Strangers on the move.
Ethnic entrepreneurs as urban change actors.

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Abstract:

This paper aims to examine the critical conditions for success and failure for the new generation of ethnic entrepreneurs in the creative industries in modern Dutch urban areas, in terms of their entrepreneurial behaviour with a particular focus on their personal and business characteristics and their motivation and driving forces, which all determine their entrepreneurship and their business performance. An empirical application is presented, in which the results from an in-depth interview study of Moroccan entrepreneurs are discussed. The findings of our study show that, in general, these entrepreneurs are more open and are looking for new opportunities beyond the traditional markets using break-out strategies. This research study can help to explain how to achieve a better understanding of the important factors which influence entrepreneurial behaviour and activity, the business entry decision, and the creation process, and of the conditions for success and other factors that can have an effect on the performance of ethnic entrepreneurs in the Netherlands, within the broader context of entrepreneurship. This will have implications for various stakeholders such as other ethnic entrepreneurs, policy makers and business investors in this dynamic and promising business environment.

Keywords: ethnic entrepreneurship, urban change, strategic performance management, culture, creative industries
The Modern City as a Multicultural Melting Pot

Creativity, innovation and entrepreneurship are often mentioned in the current literature as critical success factors that spur economic development and growth. Lee et al. (2004) argue that entrepreneurship is often associated with creativity, and that creative and innovative regions enjoy a high level of dynamic entrepreneurship, so that creativity offers a positive stimulus for new firm formation in an open and flexible economy.

The development of today’s business environment, as well as of the modern global economy, has in recent years brought cultural, creative and innovative activities into a new focus, viz. the ‘New Economy’. It is often argued that the emergence of the ‘new paradigm’ of creativity, innovation and entrepreneurship (Matheson, 2006) is mainly due to the perceived international success of the creative sector1 (Marlet and Poort, 2005) and to Florida’s (2002, 2003, 2004) and Scott’s (2000) seminal work on Creative Industries (CIs) in modern cities. Entrepreneurship and innovation are two closely connected phenomena that are responsible for a nation’s, region’s or city’s economic growth and cultures. They lead to new forms of productivity and act as the engine of continued prosperity. Entrepreneurship is often found in the small and medium-sized enterprise (SME) sector, and hence it also offers new opportunities for immigrants with a business-oriented attitude.

Migration is one of the most studied subjects in the social and behavioural sciences, e.g. in demography, sociology, geography, economics. Several academics speak nowadays of the ‘age of migration’, and this suggests that mankind is structurally ‘on the move’. The age of migration has led to a different population composition of cities in the developed world. Most foreign migrants have tended to settle down in the urban areas – often in the form of ethnic or language clusters – and have created multicultural diversity in many European countries. Many foreign migrants appear to possess excellent entrepreneurial skills and are responsible for a flourishing SME sector in many cities. They are known as ethnic or migrant entrepreneurs. Ethnic entrepreneurship, which includes business owners, start-ups or takeovers originating from non-Western countries, including first- and second-generation (CBS terminology) ethnic

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1 The creative sector has two components: a) specific branches such as the arts sector, the media and communication sector, and the cultural sector; b) specific parts of all other economic sectors that specialize in the creation of new ideas, concepts, inventions, etc. (e.g. dedicated consultancy services, think tanks of corporate organizations, etc).
entrepreneurs, has become an essential dimension of ethnic minorities’ presence in modern cities (also raising the living standards of ethnic groups) and an important aspect of modern urban life.

In today’s open world dictated by global competiveness, cities are being forced to turn into heterogeneous settlements, with an unprecedented innovative, creative and cultural diversity – which are competitive assets to improve the socio-economic performance of cities – to shape a spectacular new and diverse urban design and lifestyle for accelerated economic growth. This new paradigm has prompted a trend for a creative, open and globalizing world and economy that includes social, cultural, and creative urban environmental factors (Matheson, 2006); these forces are open, diverse and dynamic (Florida, 2003, Peck, 2005). This leads to a new ‘urban imperative’: namely, modern cities must attract and retain (new) creative firms and people, as their aggregate efforts have become the primary drivers of the economic development of modern cities (Peck, 2005). On the regional level, cities offer through their agglomeration advantages (e.g. local identity, an open and attractive urban ‘milieu’ or atmosphere, use of tacit knowledge, the urban embeddedness of new business initiatives, and access to social capital and networks) a broad array of business opportunities for creative cultures, in which, in particular, self-employment opportunities and small- and medium-sized enterprises (SMEs) may play a central role in creating new urban vitality.

The ‘cultural and socio-ethnic pluriformity’ approach aims to determine the various impulses which stimulate many different ethnic groups to become engaged in the CIs by deploying urban space as an action platform and mobilizing all resources. This approach can significantly contribute to the economy by increasing the economic and cultural diversity of a city and reducing unemployment among immigrants. These cities become a multicultural melting pot: a society with people of different cultures, races and religions (Jacobs, 1961, 1969) and a magnet to deliver new ideas for the CIs and economic growth.

