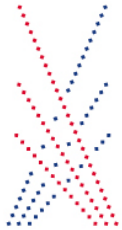

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Are Refugees Truly More Entrepreneurial?

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Abstract

The world is currently witnessing its worst forced displacement crisis since World War Two. While focusing on humanitarian protection is paramount to help those displaced, it is also vital to examine how they can be best supported to rebuild their economic lives in host societies. However, the UK seems, thus far, to be lacking a clear policy for integrating refugees economically. This is concerning given that refugee employment in the UK is well below that of nationals and other immigrants. Against this backdrop, entrepreneurship has been put forward as a solution for refugees, particularly when acknowledging that their refugee experiences may engender higher levels of motivation, confidence, desire for achievement and tolerance for risk. This developmental conceptual paper aims to explore this proposition and open the discussion on whether the higher entrepreneurial intent exhibited amongst refugees is a consequence of their refugee experience or whether it is culturally or necessity-driven.

Are Refugees Truly More Entrepreneurial?

With various devastating conflicts occurring around the world in the past decade, we are currently witnessing the worst forced displacement crisis since World War Two. Many of the displaced people seek refuge outside their home countries, mainly in countries neighbouring their own. However, Europe has welcomed an increasing number of refugees – individuals who have fled their own country and who are unable to return due to fear of persecution. The UK has welcomed an increasing numbers of Syrians since the start of the Syrian civil war in early 2011. Syrians arrived in the UK either through the UK Government's Syrian Vulnerable Person Resettlement (VPR) Programme, which up until September 2018 has resettled nearly 14,000 people, or independently and claimed asylum in the UK – over 11,000 people did so by September 2018 (Refugee Council, 2019).

Up until recently, the economic lives of refugees did not receive much attention from scholars (Betts, Bloom, Kaplan, & Omata, 2014), with the literature focusing almost exclusively on the psychological and sociological aspects of their dislocation. However, the surge of refugee numbers over the past few years captured the attention of scholars and questions were raised about how refugees restart their economic lives in new countries whether they seek employment (e.g. a 2018 special issue in Journal of Vocational Behavior) or self-employment (e.g. Bizri, 2017; Kwong, Cheung, Manzoor, & Rashid, 2018; Mawson & Kasem, 2019).

While some countries, Scandinavia and Germany in particular, put in place a clear policy for integrating refugees economically in their countries (MPI, 2018), the UK has lacked such a policy. The new Integrated Communities Strategy, issued in 2018, identifies the main barriers to integration, but has not set out how to tackle them (CFE, 2018; LGA, 2018). The same could be said about the Integrated Communities Action Plan, that has just been published, with regards to economic integration (MHCLG, 2019). The Action Plan focuses on employment as the main route for refugees to re-establish their economic lives in the UK, and even then, little details are given about how enhancing refugee employment will be achieved. The plan does not single out self-employment as a potential approach to work for refugees.

Refugee employment in the UK is much worse than that of nationals or other immigrants (EU, 2016). Hence, the Centre For Entrepreneurs suggest entrepreneurship as a solution for empowering refugees to take control over their lives and overcome barriers they may face in the labour market (CFE, 2018). While acknowledging that entrepreneurship might not be for everyone, the centre provides examples of a number of successful refugee entrepreneurs and argues that as a result of their refugee experiences, "refugees demonstrate high levels of motivation, confidence and desire for achievement, as well as a keen sense of risk and recognition of opportunities", creating a recipe for effective entrepreneurs (ibid, p.7). This developmental paper aims to address this specific issue, are refugees truly more entrepreneurial as a result of their refugee experience or is the higher entrepreneurial intent they might express results from cultural factors or simply necessity.

The paper does not aim to challenge the fact that some refugees are or can become successful entrepreneurs but aims to question whether the refugee experience itself has a role to play in making refugees more entrepreneurial. If we wrongly assume that refugee entrepreneurs are opting to entrepreneurship because of how they have grown as individuals owing to refugeeness, then we will be entering a dangerous territory as refugees might be encouraged to select the entrepreneurial route when in reality it might not generate the best outcomes for them.

