter arrival group), there seems to be a key difference between them in the waiting period before they started their businesses (Figure 3). The early arrival group appear to have waited longer before starting their own business, averaging approximately 12 years, as compared to the latter arriving group who averaged only seven years.

4.15 Motivation for starting business

Diverse responses were obtained to the question: “What activated your interest in starting your own business?” Many indicated that the opportunities were there and setting it up was neither difficult nor expensive. Further, financial concerns, economic independence and some other reasons were mentioned as being the driver behind their intentions. Below are some of the responses obtained:

I received a healthy payout from my previous employer and the business was really cheap to buy, so I had money to pay for it (Case No 20).

There was no major outlay in starting this business except had to give half money for all of the equipment he had and was not much, I paid all that in cash (Case No 26).

It was cheap to set-up. Had to buy some tools and machineries and had to pay rent, so the outlay wasn't that huge, I had all the resources required (Case No 29).

Some respondents expressed that the opportunity was there and that was the main reason they wanted to start their own business stating financial gain as the main motive. This is evidenced by the responses below:

I saw a business opportunity, besides wanting to be independent (Case No 35).

An opportunity came by, knew all about the business, and wanted to keep my job. Look after a while you see how the business works, you see where the improvements can be made and you see lots of potential (Case No 32).

Tony, the tiler, was really old and wanted to get out of business. I was tossing up either to buy his shop or continue to work for someone else on a building site (Case No 2).

Besides the opportunities and ease of setting up the business, some indicated financial and economic independence as the reasons to starting their business, and gave responses as shown below:

I wanted to be better off financially, make money quick and go back home soon (Case No 30).

I was ambitious from day one we arrived here. For some reasons I wanted my children to have a better life. I was always observing other businesses around Richmond and other areas, knew some friends that they had businesses, they always had more money than me, I guess this was a trigger in my life (Case No 3).

I knew that business people worked hard and longer hours but had lots of money (Case No 18).

Firstly wanted to have a job, and a well-paid job, secondly I was working for someone else who was making a lot of money (Case No 21).

I really wanted to be better off myself financially and the only way that was possible is by starting my own business (Case No 25).

Other reasons were also presented when questioned about what was the trigger for starting their own business; the responses obtained are quoted below:

I worked for a building contractor for six years as a carpenter had a dispute with my then boss and that was the cause for me to start on my own (Case No 10).

Firstly, I was ambitious and wanted to be successful in life. Secondly, I knew my trade and business environment was there (Case No 1).

I got to know the tricks of the trade and this was the main trigger for me to start my own business. All things were going right way, family was for it, customers were there and financial stability was there (Case No 34).

I worked in the industry, knew my job well and it just came into my head to start business, wife agreed to it and that was it (Case No 33).

There were no visible differences between the two groups regarding the reasons behind starting a business. However, the latter group seem to have acted faster, possibly because they had higher educational attainment and were older with greater maturity.

4.16 Background experiences in Entrepreneurship

After World War II, Europe was divided into two major domains: the West which was influenced by the US, and the Eastern Bloc which was influenced by the Soviet Union. However, in the past there had been economic and cultural groupings within Europe based on relatively localised geopolitical, geographical, cultural, and socio-economic perspectives (Weber 1995; Anderson and Cavanagh 1996). At this time, Croatia was always considered as part of the West, where a capitalistic society prevailed, and a culture of individualism was encouraged. Appreciation of this historical development of individualism is both remarkable and important, given that over the past several centuries Croatia was ruled, administered, oppressed and federated with Yugoslavia, Austria, Hungary and the Protectorate of Hungary, Italy, Turkey, the Republic of Venice, and the Republic of Ragusa (Dubrovnik) (Alcock 20000; Benson 2001).

This mixed and turbulent past and its outcomes, might, in some way suggest that Croatians have an entrepreneurial spirit 'in their blood' which was subjugated rather than extinguished by the recent oppressive regime. Upon achieving a societal change by migration, their entrepreneurial spirit was released, as indicated by the responses gathered in this investigation.

Whilst many respondents (32) suggested that they had neither prior experience nor any family members experienced in running a business, some did indicate that they had related prior experiences in their country of origin. For example, there were those from rural regions of Croatia where self-sufficiency in economic contributions was a norm. They often worked on farms assisting their parents while looking for other kind of work, as indicated by the quotes below:

My parents were farmers; we had to survive doing farm work, so in a sense they were self-employed. Nevertheless this is how many village people survive (Case No 20).

In Croatia, I was brought up in the village and survival was by farming. Everyone was doing that and I suspect this is a kind of business (Case No 32).

Entrepreneurship, we don't even know what that is. My parents worked in hospitality industry back home so none of my family members were directly involved in business operations (Case No 31).

As indicated earlier, the participants who entered Australia in the 1960s to about the 1990s had relatively poor educational opportunities, and were predominantly out of work. However, they were assisting parents on the land, and this provided an important life skill. Culturally, it appears that this group was determined to make better lives for themselves and their families, even if they had to take significant risks. By contrast, groups that were arriving later had higher levels of education and were seeking a home where they could enrol in further studies or possibly find better work.

4.17 Business Characteristics

This research examined thirty five small businesses owned by Croatian born migrants to Australia. Whether these are typical Croatian ethnic businesses cannot be ascertained by comparison to the total population as there is no national database on Croatian small businesses. Outlined below is the information about the nature and type of businesses ownership.

Of 35 respondents, nine were in building and construction, which might have been expected from their early experiences in this industry, but hospitality, retail and food industry were actually the most frequently cited (14). Overall, in terms of their chosen category of business, this is the breakdown:

27% own some sort of building business

40% own a restaurant or some kind of food outlet

33% own various businesses such as wine, meat, automotive and steel.

It is worth noting that 46% in total started a business in the same industry in which they were previously working, but only 8% of these were in the early arrival group. However, of the 54% that started businesses in different industries, 37% were from the early arrivals group (Table 4).

Table 4. Industry type per group

Same Industry they worked in		Different industry they worked in	
46 %		54%	
Early arrivals	Latter arrivals	Early arrivals	Latter arrivals
8%	38%	37%	17%

More than 90% of the businesses involved in the interviews have been in operation for seven years or more, and the average age of the businesses was 10 years. While all businesses had a different year of establishment, one was established as early as 1972 and another as late as 2005 (Appendix F).

The smallest size of business in our sample (in terms of the number of employees) is a one-man shop with almost half of the sample businesses concentrated in the region of 12 employees (Figure 4). Most businesses (30) employ an average of five people. These are small enterprises and only a small number (five) have expanded beyond 20 employees or more. More than half of the respondents were sole traders while only a small percentage operated in partnership with a relative. On the question of whether they have any relatives working in the business, more than two thirds suggested that at least one relative is working for them (not including their spouse).

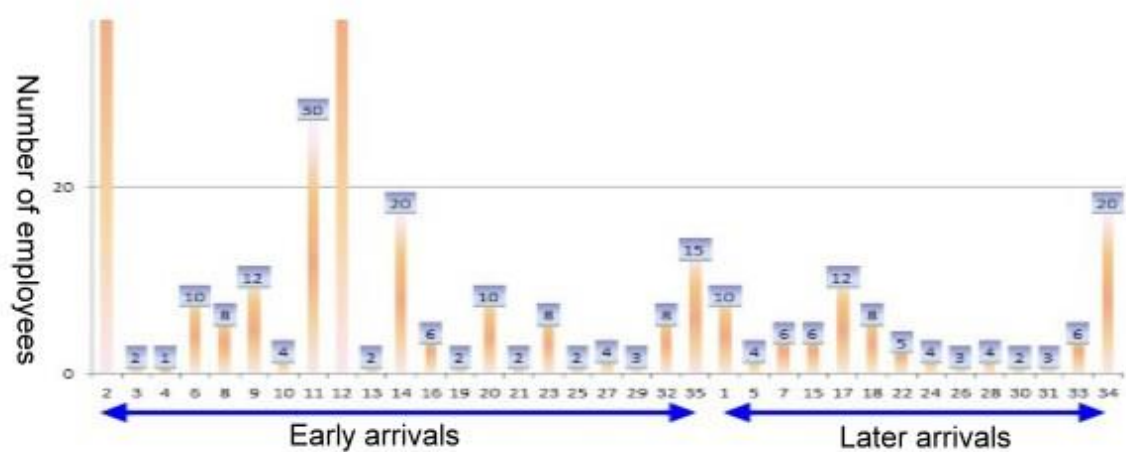


Figure 4. Number of employees

4.18 Financing the business

From a financing perspective, there seems to be a common theme for many respondents. The general observation is that the majority of respondents relied on their own personal savings; however, a small number (eight) obtained bank finance. On the question: “how did you finance your business?” some of the responses that were given are shown below:

We worked hard, we were saving, we kind of had in our heads that one day we would go back home so to save up to the max was on our agenda, therefore, we had finances (Case No 33).

I bought all equipment necessary, did not need much since lots of tools I had previously and no major financing was required (Case No 24).

I received healthy payout from my previous employer and business was really cheap, so I had money to pay for it (Case No 20).

More than 90% of the respondents indicated that family and friends were a source of financial capital in conjunction with their own savings, as can be seen from the quotes below:

I had some of my own money and the rest came from my parents (Case No 31).

My uncle gave us all the funds but we had some of ours as well (Case No 23).

I only had to borrow from a friend a small amount of money which I returned in couple of months (Case No 21).

From the sample, the most common sources of capital for Croatian immigrant entrepreneurs are family and friends as well as their own savings.

An interesting point to emerge is that only eight respondents approached banks for help in financing their business ventures, given that the Australian banks are supporting Australian businesses. This is an issue which will be investigated further:

We borrowed some money from the bank and some from relatives to finance the business (Case No 12).

We had to borrow some money from the bank and we had some of our own savings (Case No 18).

The responses that were received indicated a lack of reliance on banks and a dependence on own savings, family and friends. While this is most certainly a cultural norm in Croatia, things are however changing and more Western ways of doing business are shaping the Croatian society (Katunarić, 1997; Zupanov, 2001). It is important to mention that the respondents in this study were not as informed in their early days about bank dealings in general. Also, lack of language confidence provided a reluctance and shyness with regard to approaching banks, as indicated by the quotes below:

Our English knowledge was very limited, therefore we were hesitant in approaching banks for money (Case No 5).

We started this kind of business because there was no need to spend much therefore no bank financing was needed, we had our own money. At the same time we did not speak well therefore we were very much reluctant in borrowing money from banks (Case No 16).

4.19 Extent of family support and sources of business advice

The respondents were asked whether they had their family support before embarking upon a business career, and who they talked to for financial and business advice. In general, respondents indicated that their family was fully behind them. Their comments were as follows:

I only talked to my wife and she was very much supportive of my initiative. Sure, both of us dwelled on it for a while, we were wanting to start a lot earlier but had to do a bit of research on this type of business so as not to fail as many did (Case No 18).

My family fully supported me, considering that they knew me well. They knew how hard I worked and that I would do well as a business owner (Case No 26).

The above quotes indicate that, for the respondents, agreements existed between business founders and their family members. In addition, their friends also played a part in assisting them at the start. This seems to be the case with most Croatian-Australian businesses, where there is an apparent lack of use of professional outsiders who can assist small business operators when starting their own business.

In regard to the sources of business related advice, it was recognised that whether one is running an established business or looking to start a brand new business, getting the right advice is the key to operating a successful venture. However, it seemed that, amongst the respondents, it was not well known that in Australia, small business owners have inexpensive sources of advice and information that can help when starting their business, such as Australian Government agencies, banks and the like. There are also templates that a potential business start-up can use to write up their business plan and information about grants and regulations. Small business start-ups can also find information about managing their cash flow, getting a business loan, employing staff, and importing and exporting. The Business Enterprise Centre (BEC) (which has branches in different locations) can also be a very treasured resource for reliable, independent advice about starting a business.

Only a small number of respondents in this study indicated that they were not familiar with any of the above mentioned resources that were available to them. This is indicated by the quote below:

Perhaps if we knew that free resources in starting a business existed, such as advice and information, we would have utilised it. Surely, we never spoke to anyone that we wanted to start our business, probably people would have told us about such resources. Nevertheless, things turned out ok for us, we were fortunate that our business survived. On the other hand had we known about resources available things might have been easier for us (Case No 26).

4.20 What was it like when they started their business?

There seemed to have been mixed feelings among the respondents when asked about their feelings when they started their business. Some of the key responses received are quoted below:

At the start I had some concerns, since I gave up on fulltime employment and nothing to feed family with had we failed. But as things moved on, hard work and long hours paid off for us (Case No 1).

