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DR. MOISES DA COSTA GOMEZ

**The potential contribution and economic impact of  
ethnic entrepreneurs, especially the Chinese  
business owners, on Small and Medium  
Enterprises in Curaçao.**

Mr. Bonny Wu-Zheng, 1106287

Business & Economics, University of Curacao

Bachelor thesis

What is the potential contribution and economic impact of ethnic entrepreneurs, especially the Chinese business owners, on Small and Medium Enterprises in Curaçao?

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Student name: Bonny Wu-Zheng

Student ID#: 1106287

Date:

Thesis Committee

Committee Members

Name and Title

Signature

Thesis Advisor:

Guido Rojer, Jr.,MSc

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## **Abstract**

Against a background of levels of business supports by Small and Medium Enterprises (SMEs), this article analyzes ethnic businesses in Curaçao to see what differences are pronounced across the various ethnic minority communities.

Aim of this research is to examine established ethnic entrepreneurs, especially Chinese business owners and so to identify barriers/challenges, as well as to examine current support offered by entities in Curaçao. The research question for this research is: What is the potential contribution and economic impact of ethnic entrepreneurs, especially the Chinese business owners, in Small and Medium Enterprises in Curaçao? To be able to answer this question, a mix of quantitative and qualitative research method had been used.

In total 100 respondents were collected, of which 50 were Chinese business owners and 50 of other ethnicities and three professionals of different government departments were interviewed. The instrument to record the answers of the participants was a questionnaire; it was made especially for ethnic entrepreneurs and provided directly to the participant.

Analyzing the secondary data of Central Bureau of Statistic (CBS) for this study shows that the Chinese entrepreneurs have a positive economic impact; there has been an enormous increase in the number of businesses and organizations established in the past 10 years. They are increasing in every industry sector in the Curaçao's economy and gaining more market shares in the Toko Minimarket, Restaurant and Laundry industry. One of the most important reasons for this increase found in this research is that the Chinese families in Curaçao are very united.

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## Chapter one: Introduction

This section provides background information pertaining to the literature for this research study. It is an introduction to the literature review and the research study.

As in many Caribbean Small Island Developing States (SIDS), Small and Medium Enterprises (SME) are considered the backbone of the economy of Curaçao, especially considering the number of people employed in this sector (Goede, 2015).

A universally accepted definition of Small and Medium Enterprises does not exist in the literature. Different scholars, practitioners, policy makers and politicians use the term for private sector enterprises of different sizes (Haq, 2015). According to the Central Bureau of Statistics Curacao (CBS), the definition of SME in Curacao is as follows:

- Micro enterprise is < 5 employees and < ANG 50.000 revenue.
- Small enterprises is < 10 employees and < ANG 500.000 revenue.
- Medium enterprises is <50 employees or < ANG 5 million revenue.

### 1.1. The concept of ethnic enclave

The concept of ethnic enclave was introduced for the first time in the sociologic field referring to a geographic area with high ethnic concentration, characteristic cultural identity and economic activity (Toussain-Comeau, 2012). In 1981, Porter had developed this concept in the economic field, defining the enclave economy as ‘immigrant groups which concentrate in a distinct spatial location and organize a variety of enterprises serving their own ethnic market and/or the general population’ (Porter, 1981). This was considered the starting point for a new branch of studies regarding the economic implications of ethnic enclaves.

Within the Small and Medium Enterprises sector there are different cultures due to different nationalities and religions. The contribution to the economy by different ethnicities is rarely discussed and the motivation of the ethnic entrepreneurship is unknown. However, immigrants are gradually



becoming a more important part of Curaçao's society, a society that is becoming more diverse. By their participation in the labor market and in the Small and Medium Enterprise sector they add value to society. Among immigrants, one of the trajectories towards social and economic integration is becoming self-employed or starting up a business. These two interdependent aspects affect policies and programs on ethnic entrepreneurship (Brussels, 2008).

This research focuses on measures aimed to find possible contribution and economic impacts of the ethnic entrepreneurs on the Small and Medium Enterprises sector in Curaçao.

## 1.2 The Research study:

This research focuses on measures aimed to find possible contribution and economic impact of the ethnic entrepreneurs on the Small and Medium Enterprises sector in Curaçao. Not much research has been done on ethnicity entrepreneurships specifically in Curaçao. For this research the following problem statement, objective and research question with sub-questions have been established:

### 1.2.1 Problem statement:

Small and medium-sized enterprises (SMEs) are seen as the engine of the economic growth and employment creation throughout the world (Sara Carter, 2013). They are also called the backbone of the economy. According to the Central Bureau of Statistics Curaçao (CBS), approximately 98% of the active businesses are in the SMEs sector. Also, the Business Census 2014 shows different ethnicities in the SMEs (Mahabali, 2014).

Ethnic business owners are an integral part of the Curaçao economy. The minority community and the range of ethnic businesses may play an influential role and contribute significantly to the competitiveness of the local community and employment.

The Chinese entrepreneurs seem to play an important role in the SMEs by being in the top 3 largest groups in the Business Census 2014, considering the place of birth and the nationality of business owners. According to the business census 2014, the largest group of business directors in the whole SME sector was born in Curaçao, the second group was born in the Netherlands, followed by the group born in China. Most of these business owners have the Dutch nationality and the second largest group has the Chinese nationality (Mahabali, 2014).

The local SMEs owners consist not only of Chinese entrepreneurs but also of people born in for instance Curaçao, the Netherlands, the Dominican Republic, Colombia, Venezuela and India. The reason and the motivation why the ethnic entrepreneurs chose to become an entrepreneur is mostly unknown and the problem of this research is to find out if ethnic entrepreneurs have an economic impact on the Small and Medium Enterprises(SME) sector.

### 1.2.2 Objective:

The objective of this research is to provide a strategic analysis of the development of ethnic entrepreneurship in Curaçao. It aims to provide the possible contribution of ethnic business owners, especially Chinese business owners, to Small and Medium Enterprises to the Curaçao economy.

In order to achieve the aforementioned, a number of objectives have been devised. These objectives are as follows:

- To examine established ethnic entrepreneurs, in this case Chinese business owners, in Curaçao, in order to provide a skill set analysis.
- To identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business.
- To examine what support is currently being offered by entities in Curacçao to ethnic (Chinese) and local entrepreneurs and to highlight any gaps that might emerge.
- To provide recommendations that can be used to agencies/support services in Curaçao that provide support to entrepreneurs.

### 1.2.3 Research Question and Sub-questions:

From the research objective, the following research question has been derived: What is the potential contribution and economic impact of ethnic entrepreneurs, especially the Chinese business owners, on the SMEs in Curaçao?

This main question will be answered through responding to several sub-questions:

1. Who are the established ethnic entrepreneurs in Curaçao and how did they become an entrepreneur?
2. What are the barriers, challenges and opportunities faced by ethnic (Chinese) and local entrepreneurs in establishing and/or operating their business?

- 3. What is the economic growth development of different ethnic (Chinese) and local entrepreneurs?
- 4. What support is currently offered by entities in Curaçao to ethnic (Chinese) and local entrepreneurs, and what is the possible development of ethnic and local entrepreneurship in the future?

## Chapter two: Literature Review

This section will give insight into the literature review of published academic articles regarding the research problem. It will give the reader an overview of the most important aspects of the literature pertaining to this research study. This section will provide general knowledge concerning the topics discussed and researched in this research study.

### 2.1. Ethnic entrepreneurship:

Ethnic entrepreneurship is 'a set of connections and regular patterns of interaction among people sharing common national background or migration experiences' (Waldinger, 1990). Various definitions for the term 'ethnic group' have been suggested; for example, an ethnic group is 'a segment of a larger society whose members are thought, by themselves or others, to have common origin and to share important segments of a common culture and who, in addition, participate in shared activities in which the common origin and culture are significant ingredients'. An alternative term used related to 'ethnic' is 'immigrant entrepreneurs', which in turn would only include the individuals who have actually immigrated over the past few decades (Yinger, 1985). This definition excludes, however, members of ethnic minority groups who have been living in the country for several centuries, such as Asians in America, Jews in Europe.

'Ethnic', on the contrary, does not exclude immigrant or minority groups. The term 'immigrants' will nevertheless be used hereafter when speaking specifically of the early stages in the process of ethnic entrepreneurship, that is, when an ethnic group is new in a host society and its members can clearly be considered as 'immigrants'.

### 2.2. Defining an entrepreneur for this thesis:

The definition of an entrepreneur used in this thesis was established after reviewing the entrepreneurship literature. This section states the conditions that must be met in order for someone to be considered an entrepreneur and presents the definition of an entrepreneur.

The definition of an entrepreneur for the purpose of this thesis has two necessary conditions that must be met. The first requirement is that the person must be a *business founder*. This is a common definition used in other entrepreneurship research (Hamilton, 1987). Founding one's own business of profit consists of a certain amount of risk-taking and uncertainty, which is greater than that involved in an established business venture. This distinction is supported by Gartner (1990), who finds purchasing an existing business to be one of the lowest scoring factors when considering definitions of an entrepreneur. Entrepreneur in this research can be co-owner as it is a mistake to assume that there can only be one entrepreneur per firm (Casson, 1990).

The second component in the definition of an entrepreneur is that of employing others. The requirement distinguishes the sole-trader or the self-employed (without employees) from an entrepreneur. The employment of others also increases the degree of risk an entrepreneur must take. People who do not fulfill both of these conditions (the founding behavior and employment of others) are assumed not to be entrepreneurs as defined in this research. People who have inherited their business, or are self-employed (employing no-one else) or have a one-man business are outside the scope of this definition. In other words, for the purpose of this thesis, entrepreneurship and entrepreneurs are defined as:

- Entrepreneurship- the creation of a new business
- Entrepreneur- a person or a group of people who create a new business employing at least one other paid employee.

### 2.3. Role of an entrepreneur:

Entrepreneurship plays an influential role in the economic growth and standard of living of a country. As a startup founder or small business owner, it is not simply working hard to build one's own business and provide for oneself and one's family, but it is actually doing much more for the local community, state, region, and the country as a whole. The top seven roles an entrepreneur plays in the economic development of a country are as follows (Dolly, Evoma, 2017):

#### Wealth creation and sharing:

By establishing the business entity, entrepreneurs invest their own resources and attract capital (in the form of debt, equity, etc.) from investors, lenders and the public. This mobilizes public wealth and

allows people to benefit from the success of entrepreneurs and growing businesses. This pooled capital that results in wealth creation and distribution is one of the basic imperatives and goals of economic development.

#### Create jobs:

Entrepreneurs are by nature and definition job creators, as opposed to job seekers. The simple translation is that when one becomes an entrepreneur, there is one job seeker less in the economy, while providing employment for multiple other job seekers. This job creation by new and existing businesses is also one of the basic goals of economic development.

#### Balanced regional development:

Entrepreneurs setting up new businesses and industrial units help with regional development by locating in less developed and backward areas. The growth of industries and business in these areas leads to infrastructure improvements such as better roads and rail links, airports, stable electricity and water supply, schools, hospitals, shopping malls and other public and private services that would not be available otherwise.

Every new business that locates in a less developed area will create both direct and indirect jobs, helping lift regional economies in many different ways. The combined spending by all the new employees of the new businesses and the supporting jobs in other businesses adds to the local and regional economic output. Both central and state governments promote this kind of regional development by providing registered Micro, Small and Medium Enterprise (MSME) businesses with various benefits and concessions.

#### GDP and Per Capita Income:

India's MSEM sector for example, comprised of 36 million units that provide employment for more than 80 million people, now accounts for over 37% of the country's GDP. Each new addition to these 36 million units makes use of even more resources like land, labor and capital to develop products and services that add to the national income, national product and per capita income of the country. This growth in GDP and per capita income, too, is one of the essential goals of economic development (Dolly, Evoma, 2017).

### Standard of Living:

Increase in the standard of living of people in a community is yet another key goal of economic development. Entrepreneurs again play a key role in increasing the standard of living in a community. They do this not just by creating jobs, but also by developing and adopting innovations that lead to improvements in the quality of life of their employees, customers, and other stakeholders in the community. For example, automation that reduces production costs and enables faster production will make a business unit more productive, while also providing its customers with the same goods at lower prices.

### Exports:

Any growing business will eventually want to get started with exports to expand their business to foreign markets. This is an important ingredient of economic development since it provides access to bigger markets, and leads to currency inflows and access to the latest cutting-edge technologies and processes being used in more developed foreign markets. Another key benefit is that this expansion leads to more stable business revenue during economic downturns in the local economy.

### Community Development:

Economic development does not always translate into community development. Community development requires infrastructure for education and training, healthcare, and other public services. For example, highly educated and skilled workers are needed in a community to attract new businesses. If there are educational institutions, technical training schools and internship opportunities, this will help build the pool of educated and skilled workers.

## 2.4. Motivation for Migration:

Every country is affected by migration as a place of origin, transit, destination or a combination of these (Nations, 2009). Two hundred million people, that is 3% of the world's population, live outside the country of their birth (Nations, 2009). Migration involves movement of people, sometimes whole groups, from one region or country to another with the intention of settling permanently in a new location (Dollar, 2002). Migration is as old as human evolution, and in the past it was slow and a gradual

process and took centuries or more to establish a significant population in a region or country, and the populations had homogeneous characteristics of race, religion, culture or language (Dollar, 2002).

Millington (1994) stated that migration, both within the country and outside the country, is attempted for one or more of the following reasons:

- Increase lifetime earnings
- To access better housing condition
- To enjoy better climate/environment
- To access better school standards
- To access better social network

## 2.5. Motivation and Entrepreneurship:

Personality and motivation have an influence on the likelihood of exploiting entrepreneurial opportunity (Shane, 2003). People with certain characteristics of these traits tend to act differently in similar situations. Successful entrepreneurs have: the ability to take risk; knowledge of the market; an innovative nature; marketing skills; business management skills and the ability to co-operate (Shane, 2003).

Wang, Walker and Redmond (2006) did a study on motivations of small business owners in Western Australia and put 17 motivational factors into four groups:

1. Personal development motivations
2. Financial motivations
3. Motivations related to work and family
4. Flexible lifestyle motivations

### 2.5.1 Motivating factors:

The main factors for which empirical results are available are discussed in the following section. Six factors most frequently appear in the literature regarding motivation for entrepreneurship. They are independence; money; work-related factors; family related factors; the need for challenge and opportunity. Factors like independence and money are straightforward, but factors like family-related motivators and the need for challenge are differently approached by the various studies.