The experience of a refugee can be described, at best, as challenging. Refugees are likely to have experienced traumatic events in their home country or on the journey to their host nation, which may have resulted in psychological problems (Bernard, 1976; Bhugra, 2004). Refugees would have normally been forced to leave their home countries quickly with few if any personal belongings and sources of capital (Wauters and Lambrecht, 2006). Leaving one's home and having to restart a new life in a new place can have its toll on people, let alone those who are forced to make such move. It is this challenging experience that some argue will strengthen the entrepreneurial capability amongst refugees. For example, the CFE, drawing on limited prior research, suggests that the refugee experience intensifies the motivation for control amongst refugees, which in itself results in a strong commitment to work hard and readiness to take on new challenges (CFE, 2018).

Drawing on some of the psychology literature on post-traumatic growth amongst refugees, one can possibly find some support for the CFE argument. Post-traumatic Growth, PTG, refers to the "positive psychological changes experienced as a result of the struggle with traumatic or highly challenging life circumstances" (Tedeschi, Shakespeare-Finch, Taku, & Calhoun, 2018, p.3). These transformative changes stem from the struggle with the aftermath of a life-altering event and careful reflection, normally over an extended time period, on this experience, leading people to develop new ways of thinking, feeling, and behaving (ibid). Such changes have been observed within refugee populations (Shakespeare-Finch, Schweitzer, King, & Brough, 2014; Sleijpen, Haagen, Mooren, & Kleber, 2016). For example, Shakespeare-Finch et al., (2014) identified a number of dimensions of PTG amongst Burmese refugees in Australia, including mainly changing priorities in life and strengthened appreciation of all aspects of life, but also heightened sense of personal strength. One can argue that a change in these dimensions may drive some refugees to think of entrepreneurship as a way to build their economic lives in their host countries.

Against this positive outlook on the refugee experience, a number of negative factors might downplay the impact of PTG where it exists. Refugees continue to face a range of challenges upon arrival into a country of asylum. While safety challenges normally seize to exist at that point, other wider livelihood challenges emerge. These include language barriers (Wauters and Lambrecht, 2008), discrimination (Kupferberg, 2003), limited knowledge of the host country's culture and business environment, a lack of recognition (or downgrading) of formal qualifications (Gericke, Burmeister, Löwe, Deller, & Pundt, 2018; Strang & Ager, 2010), and, very importantly, at least, temporary unemployment while the above issues are addressed. The literature speaks of a so-called refugee gap, namely that it is difficult for refugees, compared to other types of immigrants, to successfully achieve economic integration in the host nation (Bakker, Dagevos, & Engbersen, 2017), leading to high levels of unemployment or underemployment amongst refugees (Garnham, 2006; Roth, Seidel, Ma, & Lo, 2012; Vinokurov, Trickett, & Birman, 2017; Wauters & Lambrecht, 2008; Yakushko, Backhaus, Watson, Ngaruiya, & Gonzalez, 2008). While the aforementioned factors normally influence those seeking employment, they also have a negative effect on those who opt for self-employment. For example, even those who were entrepreneurs in their home countries might find that their entrepreneurial experience is of little relevance in a completely different economic and business context, an aspect that applies to refugees in economically-advanced countries.

It is at this early stage upon arrival to the host country that the refugee gap might create a different traumatic experience. Tedeschi et al., (1998, p. 2) describe trauma as an event that is significant enough to challenge "the basic assumptions about one's future and how to move toward that future, and therefore produce massive anxiety and psychic pain that is difficult to

manage. Inherent in these traumatic experiences are losses such as the loss of loved ones, of cherished roles or capabilities, or of fundamental, accepted ways of understanding life." One can postulate that refugees, particularly those who had built an economic life or had access to economic means back in their home countries, might experience trauma in their new homes due to the loss of their economic roles. There is evidence in the literature that unemployment of highly qualified Individuals in their field of speciality or underemployment can lower individuals' self-esteem (Bhugra, 2004) and threaten their professional identities (Wehrle, Klehe, Kira, & Zikic, 2018). Such argument could be extended to refugee ex-entrepreneurs who are faced with a range of challenges if they contemplate setting their own businesses in their host countries.

