

University of Warsaw

mgr Nina Łazarczyk-Bilal

**Characteristics, Conditions and Scope of
Refugee Entrepreneurship in the Example of Sweden**

summary of the doctoral dissertation

Dissertation written under the supervision of
Prof. dr hab. Beata Glinka
Associate supervisor: dr. Agnieszka Brzozowska
University of Warsaw, Faculty of Management
Department of Entrepreneurship and Management Systems

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Entrepreneurial intention is extremely important for refugees, who in consequence of war or fear of persecution, have to leave their home country, often undertake a dangerous journey, and eventually can do nothing else but start over their life in a foreign country (Obschonka et al., 2018). Although the majority of refugees worldwide (73%) flee and live in the neighbouring countries¹, it is crucial to pay close attention to the refugees who reach further countries and seek asylum in the geographically, socially, economically and culturally distant countries from their own homeland. For individuals with refugee experience who do not speak the local language and do not understand neither the local socioeconomic nor the institutional context it is tremendously difficult to rebuild their daily routine in a completely distinct environment. The biggest challenge is to become self-reliant, in other words, get a job and become financially independent. Nonetheless, for refugees whose educational background does not match the needs of the local market, whose diplomas have been lost under dangerous circumstances or have not been recognised in the host country, it is a major challenge to obtain a permanent job in the host country. Opening a business in a foreign country may be a way to get out of unemployment (Kone et al., 2019). However, not all the immigrants consider following the entrepreneurial path. Why some of the immigrants would like to start a company in the host country, whereas others do not take such an option into account? It is an intriguing question, which becomes further complicated once we add the dimension of refuge, thus a different migratory experience and refugee migration legal status.

The literature review dedicated to refugee entrepreneurship conducted in this dissertation identified several research gaps of both theoretical and methodological nature. First of all, most of the concepts and theories used in refugee entrepreneurship research area come from the immigrant entrepreneurship field, however, they are applied to refugee studies in an inconsistent and chaotic way. For instance, many studies have no theoretical background at all (Alexandre et al., 2019; de Lange et al., 2020a; Gold, 1988; Kachkar, 2019; Lyon et al., 2007; Omeje & Mwangi, 2014), whereas others refer to several theoretical concepts at once without grounding them properly in the existing research literature (Heilbrunn, 2019; Sandberg et al., 2019; Wauters & Lambrecht, 2006). One of such examples is the social embeddedness theory, which has been used in the context of both immigrant and refugee entrepreneurship as a general conceptual framework, however, it still suffers from lack of detailed conceptualisation

¹ UNHCR 2022, last update from 18 June 2021, <https://www.unhcr.org/figures-at-a-glance.html> accessed on 1 February 2022.

and operationalisation. This is why, in order to fill the identified research gap, this thesis based on the mixed embeddedness theoretical framework focuses on the theoretical dimension of social embeddedness in the context of refugee entrepreneurship studies.

The second research gap relates to the shortage of studies testing empirically the differences between refugees and other categories of immigrants in the context of entrepreneurship. Most of the articles dedicated to refugee entrepreneurship are based either on theoretical analyses (Gold, 1988) or on study samples composed exclusively of refugees, which results in lack of credible comparative analysis identifying the differences between refugee and immigrant entrepreneurship (Harima, Haimour, et al., 2019; Heilbrunn, 2019; Kushnirovich et al., 2017; Sandberg et al., 2019). Therefore, to fill this research gap this thesis uses the quantitative analysis to compare refugees with other categories of immigrants across a set of identified dimensions relevant for refugee entrepreneurship.

Third, the majority of studies dedicated to refugee entrepreneurship adopt a qualitative approach, and only few studies use quantitative methods (Alexandre et al., 2019; Kachkar, 2019; Kushnirovich et al., 2017; Obschonka et al., 2018; Wauters & Lambrecht, 2006). There is one study analysing the determinants of refugee entrepreneurial intention with the use of mixed method research design (Wauters & Lambrecht, 2006). The refugee entrepreneurship field lacks comparative, quantitative and mixed method studies (Heilbrunn & Iannone, 2020). In consequence, a substantial part of findings within research on refugee entrepreneurship is not generalisable and is limited to a particular context of analysis. This is why, to fill this research gap this thesis adopts a mixed method approach, which combines both quantitative and qualitative perspectives.

The main research goal is two-fold. First, it aims to identify the conditions under which refugees are more likely to have entrepreneurial intention in the host country. In other words, the objective is to identify the crucial determinants of refugee entrepreneurial intention in the host country. The thesis takes into consideration both individual and contextual background determinants of refugee entrepreneurial intention. This is why, the first research question is:

1. What are the determinants of refugee entrepreneurial intention in the host country?

1a. What are the individual determinants of refugee entrepreneurial intention?

1b. What are the contextual background determinants of refugee entrepreneurial intention?

The second goal of the thesis is to understand the role the refugee migration status plays in the formation of entrepreneurial intention. After identifying the crucial determinants of refugee entrepreneurial intention in the host country the concrete goal is to examine the impact of refugee migration status on the formation of entrepreneurial intention. Therefore, the study aims to analyse the differences between refugees and other categories of immigrants across the identified dimensions. Thus, the second research question is:

2. How does the refugee migration status impact the formation of entrepreneurial intention?

2a. What are the differences between refugee migration category and other migration categories across the identified determinants of entrepreneurial intention?

The research problem of this thesis is the analysis of the determinants of entrepreneurial intention of refugees hosted in Sweden since 2010s. Entrepreneurial intention is understood as a general willingness to start a company in the host country. Refugees in this thesis are individuals who have applied for asylum as well as those who have been already granted the refugee status in Sweden. Individuals holding refugee status include convention refugees (granted refuge on the basis of Geneva Convention), quota refugees (granted refuge based on the agreement with UNHCR) and others who have a residence permit on the basis of humanitarian, subsidiary or temporary protection.