#### *2.5.1.1 Independence:*

Independence and autonomy are seen to be primary motivating factors in becoming a business owner or an entrepreneur (Hamilton, 1987). Being motivated by the desire for independence is also an important motivating factor for studies of immigrant entrepreneurship. A study conducted on Iranian small businesses in Stockholm found that well-educated, middle-class Iranians after migration were attracted to self-employment (Khosravi, 1999). One of the motivating factors was independence. Independence has been found to be a factor both in developing countries such as Turkey (Hisrich, 1999) and developed countries like the United Kingdom (Cohen, 2001).

#### *2.5.1.2 Money:*

Money is found to be an important motivating factor in studies on immigrant entrepreneurship (Lofstrom, 2002). Lofstrom did research in the United States on the labor market assimilation of self-employed immigrants from 1980-1990. Self-employed immigrants were found to be doing better than wage/salary earner immigrants. It was revealed that a wage-earning immigrant's lifetime earnings were not on par with a wage-earning native's salary. This study highlights a financial incentive of immigrants to become self-employed.

#### *2.5.1.3 Work related factors:*

Studies of entrepreneurship found that work-related factors like job dissatisfaction are an important factor motivating people to start a business (Cromie, 1987). At an individual level, it could be factors like job dissatisfaction or instability in a job that motivate people to leave employment and become entrepreneurs (Borooah, 1997). The next level involves career and employment issues such as wanting career flexibility (Barbato, 2003); being unhappy with one's career (Marlow, 1997), having difficulty finding employment and redundancy (Borooah, 1997).

#### *2.5.1.4 Family related factors:*

Family-related factors are seen to be among the important motivating factors for entrepreneurship (Soutar, 2001). Many studies focused on the demographic nature of the family like birth order and social class of family (Belcourt, 1987). One factor that is important in business ownership is family background. The chances of owning a business increase if there is a family background in business ownership (Cliff, 2003), for example, parents owning a business (Kirkwood, 2009). Kirkwood also highlighted that the impact of this influence had not been researched fully. Immigrant entrepreneurs are also motivated by family-related factors for entrepreneurship.

Family-related factors like childrearing have also been observed to influence entrepreneurship motivation, especially on women entrepreneurs. It could be related either to delaying having children (Breen, 1995) or starting a business in order to obtain more flexibility in childrearing (Dolinsky, 1998).

#### *2.5.1.5 Achievement/Need for challenge:*

Entrepreneurs have a higher need for achievement than the general population does and this makes them behave in a certain way (McClelland, 1995). Entrepreneurs also have a desire for challenge which has been highlighted in studies done on motivation for becoming entrepreneurs (Moore, 1997).

#### *2.5.1.6 Opportunity:*

The literature on motivation indicates that the final category of factors motivating entrepreneurship is that of seeing opportunities in the market (Kim, 1996). Identifying gaps in the market (McGregor & Tweed, 2000) and taking advantage of one's skills (Borooah, 1997) are related factors that are mentioned in the literature.

#### *2.5.2 Push and Pull theory:*

In research on entrepreneurial motivation, a distinction is made between “pull” and “push” factors or positive and negative motivation (Storey, 1994). Gilad and Levine proposed the “push” theory and the “pull” theory (Gilad, 1986). Pull factors suggest positive motivations like a desire to be independent, have control over one’s future and increased social status, as well as the possibility of leveraging personal skills and abilities (Cassar, 2007). Push factors suggest negative experiences like the inability to find a job in the mainstream sector, underemployment, facing discrimination in the labor market, underpayment and the possibility of redundancy (Morrison, 2001).

#### *2.5.3 Push and Pull factors:*

Research done on entrepreneurship motivation consider both push and pull factors to be important motivating factors for any individual to open a business (Kirkwood, 2009). Bates (1999) conducted a study on Asian Immigrant-owned businesses and compared Korean/Chinese immigrants and Indians/Filipinos in order to discover differences in motivations and factors for choosing self-employment. According to the findings, Indians and Filipinos with class resources and English fluency were “pulled” into self-employment, while Korean/Chinese entrepreneurs were pushed into self-employment due to lack of language proficiency.

A study done by Agrawal and Chavan (1997) found that different ethnic groups had various reasons for self-employment, including both push and pull factors. The main reasons were “arrival circumstances, settlement, education, financial status, family background, job market, knowledge of English, past experience, no job satisfaction, retrenchment, independence, bad job conditions, discrimination, better opportunities and opportunities for better financial benefits”. In this study, immigrants from different ethnicity had different reasons for going into entrepreneurship. For example, Lebanese respondents in this study mentioned that family background was an important motivator. Spanish and Polish migrants mentioned the lack of English language and non-recognition of their qualifications had made them choose self-employment to survive, which emphasizes the push factor. In contrast, Cambodian respondents mentioned the ability to earn more money with self-employment, which is classified as a “pull factor” as the main motivating factor. This study highlighted that different migrants may have different reasons for going into entrepreneurship in the same host country, consistent with the aforementioned study by Nwankwo (2005).

## 2.6 Internal barriers factors:

Personality traits like motivation (Iakovleva, 2014), courage and volition (Birdthistle, 2008), self-efficacy (Zhao, 2005), confidence and fear, either in financial terms (Finnerty J. &, 1985) or in terms of risk avoidance (Giacomin, *International Entrepreneurship and Management Journal*, 2011), were examined by many authors and are found to act either as drivers or as impediments to entrepreneurial intentions. For example, lack of motivation, lack of courage, lack of self-efficacy or confidence can act as personality constraints to one's engagement to self-employment. On the other hand, fear and risk aversion are psychological factors having a definite negative effect of entrepreneurial intentions.

Educational skills and competence is another set of capabilities necessary to entrepreneurship. Lack of such capacities acts as a serious barrier towards the choice of an entrepreneurial career and a business startup (Birdthistle, 2008). Entrepreneurial education, on the other hand, has a positive effect on the perception of barriers to entrepreneurship (Miller, 2009). Knowledge and skills are related to Entrepreneurial Self-Efficacy (Saleh, 2014), while experience and practice are also considered fundamental (Ribeiro, 2014).

Personal attitude (Ajzen, Perceived behavioral control, self-efficacy, locus of control, and the theory of planned behavior, 2002) towards entrepreneurial behavior refers to the degree of attractiveness of the

idea of becoming an entrepreneur (Hui-Chen, 2014). It is a measure of one's commitment to the target of establishing and running a new business (Kolvereid, 2006). Negative attitude towards entrepreneurship was declared as a barrier to entrepreneurship by many authors (Ledyeva, 2008).

## 2.7 External barriers factors:

Financing is probably the most crucial problem to entrepreneurship (Finnerty, 1985). The barrier is also identified by tertiary students in various researches, in the form of lack of initial capital, funding difficulty etcetera (Birdthistle, 2008; Shinnar, *Entrepreneurship Education: Attitudes across Campus*, 2009; Shinnar, 2012). The perception of financial barriers is slightly differentiated between genders (Ribeiro, 2014) and between different levels of development (Giacomin, *Entrepreneurial intentions, motivations and barriers: Differences among American, Asian and European students*, 2011). Informal support includes the lack of entrepreneurial role models, i.e. the presence of an entrepreneur in one's family environment, or in broader social structures, which can negatively influence the image of entrepreneurship in certain cultures (Pruett, 2009). Lack of social support (Baughn, 2003) and family commitments (Finnerty J. &, 1985) are other informal factors that may act as barriers to entrepreneurship. Informal support is measured through Subjective-Social norm construct (Ajzen, 1991), which differentiates among different cultures (Pruett, 2009) and may act as a barrier under circumstances (Iakovleva, 2014). Formal support includes institutional support, like funding, subsidies, consulting and service support, mostly referred by actual entrepreneurs (Akehurst, 2012).

Resource constraints, including human resources (Ledyeva, 2008), and infrastructures are vital to a business startup and their lack is considered a barrier to entrepreneurship, sometimes referred by students (Stamboulis, 2014), although they normally pertain actual entrepreneurs (Singh Sandhu, 2011).

Market related barriers include the lack of social network (Singh Sandhu, 2011), lack of knowledge of the market (Shinnar, 2009), difficulty to contact or find customers (Ledyeva, 2008), and tough competition (Franke, 2003). Law and regulation constraints due to complexity or inconsistencies of the legal framework (Baughn, 2003), time-consuming registration procedures (Iakovleva, 2014), frequently changing or tough labor regulations are frequently perceived as barriers to entrepreneurship by students (Franke, 2003) and actual entrepreneurs (Choo, 2006). Bureaucracy, administrative burden and

difficulties to comply with regulations are obstacles related to the affairs between individuals and state services (Finnerty J. &, 1985), which usually incorporate some frictions (Martins, 2004). This kind of barriers to entrepreneurship is also perceived by students to be affecting the entrepreneurial intentions (Stamboulis Y. &, 2014) of those with lack of entrepreneurial role models (Ledyaeva, 2008) with minor differentiations between countries (Pruett, 2009). Corruption (Ledyaeva, 2008) and taxation (Pruett, 2009) are also included in the same category of state-related barriers.

Finally, hard reality is an overall perception of the economic and political situation, expressing general business climate, stability or uncertainty (Finnerty J. &, 1985), influencing actual entrepreneurs' plans as well as students' entrepreneurial intentions (Sesen, 2014).

## Chapter three: Methodology

This chapter provides all the necessary information about the methods used to conduct this research. It describes the type of research, its participants, instrument, the research design and procedure followed in order to provide results that can be validated. It ends with a time line with the planning of this research.

### 3.1 Method:

For this research both the qualitative and quantitative research method are used.

The reason for using the qualitative research method is to be able to understand different points of views and perceptions of different professionals about the SME economy, and the reason for using the quantitative research method is to be able to enumerate the problem through creating numerical data that can be converted into useable statistics by providing a survey for the entrepreneurs in the SME sector.

This research study entails the collections of both quantitative and qualitative data, including interviews, content analysis, statistical analysis and observation, and the evaluative synthesis of these different data sources to provide an overall interpretation of each case. Using these methods makes it possible:

- To plan and have a list for open-ended questions
- To discuss subjects and issues with the experts, while also triggering a spontaneous conversation with them to get information and knowledge that could be missed out during the interview
- To visit the ethnic business owners and provide them with a survey with multiple choice questions which enhances the effectiveness of collecting data and avoids response bias
- To present the survey personally; this will increase the quality of the data.

For this research, three different tests were used for data analysis:

The reason of using these types of test was the limited sample size and the way the sample group had been selected. Moreover, in this way the difference between two different groups could be tested in different variables.

**(Hybrid) Fisher-Exact Test of independence;**

This test was used on the nominal (categorical) variables in the data file. The Fisher's exact independence test is used when there are two nominal variables and one wants to see if the distribution / proportions of one variable differ, depending on the value of the other variable. It is also used when the sample size and expected frequencies are small, as in this research.

The null hypothesis is that the relative proportions of one variable are independent of the second variable; in other words, the proportions at one variable are the same for different values of the second variable. Reject  $H_0$  if  $p > \alpha=0.05$

- **(Chi-square) post-hoc test based on adjusted standardized residuals with Bonferroni correction for multiple testing**

Standardized residual:  $e = \frac{O-E}{\sqrt{E}}$

E is the standardized residual of the cell

O is the observed count in the cell

E is the expected count in the cell

Adjusted residual:  $d = \frac{e}{\sqrt{\left(1 - \frac{n_{row}}{n_{total}}\right)\left(1 - \frac{n_{col}}{n_{total}}\right)}} d \sim N(0,1)$

Standardized residuals can be further adjusted to give them a very desirable property, assuming that the variables forming the contingency table are independent. These adjusted residuals  $d$  is usually distributed with a mean of zero and a standard deviation of one.

Therefore, if the size of an adjusted residual is smaller than the critical value (corrected with Bonferroni for multiple testing), it can be concluded that the adjusted residual of this magnitude is significant.

### - Krushkal-Wallis Test

This test was used on the ordinal (categorical) variables in the data file.

The Kruskal-Wallis test (sometimes also called the "non-parametric one-way ANOVA on ranks") is a rank-based nonparametric test that can be used to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. It tests whether the median is the same in every group. Null hypothesis assumes that the samples (groups) are from identical populations. Reject  $H_0$  if  $p > \alpha=0.05$

The Kushkal-Wallis test statistic is:

$$H = \frac{12}{N(N-1)} \sum_{i=1}^k \frac{R_i^2}{n_i} - 3(N-1) \text{ With } k-1 \text{ degrees of freedom}$$

$N$  = sum of sample size in all samples

$K$  = number of samples

$R_i$  = Sum of ranks in the  $i^{\text{th}}$  sample

$n_i$  = Size of the  $i^{\text{th}}$  sample

### 3.2 Participants:

The study involved conducting interviews with different professionals of different government departments and 200 business owners of different ethnic communities. Only one of the ethnic groups, which is the Chinese business owners, was identified. Because of the Chinese behavior of giving the business name, it was identified and confirmed with the registration of Curaçao Chamber of Commerce. Given the difficulties of identifying ethnic group-owned businesses, this research focused more on the Chinese business owners and less on the other ethnic business owners. The Chinese business owners were chosen by means of a selecting sampling method and a random sampling method was required for the local and other ethnic business owners.

The interview of professionals was held with three different organizations, namely Curaçao Chamber of Commerce, Ministry of Economic Development (MEO), and ADECK. These professionals have the knowledge and experience of the current economy of Curaçao and they can provide more information



about small businesses and the business management; interviewing these experts revealed the particular role and contribution of the entrepreneurs of small businesses in the set-up and support of the business.

### 3.2.1 Ethnic entrepreneurs:

Curaçao has a rich and diverse history, which explains the international flavor of its culture and the curious mixture of Old and New World charm. The people claim descent from over 50 different ethnic backgrounds, and the native language, Papiamentu, is a creole mixture of Dutch, Portuguese, Spanish, English, French, African, and some Arawak Indian (InterKnowledge Corp., 2005).

The reason for interviewing these groups was to explore the data and the background features of the different ethnicities; these include the characteristics of their background (educational background and the reason for migration), their ambitions and objectives for their business operations, the factors that facilitated their decision to become self-employed and their experience of entrepreneurship in Curaçao.