We had no problems, no difference than working for someone else except making more money which was the driving force. Surely, we were working hard and were not going to give up. The more financial rewards we were getting the harder we were working and put in longer hours (Case No 3).

Loved it, you are your own boss you work as long as you like and you make how much you need, what more do you want. At the same time there was no boss above your head to tell you off (Case No 34).

I started working harder, longer hours and became a lot more customer service oriented. Once the things started rolling I became a lot more relaxed and wiser. Well, I knew that we were on the right track and this was most satisfying for us (Case No 18).

Starting your own business takes nerves and lots of risk. I felt like I wanted to go out and drag people through my door. Yes, I wanted to succeed and wanted to know that there is a good future for me. Initially uncertainty was present as you would understand but as time went by certainty was more visible and I became a lot more relaxed and responsive (Case No 31).

All of the above-mentioned quotes suggest that most started their businesses from scratch and that caused nervousness, fear, apprehension, worry and excitement at the same time. These comments are consistent with the risks that small business owners take (Breuer, Riesener & Salzmann, 2011).

According to Hofstede (1980) individualism and collectivism are elements of culture and are opposites. The more individualistic is society the more risky and entrepreneurial it is. Triandis (2009) indicated that the lower the status of a group in a social hierarchy, the less likely it is to be individualistic and more of a collectivistic mindset. Further to this, Smith and Schwartz (1997) reported that if the individual is younger and more educated there is a tendency towards being individualistic, but if older and less educated will have a tendency to be collectivistic. In individualistic cultures the behaviour is a function of individual attributes yet in collectivism the behaviour is a function of social norms.

According to Hofstede, Croatia today is considered to be a collectivistic society, but this needs to be put in context by keeping in mind the comments made earlier about the extended historical experiences which were clearly of an individualistic society. Thus, we suspect that collectivism

might not have been the case with every individual, and there may be a remaining stratum in Croatian society with individualistic tendencies. This group would contain people who are prepared to move and are willing to take risks and think outside the box – fulfilling the requirement of an individualistic society as suggested above (Dohmen, Falk, Huffman & Sunde, 2006). Further support for this possibility is found within quotes obtained in this study:

We decided to go as far as needed in order to either make it or break it. We got sick of living under oppression as such. There was an explosion brewing in our heads wanting to have better lives. We wanted to be given the opportunity like many people have and not to watch things go by and tarnish under those oppressive regimes (Case No 31).

I knew that we were taking risks, however, if it didn't work we would have gone back home. Most likely we would have gone back to some other European countries, like Austria or Germany (Case No 22)

4.21 Customers ethnicity

On the question of “who are your main customers”, the responses received were similar. Most indicated that at the start of their business operations, their customer base was mainly Croatians and in general from the former Yugoslavia region. However, this changed over time and the customer base broadened to include other ethnicities as indicated by the quotes below:

At the start we had lots of customers from former Yugoslavia, since we spoke their language, but very quickly our horizon broadened, so everyone was interested in our services (Case No 1).

Croatians mostly, although other nationalities as well but Croatians predominantly (Case No 10).

At the start we had lots of Croatians as our customers but nowadays everyone is our customer (Case No 24).

When we started we had lots of Croatian customers and we still do, because we speak their language, but we also have other nationalities as well (Case No 32).

Almost one third of responses received stated that the business had every ethnicity as their customer base right from the commencement of their business as revealed in the responses below:

Ever since we started our business we had every nationality as our customers (Case No 3).

We bought the business established so anyone walking past our shop is a potential customer (Case No 8).

Ever since I have been there we have customers coming off the street (Case No 32).

Our customers are mainly people who live in our area (Case No 30).

In this business you must not have any preferences; everyone is welcome and this is not a business for a specific culture (Case No 35).

What is suggested here is that the initial phase of the business set-up certainly benefitted from a specific ethnic clientele. It is often in the first year or so that new businesses falter, and having such support has allowed a broader ethnic base to be generated. Clearly, the nature of these businesses, and the disposition of the business owners, is not specifically focused on the Croatian community, and this has allowed for the stability and gradual growth of the enterprise.

4.22 Business performance

The respondents were also asked whether their business had grown over the last five years. In the majority of cases, there was a definite business expansion notwithstanding the general economic difficulties experienced as a result of the Global Financial Crisis. This is indicated by the quotes below:

Yes, we employed four extra staff, indicating that we have grown slightly (Case No 1).

In general we are predicting growth and we have been growing ever since (Case No 2).

We are steady, kind of holding in fact; we have not achieved as we anticipated, but we are optimistic in future of better times to come (Case No 8).

Yes, we doubled in the past five years. This was expected since we never stopped working hard and long hours (Case No 32).

However, only a small number of interviewees indicated that global economic downturn did affect their growth, which in one instance was brought about by a deliberate hold on growth, and in another case the closing down of a business. We quote some responses below:

In fact we shrank a bit – reason behind is I am not prepared to work as hard since I am getting older and wiser, I want to enjoy life and not just work (Case No 24).

No, we did not grow, in fact we shrank and unfortunately we are closing down (Case No 4).

Considering that no respondent had reported that they had received any professional advice during this time, and that most businesses investigated were on the rise and expanding, this suggests that there are possibly some “hidden” features in play. Whilst in most cases hard work and long hours are the ingredients of their survival, the stability of culturally specific markets and clientele might explain the remarkable resilience of this group in the face of the general economic downturn. Some relevant comments here were:

Yes, we work hard and long hours and this is the key to existence and success (Case No 12).

Knowing how to look after your customers is most important and this is what kept us in business so far. However, the quality of our products and service is hard to find elsewhere (Case No 7).

4.23 Summary

In summary, two groups of arrivals were from different socio-economic backgrounds, were seen as different in terms of their age, English knowledge, education and the purpose of their arrival. Close to two thirds of those interviewed came to Australia in the 1960s to 1990s, and their personal reasons for emigrating were varied but similar. Early arrivals were arriving in Australia due to their own will. They were dissatisfied with the economic and political system of their country. However, the latter group expressed their economic dissatisfaction as well as problems due to the War that started in the 1990s.

Both groups were effortlessly accustoming to the Australian way of living and were not concentrating in areas where only Croatian migrants lived. Croatian migrants were rather more integrative with the native born population. The Croatian ethnic enclave was not as restrictive as it might have been with some other groups. Early arrivals waited longer periods before starting their own businesses, possibly because they had better economic conditions on their arrival, as opposed to the latter group of arrivals. All indications are that the latter group waited a lesser period of time before starting in business, and this is possibly due to the availability of more co-ethnic networks and the creation of a “home-like” environment. Many respondents in

this study came to Australia with no English knowledge, yet some others could communicate fluently.

The interviewees in this study came to Australia at various stages of their life; however, there was not much of an age difference between these groups at the start of their business ventures, which is considered optimal according to GEM (2012).

Early arrivals talked about the availability of work, and many chose factory and building work. The latter group were choosier and were more selective; this may be because they had higher educational attainment and spoke better English. In general all interviewees found work. Many of the later arrivals were fortunate because they were assisted by family or friends, an observation which again underscores the importance of the existence of an established ethnic community.

Early arrivals primarily started their journey from Government camps, however, the later arrivals ended up with family and friends. Furthermore, there were no visible differences between the two groups regarding the reasons behind starting a business, nor was there much of a difference in financing the business. There was a lack of reliance on banking finance and more on family and friends.

All of the participants worked for an employer before starting their own business and more than 50% indicated that they learnt many tricks of the trade before they opened business in the same field in which they were working. Indeed, according to the responses this study received, one of the major reasons that they chose their line of business was these prior experiences. Most respondents expressed the opinion that the business they are in was easy to start, required a small amount of initial capital outlay, and was easy to operate. All of the above is further discussed in the next chapter (Chapter 5).

Findings and Discussion

5.1 Introduction

This chapter further analyses the findings of the research that has been presented in the previous chapter. The discussion primarily presents an account of Croatian immigrants' pre-migration work experiences, analyses available evidence for any apparent motivations for them to become entrepreneurs in Australia and compares these overall observations with available literature where appropriate. In parallel with these developing ideas, perspectives from existing theories of ethnic entrepreneurship are introduced in order to deepen our understanding of these motivations.

Additionally, the study throughout this discussion makes references to two different groups of Croatian migrants which are distinguished by their time of arrival, and points to their differences in regards to evidence of entrepreneurial attitude.

Further to this, key findings are mentioned and compared with the appropriate literature. Following this analysis, the study presents possible motivational factors that were revealed by the respondents. This has allowed us to identify the most relevant conceptual theories to assist in the interpretation of our findings.

As indicated in the research question that drives this work, identification and consideration of the main inspirations held by these respondents for becoming entrepreneurs is the main intention of this research, and therefore particular emphasis is placed on any suggestions or evidence that contribute to this interest.

5.2 Pre-migration work experiences

This section will outline the respondents' prior skills and experiences in Croatia, and consider whether these activities influenced their subsequent work and business activities in Australia, when viewed from the perspective of the respondents. It is again noted that the two waves of immigration from Croatia (pre-1990s and post-1990s) both occurred when there was economic and social upheaval occurring in Eastern Europe. It is also unlikely that there was any overriding economic strategy behind the decisions to leave their home country – rather it was a case of survival and a desire to start a new life.

The data shows that the most common work experience among the interviewees prior to emigration was farming, with nine of the 35 respondents specifically reporting that they assisted their parents with farming work in Croatia before their move to Australia. This is not a surprising finding, since in Croatia, as with many countries with significant agricultural areas, farming activities tend to be family-operated. In addition, no previous labour skills are required since they are learned on the job. Indeed, it is common for a farming family to require their children to work on the farm to keep it viable, as indicated in the following quote:

Back home I finished four years of primary education and helped parents on the farm. That's how we lived down there (Case No 32).

Perhaps it is worth mentioning that after World War II Croatia was largely a rural and underdeveloped country, predominantly in the hands of the military and the police. It had a brutally enforced command type economy, largely funded by the International Monetary Fund (IMF). Almost 30% of the population was working in agriculture during the 1970s and onwards (Teichova & Matis, 2003). The economy was mainly in the hands of the state, and the population were required to work in collectives, with privatisation being very much restricted. In such a situation, there were upper limits established regarding what an individual could have under his or her control, and the management of socially-owned enterprises was appointed by secretly held ballots, with appointees being members of the Communist Party (Teichova & Matis, 2003).

As a consequence of this situation, it is not surprising that entrepreneurial skills or experiences were suppressed, or never existed, for either of the groups. It appears then that any impetus for entrepreneurship would have to be preceded by a rupturing of the collectivist way of thinking before people could adopt an individualistic approach. This was only possible when they reached Australia, implying that the probability of them becoming entrepreneurs would have been remote had they remained in Croatia as indicated by the quote below:

Surely, we have a good life here. Our business is prosperous, hopefully will continue this way. We were lucky, had we stayed home we would have struggled and most likely would have worked for a wage and wouldn't make ends meet (Case No 7).

Another large group of interviewees, totalling eight of 35, indicated that they had difficulties finding work in Croatia and did not have suitable family enterprises to fall back on. These

circumstances suggest that they had no real employment alternatives except to search for a better life, possibly by leaving for another country:

Back home I was doing nothing; finished high school and had no work (Case No 6).

I was unemployed, there was no work (Case No 4).

In Croatia, foreign debt had skyrocketed in the late 1970s, severe austerity measures were imposed by the State (Boughton, 2001), unemployment reached over one million persons (14%), basic goods and services were in short supply, and earnings fell by 25% (Boughton, 2001). It is not surprising that at this time there was a mass exodus of people to the West, as indicated by the responses below:

The life back home was hard and intolerable. There was no work and people were struggling (Case No 27).

Not just was there no work there but we could not get items necessary for normal living; there was no fuel and we could drive our car only every second day (Case No 35).

People were clearly struggling for survival. This situation continued until violence finally erupted which ultimately led to the Balkan's War in the 1990s. Such conditions indicate that, again, the catalyst for entrepreneurship probably did not arise from immediate experiences in the home country. What is clear is that, for people who had learnt to live in a socially-created society where collectivism is a norm, they would have had to radically change their previous way of thinking in order to adopt a new ideology of individualism.

Increasingly, it became clear that the answer to the research question regarding the source of the entrepreneurial spirit released within these migrants most likely lies in the circumstances of the new land and the new environment. Therefore, observations that Croatians run very successful businesses may thus be due to the environment in Australia coupled with the encouragement from other co-ethnic members.