This thesis focuses particularly on the newly arrived refugees who have arrived and have been hosted in Sweden since 2010s. Such a timeframe is dictated by the magnitude of forced migration of non-EU nationals coming to the EU from culturally distant countries such as for example Syria. Importantly, this dissertation also uses the concept of *newly arrived immigrants*, which constitutes a broader category than the newly arrived refugees and encompasses both refugees and non-refugees. The latter relates to other categories of immigrants such as family reunion migrants, migrant workers and guest students.

The empirical analysis of the determinants of refugee entrepreneurial intention adopts a mixed method research design. In the mixed method approach the quantitative approach makes it possible to generalise findings to other contexts, whereas the qualitative approach facilitates further understanding of the obtained quantitative results and enhances the generation of new

theoretical concepts (Dana & Dana, 2005; Suddaby et al., 2015). Moreover, both methods combined together complement one another and provide more reliable conclusions (Creswell, 2015).

The empirical analysis is based on three studies, two quantitative (Study One and Study Two) and one qualitative (Study Three). The two quantitative studies are based on the two secondary Swedish data sets *Invandrarindex - De nya svenskarnas röst! (Immigrant Index – The New Swedes' Voice)* collected in three regions of Sweden in 2017. The data sets used in this research project are built upon online surveys conducted in 2017 during *Språkintröduktion (Language Introduction)* and *Svenska för invandrare (Swedish for Immigrants, SFI)* classes. The first data set called *Invandrarindex Ungdomar 2017* is focused on immigrant youth (Study One), whereas the second data *Invandrarindex 2017* set provides information about adult immigrants (Study Two).

The quantitative data are analysed with the use of the statistical software Statistical Package for the Social Sciences (SPSS). The adopted methods are logistic regression, multiple regression, t-tests and chi-square tests. The qualitative study is based upon the analysis of the material from 12 semi-structured interviews conducted in Sweden in 2019 and 2020 with eleven refugees and one migrant worker. The interviews were conducted as a pilot study; however, the outbreak of pandemic hindered the possibility to conduct further interviews.

This thesis makes five main contributions to the body of knowledge placed at the intersection of three strands of literature, *i.e.* refugee entrepreneurship, immigrant entrepreneurship and entrepreneurial intention.

First, based on the mixed embeddedness theory the thesis has proposed and successfully tested a theoretical model of social embedding explaining the formation of refugee entrepreneurial intention. Importantly, the model has stressed on the sequential order of processes leading to the formation of entrepreneurial intention, in which the construct of social embedding plays a crucial role. The study has filled a research gap by providing a detailed conceptualisation and operationalisation of the social embedding theory, which so far had been mostly used in the literature as a general theoretical framework. The developed social embedding theoretical model covers all together the concepts of perceived access to opportunities, perceived access to mainstream social network, acceptance of mainstream

social norms, social barriers, trust in the host country, commitment to place and social support. The proposed theoretical model has been supported by the series of 23 tested hypotheses.

Second, the dissertation introduces the concept of *career embedding*, which is defined in this thesis as a social phenomenon of getting embedded or re-embedded in the professional career in the host country. The career embedding relates particularly to individuals who are highly-skilled or aspire to complete higher education and plan to work in the specialised area of expertise in the host country organisation. Career embedding enables individuals to learn the local know-how, gain professional experience, build a professional social network and build one's own trusted brand in the specific area of expertise in the host country. Usually the minimum pathway to career embedding is to master the host country language, complete formal education in the host country, and get employment in the area of expertise. The findings showed that career embedding is pointed out by refugees as one of the determinants of entrepreneurial intention in the host country.

Third, when it comes to impact of refugee migration status on the formation of entrepreneurial intention, the results indicate that, in fact, the same correlational mechanisms guide the formation of entrepreneurial intention in case of both refugees and other categories of migrants. The identified differences between refugees and other categories of migrants lie in their willingness to take risk, mental health state, and experiencing of social barriers. Additionally, the findings suggest the need for further distinction between family reunion migrants who join refugees, migrant workers or native Swedes via marriage. They also point out differences between recognised refugees and asylum-seekers, which make asylum-seekers lag behind in terms of their postponed social embedding process.

Fourth, besides the mixed embeddedness and social embedding theories the results confirm other previously adopted theories such as importance of willingness to take risk, human capital and the opportunity entrepreneurship theory relevant for the formation of refugee entrepreneurial intention.

Fifth, it is one of very few studies to examine the determinants of refugee entrepreneurial intention with the use of the mixed method approach. Most of the studies on refugee entrepreneurship and entrepreneurial intention adopt a qualitative approach (Heilbrunn &

Iannone, 2020). Only few studies use quantitative methods in analysing the determinants of refugee entrepreneurial intention (Alexandre et al., 2019; Kachkar, 2019; Kushnirovich et al., 2017; Obschonka et al., 2018; Wauters & Lambrecht, 2006). There is one study analysing the determinants of refugee entrepreneurial intention with the use of mixed method research design (Wauters & Lambrecht, 2006).

To sum up, the main contribution of this dissertation is further development and application of the existing mixed embeddedness conceptual framework to research on the determinants of entrepreneurial intention of newly arrived refugees. This thesis pushes the mixed embeddedness theory forward by demonstrating how crucial it is for the newly arrived refugees, and how social embedding and career embedding shape the formation of their entrepreneurial intention. The findings show that the same correlational mechanisms guide the formation of entrepreneurial intention in case of both refugees and other categories of migrants in the context of Sweden.

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