### 3.2.2 Professionals:

Except for an interview with the ethnic entrepreneurs (business owners), there was also a questionnaire for the professionals. Information from these professionals is needed in order to know about current support for local and ethnic entrepreneurs and for future economic boost in entrepreneurship development. The following entities were approached for their feedback and opinion on the research subject:

- Curaçao Chamber of Commerce
- Ministry of Economic Development (MEO)
- ADECK

The reason for interviewing these professionals is they have the knowledge and experience of the current economy of Curaçao and they can provide more knowledge to small businesses and the business management. These interviews revealed the particular role and contribution of the entrepreneurs of small businesses regarding the set-up and support of the business.

#### 3.2.2.1 Curacao Chamber of Commerce:

The Curaçao Chamber of Commerce and Industry is the voice of private enterprises in Curaçao. It represents the general interests of the Curaçao business community, keeps a complete register of local

businesses, and provides information and services to local and international companies with an interest in doing business in, trading and exporting from or through Curaçao.

The Chamber is officially represented in several official bodies where financial, social and economic policy and developments are discussed and determined.

#### *3.2.2.2 Ministry of Economic Development:*

The Ministry of Economic Development wants to help direct sustainable economic development for the Curaçao society. Their aim is to realize a higher level of prosperity and to promote a strong position, both competitive and non-competitive, and high-quality production. The ministry wants to achieve this through optimal service provision, working on economic structure strengthening and effectively responding to social and international developments.

#### *3.2.2.3 ADECK:*

ADECK, Curacao's Association of Small Entrepreneurs, promotes cooperation between small entrepreneurs and protects their interests so that this sector can, in turn, substantially contribute to the development of Curaçao.

### **3.3 Instrument:**

The data instrument used in this research is a questionnaire for the interview of professionals and a survey for the ethnic business owners. The questionnaire, including interviews and observations, and survey had been chosen because the responses would be collected in a shorter period of time and would be more reliable. For the experts' interview, a semi-structured interview was chosen; this type of interview is based on different questions and guides. This type of interview is helpful to develop an interactive environment between interviewer and interviewee, which makes the conversation effective. That is why a semi-structured interview was chosen. For the ethnic entrepreneurs (business owners), a survey with closed multiple choice questions was used; this is the quantitative research of this paper.

For this research, the questions selected were directly related to the sub-questions; in other words, the questions investigated the reasons for starting a business, the approaches to business creation, and the problems encountered.

An appointment was made for the interviews with enough time to collect the data required for this research and for the survey interview; the business owners or managers were presented the survey face to face.

### 3.4 Procedures:

In order to obtain the right result, the right procedures needed to be implemented as well. As mentioned above, two different types of research methods needed to be implemented. For the qualitative research data collection, three different organizations were contacted and appointments made for the interview.

For the quantitative research data collection, a statistical sample group of 200 people was acquired of whom 100 people responded. All data were collected online with the software called “Qualtrics”. The survey had been translated into three languages: Chinese, Papiamentu, and English. A hundred business owners/directors had been approached and given the survey with a tablet face to face, in order to mitigate situations in which the entrepreneurs might provide unclear responses.

With the focus on the Chinese business owners, 50 respondents with an Asian nationality were selected; the other ethnicities were randomly chosen for this research. This is an indicative research because the data collected do not match the current population situation. Moreover, the data are not enough to be representative to Curacao’s economy.

All data collected were transferred to SPSS to be able to analyze the data. The numbers of the questions in the questionnaire were translated to the equivalent variable number in SPSS (Question 1= Variable 1 in SPSS). Based on the SPSS file that was transferred from Qualtrics, another statistical program called “Rstudio” was used to produce graphics of the data and analyze them.

### 3.4.1 Links between the research sub-questions and the questions in the survey.

Sub-questions:	Category:	Questions in questionnaire:
Sub-question 1	Demographic data & motivation Guidance	Questions of Demographics with Motivation & guidance part of survey
Sub-question 2	Barriers and Challenges for entrepreneurs	Questions of Barrier/challenges part of survey
Sub-question 3	economic growth development	results of qualitative research and desk research
Sub-question 4	Current support and future prospect	Questions of Economic Outlook part of survey combined with results of qualitative research

The survey consists of four categories: Demographics, Motivation & Guidance, Barriers/Challenges and Economic outlook. In the Demographics section of the survey, the entrepreneur is giving basic information such as age, gender, nationality, place of birth, reason of immigration and educational data.

The Motivation & Guidance section asks about previous experience, importance of business plan by rating it from 1 to 10 (1 =extremely poor – 10= excellent). In addition, the importance of receiving business mentoring is also rated in the same way; interesting is also to find out if they used it or not. In this section there are also questions about family support and the reason of starting a business with the primary source of funding.

In the Barriers/ Challenges sector of the survey, there are nine internal factors and eight external factors; here the entrepreneur has to indicate the importance of these factors for the development of entrepreneurial activity on the Likert scale that was presented as a 5-point scale (5= Most important 4= Somewhat important 3= Neutral 2= Less important and 1= least important).

In the Economic outlook section there are three questions. The first question concerns the trend in growth patterns (growth in revenue) they are experiencing with the business venture compared to the previous year(s). They had the following options to answer: strong increase, moderate increase, no change, moderate decline and strong decline. The second question concerns their prospects of the future investment climate. The options to answer were: Improvement, Remain the same, Deterioration and other. The last question of the survey regards their perception of the economic outlook. The options were: Very good, Good, Bad, Very bad.

### 3.4.2 Table planning for this research:

Sub-questions:	Variables for Sub-questions:	Selections:	Statistical test
<p>What are the established ethnic entrepreneurs in Curacao and how they become an entrepreneur?</p>	<ul style="list-style-type: none"> <li>• Age</li> <li>• Gender</li> <li>• Place of birth</li> <li>• Reason of immigration</li> <li>• Education</li> <li>• Experience</li> <li>• Business plan</li> <li>• Business mentoring/training</li> <li>• Family support</li> <li>• Reason to start a business</li> <li>• Primary source of funding</li> </ul>	<p>Chinese and Non-Chinese</p>	<p>Descriptive statistics</p>
<p>What are the barriers, challenges and opportunities faced by ethnic (Chinese) and local entrepreneurs in establishing and/or operating their business?</p>	<ul style="list-style-type: none"> <li>• Internal factors: Motivation direction, Courage, Self-efficacy, Fear of risk, Confidence, Knowledge Skills, Abilities competencies, Experience, Attitude towards Entrepreneurship</li> <li>• External factors: Funding capital,</li> </ul>	<p>Chinese and Non-Chinese</p>	<p>Descriptive statistics</p>

	<p>Family commitment,  Advisory/Mentorship,  Human resource,  Opportunity  recognition, Labor  difficulties,  Bureaucracy,  Economic climate</p>		
<p>What is the economic growth development of different ethnic (Chinese) and local entrepreneurs?</p>	<ul style="list-style-type: none"> <li>• Contribution of SME to Curaçao's economy</li> </ul>	<p>Chinese and Non-Chinese</p>	<p>Desk research</p>
<p>What support is currently offered by entities in Curaçao for ethnic (Chinese) and local entrepreneurs, and what is the possible future development of ethnic and local entrepreneurship?</p>	<ul style="list-style-type: none"> <li>• Growth patterns in revenue</li> <li>• Prospect for the future investment climate</li> <li>• Perception of the economic outlook</li> <li>• Support offered by government</li> <li>• Possible future development</li> </ul>	<p>Chinese and Non-Chinese</p>	<p>Descriptive statistics and desk research</p>

### 3.4.3 List of questions for the experts:

This questionnaire is focused on the economic impact of ethnic entrepreneurs on SMEs in Curaçao and their contribution. The aim of this research is as follows:

- To examine established ethnic entrepreneurs, in particularly Chinese business owners, in Curaçao
- To identify barriers/challenges faced by ethnic entrepreneurs in establishing and/or operating their business
- To examine what support is currently being offered by entities in Curaçao for ethnic (Chinese) and local entrepreneurs
- To highlight any gaps that might emerge
- To provide recommendations that can be used to inform agencies/support services in Curaçao that support entrepreneurs.

1. What is or are the procedure(s) and requirement(s) of establishing a business or an organization?
2. What is your opinion about the contribution of the ethnic entrepreneurs in the Small and Medium Enterprises sector to the economy? This goes especially for the Chinese business owners.
3. What type of training programs or workshops does your organization (MEO/ADECK/Curaçao Chamber of Commerce) offer to the local as well as to the ethnic entrepreneurs to set up a business?
4. How does your organization assist businesses (SME) with bottlenecks or start-up problems, such as financial problems, administration deficiency, and legalization problems with permits?
5. What incentives does your organization (MEO/ADECK/Curacao Chamber of Commerce) offer to the local and ethnic entrepreneur for startup or established businesses?
6. What is your opinion of the future developments of local and ethnic entrepreneurs?
7. What is your opinion about the future challenges or barriers of the local and ethnic entrepreneurs in the SME sector?



## Chapter four: Results and Analysis

In this section, the results of the research study are presented. Furthermore, an analysis is also provided in order to explain the results. The analysis was done by the program “Rstudio” with the SPSS data file. The first part of this chapter gives an overview of the research per sub-question and the second part is the analysis.

### 4.1 Economic growth development, especially the Chinese Businesses

This section presents a desk research and the results of the qualitative research are also provided.

The desk research was conducted using data from the National Accounts (NA) survey. The NA-survey is a yearly survey meant to collect financial data from local enterprises and other institutions (businesses, private and public owned, foundations, etcetera). The collected data are consolidated with administrative data from other sources resulting in an overview of the economic development of Curaçao.

The CBS has a business registry with information of a great majority of businesses and other institutions. The information in the registry is regularly updated, including removal of closed businesses and addition of new ones. The sample for the NA-survey is drawn from this business registry. Enterprises/institutions with over nine employees are included yearly. A sample is drawn from enterprises/institutions employing 9 people or less. Every year approximately 1400 enterprises/institutions are surveyed, some via e-mail and some through an interviewer.

The collected data are analyzed and weighted to produce information for the total economy. Taking sample errors into account, it was decided to compare two years with a time span of 10 years in between to analyze the economic development of the Chinese entrepreneurs, namely 2005 and 2015. For both years, the Chinese businesses in the business registry of the CBS were identified and the most recent information (up to 4 years old) on revenue and employed persons was used and weighted (Weight determined based on number of employed persons) to produce revenue and employment for the Chinese population of businesses.

A small analysis was also conducted to obtain the contribution of SMEs for 2005 and 2015 to revenue and employment. This analysis concluded that in 2005, SMEs contributed with approximately 60 percent to revenue and 55 percent to employment. For 2015, the contribution of SMEs to revenue was

estimated at 40 percent and the contribution to employment at 60 percent. Figures from the National Accounts were used to calculate SMEs' contribution to revenue in value for 2005 and 2015 respectively. For the contribution to employment in number of persons, data from the Labor Force Survey were used.

According to representatives of ADECK and Curaçao Chamber of Commerce, the contribution that the ethnic entrepreneurs make to the economy is Wealth creation and sharing, Job creating. Although the jobs created are more likely to be for the same ethnicity, due to the high level of entrepreneur's investment, such as starting a new business or implementing ideas and starting an organization or creating an event/workshop, this leads to a decrease in unemployment and an increase in GDP per capita. According to CBS, in 2017 Curaçao micro businesses employes, small businesses 6.5 and medium enterprises 5 workers on average. SMEs employ approximately 60% of the total workforce and contribute approximately 30% to Gross Domestic Product (CBS, 2017). SMEs are a large contributor to employment and economic activity on the island.

Table 1 Data according CBS at 2005 and 2015.

Data:	2005	2015
Legally registered businesses in 2005 in SME sector	6489 businesses/organizations	7965 businesses/organizations
Chinese businesses in SME sector	131 businesses/organizations	309 businesses/organizations
SME's revenue estimation	NAF 4217.7 mln.	NAF 3654.7 mln.
Chinese Business Revenue estimation	NAF 49.2 mln.	NAF 85.5 mln.
Employees in SMEs	28239 ppl	37244 ppl
Chinese employees in SMEs	477 ppl	722 ppl

One of the most significant data results is that in the past decade, the number of businesses/organizations established by the Chinese population has increased enormously. In an average of ten years it has increased by 135%, which means the Chinese businesses have increased more than twice in the past decade.

The data of 2005 and 2015 in Table 1 show that, although there is a decrease of 13.3% in SME’s revenue estimation, there is an increase of 73.8% in the revenue estimation of Chinese businesses. Due to the enormous increase of Chinese businesses/organizations, the estimated revenue of Chinese entrepreneurs has also increased. This can also be seen as follows: in 2005 the revenue estimation of Chinese businesses was 1.2% of the total SMEs’ revenue estimation and in 2015 it increased to 2.3%. The same goes for the employment; in 2005 the Chinese businesses contributed 1.7% of the total employees in SME and in 2015 it contributed 1.9%. This shows a light increase in employment.

Of course the revenue data are estimated data, but even so it is obvious that the Chinese business owners have kept growing in the last decade. According to the interviews with the professionals, they believe that small enterprises are contributing by creating jobs. This, in turn, leads to an increase in employment. Table 8, too, shows an increase in Chinese employees of 51% in the last decade.

Table 2 Chinese business owners’ market share in sections, 2005 and 2015

Categories :	Sector:	Number of businesses 2005	Number of businesses 2015
	Total SME population:	6399 businesses	7965 businesses
Toko Minimarket:	Total SMEs:	1611 businesses	1810 businesses
Toko Minimarket:	Total Chinese businesses in SME:	25 businesses	165 businesses
Restaurant:	Total SMEs:	704 businesses	872 businesses
Restaurant:	Total Chinese businesses in SME:	96 businesses	107 businesses
Laundry:	Total SMEs:	541 businesses	511 businesses
Laundry:	Total Chinese businesses in SME:	10 businesses	29 businesses

Table 2 shows the three categories where the Chinese were most involved in 2005 and 2015, according to CBS' register list.

Table 2 shows that in 2005 of all SMEs, Sector Toko Minimarket covered a market share of 25.2% of the whole population and it decreased in 2015 to a market share of 22.7%. The number of businesses in the sector Toko Minimarket increased by 11% from 2005 to 2015, while in 2005 in this sector the Chinese businesses had a 1.6% market share and in 2015 it increased to 9.1%. This means that during that decade, the sector Toko Minimarket had a slight decrease in the market share of the total SME population, while the Chinese Toko Minimarkets showed an increase.