For most of the respondents, there was a feeling that settling into a culturally different country, where the language and societal expectations were completely different, made it harder to transfer their employment skills. Most respondents felt that they had to start from scratch when building their lives in Australia, taking work in any industry where they were given an opportunity regardless of their prior experience.

Given that, only a small number (2) of respondents came with previous entrepreneurial experience, it appears that having no previous business management experience has not been

an obstacle for this group in setting up a business in Australia. Further there is very little evidence of management or professional employment experience among this cohort, and once again this does not seem to have been a significant hindrance to becoming self-employed.

In summary, the reported work experiences and background of these immigrants prior to arriving in Australia does not seem to have directly influenced their eventual successful self-employment behaviour. Therefore there is a need for further investigation of the factors that may have influenced the decisions for these respondents to become self-employed.

5.3 Literature comparison

Some of the characteristics of the respondents which were relevant to workplace activities, related to the three influential theoretical positions introduced in Chapter Two, and are shown in tabular form in the following pages. In these tables every respondent was judged against those characteristics.

One of the theoretical positions is the “Middleman minority theory” (Table 1). This theory is usually applied to a group that concentrates in the small enterprise arena, has strong ethnic groupings, is subject to stereotyping, provides services to minor groups and gets supplies from large corporations. The name was chosen to specifically describe this group as an “entrepreneur in the middle”, where they service their own inter-cultural groups, and are regarded as necessary intermediaries between other market players, acting in such roles as agents, money lenders, rent collectors and brokers. In addition, they are often situated between the social classes of the wealthy elite and the everyday people (Zhou, 2004). Considering that this group usually has a vision of returning to their home country in the near future, they are not usually willing to integrate into the host society nor are they interested in closely associating with the native born people, thus creating an element of isolation for themselves. Similarly, they are not known for spending a significant amount of money in establishing their businesses and the businesses that they venture into are easily liquidated. In Table 5, a tick was placed against a respondent number if an attribute of Middleman minority theory closely related to their situation.

Table 5. Theoretical matrix – Middleman minority theoretical understanding

	Middleman minority theory																																			
Cases 1-35	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
Servicing their own group					✓																															
Intermediaries between market players					✓																															
Sojourners																																				
No significant capital spent	✓	✓	✓		✓	✓		✓			✓		✓			✓			✓	✓		✓	✓			✓	✓	✓			✓	✓				
Business easily liquidated	✓				✓		✓				✓				✓						✓				✓					✓						
Not willing to integrate into host society																																				
Hire their own group																																				
Disloyal to host country																																				
Unwilling to integrate																																				
Remittances sent home																																				
Limit spending in host country																																				

stated that they had played a role as intermediary between market players, servicing their own group and having high inter-group solidarity, this does not imply any deliberate sojourner element or any segregation as indicated below:

We started this line of business because we felt that there was a gap in the market for supplying this group with the goods that did not exist here. Luckily we had connections with larger companies (Case No 28).

Only one respondent reported selling Croatian books, which clearly indicates an intention to service their own group (see below). However, they started their business after some years of being in Australia, and again there was no indication of temporariness present:

At that time we were on good terms with the then Croatian priest. Also there were no shops that were selling Croatian books then. This was very appealing to us and at the same time we were talked into and assisted by this priest to go into this line of business. Yes, surely we were aiming at Croatian community to be buying books from us, however, we were not limiting ourselves; others were welcomed as well (Case No 4).

All respondents suggested that they were quite willing to integrate into the host society and not one indicated behaving as outsiders. There was no indication of their limiting their spending in the host country, and all suggested displaying loyalty and respect for people of all nationalities in the community where they lived. Whilst all respondents stated that they were sending some money back home to assist their family members, this does not indicate an intention to return to their homeland in the near future. These observations lead us to conclude that none of our respondents fit the middleman minority theoretical reasoning; therefore it would suggest that the study can eliminate the applicability of Middleman Minority theory as the driving force behind these Croatian immigrants establishing self-employment in Australia.

The study next considers and elaborates on the notion of “blocked mobility theory” (Stromback & Malhotra, 1994) as the reason behind these migrants starting their own businesses. The definition underlying this proposition is that a group experiences difficulties in having their qualifications recognised in Australia, therefore they are placed at a disadvantage when it comes to finding work or obtaining promotion. Such immigrants are thus “blocked” from the mainstream economy, thereby leaving them to work in undesirable manual jobs and earn low wages. This theory suggests that the inclination of immigrants towards self-employment is a consequence of their lower socio-economic situation which is caused by a lack of appropriate education and skills. In Table 6, a tick was placed against a respondent number if an attribute of their experience closely related to elements of Blocked mobility theory.

Table 6. Theoretical matrix – Blocked mobility understanding

	Blocked mobility theory																																		
Cases 1-35	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Relative disadvantage experienced	✓		✓		✓			✓										✓																	
Socially marginal people																																			
Abilities not recognised by the society					✓																														
High education but non-professional self-employment					✓																														
Difficulty in finding jobs in mainstream economy	✓		✓		✓			✓										✓																✓	
Non recognition of overseas qualifications																																			

Blocked mobility theory is based on the belief that immigrants are disadvantaged in the labour market; they are not equally looked at as the native-born population; in fact they are treated as second class citizens (Baycan-Levent et al., 2006). Indeed, blocked mobility theory has been used to suggest that one of the reasons that immigrants of non-English-speaking background become self-employed is that this is their response to racial-based blocked mobility (Lever-Tracy et al., 1991).

However, whilst this suggestion may in fact be applicable to some other ethnic groups, in this study there were no significant indications from the respondents of experiences of this nature. A vast number (25) of the respondents in this study reported that they never bothered nor wanted to waste any time in having their qualifications recognised, some stating that the skill they possessed could not be utilised for the type of work they performed. Some reported that they did not have any qualification to be recognised. The quotes below indicate that there was a range of positions and situations which respondents experienced:

I did not have any qualification to be recognised (Case No 19).

I did not want to have it recognised since I did not have any intention of continuing my education here nor I was working in area that I was qualified for (Case No 7).

We did not want to have our HSC recognised here, we only wanted to have a job and start working no matter what and where (Case No 12).

Further to this, only one respondent explicitly reported one minor issue in having his qualification recognised. This was because some additional gap training was needed in order to be deemed competent; however he was not prepared to follow it any further.

I went to enquire about my qualifications and was told that I would have to do some additional study to fill in some gaps and this is how far I went (Case No 24).

In regards to finding work, all respondents in this study indicated that there was only a small spectrum of jobs that was available to them on arrival. This is either because they did not have experience or could not speak English. Only a few respondents mentioned that the main barrier in finding work was lack of Australian experience.

Panayiotopoulos (2008) believes that immigrants are faced with some fear over being unemployed because they might have been exposed to prior unpleasant experiences when looking for work. No respondents in this study made specific reference to such experience. Nonetheless, four interviewees stated that they were worried about being unemployed, but this was not as a consequence of prior experiences. They indicated that they had thoughts of starting their own businesses should they become unemployed, as stated by the quote below:

I wanted to have my business, sooner or later. I had a good job and did not want to risk losing it, at the same time did not want to be unemployed. Whilst I was working I was setting up and getting ready to start my own business. And surely I never wanted to be unemployed (Case No 1).

In summary, out of 35 respondents, five mentioned having experienced relative disadvantage and some minor difficulty in finding work; they did, however, finally obtain a position. Only two respondents mentioned that their abilities were not recognised as such and the roles they were serving did not match their qualifications from home.

In retrospect, it seems that in this study none of the respondents had any major complications over finding jobs, nor any difficulty in having their qualifications recognised. This therefore eliminates the applicability of blocked mobility theory.

However, whilst blocked mobility is not an issue for the Croatian immigrant group, it still might be the case with some other ethnic groups, as has been shown, for instance, with Koreans or Chinese in the US (De Raijman, 1996; Fernandez & Kim, 1998; Lee, 2003; Collins, 2003b). The study further looks at, and elaborates on notion of “ethnic enclaves”. Ethnic enclaves provide social and cultural networking as well as a social resemblance to the immigrant’s place of origin. This means that a degree of trust and cultural comfort are relatively quickly established through this organisation. It also means that the geographic proximity of the enclave network permits easy movement of knowledge and varying types of assistance between businesses.

Contacts with members in an enclave may possibly also afford new arrivals with convenient work opportunities, and this may also facilitate them receiving informal training regarding the customs and practices of the larger culture outside of the enclave. A pool of social (and possibly financial) capital is established by the creation of an enclave through which members can access resources that lower the overall costs of re-establishment after migration. These social networks thus provide multiple benefits, in that they provide personnel, the acquisition of money for the purpose of business establishment and, possibly in cases of hardship, in running a business and customer base.

Financial help is obtained by informal borrowing, and all dealings are generally made in an informal way due to mutual trust between parties in the same group. However, the most fundamental concept within the enclave assumption is that of social capital, which lays the foundation for the establishment of migrant networks and the advantages associated with them. Table 7 summarises the “Ethnic Enclave” theoretical proposition, and, as with previous approaches, a tick is placed against respondents who closely fit the various attributes.

Table 7. Theoretical matrix – Ethnic Enclave theoretical understanding

	Enclave theory																																			
Cases 1-35	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
Learnt tools of the trade then moved on (copycat)	✓	✓	✓		✓		✓		✓	✓		✓	✓		✓		✓	✓		✓	✓		✓	✓		✓	✓		✓	✓		✓	✓		✓	✓
Had access to social capital	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Solidarity and trust among group helped start the business		✓		✓	✓		✓			✓	✓	✓	✓		✓		✓	✓	✓			✓	✓		✓	✓		✓			✓			✓		
Offer employment for new immigrants	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Assisted by prior established networks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Worked for co-ethnic firm	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Offer Goods and Services in the language of the enclave	✓			✓			✓																													
Informal resourcing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assisted by friends and relatives in host country	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

perhaps, none of them had opened businesses in locations that had a concentration of other Croatian businesses.

All respondents in this study either had some family members working for them or were employing other Croatian immigrants in the business; however, besides employing Croatians they were also employing other nationalities:

We have two family members working for us; however, we employ other nationalities as well (Case No 20).

As noted in the literature review, start-ups that stem from learning the trade and moving on is typical of an enclave (Wilson & Portes, 1980). Our study indicates that this is a leading driver behind Croatian immigrants taking up self-employment as the source of income. As shown in Table 3, 24 respondents indicated that they learnt the tools of the trade and started their own ventures, which suggests some sort of copycat or guided behaviour.

All respondents suggested that they had access to social capital, either financial or consultative support, indicating an inclination towards social theoretical reasoning. Solidarity and trust was established through group membership which was a significant boost for encouragement in starting a new business. Twenty out of 35 respondents indicated that they had trust in their member group.

Other factors worth mentioning are the utilisation of informal resources, the provision of a stepping stone for new arrivals, the significant help given by prior networks, the openings provided by the marketing of ethnic goods, not having the necessity to skill-up in a particular area, and often not having to make any major sacrifices to build a business, are all the characteristics of an enclave theoretical reasoning. Therefore, information gathered by this study suggests that there is the applicability of social/enclave theoretical reasoning behind Croatian immigrants starting their own businesses in Australia. However, full adherence to the enclave theory is not applicable, since they did not offer goods and services in the enclave language nor were they opening businesses in close geographic locations among the ethnic group.

5.4 Motivation to become self-employed

This section will observe and elaborate on different types of businesses that respondents in this study were engaged with, followed by an examination of the motivational factors behind this choice. In summary, Hospitality, Building and Retail are the three of the most common industry

sectors that this cohort was involved with, with one respondent starting a business in Auto-repairs and one in the Transport industry.

This grouping indicates an inclination towards industries in which skills were relatively easy to acquire, and set-up costs were not hurting family budgets. This is indicated by the quotes below:

I never worked on building site and had no skill as such but I had no option but to learn the skill quickly, and in no time I knew my job better than some that worked in this industry for longer periods (Case No 10).

We really did not want to spend too much money for the business (Case No 5).

It is always better to work for someone else and have fewer headaches; however, once you decide to become self-employed, you are pushed to make it a success (Case No 19).

As for motivational factors, there have been numerous studies that speculate the factors that induce someone to become self-employed. Some of the more common reasons are: a cultural and personal predisposition to private business, the existence of an environment conducive to business, the development of a new idea, convenient and affordable access to capital, and the personal attractiveness of an alternative employment option (Hout & Rosen 1999).