Hence, while some refugees might experience PTG in relation to the first phase of their refugee experience, their post-arrival in host nation experience might create another type of trauma that might lead to lower appreciation of personal strength and control. It is possible to argue that people with different demographic and personality traits will vary in their perception of PTG or post-arrival trauma due to loss of economic role. For instance, females were found to display greater level of PTG than men, and personality traits of extraversion and optimism were associated with greater perception of PTG (Tedeschi & Calhoun, 1996). Hence, it is important to avoid the "one size fits all" approach when dealing with refugees, specifically when it comes to how they might have changed as people due to the refugee experience.

Although phycological change might explain why some refugees choose to self-select into entrepreneurship, it could be argued that their cultural backgrounds has a major role to play on why they perceive self-employment as a good employment choice. Some studies have suggested that refugees may be driven by prior entrepreneurial experience, as many refugee entrepreneurs have been found to originate from countries with higher rates of self-employment (Fong, Busch, Armour, Heffron, & Chanmugam, 2007) and to have been self-employed in their home countries (Kirk, 2004; Wauters & Lambrecht, 2006). The most recent figures from the Global Entrepreneurship Monitor on Syria, obtained in 2009, show that the entrepreneurial intention rate amongst Syrians was 54% while 88% of them perceived it as a good career choice (Global Entrepreneurship Monitor, 2009). These rates are significantly higher than those prevailing in the UK, 9% and 58% respectively in 2016 (Sheppard, 2017), suggesting that cultural factors could play a key role in understanding entrepreneurial intentions amongst Syrian refugees.

While such pull factors are likely to be important, the literature suggest that in many cases refugees are driven into self-employment. Labour market disadvantage theory (Light, 1979) and the related blocked mobility hypothesis (Raijman & Tienda, 2003) posit that individuals facing such job market barriers are likely to turn to self-employment. This is considered to be the situation for many refugees (Lyon, Sepulveda, & Syrett, 2007), who have been found to face lower employment rates (and wages) than other immigrants or migrants (Ruiz & Vargas-Silva, 2017). These individuals are thus often thought of as 'pushed' into entrepreneurial activity by external forces, rather than 'pulled' by personal motivations and desirable perceived outcomes (Gilad & Levine, 1986). Some empirical research from the US seemingly corroborates these observations, noting that the longer a refugee has been in the country, the more likely they are to be self-employed and run their own business (Fong et al., 2007). Other studies, however, suggests that 'pull' factors such as economic self-sufficiency (Garnham, 2006; Jones, Ram, Edwards, Kiselinchev, & Muchenje, 2014), autonomy and economic opportunity (Kolvereid & Isaksen, 2006) may be just as – if not more – significant than 'push' factors (Robertson & Grant, 2016), although it is important to recognise that push

and pull factors are not necessarily mutually exclusive and can operate in tandem. Nevertheless, the push factors cannot be underestimated in influencing the decision of refugees to opt for self-employment.

To conclude, this developmental conceptual paper aims to open the discussion on whether the refugee experience truly influence the entrepreneurial capability of refugees or whether the observed larger than average self-employment rate amongst refugees is driven by necessity or their cultural backgrounds. Once this discussion has taken place, it is possible to empirically explore the alternative explanations. The approach adopted by Shakespeare-Finch et al., (2014) in examining PTG seems particularly suitable to achieve this goal. They collected qualitative data focused on refugees' experiences of life before migration, journey en-route, and post-migration life, which was then analysed using the principles of interpretative phenomenological analysis. Undertaking such empirical research will help us understand the drivers behind refugee self-employment, enabling us, thereby, to assess how to best support their entrepreneurial endeavours.

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