In the Restaurant category, the market share of all SMEs was 11% in both 2005 and 2015. The market share of Chinese restaurants in this sector was 13.6% in 2005; compared to 2015, it slightly decreased to 12.3%. However, the number of Chinese restaurants available increased from 2005 - 2015 by 11.5%. This does not mean that the number of Chinese restaurants decreased during that decade but increased more slowly than the other restaurants in the sector.

In 2005 the category Laundry had a market share of 8.5% of the Total SME population and in 2015 it was 6.4%. Not only did the market share of the Whole population decreased but also the number of Total laundries in the SME sector by 5.5%. The remarkable increase in the laundry industry here is the number of Chinese laundries which is 190%; since 2005 the Chinese laundries increased more than twice in 2015. This can also be seen as follows: in 2005 the Chinese had a market share of 1.8% in the laundry industry and in 2015 it increased to 5.7%.

It can be concluded from Table 2 that between 2005 and 2015 the number of Chinese entrepreneurs increased in all three categories. According to CBS' list of registered enterprises in 2005, Chinese business owners only participated in the three abovementioned categories. However, in 2015 they also participated in other industries such as Agriculture, Production Manufacturing, Construction, Holding Corporation, Real Estate.

## 4.2 Ethnic entrepreneurs established in Curaçao and the way of becoming an entrepreneur

For this section, the variables of the sections Demographics and Motivation & Guidance are needed. Different cross tables were processed and are presented in a bar chart to provide a better overview and analysis.

With a population of 160337 in 2017 (CBS, 2017) the island has more than 50 nationalities, of which the Afro-Caribbean form the majority. The locals master a number of languages, of which Dutch is the official language, but Papiamentu is the language most spoken. Spanish and English are also frequently spoken by the locals.

According to CBS, in 2017 there were approximately 8200 active businesses in Curaçao. The micro business employs, small businesses have an average of 6.5 employees and medium enterprises employ on average 5 workers (CBS, 2017).

Figure 1: Demographics: Age by Gender

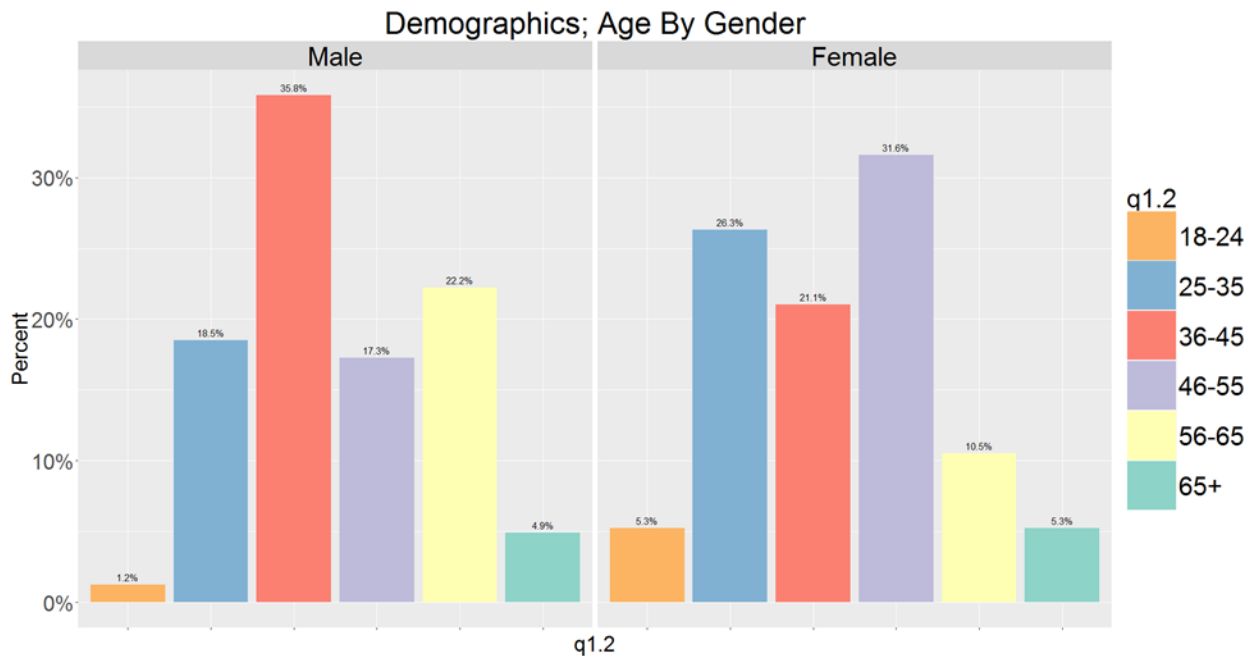
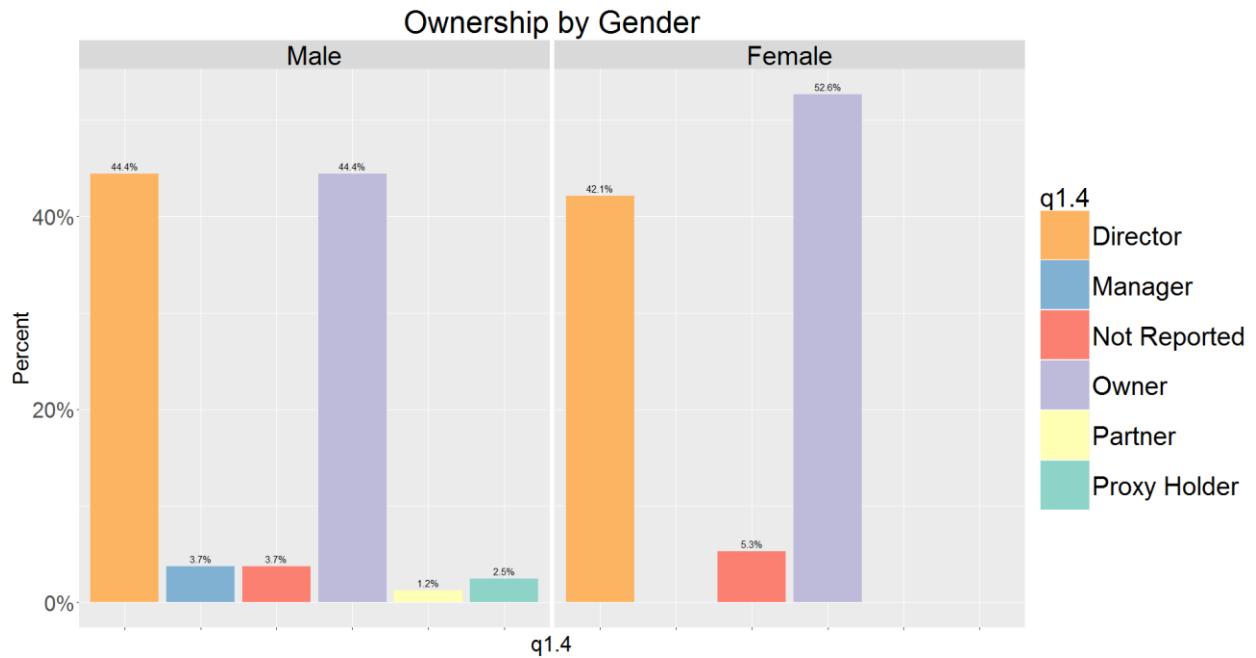


Figure 1 shows that the majority of the business owners are males between the age of 36-45 and females are 46-55. This means that the majority of young entrepreneurs are males.

Figure 2: Ownership by Gender.



Even though the majority of young entrepreneurs are males, Figure 2 shows that there are more female business owners than male business owners. This means that more females tend to be the owner of a business than males.

#### 4.2.1 Educational Background

In this section the educational background of both Chinese and Non-Chinese business owners is tested.

The hypothesis for this is as follows:

H1: There is a significant difference between Chinese and Non-Chinese business owners regarding a higher education level before starting a business.

- (Hybrid) Fisher-Exact Test: p-value =  $1.787e-05 < \alpha=0.05$ . Significant! Accept H1!

Because the Fisher-Exact test result was significant, this means that the two groups (Chinese and Non-Chinese business owners) significantly differ from each other. Therefore, a (Chi-square) post-hoc test was done.

Please refer to Table 6 and Figure 7 for the results.

According to the result of the Fisher-Exact test, the two groups reacted differently. From Table 6 it can be concluded that the HBO level has a higher Z-Score (4.142995) than the critical value (2.807034). This

means that the number of Chinese business owners with an HBO education is significantly lower than the Non-Chinese business owners. Conclusion: the Non-Chinese business owners followed a higher education level before starting a business than the Chinese business owners.

#### 4.2.2 Reason of immigration

In this section the reason to immigrate for both Chinese and Non-Chinese business owners is tested. The hypothesis is as follows.

H1: There is a significantly different reason for immigrating between Chinese and Non-Chinese business owners in Curaçao.

- (Hybrid) Fisher-Exact Test:  $p\text{-value} = 1.072e-09 < \alpha=0.05$ . Significant! Accept H1!

The significant result of the Fisher-Exact test (P-Value  $1.072e-09$  is smaller than  $\alpha=0.05$ ) means that both groups react significantly different from each other. Therefore, a (Chi-square) post-hoc test was done.

Please refer to figure 8 and Table 7 for the results.

The test results in Figure 8 and Table 7 show that two sections (personal reason and family reason) that have a higher value in the Z-Score ( $5.0998625$  &  $5.6044854$ ) than the critical value ( $2.734369$ ). Table 7 shows that the Non-Chinese business owners have higher significant score than the Chinese business owners in the personal reason section. The Chinese business owners scored significantly higher in the section family immigrating reason than the Non-Chinese business owners. Conclusion: most Chinese business owners immigrate for family reasons and Non-Chinese business owners immigrate for personal reasons.

#### 4.2.2 Prior experience before starting up a business

Please refer to Table 8 and Figure 9 for results. This section tests the difference between the Chinese and Non-Chinese business owners regarding prior experience before they started their business.

H1: There is a significant difference between the Chinese and Non-Chinese business owners in prior experience before starting up a business.

- (Hybrid) Fisher-Exact Test:  $p\text{-value} = 0.001962 < \alpha=0.05$ . Significant! Accept H1!

The significant result of the Fisher-Exact test (P-Value  $0.001962$  is smaller than  $\alpha=0.05$ ) means that both groups react significantly different from each other. Therefore, a (Chi-square) post-hoc test was done.

Both fisher-exact tests have significant results; both groups react differently from each other. Both groups have a higher Z-Score (3.232212 & 3.232212) than the Critical Value of 2.497705. Table 8 shows that Chinese business owners scored higher in the section No than the Non-Chinese business owners. Consequently, Chinese business owners scored significantly lower in the section Yes in than the Non-Chinese business owners. Conclusion: Chinese business owners do not have or barely have any experience before starting their business. On the other hand, the majority of the Non-Chinese business owners do have experience before starting a business.

### 4.2.3 Importance of Business mentoring

Please refer to Figure 3 for results. This section tests if there is a difference between the Chinese and Non-Chinese business owners when it comes to importance of Business mentoring

Figure 3: Significance of business mentoring

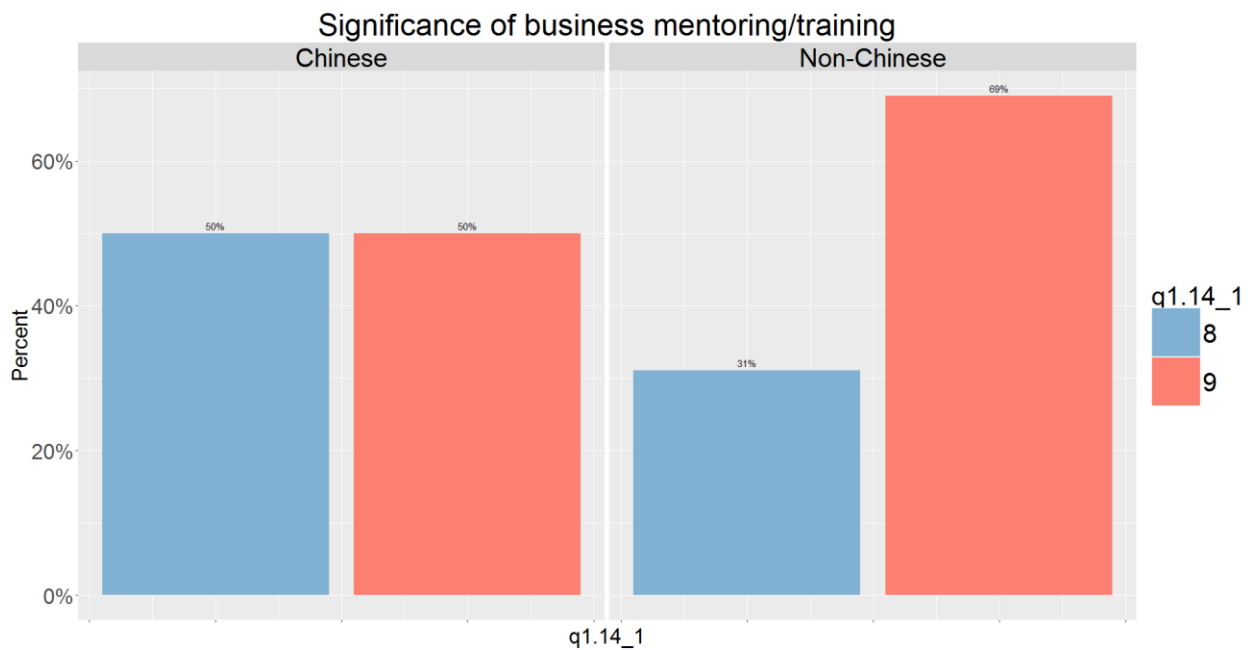


Figure3 shows that both Chinese and Non-Chinese business owners think that business mentoring/training is very important; the majority of both groups chose the scores 8 and 9. This figure shows a slight difference: the Non-Chinese owners consider mentoring/training a little bit more important than the Chinese business owners; the percentage at score 9 of Non-Chinese business owners is higher than the percentage at score 8 of Chinese business owners.



#### 4.2.4 Family member with a business operating background

Please refer to Table 9 and Figure 10 for results. This section tests if the Chinese and Non-Chinese business owners have a significant difference when it comes to having family members with a business operating background.

H1: There is a significant difference between the Chinese and Non-Chinese entrepreneurs in having a family member with any business operating background.