Cultural predisposition plays a large part, in that it can influence an entrepreneur's attitude to risk aversion or can possibly play a significant part in whether one should place trust in others. According to Hout and Rosen (1999), the usual human attribute necessary to become a successful entrepreneur is inherited from a person's elders, however in the current study, the migrant effect may be stronger than the parental effect. Migrants, having left their homes in search of better economic opportunities; they are more ambitious, more independent and take greater risks than many who remained in their country of origin or, indeed, than natives of the host nation.

It is possible that there is a certain level of entrepreneurial drive and spirit demonstrated when an individual leaves his or her homeland. This study indicates that the respondents were motivated by several factors such as; desire to earn money, seeing a gap in the market, the need for career change, independence and more liberal business regulation as opposed to the country of origin. The general understanding is that, the above-mentioned factors are motives behind most entrepreneurial start-ups.

Further analysis as to the motivation of migrants starting their own businesses is considered in the next section.

5.4.1 Money

Almost two thirds, or 24, of the respondents expressed the opinion that one of the factors that exerted the most influence on their decision for going into business was the desire to better them financially. Alstete (2003) and Kirkwood (2009) suggested that financial gain is found to be a significant motivator to becoming an entrepreneur, and this was echoed by the respondents:

I wanted to be better off financially (Case No 1).

My wife and I wanted to get more for our hard work (Case No 17).

This is fairly consistent with the literature, stating that immigrants chase self-employment due to financial gain even though they may currently have good jobs in the host country (McDowell, 1995; Alstete, 2003).

An important statistic in this regard is that the literature reveals that self-employed immigrants are found to be doing better financially than wage or salary earner immigrants and that a wage or salary earning immigrant's lifetime earnings were not near the wage or salary earning of host nation natives (Wilson & Portes, 1980; Lofstrom, 2002).

Croatian immigrants consciously entered self-employment for higher economic returns, and indicated that their financial situation improved over time:

Soon we started our business and our financial situation improved (Case No 17).

Financially we are better off than when we worked for the employer (Case No 35).

Further analysis as to the motivation for starting their businesses is considered in the next section.

5.4.2 Opportunity

Twenty two respondents felt that there was a gap in the market and they felt that the opportunity presented itself. They were there at the "right time and the right place", and this was the driving force for them in making a decision to start their own business as indicated by the quotes below:

I was fortunate to have found the kind of work that I liked doing. Once this business became for sale I just felt like this was my perfect opportunity to start my own business (Case No 28).

An opportunity came by; I knew all about the business. This was the perfect opportunity for myself (Case No 32).

This is consistent with previous research which found that spotting a market opportunity is an important motivator to start a new business (Kirkwood & Walton, 2010). These respondents revealed that they saw a gap in the market, calling it as an opportunity presenting itself, and this was one of the reasons for becoming self-employed. Spotting a gap in the market is a vital factor that appears in the literature on the incentive to become an entrepreneur or business owner (Kirkwood & Walton, 2010). Those opportunities come from changes in the environment, and one of the central characteristics of entrepreneurs is that they excel at seeing patterns of change (Kirkwood & Walton, 2010).

In summary, the indications are that many Croatian self-employed immigrants, who are hard workers as well as opportunists on arrival in the host country, were able to find a gap in the market which sparked their entrepreneurial thinking.

5.4.3 Flexibility / Independence

Twelve respondents stated that independence and flexibility were reasons to pursue self-employment. They reported that their workplace flexibility was also one of the motivations for becoming self-employed, whether being flexible with their hours of work, such as having a flexible time to start work and closing time, spending more time with the family or the flexibility of choosing to work or not to work.

This is consistent with the wider entrepreneurship literature that states that flexibility as an important factor in choosing self-employment (DeMartino & Barbato, 2003), a sentiment echoed by this respondent:

If you work for someone, you must be on time and must work your hours as opposed to having your own business, do what you think is best for you and your business (Case No 34).

In summary, the flexibility of work life or more personal independence, although noted in passing by some respondents, has not been a major influence on their entrepreneurial behaviour. Many respondents arrived here as parents and had to juggle other things in life, like family responsibilities, and thus saw the need for more time and flexibility with work in order

to satisfy this family need. Therefore, the study still feel that there should be a further investigation of the factors that may have influenced the decisions for these respondents to become self-employed.

5.4.4 Make a living

A couple of respondents suggested that they were inclined to become self-employed simply in order to make a living rather than being profit-driven. There are some previous studies that have suggested that many immigrants are driven to self-employment due to difficulties in finding a job that provides for basic living, therefore migrants are pushed into self-employment when no other alternative exists (Benzing & Chu 2009).

However, almost all respondents in our study were in jobs before starting their own business so the study cannot say that they had no alternative source of work. It is possible that Australia is seen to prospective migrants as a laid-back destination with a good quality of life and this may be one purpose to want just enough money and to have a relaxed life and not to be profit-driven. Similarly, it may be that those who went into self-employment were not driven in any other way except wanting to make a living and not putting any pressure on themselves. Some suggested that having to look for work was a burden, yet some others just got sick of working for other people:

Firstly wanted to have a job, secondly did not want to go and look for work (Case No 20).

This was a kind of work I was doing also got sick of working for other people and changing places all the time (Case No 2).

In general, while there is a need to make a living, this study suggests that everyone in this cohort had an alternative source of work so there was no indication of being pushed into business. Therefore, making a living has not been a major influence on their entrepreneurial behaviour. Therefore, the study sees there is still a need for further investigation of the factors that may have influenced the decisions for these respondents to become self-employed.

5.4.5 Negative experiences in the labour market

This section considers if any prior experiences in the Australian job market had an influence on Croatian immigrants to become self-employed; in particular if any of the respondents had negative experiences in their workplace, inclining them towards looking for an alternative source of work.

A few previous studies suggested that negative experiences such as a difficulty in finding a job in the mainstream sector, experiencing discrimination in the labour market, low-wages and the possibility of redundancy are amongst factors that push migrants to become self-employed (Basu & Goswami, 1999; Dobrev & Barnett, 2005).

According to Willsdon (2005) and Frederick and Foley (2006), immigrants are more likely to start businesses if they feel they are being marginalised, discriminated against, publicly non-accepted and looked down upon. This is a reaction to psychological uncertainty, and in order to regain their self-esteem, it is likely that people look for self-employment. In this respect, a study conducted in New Zealand by Butcher, Spoonley and Trlin (2006) on discrimination faced by immigrants and refugees, clearly revealed that in their study, people started businesses in order to regain self-esteem and regain psychological certainty. This issue is compounded when the lack of English language knowledge puts people behind in terms of social engagement as well as economic engagement.

All respondents in this study reported having jobs before starting their own business; however, only a couple of respondents suggested that they had a negative experience in the labour market while looking for work which they claimed was an important motivating factor for them to think about an alternative source of economic survival. They stated that they found it hard to get a job in the Australia labour market after arrival. Most of them encountered barriers in terms of lack of Australian experience:

It was hard to break into the Australia labour market; firstly no one is out there to give you a chance. Every employer was asking for the Australian experience; how one could have an experience if there is no one to initially employ you (Case No 8).

Some expressed difficulties in being promoted within the company they were working in, so prospects for growth were non-existent and they were therefore fated to work as unskilled labour; for many, this was a significant trigger for becoming self-employed:

I was a leading hand, knew my job role and much more, but whenever a higher position came up there was always a better candidate, even the one that I trained got higher than me (Case No 22).

One respondent felt uninterested with the job he was working in and felt that being self-employed would give him more opportunities and to be in charge:

I was fed up with my job so had to look for other source of income. Starting my own business was high up on my agenda; I wanted to be in charge of my own destiny (Case No 6).

In contrast to the literature, this research indicates that there was little or no evidence to support the notion that this group was discriminated against in any form or shape. However, while looking for employment many suggested difficulty in finding a position. Because of this, they had to think about an alternative source of work, and self-employment was one option, yet it might not have been part of their thinking originally. Therefore, further analysis as to the reasons why they became self-employed is considered in the next section.

5.4.6 Social networks

It has been suggested that an established and trusted social network can promote an entrepreneurial intention, particularly if those networks are themselves entrepreneurial (De Carolis, Litzky & Eddleston, 2009; Li & Santos, 2007). Marginalised groups, in particular, tend to form tight social networks with their own nationals. Entrepreneurial engagement is then able to be facilitated by gaining knowledge from these social networks, being supported financially or otherwise, by providing a customer base or possibly by being mentored through the process.

Close cohesion and social network creation are clearly exposed in this study. All respondents stated that they were predominantly mixing with their own ethnic group for the purpose of socialising and network creation. The majority of interviewees suggested receiving help in finding work and in starting businesses in Australia. Through their networks they established connections and a local understanding of regulations and host country culture as stated below:

I was fortunate to start work with a friend of mine who gave me lots of information about Australia's way of living and the regulations about starting a business. I quickly gained the skill in the construction industry. Most importantly I had a skill, knowledge and the ambition to start my business (Case No 18).

There is a significant indication that early arrivals had a positive effect on this cohort regarding their early settlements and work related issues. Therefore, the indications are that this cohort in general had an enormous support by their fellow nationals in becoming entrepreneurial. Some became partners, some branched off in operations by themselves and others gained knowledge regarding business rules and regulations as well as gaining financial support.

In summary, social networks were assisting new arrivals in gaining employment. All respondents had some sort of assistance; either were employed by prior networks or assisted in gaining employment through connections.

5.4.7 Host country regulations

Regulations in the host country, such as the ease of entering a market, contract enforcements and access to finances, can have both, positive and negative influences on small-business start-ups. Surely, if there are higher costs to starting a business then there is an automatic barrier to starting a business. Therefore, the regulations in the host country can have a significant effect on people's decision whether to start a business or not, and how the business performs.

A study conducted in Europe by Klapper, Laeven and Raghuram (2006), revealed that entrepreneurship start-up numbers are largely explained by different institutional regulations. This is clearly visible when comparing Italy with United Kingdom, France and Germany, where numbers are a lot smaller due to various restrictions. However, Europe has gone through a number of legislation changes, therefore this may not be the case today. Other researchers anticipate a very similar view regarding these barriers (Ardagna & Lusardi, 2008).

Whilst these barriers can have an enormous impact on domestic entrepreneurs, it is even more so on migrants when they are contemplating starting their own enterprises. In this study there were no clear indications whether the regulations were making the option of business self-employment attractive or not, therefore, there is a need for further investigation of the factors that may have influenced the decisions for these respondents to become self-employed.

5.5 Business performance

This section looks into respondents' business performance in general. Business performance is an important factor when it comes to modelling and public acceptance of the idea, in particular the uptake of entrepreneurship across the wider public. This, in general, has a critical influence on other potential business start-ups. In broad terms, most respondents were happy the way their business was performing as can be seen in the quote below.

We are a dedicated and hardworking team. That's why we are so successful (Case No 12).
Only one respondent suggested having difficulty in keeping the business going due to financial losses:

Financially, our business is not viable any longer due to various reasons (Case No 4). There is a clear indication of hard work and dedication by this cohort in making their business journey a success. There are indications that, by seeing other like nationals running a successful business, potential new business start-ups are motivated.

5.6 Summary

This section was devoted to deeper data analysis, discussions and findings. Many of the respondents had opened businesses whose majority customers were Croatians, yet, surprisingly perhaps, none of them had opened businesses in locations that had a concentration of other Croatian businesses.

All respondents in this study (35) initially chose employment rather than self-employment, indicating that there was no overwhelming difficulty in finding work. The reason was that jobs were plentiful, particularly in the unskilled labour market. Secondly, established social networks assisted new arrivals in gaining employment. Our results show that all 35 respondents had some sort of employment-related assistance; they were either employed by prior networks or assisted in gaining employment through connections. In addition, group resources were readily available due to the existence of prior networks.

In chapter four when the two different arrival groups were compared it was found that the later arrival cohort waited for a lesser amount of time before starting business and spoke English more fluently. However with respect to the theories of ethnic entrepreneurship considered in this chapter there is clear evidence that there is no difference between the two different arrival groups in the applicability or otherwise of the three theories. This evidence is demonstrated in the tables set out in the chapter which illustrate the level of adherence to the theories by each of the business operators interviewed.

Comparing the two different arrival groups in Australia indicates that the early arrival cohort waited longer to start their own ventures, spoke English less fluently and had a limited education attainment. The later cohort evidenced higher educational attainment, and spoke English more fluently.

According to Borjas (1985) the probability of self-employment of migrants increases with the number of year's residence in the country. To complicate matters slightly, our findings indicate that early arrivals were economic migrants while the later arrivals were professional migrants. The professional migrants were apparently acting on perceived opportunities and found much

satisfaction in running their own businesses. This view is consistent with the literature where other surveyed professional migrants reported personal pride in running their own businesses after migration.