2. Modern World Entrepreneurship

In an open and global world characterized by an increasing urbanization, modern cities function as the habitat of international migrants and magnets of economic growth (Nijkamp, 2008), in which SMEs are a major source of new employment, economic growth, international competitiveness, business dynamics, creativity, and innovation in the global economy (Lee et al.,
According to the Commission of the European Communities (2002), SMEs are socially and economically important, since they represent 99.8 per cent of all enterprises in the EU, provide around 65 million jobs (67 per cent of Europe’s private-sector jobs are in SMEs), and contribute to entrepreneurship, creativity, and innovation (Lee et al., 2004).

Later, in our empirical analysis we will focus our attention on the Dutch system. Although the Dutch economy tends to be dominated by number of very big firms (e.g. Akzo Nobel, Shell, Ahold, Unilever, Philips, Heineken, Rabobank, ABN-AMRO bank, Aegon), a report about SMEs in Europe 2003 (Commission of the European Communities, 2003a) shows that 99.5 per cent of all companies in the Netherlands are SMEs with less than 250 employees (compared with 99.8 per cent of such companies in the EU), while SMEs employ 65.2 per cent of all employees (compared with 69.7 per cent of the persons employed in the EU).

Entrepreneurship has emerged as a significant organizational form, and one of the most important and dynamic forces shaping the changes in the global economic and social landscape throughout the world (see Wennekers et al., 2005). More than 50 per cent of Europeans would like to be self-employed, while less than 45 per cent prefer to work as dependent employees (European Commission, 2008). In the USA more than 50 per cent of the population prefer to be their own boss, and only 37 per cent prefer an employee status (European Commission, 2008). The increasingly vital role of SMEs in innovation – in both regional and national economic and social development and (international) competitiveness – has been widely acknowledged in the economic and entrepreneurship literature (Pavitt, 1990; Berry and Taggart, 1996; Oakey, 2007; Cooper and Park, 2008).

The notion of entrepreneurial competition was developed more than a century ago by Alfred Marshall (van Delft et al., 2000). Later, a really path breaking contribution to the analysis of entrepreneurship from a broad historical perspective was made by Joseph Schumpeter in his book *The Theory of Economic Development* (1934). He addressed in a more explicit way the critical role of entrepreneurs – driven by the gift to innovate and possessed by the dream and will to found a private kingdom – as an important driving force of economic progress in the theory and practice of economic growth and development. Schumpeter’s book *Business cycles* (1939) introduced entrepreneurship as the necessary condition to create innovations in a competitive economic system driven by profit motives. The entrepreneur is not a manager charged with routine activities, but a restless seeker – under uncertain conditions – for new combinations and
components in his activity portfolio, while leaving behind old production constellations (‘creative destruction’), thus creating discontinuities in economic life.

Practitioners and policy makers are well aware of the increasing importance of entrepreneurship in our society as a provider of new industrial creativity, innovation performance, and technological change, and as a key player for the well-being of local and regional communities (Jones-Evans and Klofsten, 1997; Bommer and Jalajas, 2002). They have developed various focused tailor-made policy (ethnic) strategies and used ethnic resources – including knowledge, institutions, skills, information channels, attitudes, leadership potential, solidarity, cultural values and solidarity – that favour new activities to encourage urban ethnic entrepreneurship, with a view to solving structural unemployment problems among many groups with a distinct cultural identity (van Delft et al., 2000).

Previous research relevant to the ethnic minority’s economy and entrepreneurship can be traced back in much of the earlier classic works of Weber (1930) and Sombart (1914). The birth of their concept ‘the stranger as trader’, combined with the social structure (work, family, social life), nationality, mobility and religion, has influenced subsequent empirical (case) studies and writings on ethnic entrepreneurs. Migrant entrepreneurs form a significant part of the SME sector in our modern cities, and have become a source of new economic opportunities for regions and cities. But it should be recognized that in various cases significant barriers do still exist (e.g. language and cultural barriers, skill levels, etc), so that a valid and intriguing question is: What are the critical success conditions for ethnic (or migrant) entrepreneurs (see, e.g., Bates et al., 2007) in the large urban areas. This calls for empirical research. Our field of application will be the Netherlands. This will be the focus of the present paper.

3. The New Dutch Economy: New Entrepreneurship

3.1 Introduction

New Entrepreneurship has emerged as one of the most challenging and growing sectors amongst ethnic minorities and migrants, and has become a popular broader concept – explained within the demand-supply relation (goods and services): ‘what customers want to buy and what immigrants can provide’ – in a modernizing multicultural society and open economy (van Light and Bonacich, 1988; Waldinger et al., 1990b). New Entrepreneurship contributes to the
development of integration and the great diversity in entrepreneurship in our modern social-economy (EIM, 2006).