- (Hybrid) Fisher-Exact Test:  $p\text{-value} = p\text{-value} < 2.2e-16 < \alpha=0.05$ . Significant! Accept H1!

The significant result of the Fisher-Exact test (P-Value  $2.2e-16$  is smaller than  $\alpha=0.05$ ) means that both groups react significantly different from each other. Therefore, a (Chi-square) post-hoc test was done.

Due to the significant result of the P-value (Table 9) it is clear that both sections have a higher Z-score (7.844645) than the critical value 2.497705. Table 9 shows that Chinese business owners score significantly higher in Yes than the Non-Chinese business owners and in the No section Chinese business owners is significantly lower than the Non-Chinese business owners. Conclusion: the majority of the Chinese business owners have a family member with a business operating background for support and the Non-Chinese business owners do not.

#### 4.2.5 Relationship between family members and business owners

Please refer to Table 10 and Figure 11 for results. This section tests the relations between the family members and business owners for both Chinese and Non-Chinese business owners; and if they significantly differ from each other.

H1: There is a significant difference between the Chinese and Non-Chinese entrepreneurs in relationship with family members.

- (Hybrid) Fisher-Exact Test:  $p\text{-value} = 2.2e-16 < \alpha=0.05$ . Significant! Accept H1!

Because the Fisher-Exact test result is significant, this means that the two groups (Chinese and Non-Chinese business owners) significantly differ from each other. Therefore, the (Chi-square) post-hoc test was done.

Table 10 shows that for the section Partner, Father/Mother, Brother/Sister all three have a higher Z-score value than the critical value ( $>2.913726$ ), especially the Chinese business owners have a higher significant score than the Non-Chinese business owners. Only in the section Others do the Non-Chinese

Business owners score significantly higher than the Chinese entrepreneurs. This means that the Chinese business owners have their parents, partners and siblings as their support and guidance in the business operation.

#### 4.2.6 Motivation for starting a business

Please refer to Table 11 and Figure 4 for results. This section tests if there is a significant difference between the Chinese and Non-Chinese entrepreneurs when it comes to the motivation for starting a business.

H1: There is a significant difference between Chinese and Non-Chinese business owners in the motivation to start up a business.

- (Hybrid) Fisher-Exact Test: p-value = p-value = 0.0001098 <  $\alpha=0.05$ . Significant!

Because the Fisher-Exact test result was significant, this means that the two groups (Chinese and Non-Chinese business owners) differ significantly from each other. Therefore, the (Chi-square) post-hoc test was done.

Figure 4 Main reason for starting a business

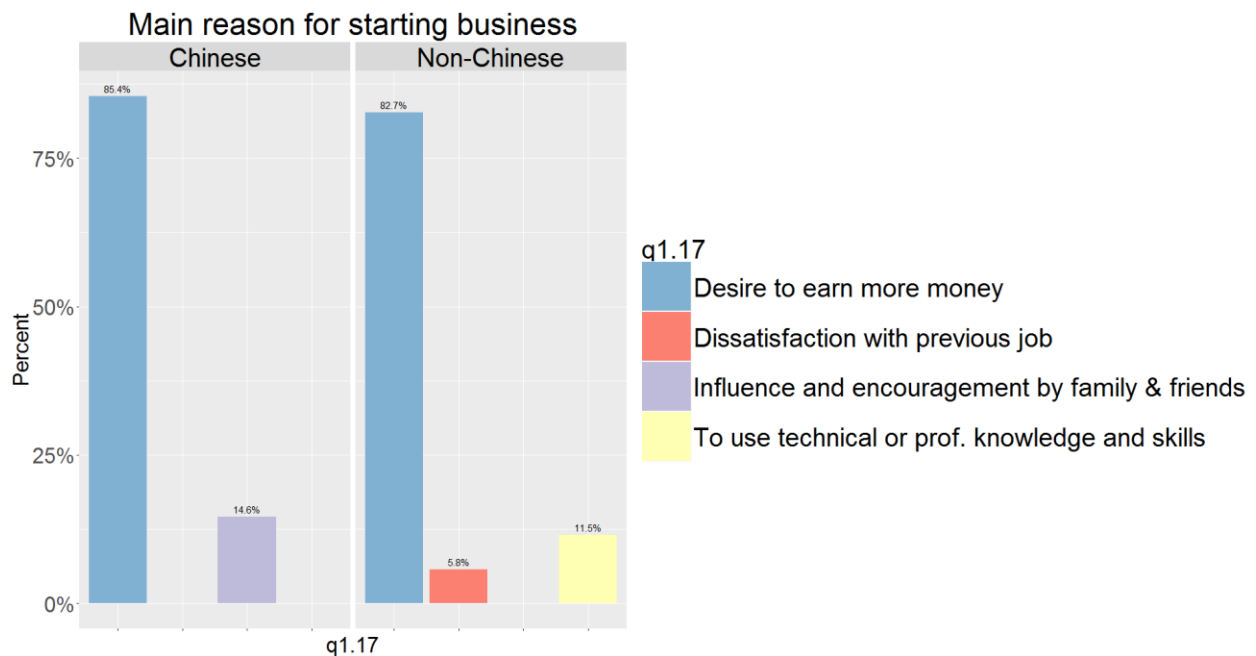


Figure 4 clearly shows that of both Chinese and Non-Chinese business owners more than 80% of the entrepreneurs have the desire to earn more money as their main reason for starting a business. Table 11 shows a significant difference in influence and encouragement by family and friends between the two groups (Z-score 2.8555423 is higher than Critical Value 2.734369). This shows that Chinese business owners are more motivated and influenced by family and friends (7) to start a business than the Non-Chinese business owners (0).

#### 4.2.7 Entrepreneur’s primary source of funding

Please refer to Table 3 and Figure 5 for results. This section tests if there is a difference between the Chinese and Non-Chinese entrepreneurs regarding the primary source of funding they use when starting a business.

H1: When starting a business, there is a difference between the Chinese and Non-Chinese entrepreneurs in the primary source of funding sources.

Figure 5: Primary source of funding

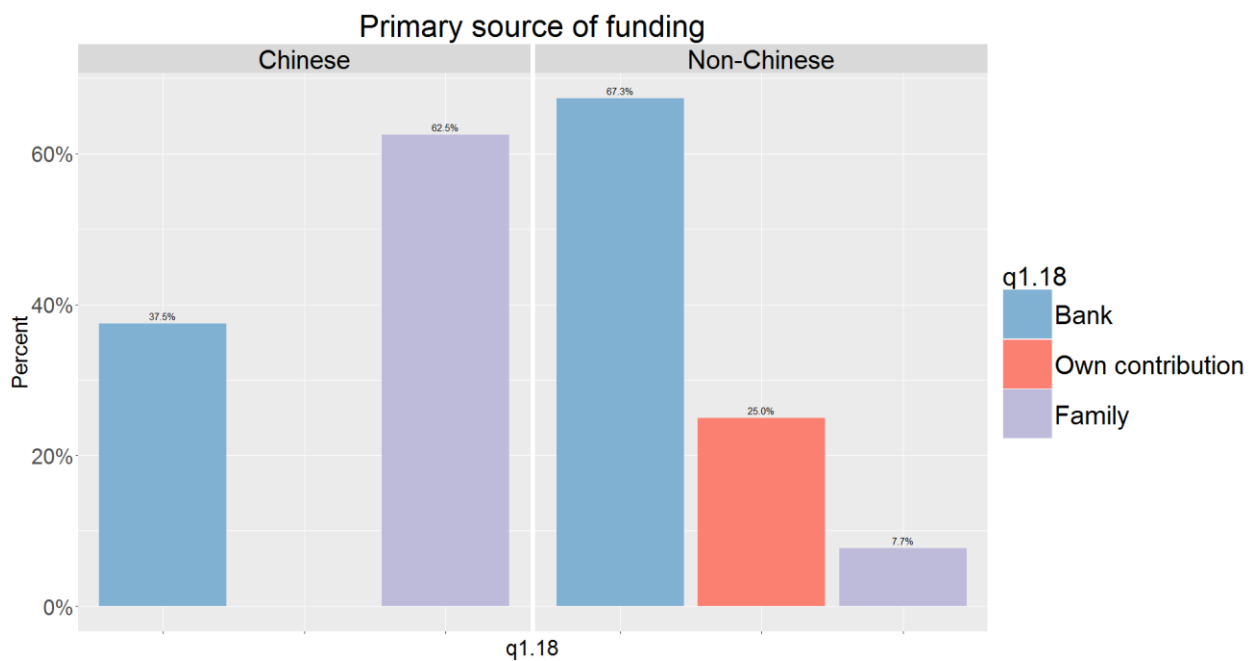


Table 3 (Chi-square) post-hoc test of primary source of funding of both group

Source of funding	Chinese business owners	Non-Chinese business owners	Absolute Z-score

Bank	18*	35*	2.983759
Own contribution	0*	13*	3.713907
Family support	30*	4*	5.780327

Critical Value: 2.638257

- (Hybrid) Fisher-Exact Test: p-value = 3.347e-10 <  $\alpha=0.05$ . Significant!

Because the Fisher-Exact test result was significant, this means that the two groups (Chinese and Non-Chinese business owners) significantly differ from each other. Therefore, the (Chi-square) post-hoc test was done.

Table 3 indicates that regarding the three sources of funding there is a significant difference between the two groups. They all have a higher Z-Score than the critical value (> 2.638257). Non-Chinese business owners have a significantly higher score than the Chinese business owners in the sections Bank and Own Contribution, and the Chinese business owners scored significantly higher in the section Family support than the Non-Chinese business owners.

Figure 5 shows that only three options were chosen while 7 options (bank, own contribution, family support, crowd funding, venture capital, micro financing and sponsor) had been given. 62% of the Chinese business owners (30) were supported by their family and 37% (18) had borrowed from the bank. It can be concluded that more than half of the Chinese owners here are supported by their family; they help each other to grow and support themselves. On the other hand, the Non-Chinese business owners do not have this strong family support (only 7% (4)), while 67% (35) of them borrow capital from the bank, and 25%(13) save money to start a business.

Another important observation here is that the other choices such as crowd funding, venture capital and micro financing are not mentioned even once. This means that a lot of businessmen do not know about

these ways of financing tools. It is obvious that these financing tools are not promoted sufficiently in the market for entrepreneurs.

#### 4.3 Barriers, challenges and opportunities faced by ethnic (Chinese) and local entrepreneurs in establishing and/or operating their business

To be able to answer this question, the variable of the Barriers/Challenges section of the survey is needed; the internal and external factors that influence the development of entrepreneurial activity.

##### 4.3.1 Importance of Internal influence factors

Please refer to Table 12 and Figure 12 for results.

To provide a better result of the data provided in Figure 12, a Kruskal-Wallis rank sum test was used to analyze these data. The highlighted sections in Table 10 represent are the significant difference between the two groups because the P-values are  $< \alpha=0.05$ . The Non-Chinese business owners think that motivation and direction are more important than what the Chinese business owners think. They believe so because Chinese business owners have their family as their support and guidance; that is also why the Non-Chinese business owners show more self-efficacy than the Chinese business owners; they know they do not have the family support and guidance. The Non-Chinese business owners also think that confidence and knowledge and skills are more important for them, because they have more Knowledge and skills than the Chinese business owners and they have more Confidence in their business. As for the rest of the factors, the p-value is  $> \alpha=0.05$ , which means that the difference between these two groups is not big; they have similar scores.

##### 4.3.2 Importance of external influence factors

Please refer to Figure 13 and Table 13 for results.

To provide a better data result of Figure 13 a Kruskal-Wallis rank sum test was used to analyze these data. The highlighted sections in Table 13 represent the significant difference between the two groups because the p-value is  $< \alpha=0.05$ . It is obvious that the Chinese business owners have a significant higher score at family commitment than the Non-Chinese business owners; they got their support and guidance from family members. This leads to the fact that Mentorship/Mentoring is extremely important for the Non-Chinese business owners, because they do not have the family support and guidance. For the Chinese business owners bureaucracy is extremely important, they have difficulty

understanding fiscal and legal problems. One of the main reasons here could be the lack of communication due to the weakness in the languages needed to understand the problems.

#### 4.4 Support for Curaçao ethnic (Chinese) and local entrepreneurs and possible future development of ethnic and local entrepreneurship

In this section a desk research is done and the result of the interviews with professionals is provided and the result of the Economic Outlook part of the survey as well.

##### 4.4.1 Support offered by different entities:

According to the three experts (MEO, KVK, ADECK), they all have different programs to support entrepreneurs who have similar features. MEO has a special department 'Curaçao Development Institute (CDI)'. In this department they have a program called Business Boost that supports different departments of a business, for example they give advice of marketing, help with business plans, and they teach and train entrepreneurs for more innovation and development. They also advise other organizations that work with them that also give support and help to those established organizations; 'Qredits' gives microcredit loans, and Curaçao Innovation & Technology Institute (CITI) helps with innovation and IT problems.

ADECK has a free basic program called the "Impodera Epresario". This program gives a basic view about what it is to be an entrepreneur in an enterprise; it gives guidance about all the basic points of having a business such as business plan, market research, about canvas. This program is given twice a week and to two different groups, one is for those who are starting up a business and the other is for those who already have a business. Further, they have programs to improve the local languages Papiamentu and Dutch. There are also individual programs that help enterprises with all kinds of issues and problems, but the enterprises have to become a member first. Once they are a member, there will first be an intake to analyze what they are doing; what they need; what they have to do, etcetera. This means such enterprises will have their own individual/personal support to fix their problems.

Curaçao Chamber of Commerce offers all types of training in every department, as much as guidance from starting a business to operating the business. This includes organizing drawing up a business plan, management guidance, revenue planning, creating business models and revenue models. They also

offer personal mentoring by specially trained employees, if necessary. Curaçao Chamber of Commerce focuses on innovation and export; they also are the facilitator of Holland House, they have memberships in Colombia Medellin and Bogota, and they provide start-up assistance (business plan/models, innovation, revenue plan, workshop and training).

The government is welcoming entrepreneurs to ask for support. According to these professionals' experiences, the majority of the business owners do not like to ask the government for support; the majority of these entrepreneurs ignore invitations to workshops event. They do not use the source available; this is often due to the bad communication between entrepreneurs and the government.

#### 4.4.2 Barriers and Challenges for the future:

Ministry of Economic Development (MEO): One of the main barriers and challenges for them now and the future is the integration in the Curaçao economy as a whole; MEO wants the ethnic entrepreneurs to comply with the rules and laws so that the economy market can have a healthy competition and fair business environment.