The main motivational factors for the Croatian immigrants involved in this research seem to be similar to the general motivational factors mentioned in the literature such as opportunity and financial gain (Alstete, 2003; Kirkwood & Walton, 2010). Both opportunity and monetary factors have been mentioned as the reasons for entrepreneurship. However, learning the trade and wanting to move on were clearly decisive factors for their self-establishment in small business. Therefore, copycat behaviour seems to have been predominantly present in both groups of arrival.

Previous research also indicated that people develop a desire for independence and flexibility for various reasons, and this is the case in this study (DeMartino & Barbato, 2003). However, certain cultures do encounter discrimination in the labour market which makes finding jobs impossible, and making self-employment as the only option (Fregetto, 2004; Baycan-Levent et al., 2006). Whilst this study did not explicitly unearth any instances of respondents not being able to find jobs, this does not exclude the possibility of forms of discrimination in the labour market for Croatian immigrants.

At this point, it is emerging that the findings of this study are providing support for the theories on immigrant entrepreneurship known as social network and ethnic enclave theory.

The next chapter, Chapter Six – Research Implications and Limitations, makes concluding remarks regarding the conduct of this research and particularly emphasises the development of knowledge which has risen from the investigation. Recommendations are also put forward for future areas of research in order to build on the outcomes of this study.

Research Implications and Limitations

6.1 Introduction

This is the concluding chapter for the research on the motivations of Croatian immigrants to become self-employed in Australia. The main research question is: What are the motivating factors for Croatian immigrants to become self-employed in Australia? However, the study also investigated whether any entrepreneurial theoretical reasoning applied to this group of migrants. Similarly, this research explored the differences of two different cohorts of Croatian migrants in Australia regarding their entrepreneurial attitudes. Implications of the research, recommendations, and areas of further research and limitations of the research are presented here based on the analysis of the research questions in the previous chapter.

6.2 Applicability of Theories

It has been found that the way migrants make business entry decisions has had a strong influence on the development of theories in ethnic entrepreneurship (Volery, 2007). Ample consideration has been given to this area of research, with regard to whether cultural or environmental factors encourage business entry decisions and thus are accountable for the increase in ethnic entrepreneurship. Scholars taking a culturalist approach believe that ethnic groups have culturally determined features that favour self-employment (Masurel et al., 2004). The environmentalists, on the other hand, propose that external factors in the host environment, such as discrimination or entry barriers to the labour market due to considerations of education and language, pushes immigrants into self-employment. Contemporary approaches suggest that a differentiated interpretation is needed to understand this composite phenomenon, thus many academics have combined these two standpoints.

The discussion below considers philosophies that look at the sequences of behaviour by which individual entrepreneurs reach decisions regarding self-employment and, subsequently, how they have recognised profit opportunities and how they exploit them.

From a sociological perspective, two major theories can be drawn to explain ethnic entrepreneurship. These are 'blocked mobility' and 'cultural theory'. Blocked mobility theory advocates that many immigrants encounter significant difficulties that hinder their social

progress upon arrival in a new country, but at the same time help steer their behaviour as indicated by Fregetto (2004). First of all, they lack human capital, such as knowledge of language, education and experience, which prevents them from finding salaried jobs, thus often leaving self-employment as the only career choice available. Furthermore, a lack of mobility due to poverty, discrimination and inadequate knowledge of the local culture can also lead ethnic minorities to seek self-employment. This theory thus perceives business ownership not necessarily as a sign of success but often as an alternative to unemployment.

The essence of cultural theory is that it proposes that ethnic groups are prepared with culturally determined features such as dedication to hard work, membership of a strong ethnic community, economical living, acceptance of risk, compliance with social value patterns, solidarity and loyalty, and orientation towards self-employment (Masurel et al., 2004). These features provide unique ethnic resources which can enable and encourage entrepreneurial behaviour and support the ethnic self-employed (Fregetto, 2004). Interestingly, and of relevance to this study, is that ethnic people often become aware of the advantages their own culture might offer after arriving in the new environment (Jones & McEvoy, 1986).

At a deeper level, “middleman theory” and “enclave theory” are two of the major explanatory frameworks used in discussions of migration experience. The middleman theory states that when a minority group arrives in a geographic location where they are a recognisable minority, they can subsequently develop enterprises that are located in the “middle” of the economic system (Zhou, 2004). An ethnic business typically starts when an entrepreneur begins serving other members of the ethnic community in order to satisfy specific ethnic needs (Greene & Owen, 2004). It has been shown that this group initially faces discrimination from the majority group, particularly with regard to economic opportunities in the primary sector of the labour market. Second, this group tends to develop enterprises located in specific industrial sectors, and, as the middleman, they negotiate products between the producer and consumer. Third, this group exhibits strong elements of solidarity among its members (Bonacich & Modell, 1980; Greene & Owen, 2004). However, despite being widely recognised, this theory, in and of itself, is insufficient to explain the entire phenomenon.

Enclave theory, on the other hand, suggests that ethnic enclaves provide available social and cultural networking to migrants as well as providing a physical and emotional resemblance to the immigrant’s place of origin (Wright et al., 2005). These socially important attributes of solidarity, trust and cultural comfort are thus established through the creation of enclaves. The geographic proximity of the enclave network allows easy sharing of key elements of business knowledge and can provide varying types of assistance between businesses. Contacts with

members in an enclave may possibly also afford new arrivals work opportunities, whilst it is possible for immigrants to receive informal training regarding the customs and practices of the wider culture outside the enclave (Johnston et al., 2002; Fong & Chan, 2010).

In summary, much attention has been given to the question as to whether cultural or environmental factors influence business entry decisions and therefore are responsible for the rise of ethnic entrepreneurship. Supporters of the culturalist approach, such as Masurel et al. (2004), believe that migrant groups have culturally determined features leading them to consider self-employment as a source of income. The environmentalist approach, on the other hand, advocates that external factors in the host country, such as discrimination or entry barriers in the labour market which may be due to education and language deficits, pushes immigrants into self-employment (Baycan-Levent et al., 2004; Razin, 2002). More recent research has endeavoured to combine these two approaches, arguing that an integrated view is necessary to understand this complex phenomenon (Waldinger et al., 1990; Razin, 2002).

6.3 Different models

Many of the theories previously described have been integrated into models attempting to explain the entrepreneurial motivation phenomenon as a whole, but there has not been a definitive position yet developed. In an effort to contribute to these lacunae, this study has developed an enhanced model, which tries to position the ethnic aspect within the typical entrepreneurial context.

Virtually all ethnic entrepreneurs make widespread use of their social networks and, in this regard, Croatian migrants are no different. These networks are sets of interpersonal ties linking migrants through the bonds of kinship, friendship, and shared community origin. The essential source of social capital lies in these networks. Similarly, as Light, Bhachu & Karageorgis (1993) pointed out, the decision whether to migrate or not, the decision about where to go, and the adjustment process at journey's end, are significantly influenced by ethnic kinship and friendship networks. Also, immigrants are naturally restricted in their range of employment opportunities on arrival, therefore a good, ethnic social structure can enable or at least facilitate job searching, hiring, recruitment and training, and, more importantly, organising information flows between newcomers and early settlers (Waldinger, 1994). Because of obvious difficulties with language and understanding unfamiliar business practices, co-ethnic networks can substantially improve the efficiency of searches and communication, markedly aiding

immigrants in finding jobs and housing. The co-ethnic community supporting an ethnic entrepreneur is capable of supplying a number of crucial resources for the launch and growth of businesses such as cheap and loyal labour and capital. It is often the social support networks of an ethnic community that provides the required impulse and momentum to start and sustain a business (Masurel, Nijkamp, Tastan, & Vindigni, 2002).

As mentioned earlier in this chapter, a stand-alone theory is not capable of explaining the business entry decision of a single, ethnic entrepreneur or indeed of small groups with a similar immigration history and culture. No theory can adequately explain the entrepreneurial phenomenon as a whole. The model that this study presents attempts to combine the “culturalist” and “environmentalist” approaches into an overarching conceptual framework. During the theoretical approach described in this chapter, guidance is offered for investigating differences in entrepreneurial behaviours between ethnic groups. This study permits an expansion and reunion of existing theories of entrepreneurship and thus aims to make significant contributions to the entrepreneurship literature.

6.4 What led Croatian migrants to start their own businesses?

Numerous studies on immigrants’ self-employment indicated they initially experienced difficulties in the job market and were therefore pushed to start their own businesses (Baycan-Levent et al., 2004). Supporting this, the general entrepreneurship literature indicates that work-related concerns are an important motivational factor for becoming self-employed (DeMartino & Barbato, 2003). Kirkwood and Walton (2010) explicitly suggested that if people are not satisfied with their career they have a tendency towards self-employment. As discussed earlier, the development of blocked mobility theory in entrepreneurship was based upon difficulties in finding work specifically related to immigrants. Therefore, it is likely that this barrier has become one of the motivating factors to self-employment (Min & Bozorgmehr, 2003).

However, prior research has indicated that immigrants are often presented with opportunities, and they are quick to explore their options (Agrawal & Chavan, 1997; Basu & Goswami, 1999; Collins, Gibson, Alcorso, Castles, & Tait, 1995; Stromback & Malhotra, 1994; Watson, 2000). As suggested by Chavan (2002) the first generation of immigrants in a new land tend to go into business due to difficulties in the labour market, although second and third generations are more opportunistic when it comes to self-employment. Nevertheless, although there are some

general observations for all immigrants, differences exist between different ethnic groups and there can be unique motives behind their business involvements (Ram 1997). It was the intent of this investigation to focus specifically upon the Croatian community.

In this study it was found that Croatian migrants to Australia are remarkably opportunistic when it comes to self-employment. In addition, it was observed there was no indication in this study suggesting they were ever discriminated against, or placed into a disadvantaged group in their new country. This is remarkably different to these migrants' recent experiences in their home country. Croatia was part of the former Communist Yugoslavia, led by the military and the police; the economy was enforced by a command type society, which did not allow people to do what they wanted, but enforced what the system wanted. Hence, people were required to work in groups or collectives with minimal opportunity to work as individuals. Similarly, any form of privatisation was limited and most of the firms were in the hands of the state, which was led by collectives rather than individuals as is the case in a capitalist system. These collectives were formed from members of the Communist party, where a culture of collectivism did not permit the individual expression of business ideas. This understanding of the nature of the Croatian state, from which our cohort of migrants arrived, goes some way to explaining the rapid growth of individual enterprise by those who were leased from the shackles of collectivism.

After the 1990s, Croatia once again became an independent state and began to lean again towards a western way of living (Zupanov, 2001; Sakaja, 2002; Tomic-Koludrovic & Petric, 2007). Indeed, Croatia historically has a free enterprise society, feeling they are part of Western Europe rather than Eastern Europe, and the unfamiliar command type of regime of collectivism would have hindered, rather than extinguished, the entrepreneurial spirit. Thus, it is suggested that when people moved to Australia, there was a deep-seated readiness for engagement with business that appears remarkable, but is really just a "normal" expression of the historical Croatian way, manifested in a supportive environment.

As they arrived in Australia, this natural degree of independence became evident. People's self-image changed towards 'I' rather than 'We', and once again they had to look after themselves and their families rather than concentrate on the needs of a collective group. Thus, having arrived in a country where the economy was in hands of the people and where privatisation was seen as a rewarding career path, they were faced with exactly the opposite economical ideology they came with. Opportunities were plentiful, former co-ethnic networks were fully fledged; all this led to further refinement of their thinking and new culture norms of absorption and adaptation.

This study suggests a new model, explaining what led Croatian migrants in Australia to start their own businesses. This model applies to both groups that the study observed (Figure 5).