Curaçao Chamber of Commerce (KVK): One of the biggest obstacles Curaçao Chamber of Commerce has mentioned is the instability of governance and the weak transparency of policy. Lots of potential investors lose the interest of investing in Curaçao because of the red tape of bureaucracy. Even when they meet the requirements of an application to a permit they may not receive it in time, whereas others may get their permit faster because they know some high ranked officer.

Association of Small Entrepreneurs (ADECK): The biggest challenge for the future is the culture integration. ADECK always tries to work together with the Asian community as well as other ethnic groups, but it is not easy to win their trust because there will always be communication issues.

#### 4.4.3 Trend in growth patterns

Figure 6 Trend in growth pattern

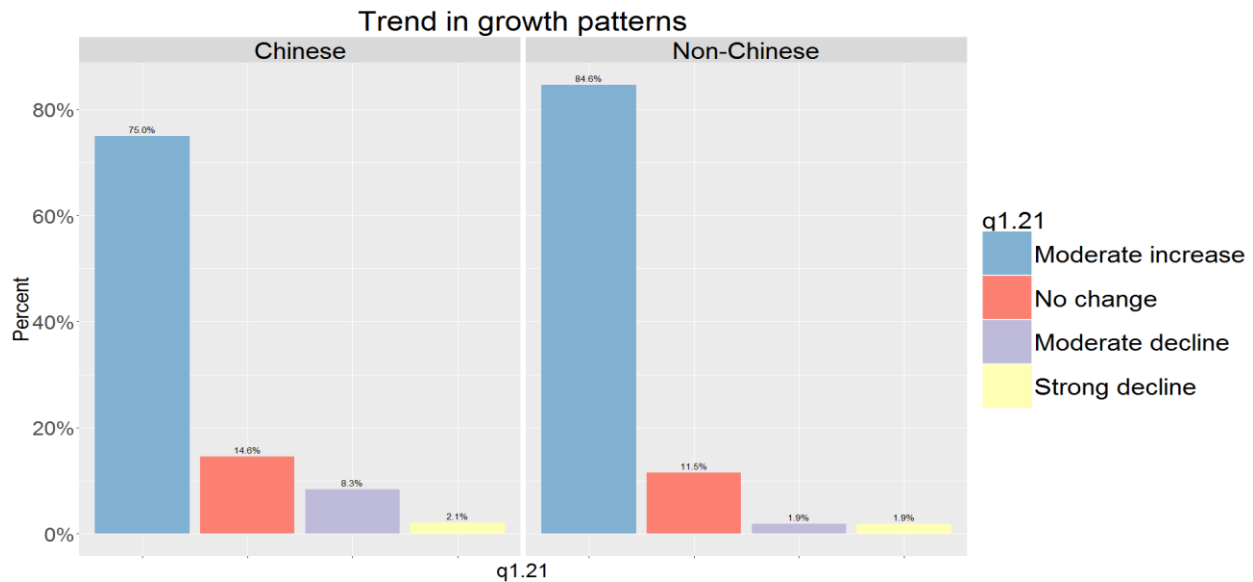


Figure 5 shows that the majority of both groups – Chinese (75%) and Non-Chinese (84%) entrepreneurs – have a growth pattern when comparing the revenue of the current year and the past year. This means that their business is functioning better compared to last year.

#### 4.4.4 Prospects in future investment climate

Please refer to Figure 14 and Table 4 for results. This section examines if there is a significant difference in the prospects for future investment climate between the Chinese and Non-Chinese business owners.

H1: There is a significant difference in the prospects for future investment climate between the Chinese and Non-Chinese business owners.

H0: There is no significant difference in the prospects for future investment climate between the Chinese and Non-Chinese business owners.

- (Hybrid) Fisher-Exact Test:  $p\text{-value} = 0.005342 < \alpha = 0.05$ . Significant!

Because the Fisher-Exact test result was significant, it means that the two groups (Chinese and Non-Chinese business owners) significantly differ from each other. Therefore, the (Chi-square) post-hoc test was done.



Table 4 (Chi-square) post-hoc test of prospects for the future investment climate

Prospect	Chinese business owners	Non-Chinese business owners	Absolute Z-Score
Deterioration	39*	28*	2.911652
Remains the same	9*	24*	2.911652

Critical Value: 2.497705

Table 4 shows that the Chinese business owners have a significantly higher score than the Non-Chinese business owners as to prospecting a deterioration in the future investment climate and the Non-Chinese business owners have a significantly higher score than the Chinese business owners regarding prospecting that the future investment climate will remain the same.

#### 4.4.5 Economic outlook

Please refer to Figure 15 and Table 5 for results. This section examines if there is a significant difference in the economic outlook between the Chinese and Non-Chinese entrepreneurs.

H1: There is a significant difference in the economic outlook between the Chinese and Non-Chinese entrepreneurs.

H0: There is no significant difference in the economic outlook between the Chinese and Non-Chinese entrepreneurs.

- (Hybrid) Fisher-Exact Test: p-value = 0.0008921 <  $\alpha=0.05$ . Significant!

Because the Fisher-Exact test result was significant, it means that the two groups (Chinese and Non-Chinese business owners) significantly differ from each other. Therefore, the (Chi-square) post-hoc test was done.

Table 5(Chi-square) post-hoc test of perception of the economic outlook

Perception	Chinese business owners	Non-Chinese business owners	Absolute Z-Score
Bad	23	24	0.1764589
Moderate	6*	21*	3.1379328
Very bad	19*	7*	2.9752453

Critical Value: 2.638257

In Figure 15 and Table 5, neither group mentioned a positive perception of the economic outlook situation. The Non-Chinese business owners have a higher score (40%) than the Chinese business owners in the section moderate (12%) and in the section very bad, the Chinese business owners (38%) scored significantly higher than the Non-Chinese business owners (13%).

One of the reasons here could be, as mentioned above, the instability of governance and the weak transparency of policy. The culture integration by different ethnicities is due to the different tradition of the groups. This leads to weak communication between the enterprises and the government; once the communication is weak, legal issues and fiscal issues will keep increasing.

## Chapter five: Conclusion and Discussion

The purpose of this chapter is to provide a summary and further explain the findings of Chapter four. This chapter is also intended to provide an answer to the research question and provide several points of discussion.

### Conclusion

One of the greatest economic contributions that the Chinese entrepreneurs have been making in the last decade is the growth in the number of businesses and organizations (Table 1 results). Not only have they grown in number of businesses or organizations but also, due to this enormous increase, their business revenue contribution has increased too. Other contribution of the Chinese entrepreneurs is that Chinese businesses are increasing in market share (table 2 results) in different sections, this lead to a filling into the gap of jobs that a falling out in the sector. According to CBS' list of registered entrepreneurs, in the past decade the Chinese entrepreneurs have only been involved in the Restaurant, Laundry and Toki minimarket section. Nowadays the Chinese business population is participating in every industry section in Curaçao's economy.

In Curaçao, there are a lot of support sources that are free to be used by entrepreneurs while starting a business and while operating a business. But, unfortunately, according to the professionals' interviews, neither the Chinese nor the Non-Chinese entrepreneurs are making good use of them. That is why the strong family relationship is so important to Chinese entrepreneurs, they receive both financial and mentoring support from their own family while the Non-Chinese business owners have to do everything by their own. As a result, the number of Chinese businesses/organizations has grown enormously the last decade.

Another observation is that the majority of entrepreneurs in Curaçao do not know much about other options for primary capital source when starting a business. Table 3 and Figure 5 show that entrepreneurs mostly choose the bank, own contribution and family support for the primary financial source. However, there are also other sources such as Micro financing and Crowd Funding available in Curaçao.

According to the interviews with the professionals, the biggest barrier for ethnic entrepreneurs (especially Chinese business owners) is the culture integration. It is difficult for the government or

private entities to give help to ethnic entrepreneurs if they do not cooperate. One of the biggest issues, according to the professionals, is the language.

## Discussion

The sectors that Chinese businesses are most involved in and that have increased significantly the past decade are the Toko minimarket, Restaurant and Laundry industry. They have grown so much in numbers in the past 10 years that the following questions arise: How do they survive or pay their cost while they all are providing the same products and services? How can they operate and make profit while they are competing with themselves? These questions are always asked by the citizens and till now there has not been a concrete answer. This question will be a good issue for a next research.

## Delimitation:

The biggest delimitation of this research is the sample size of the participants. The population is so big and the 100 respondents are not representative to give a significant answer to the research question. This research is focused on the Chinese business owners; therefore, there was less emphasis on the other ethnicities; 50% of the respondents are Chinese entrepreneurs and taking into consideration of the population size, the Chinese cover far less than 50% of the population. Another issue is the language; the interviewer/collector of the surveys was expected to speak at least Mandarin and Cantonese.

Another limitation is time. In order to do this research in an appropriate way, according to the advice of CBS, more time than used (7 months) is needed.

## Recommendations

Further research should take into account that more time should be available in order to make the sample size big enough to be able to generalize the results to the whole SME population of Curaçao. In order to facilitate the researcher to do the future research, researcher should use a qualified person that can handle different languages and the government should work on improving the relationship between them and the business owners. It means to try to improve the culture integration and build more trust between government and businesses/organizations. In this way the data collection flow will be easier, because there were negative reactions while introducing the survey as a part of a government research and that led to a lot of non-respondents.

## Self-reflection

In this research I learned a lot of research techniques required as well as doing a desk research and approaching participants in field work to provide the survey. This helped to improve my social capacity and to work with different people. I also noticed different things that I should improve to become more professional, for example the way to approach different ethnic entrepreneurs; the way of speaking and the timing of approaching are very important; an appointment is always more effective than visiting randomly and always be a few minutes earlier before the appointment.

If I could do this type of research another time, I would spend more time on each survey and instead of using a quantitative research method I would use a qualitative research method for the business owners, so that I can go deeper in the origin of the organization or business and can ask more questions during the interview. In this way I can collect more information compared to the multiple choice survey.

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## Appendix

### Appendix A. Questionnaires

# Small and medium enterprises survey

Q1.1 The focus of this questionnaire is on the economic impact and contribution of ethnic entrepreneurs on Small and Medium Enterprises (SME) in Curaçao. The aim of this questionnaire is to measure the level of entrepreneurship in ethnic entrepreneurs, the characteristics of their background (educational background and the reason for migration), their ambitions and objectives of their business operations, the factors that facilitated their decision to become self-employed and their experience of entrepreneurship. To be able to provide an answer to these questions your collaboration is required in the form of an honest answer to the questions presented. Please keep in mind that everything you note down in this questionnaire is strictly anonymous. I want to thank you for your patience and your valuable time.

Q1.2 what is your age?

- 18-24 (1)
- 25-35 (2)
- 36-45 (3)
- 46-55 (4)
- 56-65 (5)
- 65+ (6)

Q1.3 what is you gender?

Male (1)

Female (2)

Q1.4 what is your occupation/position?

---



Q1.5 What is your nationality?

- Curaçaolean (1)
- Dutch (2)
- Dominican (3)
- Colombian (4)
- Bonairean (5)
- Haitian (6)
- Surinamese (7)
- Venezuelan (8)
- Aruban (9)
- Jamaican (10)
- Portuguese (11)
- Indian (12)
- Chinese (13)
- St. Maarten (14)
- Guyanese (15)
- American (16)

St. Vincent (17)

Lebanese (18)

Cuban (19)

Indonesia (20)

Other country (21)

Q1.6 Where were you born?

Curacao (1)

Holland (2)

Rep. Dominican (3)

Colombia (4)

Bonaire (5)

Haiti (6)

Surinam (7)

Venezuela (8)

Aruba (9)

Jamaica (10)

Portugal (11)

India (12)

- China (13)
- St. Maarten (14)
- Guyana (15)
- USA (16)
- St. Vincent (17)
- Lebanon (18)
- Cuba (19)
- Indonesia (20)
- Other country (21)

Q1.7 What was your reason for immigrating to Curaçao?

- Economic (1)
- Professional (2)
- Personal (3)
- Family (4)
- Other, please specify (5) \_\_\_\_\_

Q1.8 What is your highest education level?

- Elementary school (1)
- MAVO,LTS,VSBO,SBO(Secondary School) (2)
- HAVO,VWO,MBO(Secondary School) (3)
- HBO (4)
- University (5)
- The respondent's schooling does not fit any of the categories (6)

Q1.9 Did you complete it?

- Yes (1)
- No (2)

Q1.10 Do you have prior experience in this sector before starting your business?

- Yes (1)
- No (2)

*Skip To: Q1.12 If Do you have prior experience in this sector before starting your business? = No*

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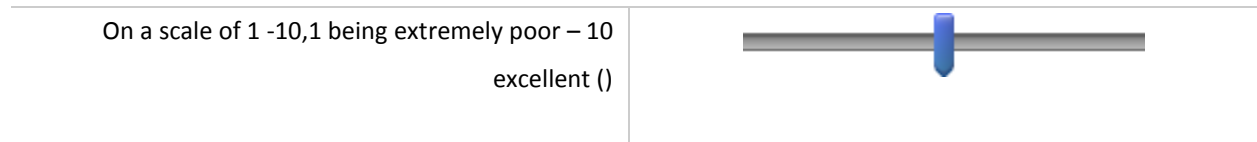
Q1.11 How many years of experience do you have in your previous occupation? (The one you have worked the most)

Occupation (1) \_\_\_\_\_

Years (2) \_\_\_\_\_

Q1.12 How significant would you say having and implementing a formal business plan is to guiding your business through growth patterns (growth in revenue)?

0 1 2 3 4 5 6 7 8 9 10



Q1.13 Do you now use or have you ever used business mentoring/training to help you progress with your business venture?

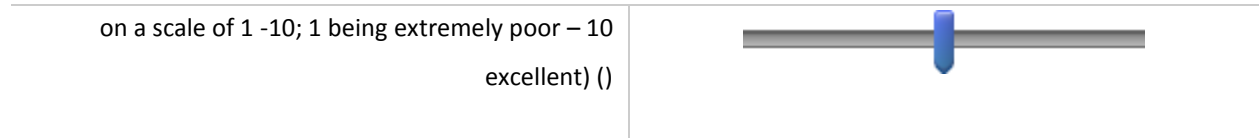
Yes (1)

No (2)

*Skip To: Q1.15 If Do you now or have you ever used business mentoring/training to help you progress with your busin... = No*

Q1.14 How significant would you say having received business mentoring/training has been to the progress of your business venture?