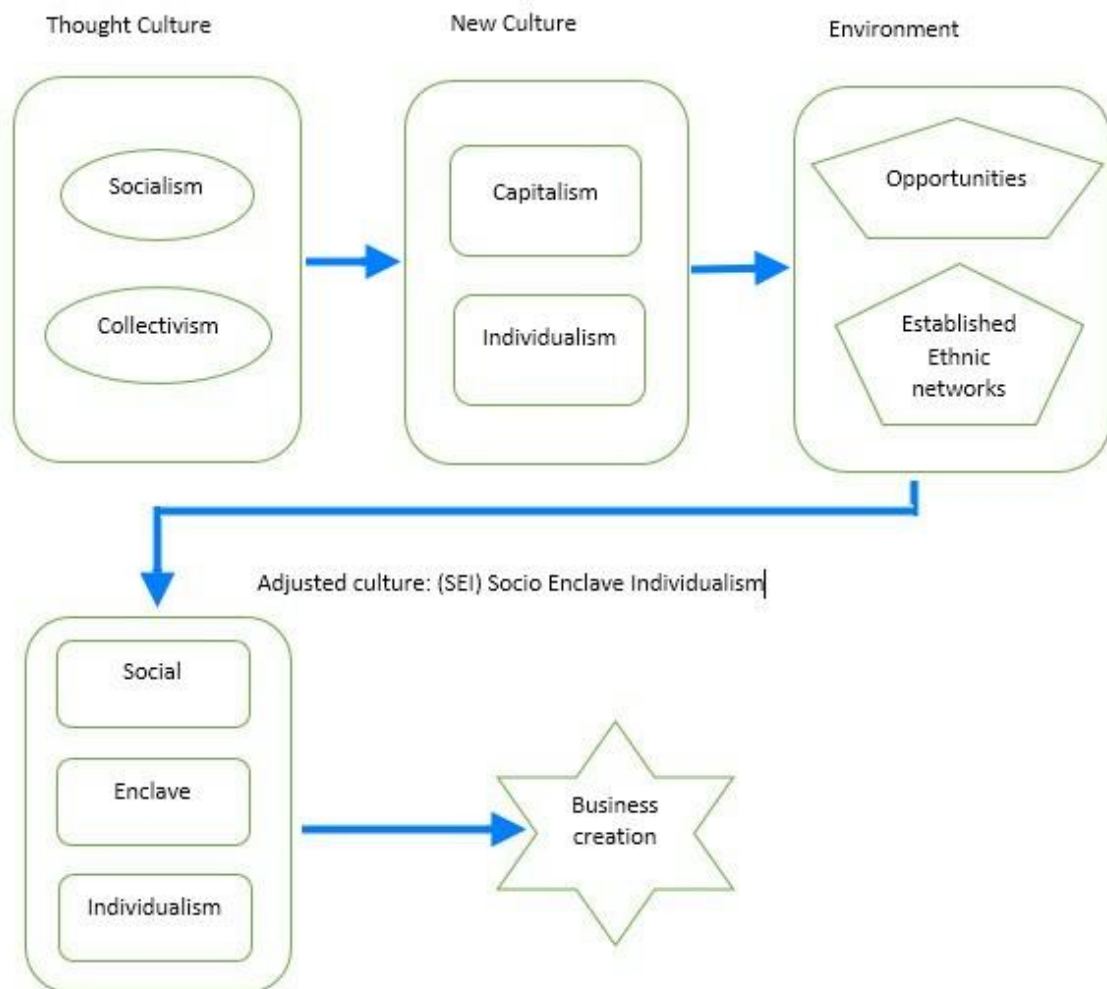


Figure 5. SEI-Socio-Enclave Individualism

Croatians lived under Communist rule for many years where they had to adopt Socialism as well as a collectivist way of living. However, having migrated to Australia, they were faced with a different culture and a new way of living, allowing their natural independence to thrive. Having to deal with a new culture and being presented with opportunities through an established ethnic network they were able to adjust their prior way of living and thinking. The established networks became very important to them, they provided a home like atmosphere as well as source of employment and eventually business start-up support. The collectivist way of living was quickly replaced with an individualistic and more self-centric thinking, they had

to look after themselves and their families rather than focus on the needs of a collective group. This environment provided fertile ground for starting a business.

6.5 Conclusions about the main research question

This research looked at the intersection of traditional, socialist values as well as the generational value shift of late socialism into a western way of thinking, which the study expected would have shaped respondents' perspectives.

None of the participants in this study revealed they had any prior intention of opening a business before migrating and only one participant had had business experience prior to arrival in Australia. Whilst all the participants had tried for employment in the Australian labour market and had successfully secured themselves jobs, for which they were noticeably underemployed, many had found it very hard to obtain skilled positions. However, 90% of the participants declared they were impressed with the labour market. They were presented with many opportunities, however, they were constrained within it such that they needed to break out to better themselves. Therefore, they were motivated by a negative to seek a positive. All indications are that negative experiences were present but were not the only motivating factors to becoming self-employed. Only one of the interviewees had prior business experience and others worked in industries or positions that helped them with entrepreneurship in terms of problem-solving skills and recognising opportunities. During these experiences, many saw an opportunity to earn more income by becoming self-employed, which attracted them to entrepreneurship. Therefore, positive motivational factors have influenced the decision to become self-employed in Australia. This research partly, complements prior studies (Agrawal & Chavan, 1997; Baker, 1995; Khosravi, 1999; Nwankwo, 2005; Raijman & Tienda, 1996; Wang et al., 2006) that have found both positive and negative factors influencing migrant decisions in becoming self-employed.

6.6 Two cohorts – differences and similarities

The difference between the two migrant cohorts was visible. Generational differences raised material security, where the early arrival group was less educated, and who were seeking goals

beyond material wealth, such as freedom, self-expression, quality of life, and self-actualisation; this is quite different to the latter arrival group who were rather better educated and had a more materialistic view. To add to this observation, the latter arrival group were welcomed by better and wealthier co-ethnic networks, were financially better prepared, arrived as wanderers, had no deadlines for their intended stay, did not enter camps and waited for a shorter time before they started their businesses.

Furthermore, the latter group had more fertile ground for entrepreneurial enterprise. First, they came when there were already established co-ethnic networks, who willingly wanted to see them through. Second, this group had better educational preparedness in terms of skill as well as English knowledge. Third, according to the Global Entrepreneurial Report (GEM) (2011), these migrants were at the prime of their entrepreneurial age.

GEM (2011) indicated that whilst nearly half of the world's entrepreneurs are between the ages of 25 and 44 years, in general, 25 to 34 year olds exhibit the highest rates of entrepreneurial activity. In some regions, such as Latin America and certain parts of Africa, 45 to 64 years olds are in the majority as entrepreneurs, yet in some other regions such as the European Union and China, the majority of entrepreneurs fall into the bracket of 18 to 34 year olds.

This explains why the latter group waited for a relatively shorter time before embarking on their rewarding 'self-employment' careers. And finally, this group immigrated to Australia for different reasons compared to the earlier group.

Early arrivals immigrated to Australia of their own will. They were dissatisfied with the then current economic and political system of their country. However, the latter group had similar but more difficult times; their country was at war, and they were forced to leave and look elsewhere. This indicates that a risk-taking attitude was present, suggesting possible motives for starting businesses.

Correspondingly, latter arrivals lived through the period of post socialist transition, described as bringing about radical and rapid political, economic and social change to Croatian people. In the process of Yugoslavia's fragmentation, some of the most profound changes took place during war or in the immediate pre-war and post-war periods. It was in these conditions of dangerous and multiple social crises that previously socially-owned property was privatised. The socialist economy was replaced, in essence, by an outdated capitalistic system (Katunarić, 1997). Equally, there was a transition from a Yugoslav version of the single-party socialist system, to a Western-style multi-party parliamentary democracy. In spite of all this, the Croatian transition can be said to have revolved around the topics of market, privatisation, nationalism and a multi-party system (Katunarić, 1996).

Therefore, it can be said that the latter group was exposed to an earlier version of democracy, where social collectivism was replaced by individualistic capitalism. Privatisation was back on the agenda and early development and promotion of entrepreneurship was given high priority. However, the earlier arrival group had slightly different experiences on arrival in Australia. First, they came as temporary residents, wanting to earn some money and possibly return to their country of origin. However, this did not take place due to their ease of establishment in the new, different culture as well as gaining considerable financial rewards from the work they were performing. This group of arrivals came at a better economic time in Australia, where work was plentiful and the need for higher educational attainment was not required. Thus, with the passage of time their aspirations changed; having establishing themselves financially, they were entering a different chapter in their lives and wanted to explore the possibility of entrepreneurship as their source of income. The investigation showed that this group contemplated for long periods before entering this kind of market. This study asserts that because of lesser established co-ethnic networks, this group had to wait for longer periods of time before starting their own businesses. Likewise, financially, this group was not as readily prepared as the latter group.

In summary, both groups were of a similar age upon starting their businesses, which is the prime age for entrepreneurial activity, as suggested by GEM (2011). However, it clearly took a significantly longer period for the early arrivals to engage in entrepreneurship. Therefore, the study reveals that the early group needed more time to gain Australian experience and knowledge of the local economy, as well as knowledge of regulations, before embarking on entrepreneurial pursuits. Similarly, this group needed to establish better financial resources before entering the small business sector. By contrast, the latter arrival group were undoubtedly better resourced in terms of their social and economic preparedness.

6.7 Research implications

This research has helped to establish the notion that there is a distinct ethnic business creation process in which ethnic resources and ethnic networks play a significant facilitation role. In particular, it has been suggested that social capital, referred to by some as cultural capital, has played an enormous role in the creation of ethnic firms. Furthermore, the presence of co-ethnic networks was found to positively encourage the propensity for self-employment for members of Croatian ethnic groups in Australia.

Similarly, it was shown that ethnic networks, education and business skills are all positively related to ethnic business start-ups, which implies that social factors together with ethnic networks are essential factors in the business creation process.

This research highlights the following factors, which appear to motivate Croatian immigrants to become entrepreneurs, including:

- opportunity;
- financial gain
- independence;
- entrepreneurial social networks;
- availability of resources;
- entrepreneurial attitude; and
- fertile environments for business.

According to the respondents in this study, the most significant factor that deters potential entrepreneurs is fear. They stated that no person will start a business if the fear of disappointment or failure takes over. In order to mitigate such fears and thus lead to a boost in the economy, the government should underpin attempts at entrepreneurship in order to give innovative individuals assurance in their business undertakings.

Besides these ever-present economic and administrative concerns which all entrepreneurial activities face, small business operates in a society shaped by the media, education and government policies. Indirectly, these issues inevitably affect the mindset of business people. Such a nexus suggests that if the media were more proactive in promoting stories of business leaders, not just their company's services and products, they could be presented as models for potential entrepreneurs to follow. Confidence in the context of a new culture that an innovative idea might work is important to initiate the development of new businesses. What might provide individuals with this sense of confidence is having appropriate governmental infrastructure in place to facilitate business start-ups. Besides this developmental network, a reduction in the number of procedures necessary to start a business is seen as important plus a reduction in the level of start-up taxes and the removal of unnecessary restrictions that might be placed upon businesses.

Ultimately, having a positive culture in place that helps eliminate fear of failure will be a significant fillip to potential entrepreneurs who wish to contribute to the growth of the economy

through business. While not every business start-up will succeed, business is a numbers game, and if more people are creating new companies, more companies will succeed, therefore helping the economy.

However, it must be recognised that some authors disagree that simply creating more companies will produce the most desirable economic outcome. Shane (2008) was critical regarding saturation in new start-ups, suggesting that productivity drives growth, and equivocally stated that new start-ups do not bring more productivity, suggesting they are in fact less productive. The productivity of a firm increases with age, which implies support might be better given to existing enterprises.

Shane (2008) also indicated that when governments intervene to encourage the creation of new businesses, they stimulate more people to start new companies, disproportionately in competitive industries with lower barriers to entry and high rates of failure. This is because it seems that the typical entrepreneur is unsuccessful at picking key industries, choosing the ones that are easiest to enter, not the ones that are best for start-ups. Thus rather than picking industries in which new companies are most successful, most entrepreneurs tend to pick industries in which most start-ups fail.

It thus seems that when the government can call on each and every individual to take a risk and decide to start a business, the country's economy can flourish. While the government may not necessarily have a direct relationship with the media or the education students receive, it can facilitate the opportunity for individuals to take on new ventures and can also promote business education at universities through investment. At the end of the day, when someone decides to start a business, he or she wants to have the best opportunity to do so and that comes from an environment that gives entrepreneurs the confidence they need to succeed. When the government can ensure that entrepreneurs have an opportunistic outlook, businesses can contribute to growing the economy.

In summary, the findings of this study will be useful for policy makers in their decision-making processes. For example, a clear understanding of immigrant entrepreneurial motivation can be translated into efficient advertising and the distribution of funding and grants. As an example of the positive application of this sort of research, policy makers can try to ensure more immigrant entrepreneurs are noticeable, as positive examples, and are shown in advertisements and the like, so that other potential immigrant entrepreneurs can view them as role models.

Australia's future prosperity depends on how it uses its limited, skilled labour force. If skilled migrants find themselves underemployed in the labour force or migrants feel that they can increase their income through self-employment, then entrepreneurship should be encouraged. An entrepreneurial culture should also be reflected in the mentality of migrant children, suggesting more education in this area. Students should see entrepreneurship and business as a better path to a successful career than the traditional job market.

In conclusion, this research contributes to both theoretical and practical aspects of motivational factors affecting the start-up of Croatian ethnic small businesses in Australia. It appears that a better understanding of the important factors influencing the start-up of businesses by Croatian ethnic entrepreneurs will have implications for expanding their businesses successfully in this globalised environment.

6.8 Limitations

Lawrence (1998) stated that all research is faced with limits, and this is certainly so with this research. The study acknowledges its limitations, and notes explicitly that:

- (i) A small sample of 35 participants was selected for this research due to time and resource constraints. One consequence of this time limit was the decision to look only at formal businesses located within two Australian cities, although Croatian ethnic businesses existed beyond these boundaries in other Australian cities as well, where the business climate is potentially different, leading to possibly different outcomes.
- (ii) Studying one ethnic immigrant group does not allow for easy generalisations of the whole immigrant population. The fact that the researcher is a member of the Croatian community could also bias the reactions from co-ethnics, or at least differentiate them from other interviewees' reactions.
- (iii) Whilst every effort was made to accurately reflect the participants' standpoints, the researcher's own understanding of what was important to respondents eventually shaped this thesis. This is not a technical constraint, but a natural outcome of the qualitative research method that needs to be considered.
- (iv) Although the survey methodology is an accepted qualitative approach, much of the outcome of the study may have relied upon the researcher's subjective interpretation. Furthermore, interviews have been generally criticised because the

interviewees are able to report only their perceptions and perspectives of events, which are subjective, and not all participants are equally articulate and perceptive. Patton (1990) indicated that interview data is also subject to recall error and self-serving responses. Similarly, Creswell (2005) stated that the documentation of an interview may be inaccurate and incomplete with only positive aspects being recorded.

It is affirmed however that the study through its research findings has made an original contribution to the business discipline, which is considered reliable and appropriate. The interpretation was considered valid, as it was subjectively benchmarked against the existing knowledge and analysed through the researcher's participatory experience.

6.9 Recommendations

A particular objective of this research is to make recommendations for proper policy formulation encouraging sustainable small-scale economic development activities by Croatian immigrants to Australia, and proper advice on financial and social support.

Whilst the literature in general discusses those groups that are largely represented in small business, such as Asians, in particular Chinese, Koreans and Indians, other minority groups seem to be neglected with respect of being self-employed or employing others. Croatian-born migrants in Australia are rarely talked about with regard to their entrepreneurial attitudes. Scarcity of data available made this research difficult, in particular for this group, since they were part of the former Yugoslavia until 1990 and no data was available regarding the numbers of Croats in small business in Australia.

Most interviewees from the latter group suggested that they started businesses in different fields to those in which they were skilled, and this suggests that their skill was largely under-utilised. Furthermore, there were indications that having Australian work experience was an important issue in initially finding work in Australia. While many business owners were performing well, some were coming to the point that they were contemplating closing their doors for good.

Hence, the major recommendations as a result of this investigation are as follows:

- The data collection about the business involvement of migrants should be enhanced, particularly for minor groups that are often left out or neglected. This would help to

pinpoint any shortfalls in policies and regulations that might negatively affect them before commencing, or when operating, the business.

- The state and federal governments, in cooperation with the private sector, should develop meaningful strategies to maximise the utility of skills of newly arrived migrants and refugees to enhance their participation in the Australian labour market.
- This study would recommend that Governments investigate whether work experience programs for migrant and refugee communities would facilitate local work experience. In doing so this would possibly bring about an understanding of Australian workplace culture and the development of networks within the participant's field of expertise and qualification(s). This would most certainly assist migrants in gaining Australian work experience.
- The study also recommends that potential new start-ups should be advised of potential areas of growth, possibly steering them towards areas of more viable business start-ups. This would promote profitability and minimise failures.

6.10 Areas of further research

This research has delivered some insights into the motivations of Croatian immigrants in becoming self-employed in Australia. Future research using a larger sample would allow the findings to be better understood. Areas of further research could, for example, be the following:

- Both qualitative and quantitative research could be carried out to investigate the factors that motivate Croatian immigrants to become self-employed in Australia. Qualitative data is the best strategy for discovery and exploring a new area, and developing hypotheses. In addition, it is a strong methodology to see whether specific predictions hold up. Quantitative data on the other hand can help with qualitative study during design by finding a demonstrative sample and locating different cases. It can also help during data collection by providing background data, accessing overlooked information, and helping avoid biases. Linking qualitative and quantitative data can, for example, provide richer detail and development in analysis. It can initiate new lines of thinking through attention to inconsistencies and can provide fresh insights (Miles & Huberman, 1994).

- Comparative studies might be carried out with immigrants from different ethnic groups. This would possibly give a clearer picture about motives behind entrepreneurial attitudes, in particular whether cultural factors come into play. Likewise, comparative studies might reveal potential causes of lesser cooperation between different groups that could be disastrous for business development. Furthermore, it would be useful to know whether motivations in this study differ from the motivations of the general population and the reasons behind these differences.
- Research could be undertaken to identify which motivations are most important for self-employed migrants by quantifying individual motivations. Therefore, a heavier concentration of resources could be made available.
- Research could be undertaken on the views of the immigrant self-employed as to how to grow their business. This would eliminate possible downturns and subsequent closure of businesses.

The above is by no means an exhaustive list of the possibilities for future research. Should there be further research undertaken, this could provide further benefits to both ethnic communities as well as host countries. Further, as well as better understanding the motivation of Croatian immigrants in becoming self-employed in Australia, comparative studies with different immigrant groups may be necessary to understand whether culturally different characteristics are the driving force behind this phenomenon. This would be the only way to determine whether culture is an important element of entrepreneurial behaviour. On the other hand, this might steer governments into choosing cultures that are entrepreneurial and isolating others, producing discrimination and creating mono-cultural societies. However, it is important to understand what factors are important in choosing self-employment over being employed by others as well as ranking those factors.

6.11 Conclusion

This study contributes to an understanding of immigrant entrepreneurship, to which little attention has been given, especially when it comes to smaller groups that are usually overlooked due to their population size in a host country.

The purpose of this study was to further this limited understanding of how Croatian immigrant ethnic small business owners start their own businesses in Australia and, in particular, what motivates them in their decision-making processes. In other words, which cultural or socio-economic characteristics accelerate their decisions in favour of self-employment contrasted with wage/salary employment?

The findings strongly emphasise that a single theoretical perspective is unable to comprehensively explain how a minority ethnic group starts a small enterprise. A combination of influences, including networks, cultural influences and host country institutions, affect people's decisions to start their businesses. However, the study reiterates that certain human capital variables are the main driving force behind this puzzle. Formal education is the catalyst for favouring self-employment over paid employment. Similarly, labour intensive activities and a willingness to work overtime speak against paid employment. This suggests that a multi-theoretical explanation is required to account for the factors that drive immigrant ethnic entrepreneurship. This study found that prior networks, cultural experiences and host country regulations drive the success of immigrant entrepreneurship.

Networks are found to contribute to the flow of information about opportunities and host country regulations and thus increase the entrepreneur's knowledge about them. Therefore multiple theories are required to explain the immigrant small business uptake in the host country.

This study found that within an immigrant community, small business selection is based on initial work experiences in the host country. However, prior networks contribute significantly to these opportunities, and improve chances for start-up and success. Consequently, the immigrant ethnic small business uptake is explained by relying on a multi-theoretical explanation and not a single theory.

The present study increases our understanding and endorses social networks, cultural and ethnic enclave theories to account for the various aspects of the entrepreneurship uptake by the Croatian migrant group in Australia. This study has shown how social networks and cultural theory together with ethnic enclaves can explain how and why Croatian migrants in Australia start their business ventures. High levels of trust are facilitated which create the flow of information and identification of market opportunities. Similarly, close ties are established and a home-like atmosphere is created. The findings of this study suggest that networks, associated knowledge and resources are not a substantial enough basis for making the decision to start a

business. The nature of the environment and the potential entrepreneur's perceived ability to "make it" is also taken into consideration. Thus this study highlights the importance of developing a multi-theoretical perspective from which to explain the Croatian migrant small business uptake in Australia.

Table 8. Conclusion

Objectives	Conclusion
What factors led Croatian-born migrants in Australia to choose to operate a small business?	A combination of influences, including networks, cultural influences and host country institutions, affect people's decisions to start their businesses. However, the study reiterates that certain human capital variables are the main driving force behind this puzzle.
Are any existing social theories of ethnic small business applicable to Croatian small business involvement?	The findings strongly emphasise that a single theoretical perspective is unable to comprehensively explain how a minority ethnic group starts a small enterprise. This suggests that a multi-theoretical explanation is required to account for the factors that drive Croatian ethnic entrepreneurship.
Is there any difference between two different arrivals, early arrivals and later arrival groups?	Early arrival group was less educated, and were seeking goals beyond material wealth, such as freedom, self-expression, quality of life, and self-actualisation. However, the latter group had more fertile ground for entrepreneurial enterprise. They were welcomed by better and wealthier co-ethnic networks, were financially better prepared, arrived as wanderers, and had no deadlines for their intended stay. This group had better educational preparedness in terms of skill as well as English knowledge, therefore waited less time to start business. In terms of business performance there was no visible indications.

In terms of our objectives, (Table 8), the study concludes that variations of different motives existed; networks, cultural influences and host country institutions, for the participants to start entrepreneurial journey. But, the study echoes that certain human capital variables are the main

driving force behind this enigma. In terms of social theoretical understanding, the study cannot pin-point one single theory, yet suggest many theoretical understandings are at play.

Furthermore, both cohorts were of a comparable age upon starting their businesses, which is the prime age for entrepreneurial activity. Nevertheless, it evidently took a significantly longer period for the early arrivals to participate in entrepreneurship. Consequently, the study reveals that the early group needed more time to gain Australian experience and knowledge of the local economy, as well as knowledge of regulations, before embarking on entrepreneurial hunts. Similarly, this group needed to establish better financial resources before entering the small business sector. By contrast, the latter arrival group were undoubtedly better resourced in terms of their social and economic preparedness.

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Appendices

Appendix 'A' Letter of Introduction



**VICTORIA
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**A NEW
SCHOOL OF
THOUGHT®**

You are invited to participate in a research project entitled “An Investigation into Small Business activities of Croatian migrants in Australia”. This project is being conducted by Professor John Breen from the Centre for Tourism and Services Research at Victoria University.

The aim of this project will be to identify the entrepreneurial motivations and behaviours of small business owners of Croatian descent in Australia. This new level of understanding will be based on data gathered via an in-depth interview.

Participants will be asked to respond to a series of questions regarding their business involvements and motivations.

You will be contributing to further development and understanding for culturally specific business involvements and motivations.

The information will be used to provide public and Government more insights into culture specific motivation for business involvement.

There are no known or anticipated risks to you as a participant in this study.

Data will be collected from Croatian Small Business operators and analyzed to identify the entrepreneurial behaviors and motivations.

The study is being carried out by Victoria University, The Principal Researcher is Professor John Breen john.breen@vu.edu.au telephone (03) 9919 4641. Any queries about your participation in this project may be directed to the Principal Researcher listed above. If you have any queries or complaints about the way you have been treated, you may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 phone (03) 9919 4148.

Appendix 'B' Formal consent to participate



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INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study entitled
“An Investigation into Small Business activities of Croatian migrants in Australia”

CERTIFICATION BY SUBJECT

I, _____
of _____

Certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study:

“An Investigation into Small Business activities of Croatian migrants in Australia”, being conducted at Victoria University by Professor John Breen.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by: Miro Ljubicic and that I freely consent to participation involving the below mentioned procedures:

- Interview

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher John Breen on 03 9919 4641.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics & Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 phone (03) 9919 4148.

[*please note: Where the participant/s are aged under 18, separate parental consent is required; where the participant/s are unable to answer for themselves due to mental illness or disability, parental or guardian consent may be required.]

Appendix 'C' Introductory statement prior to interview



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I am currently undertaking a sponsored management research degree at Victoria University. This interview forms a part of an Empirical Research Project and will contribute to the final thesis. My research interests are in area of Diversity and Entrepreneurship, understanding main motives behind people's self-employment orientation.

The interview is voluntary, anonymous, and undertaken in strict confidence. You will not be identified, and all results will be aggregated and analysed for themes.

Would it be ok for me to tape record the interview and take notes?

Do you have any questions?

Thank you for your time.