0 1 2 3 4 5 6 7 8 9 10



Q1.15 Is there anybody in your immediate family who has any business operation background?

Yes (1)

No (2)

*Skip To: Q1.17 If Is there anybody in your immediate family which has any business operation background? = No*

Q1.16 Please mention the relation with the person

Partner –( Husband./Spouse) (1)

Father/Mother (2)

Brother/Sister (3)

Uncle/Aunt (4)

Cousin (5)

Others (6) \_\_\_\_\_

-----

Q1.17 What is the main reason you started your business?

- Desire to earn more money (1)
  - Dissatisfaction with previous job/occupation (2)
  - Influence and encouragement by family members and friends (3)
  - More career advancement (4)
  - Previous experience with business activity (5)
  - To use technical or professional knowledge and skills (6)
  - To utilize better opportunity in the market (7)
  - To gain social prestige (8)
  - To implement business idea (9)
  - Hard to find a job/ fear of unemployment (10)
  - Others: (11) \_\_\_\_\_
-



Q1.18 what was your primary source of funding when starting your business?

- Bank (1)
- Own contribution (2)
- Family support (3)
- Crowd funding (4)
- Venture capital (5)
- Micro financing (6)
- Sponsor (7)
- Other, please specify: (8) \_\_\_\_\_

Q1.19 How important are the following internal influencing factors on development of entrepreneurial activity?

	Extremely important (1)	Very important (2)	Moderately important (3)	Slightly important (4)	Not at all important (5)
Motivation direction (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Courage (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-Efficacy (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fear of Risk (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge Skills (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Abilities Competencies (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experience (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attitude towards Entrepreneurship (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1.20 How important are the following external influence factors on development of entrepreneurial activity?

	Extremely important (1)	Very important (2)	Moderately important (3)	Slightly important (4)	Not at all important (5)
Funding Capital (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Family Commitment (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advisory / Mentorship (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Human Resources (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opportunity recognition (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Labor Difficulties (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bureaucracy (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic Climate (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1.21 what trend in growth patterns (growth in revenue) are you experiencing with your business venture relative to the previous year(s)?

- Strong increase (1)
- Moderate increase (2)
- No change (3)
- Moderate decline (4)
- Strong decline (5)

Q1.22 what are your prospects of the future investment climate?

- Improvements (1)
- Remains the same (2)
- Deterioration (3)
- Other (4)

Q1.23 what is your perception of the economic outlook?

- Very good (1)
- Good (2)
- Moderate (3)
- Bad (4)
- Very bad (5)

End of Block: Ethnic entrepreneur survey

**Questionnaire for expert's interview:**

1. What is or are the procedure(s) and requirement(s) of establishing a business or an organization?
2. What is your opinion about the contribution of the ethnic entrepreneurs in the Small and Medium Enterprises sector to the economy? Especially for the Chinese business owners.
3. What type of training programs or workshops does your organization (MEO/ADECK/Curacao Chamber of Commerce) offers to the local and as well as the ethnic entrepreneurs to set up a business?
4. How does your organization assist businesses (SME) with bottlenecks or startup problems, such as financial problem, administration deficiency, and legalization problems with permits, etc.?
5. What incentives does your organization (MEO/ADECK/Curacao Chamber of Commerce) offer to the local and ethnic entrepreneur for startup or established businesses?
6. What is your opinion of the future developments of local and ethnic entrepreneurs?
7. What is your opinion about the future challenges or barriers of the local and ethnic entrepreneurs in the SME sector?

**Appendix B: Tables and Figures**

Table 6(Chi-square) post-hoc test of education and both Chinese and Non-Chinese group.

Highest education followed	Chinese business owners	Non-Chinese Business owners	Absolute Z-Score
Elementary school	1	0	1.046077
MAVO,LTS,VSBO,SBO	13	6	1.979658
HAVO,VWO,MBO	33	25	2.092612
HBO	1*	18*	4.142995
University	0	3	1.689638

The Critical Value here is: 2.807034

Figure 7: Highest Education followed by Ethnic Background.

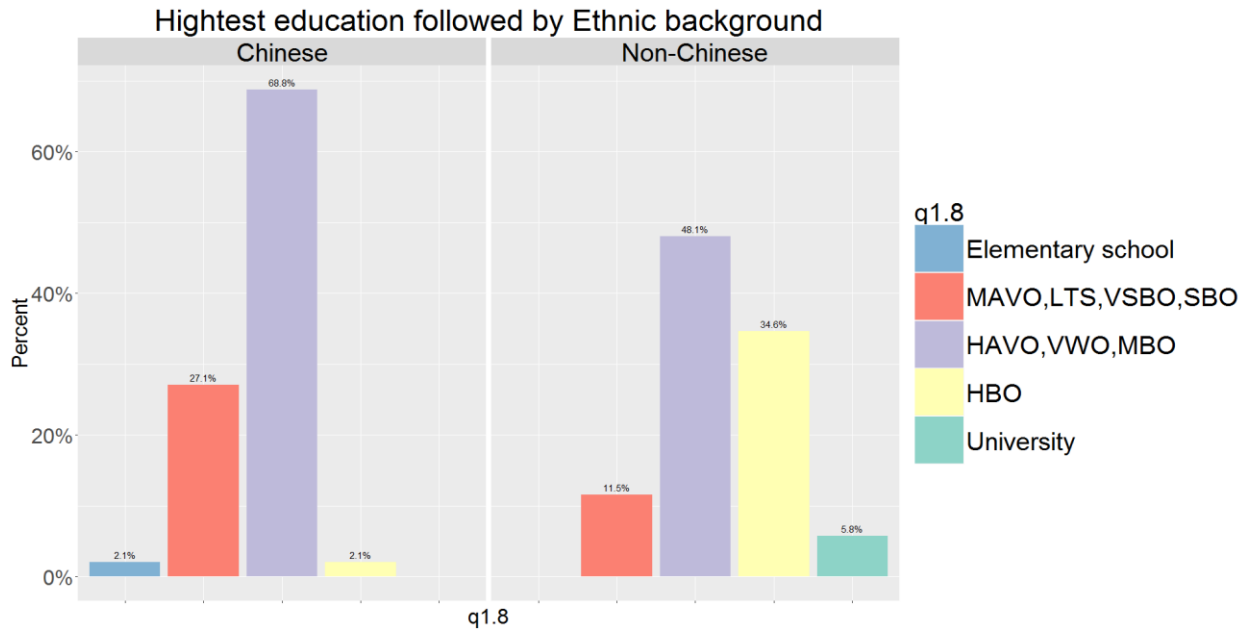


Figure 8: Reason for immigrating.

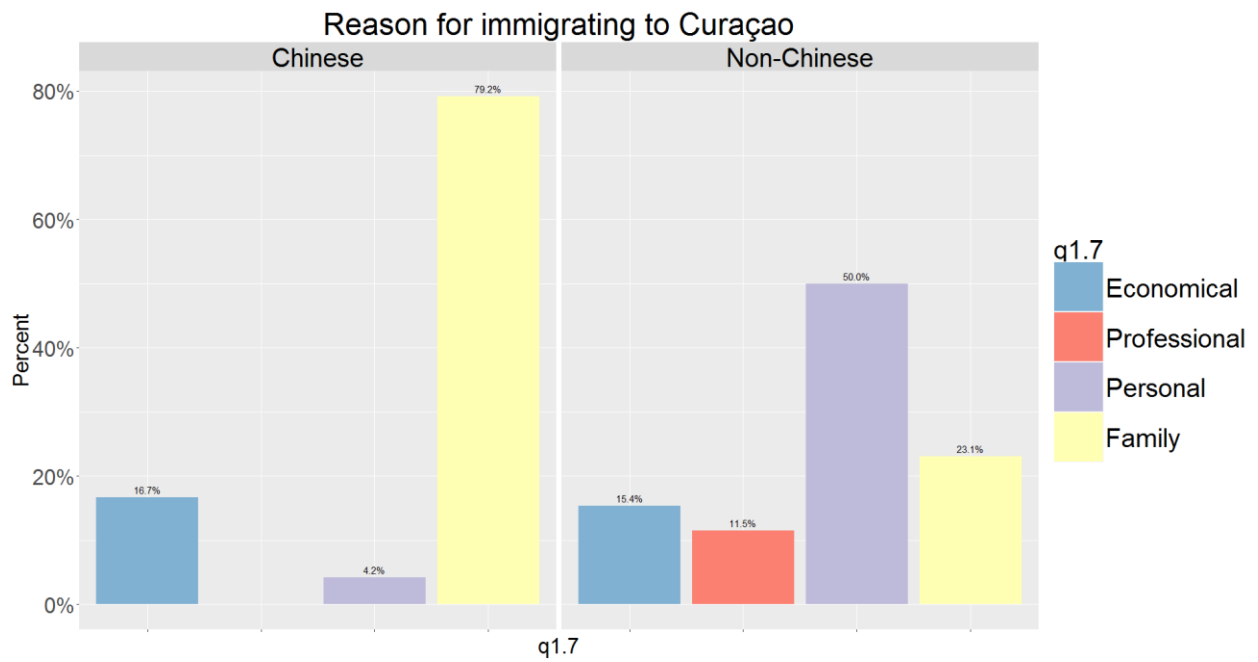


Table 7 (Chi-square) post-hoc test for both group of immigrating reason to Curacao.

Reason for immigrating	Chinese business owners	Non-Chinese business owners	Absolute Z-Score
Economical	8	8	0.1747141
Professional	0	6	2.4273402
Personal	2*	26*	5.0998625
Family	38*	12*	5.6044854

The Critical Value here is: 2.734369

Figure 9: Prior experience before starting business.

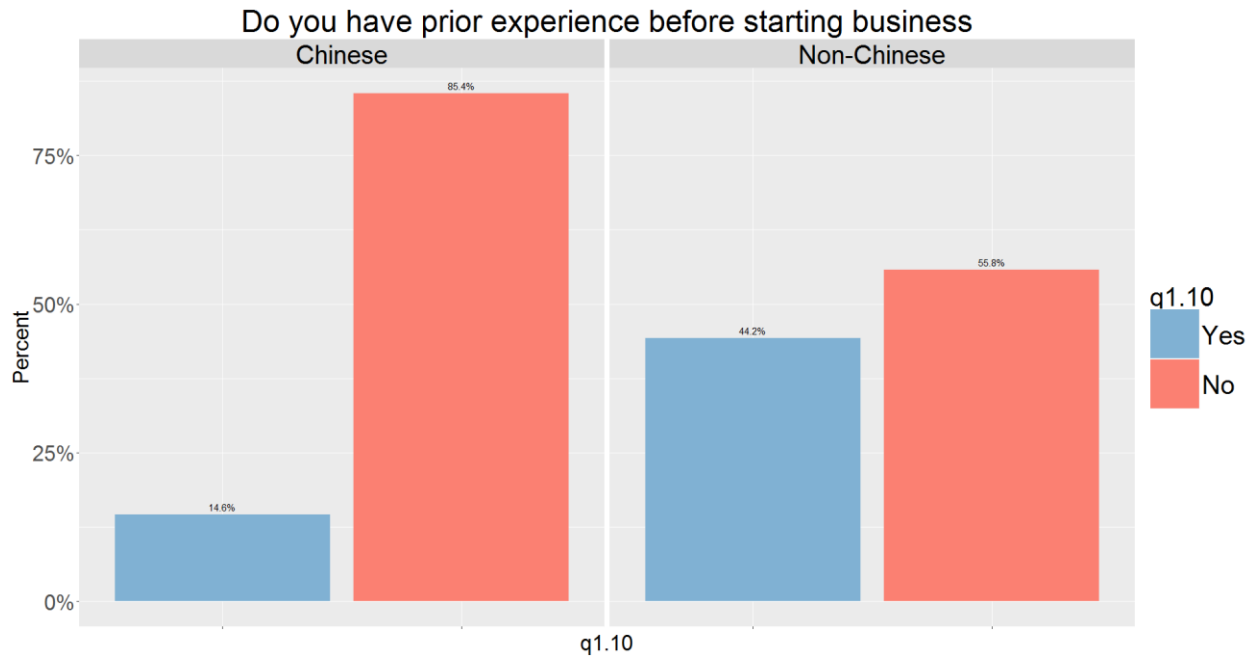


Table 8 (Chi-square) post-hoc test of prior experience before starting business for both group.

	Chinese business owners	Non-Chinese business owners	Absolute Z-Score
No	41*	29*	3.232212
Yes	7*	23*	3.232212

The Critical value here is: 2.497705



Figure 10: Immediate family which has any business operation background

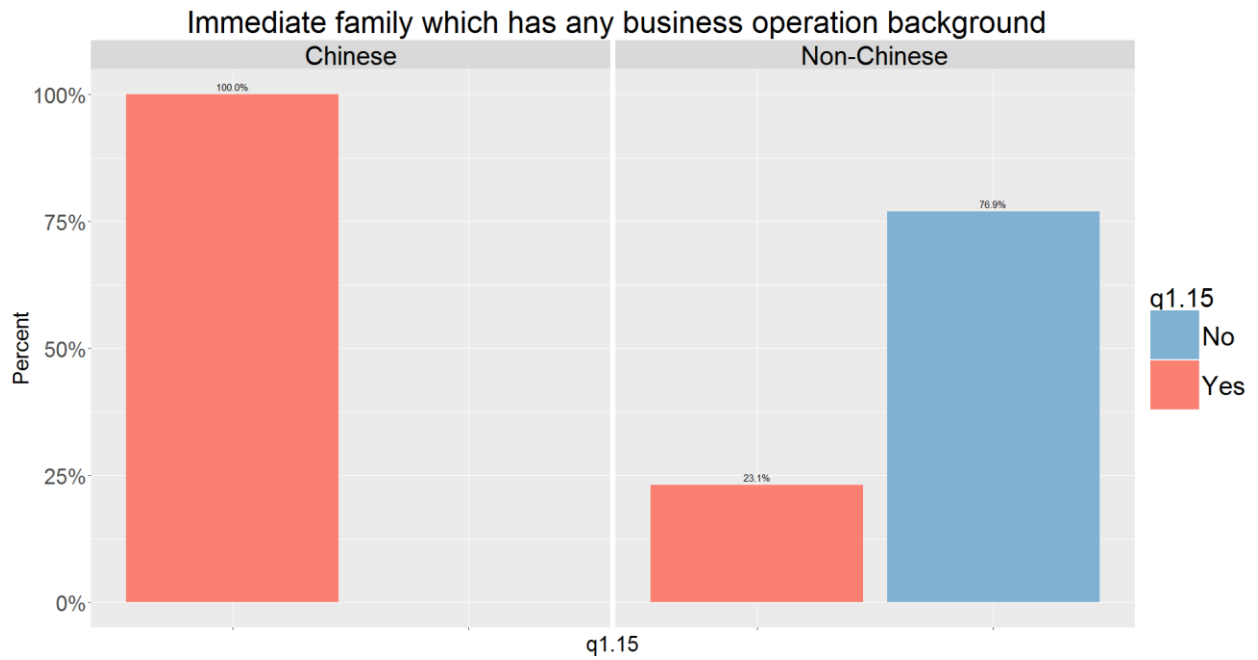


Table 9 (Chi-square) post-hoc test of having an immediate family member which has any business operating background

	Chinese business owners	Non-Chinese business owners	Absolute Z-Score
Yes	48*	12*	7.844645
No	0*	40*	7.844645

Critical Value: 2.497705

Figure 11: Relationship between family member and business owners

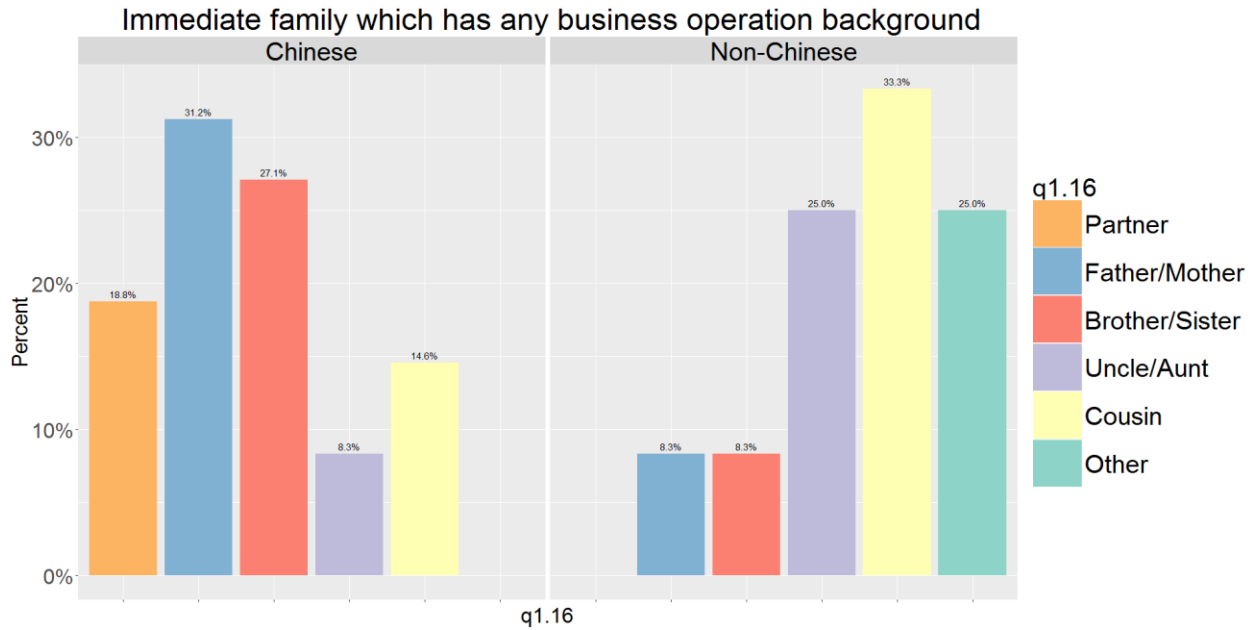


Table 10 (Chi-square) post-hoc test of Relationship between family member and business owner

Relation	Chinese business owner	Non-Chinese business owner	Absolute Z-Score
Partner	9*	0*	3.2732684
Father/Mother	15*	1*	3.9965859
Brother/Sister	13*	1*	3.6226311
Uncle/Aunt	4	3	0.5020734
Cousin	7	4	1.1003094
Other	0*	40*	7.8446454

Critical Value: 2.913726

Table 11 (Chi-square) post-hoc test of main reason of starting a business

Reason	Chinese business owners	Non-Chinese business owners	Absolute Z-score
Desire to earn money	41	43	0.3712675
Dissatisfaction with previous job	0	3	1.6896382
Influence and encouragement by family & friends	7*	0*	2.8555423
To use technical or prof. knowledge and skills	0	6	2.4273402

Critical value: 2.734369

Figure 12: Internal Influence factors

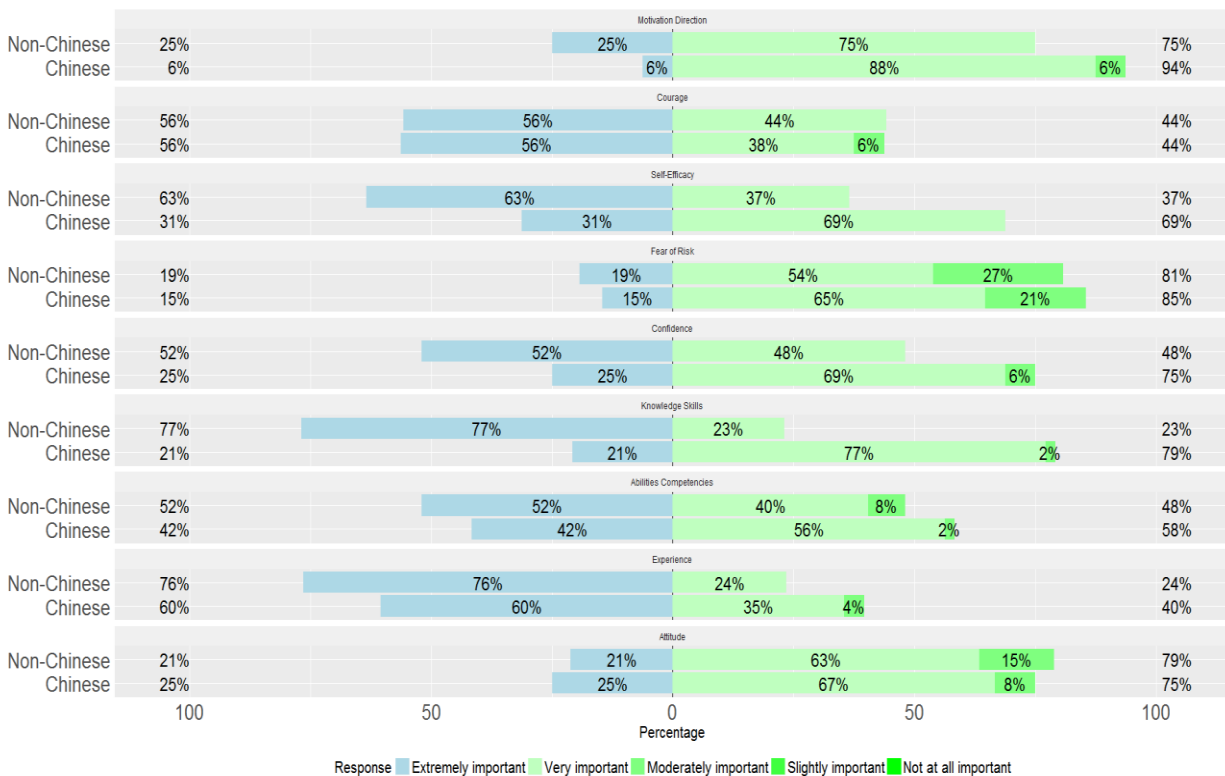


Table 12 Kruskal-Wallis rank sum test of figure 12

Kruskal-Wallis rank sum test
(Motivation Direction)
Kruskal-Wallis chi-squared = 8.7679, df = 1, p-value = 0.003066
(Courage)
Kruskal-Wallis chi-squared = 0.051176, df = 1, p-value = 0.821
(Self-efficacy)
Kruskal-Wallis chi-squared = 10.272, df = 1, p-value = 0.001351
(Fear of risk)
Kruskal-Wallis chi-squared = 0.022145, df = 1, p-value = 0.8817
(Confidence)
Kruskal-Wallis chi-squared = 8.906, df = 1, p-value = 0.002842
(Knowledge and Skills)
Kruskal-Wallis chi-squared = 31.325, df = 1, p-value = 2.183e-08
(Abilities Competitions)
Kruskal-Wallis chi-squared = 0.43267, df = 1, p-value = 0.5107
(Experience)
Kruskal-Wallis chi-squared = 3.2741, df = 1, p-value = 0.07038
(Attitude)
Kruskal-Wallis chi-squared = 0.80946, df = 1, p-value = 0.3683

Figure 13: External influence factors

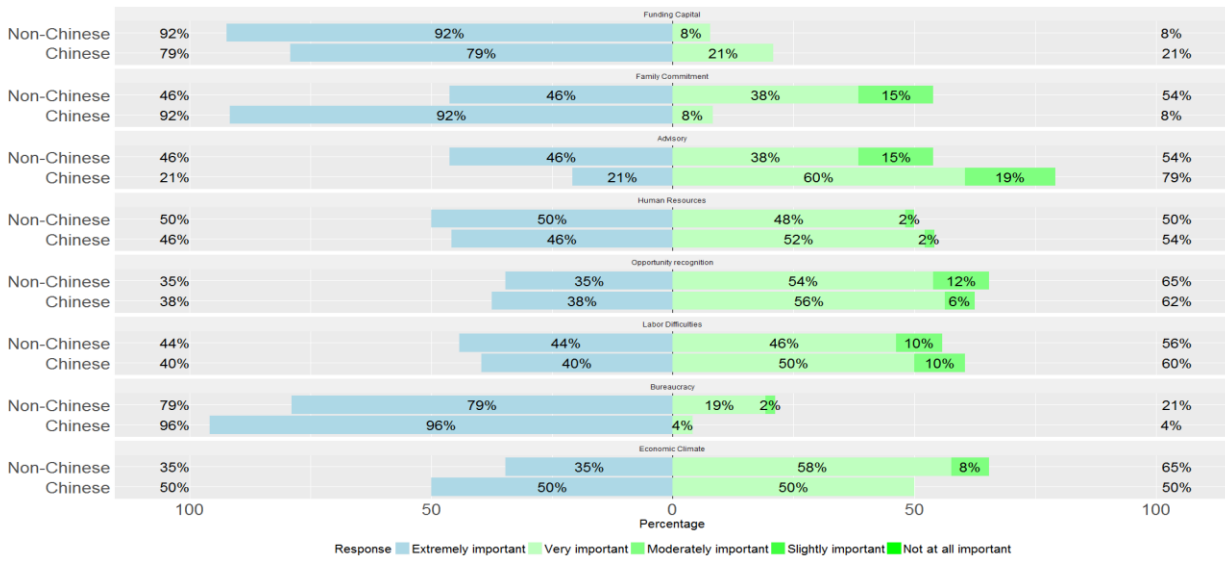


Table 13 Kruskal-Wallis rank sum test of figure 13

Kruskal-Wallis rank sum test	
(Funding Capital)	Kruskal-Wallis chi-squared = 3.5441, df = 1, p-value = 0.05976
(Family Commitment)	Kruskal-Wallis chi-squared = 24.184, df = 1, p-value = 8.756e-07
(Advisory/Mentorship)	Kruskal-Wallis chi-squared = 4.7759, df = 1, p-value = 0.02886
(Human Resource)	Kruskal-Wallis chi-squared = 0.16837, df = 1, p-value = 0.6816
(Opportunity recognition)	Kruskal-Wallis chi-squared = 0.34052, df = 1, p-value = 0.5595
(Labor Difficulties)	Kruskal-Wallis chi-squared = 0.19662, df = 1, p-value = 0.6575
(Bureaucracy)	Kruskal-Wallis chi-squared = 6.3555, df = 1, p-value = 0.0117
(Economic Climate)	Kruskal-Wallis chi-squared = 3.5679, df = 1, p-value = 0.05891

Figure 14 Prospects in future investment climate

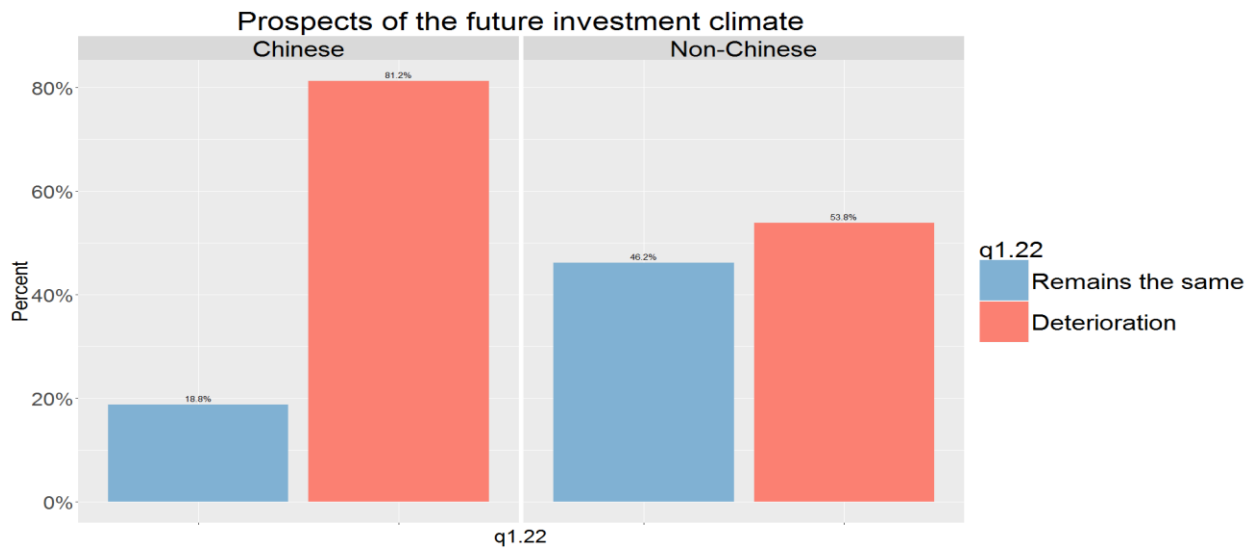


Figure 15: Economic outlook