Appendix 'D' Interview questions

1. What year did you come to Australia?
2. Under what scheme did you arrive?
3. Did you come with your family and if yes, how many family members?
4. What was the reason for you to migrate to Australia?
5. How old were you upon the arrival?
6. Did you work back home and if yes, what work did you do?
7. Did you speak English?
8. What was your anticipated future work before arriving in Australia?
9. Describe your first impressions when you arrived?
10. Where did you live when you first arrived, why, how long, were there other Croatians nearby etc.?
11. What was your educational background upon arrival?
12. Were your qualifications from overseas recognised here?
13. Did you have any problems finding a job?
14. What barriers were there to employment in Australia?
15. What jobs were available to you?
16. What jobs did you do? Why?
17. What was your first job and how long did you stay doing it?
18. Were there any experiences in your background in Croatia that have encouraged you to want to run your own business, for example; family members who ran their own business or encouragement from government?
19. How long were you in Australia before you started your business?
20. What activated your interest in starting your own venture?
21. You started your business here, what gave you an idea for business?
22. How did you finance the business?
23. Did your family support your idea?
24. Who did you talk to for advice when you were starting your business?
25. Describe what it was like to start your own business?
26. How about language skill, was this a problem for you?
27. What field is your business in?
28. How many people do you employ?
29. Do you have any family members working for you?
30. Who were your main customers when you started your business and who are your customers now? (Incorporate probing questions i.e.: Why them?)
31. What suburb is your business based in?
32. Has your business grown over the last five years?
33. What is the approximate turnover of your business?
34. How long has your business been in existence?
35. What are the main pressures facing your business?
36. Are you member of any business organisation? What support if any do you get from it?

Appendix 'E' Strategy for coding, with example

Upon completion of the interviews, a transcript (both hard copy and electronic) of each respondent's comments was prepared. Where responses were particularly long, portions of the transcript were summarized into main phrases in order to capture the main core of the dialogue. This preceded the detailed data examination phase, which will be discussed here.

According to Polit and Hungler (1995), data examination is the methodical organisation and separation of the obtained data. This consists of categorising, arranging, handling and putting together the data and labelling it in meaningful expressions (Brink, 1996). The researcher in this study has considered general logical procedure to deal with qualitative data. As recommended by Miles and Huberman (1994), a general, logical procedure is made of three distinct processes: data reduction; data display; and conclusion drawing. In data reduction, the data is summarised, coded and broken down into themes and categories. In data display, the reduced data is displayed in a visual form to show the implication of the data. Finally, in conclusion drawing, the graphic representation of the displayed data is interpreted and meaning derived from it.

After the taped interviews were transcribed into a text file format, each interview was placed in a separate document. The documents were uniquely referenced with a participant code, and then carefully assessed for significant material. This material was then gathered into different groups which represented similar themes. This data was then assessed using the techniques of thematic content analysis, which focussed on exploring recurring answers in the dataset (Miles & Huberman, 1994). Thematic content analysis is a well-respected method of identifying frequent themes from the gathered data through assigning them into categories and then subsequently grouping those (Collis & Hussey, 2003). The coding was analysed for evolving themes, using a phenomenological classification and inductive instead of deductive approach. Data that did not fit into any of the categories was left aside, reducing the overall process. Prior to generation conclusion full data analysis took place. Besides establishing emergent themes, comparative analysis was undertaken between all participants. This allowed us to identify what elements were in common and what elements are unique to participants.

The following is an example extracted from an actual transcript, and represents only one part of an exploratory interview. Lines with relevant material were numbered for coding purposes, however these reference numbers are not visible in this section.

Interview Transcript (Extract only)

I = interviewer R= respondent

I:

Now, you arrived here, what suburb did you settle in and why? What was your first impression?

R:

We were cautiously excited. English language, driving on other side and much more, different to what we knew.

We came to Footscray; where else would a Croatian go that time. Croatians established themselves there, Catholic Church was there, Croatian gathering- house was there and many Croatian businesses were there. Stayed there for couple of years, worked for Croatian small builder who eventually moved to Adelaide and I also moved with him. Look, we liked it from day one, many people spoke our language in Footscray, in fact every second person there was Croatian, felt like I was at home. People were nice to us, had lots of friends, and things started rolling for us. The main reason we moved to Adelaide because of my work, yes I could have found another job in Melbourne but I was so comfortable working for this person and he also talked me into moving with him to Adelaide.

I:

What level of education did you complete back home and was it useful over here?

R:

Education, yes I finished my secondary school, that was it, although did contemplate going to a University but my parents could not support me going further. Firstly, there was no University in our city; I would have to go to another city to live, can you imagine my parents would have to pay for the accommodation, food and books, this would not be possible. So either stay and work on the land or go in the city and work somewhere in bars.

Well, as a builder why would someone go to have your HSC certificate recognised- no never bothered having it recognised. First of all, I knew that my English skill was not up to scratch therefore what else could I have worked as. If you want to be a blue colour worker you would have to speak language first. Secondly my wish for further education deteriorated as I had my children to support and that required me to have a full time job. I could not imagine working full time and going to school.

I:

Once on this soil, got a place to live, it was time to look for work. Did you have any difficulties finding work and what work was available to you at that time?

R:

I did not have any problem finding a job. First Sunday went to Croatian Church, got to know people, following week I was a labourer, building residential homes. It's not what you know but who you know and this is always the exception to any rule. My suggestion to anyone is keep connecting with people and never shut anybody's door with your bum.

No barriers exist, no matter what country you live in. If you want to work there is one for you, don't be choosy, start from the lowermost and work your way up. Must admit if you speak English well it is a lot easier to get a job in many fields, however on building you only need muscles.

C'mon, get real, I spoke broken English. Time we came here we could truly work as labourers, building workers or factory workers. There are jobs that don't require you to speak good English like ones that I just said but most other jobs require you to be proficient in language. On building site you need muscles and a bit of brain, yes surely you need to understand what is required from you to do, but why do we have our hands, use them to communicate. Plus, I worked for a Croatian builder and many that worked for him were Croatians. Even he was not that good in English.

Soon I stepped on this soil I became a building worker, did this for several years, and then drove Taxis in Adelaide for couple of years and that was it. I did not anticipate doing these jobs just came to me, people offered I accepted no preplanning was done.

I:

Back home, did you have any exposure to any kind of business?

R:

My parents were farmers, we had to survive doing this, if you can call this as an entrepreneur do it but this is how many village people survive from. No other family members run any business nor has anyone been involved in running any kind of business, our regime did not allow people to run businesses. On the other hand I was looking for better life and I was taking risks, don't you think that business owners are also risk takers.

I:

You became self-employed here, what was the trigger and what length did you wait. I guess you had to get some local knowledge before you started your business? Also how did you know what business to step into?

R:

I came in 1979 and had my business in 1989. Surely I had to get some knowledge how to start and run a business in this country.

I saw a business opportunity, besides wanting to be independent. I watched people succeeding by running their own enterprises. I was always hard working person and this never fails anyone. Besides all that I had my parents and brothers and sisters plus

other family members back home, I really wanted to help them as well. In fact this was my biggest driving force.

I drove taxis for a while what more should I say. I was a preferred driver to drive clients from this motel. Once it became for sale, sold my house and bought this motel. I had no experience in managing a hospitality business except when I was in Austria worked in hospitality for a while.

I:

Now, financial side of the business, how did you finance it? What support you got from your family?

R:

Sold my house in centre of Adelaide and bought this motel also had to get some money from the bank.

Family support, my wife had no opposition to it and she was also working that time. At the end of the day if it didn't work we had somewhere to live and would have lived in it till it picked up, in fact we lived in it for some time.

I:

What suburb do you operate from and what field is your business in? Perhaps if you can elaborate on the size of your workforce, like if you employ other people or any family members?

R:

Hospitality is what we do; we own a motel on the periphery of Adelaide and no regrets so far. We also employ over 15 people some full timers and some part timers and casual staff as well. Family members, yes, our two children work in the business and have some friends that come from the same village back home.

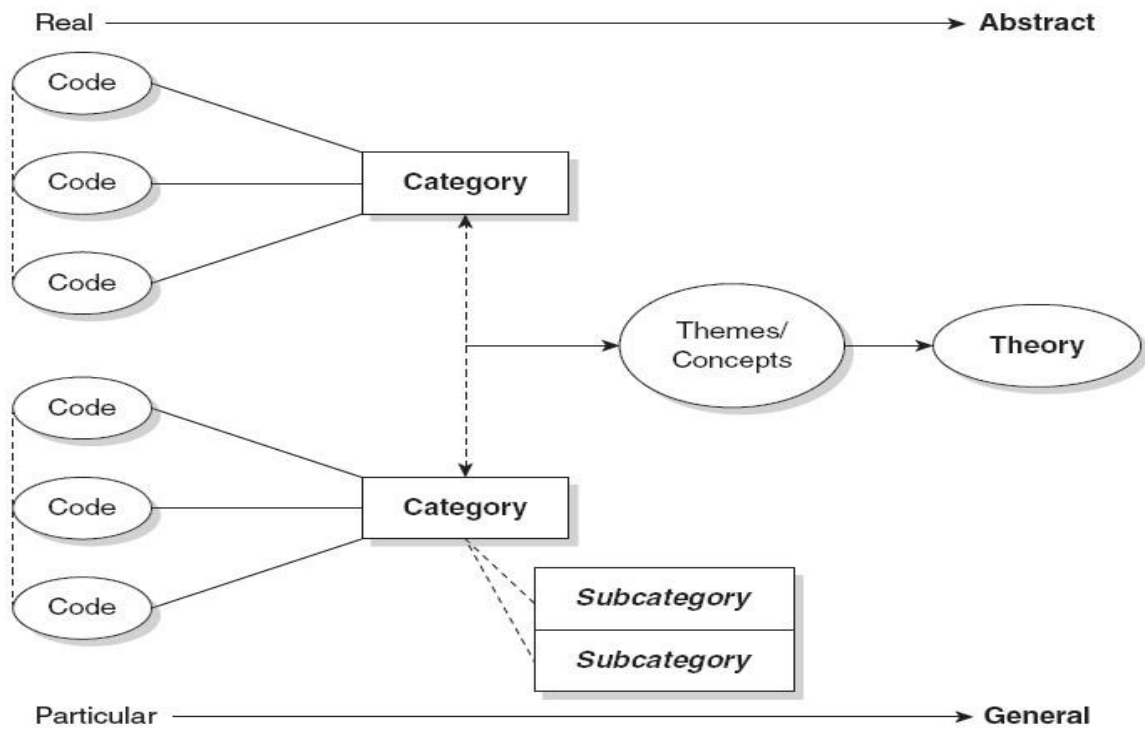
I:

How about your customer base, who are they?

R:

Hmm, in this business you must not have any preference, everyone is welcome and this is not a business for a specific culture. Very often we place our ads in Croatian local papers and our priests do spread the news within our community, so very often we get Croatians stay at our motel. When we started we had lots of business people from all backgrounds, nowadays we offer cheap packages so we get people with families staying with us and we also get more Croatians as oppose to the past, possibly because we are active Church members and our community knows that we run this business.

In this example, the different colouring presents a range of emerging themes or categories. For instance, the green text exposes social and culture specific attributes, such as comments regarding prior networks being a good base to start from.



A streamlined codes-to-theory model for qualitative inquiry

Appendix 'F' Business type-Number of employees-Year started

	Case No.	Gender	Type of Business	No of Employees	Year started
Early arrivals Pre 90's	2	M	Building	100	1976
	3	M	Building	2	1982
	4	F	Retail	1	1981
	6	M	Hospitality	10	1993
	8	F	Food	8	1988
	9	M	Building	12	1988
	10	M	Building	4	1983
	11	M	Building	30	1980
	12	M	Steel	100	1987
	13	M	Wine	2	1989
	14	M	Auto	20	1972
	16	M	Book keep	6	1997
	19	M	Building	2	1980
	20	M	Meat	10	1982
	21	M	Building	2	1979
	23	M	Hospitality	8	1978
	25	M	Transport	2	1986
	27	M	Food	4	1990
	29	F	Retail	3	1989
	32	M	Food	8	1988
	35	M	Hospitality	15	1989

	Case No.	Gender	Type of Business	No of Employees	Year started
Post 90's	1	M	Building	10	1996
	5	M	Cleaning	4	2002
	7	M	Hospitality	6	2005
	15	M	Painting	6	2000
	17	M	Hospitality	12	2000
	18	M	Hospitality	8	1998
	22	M	Food	5	1999
	24	M	Painting	4	1998
	26	M	Building	3	1994
	28	M	Food	4	1999
	30	F	Retail	2	1998
	31	F	Retail	3	2001
	33	M	Hospitality	6	2005
	34	M	Hospitality	20	2003