Ethnic entrepreneurs in the Netherlands can be categorized in two groups: namely, Western immigrants originating from Europe (excl. Turkey), North-America, Japan, Oceania and Indonesia; and non-Western immigrants, originating from Africa, Asia, South- and Middle-America, and Turkey, i.e. not including Japan and Indonesia (EIM, 2007).

Over the past few decades, in many urban places across the Netherlands a remarkable change has occurred in the overall Dutch demographic and (ethnic) economic determinants of urban development as a result of the large influence of migrants, induced in particular by the rise of ethnic entrepreneurs. Today, first and second-generation migrants in the Netherlands comprise one-fifth of the total Dutch population –that means 3.3 million people with a foreign background from a total 16.5 million Dutch population – and this is expected to rise to 5.0 million in 2050 with a stable position in the job market (CBS, 2008).

Most migrants in the Netherlands come from a wide variety of places of origin such as the Mediterranean regions, particularly Turkey (0.7 per cent) and Morocco (0.5 per cent), and Surinam (1.2 per cent), the Dutch Antilles/Aruba (0.3 per cent) and China/Hong Kong (0.1 per cent) (EIM, 2007). Many of them were recruited in the 1960s and at the beginning of the 1970s for temporary unskilled/low-paid jobs which could easily be replaced by a succession of sojourners in traditional industries, e.g. shipbuilding, textiles (Waldinger et al., 1990a).

Today the dominant group of the migrant population (approximately 60 per cent) is formed by the non-Western migrants: Turks, Moroccans and Surinamese immigrants (who belong to either the first generation or the second generation); and the share of Western migrants in Dutch society is approximately 20 per cent (Odé, 2002; Ederveen et al., 2005; de Lange, 2007). There are considerable differences in terms of the demographic composition of the immigrant groups. The Turkish and Moroccan immigrants are rather similar regarding their demographic composition; on average, they have the lowest educational level, are unfamiliar with the Dutch culture and language, and are most often married.

However, Surinamese and Antillian have, on average, a higher educational level (yet not as high as that of the native population), are more familiar with the Dutch culture and language, and are more often unmarried. Compared with the indigenous Dutch population, all immigrant
populations have in common that they are relatively young, and most immigrants of at least 15 years of age are first-generation immigrants.

This general tendency of the New Dutch Economy: ‘New Entrepreneurship’ is very prominent in Amsterdam, which is considered to be a European Urban Region, and, with 177 nationalities, it is the most multicultural city of the world, as was indicated by of Kees Verhoeven, Director of the Amsterdam Society for Small and Medium-sized Companies, during a personal interview on ‘new entrepreneurship in Amsterdam’: ‘the world is mixed and so is the city of Amsterdam’. Because it offered better opportunities and network externalities, and had a more suitable business and job environment on the regional level, Dutch history has shaped more intense entrepreneurial activity for ethnic groups and entrepreneurship in Amsterdam than other cities (Brenner, 2000). However, according to Kees Verhoeven, there is a dividing scale paradox in neighbourhoods, as Figure 1 shows: Dutch and expats in the centre; Moroccans in the West; Surinamers in the South-east; ‘Black and White’ schools; and isolated networks (‘every kind has its own subgroup’). Thus, different groups do not meet on the streets, in schools or in social networks (no interaction but isolation in a melting-pot). However, the mixed neighbourhoods are disappearing slowly (gentrification).

Nowadays, the foreign population is mainly present in large cities with better businesses and jobs opportunities: and it has a high population density in urban areas which is found to stimulate the start-up of new firms, especially in the business-related professional services sector.

Figure 1: City of Amsterdam: Neighbourhoods with the most foreign nationalities
3.2 Migrant entrepreneurs in the Netherlands context: an overview

Immigrants form a heterogeneous group of people with an extreme diversity in terms of skills, education, innovativeness and business attitude. In the past, self-employment has been a source of economic survival (‘economic lifeboat’) for immigrants and ethnic minority groups ‘the stranger is the trader’ (a possible solution to their unemployment, by improving working conditions, and escaping discrimination and ‘integration and emancipation’ problems), but nowadays we observe an overwhelming impact of specific migrant groups on the regional and local economy.

The total number of businesses in the Netherlands has continued to grow from 925,800 to 939,799 (818,300 indigenous entrepreneurs, 74,500 Western entrepreneurs, 46,900 non-Western entrepreneurs) in the period 1999 to 2004 (see Table 1). The share of ethnic entrepreneurs in the total number of entrepreneurs increased from 106,800 (11.5 per cent) in 1999 to 121,400 (13 per cent) in 2004 (EIM, 2007). However, within these percentages, the total share of non-Western ethnic entrepreneurs in the Netherlands shows a consistent and strong growth in the period between 1999 and 2004 from approximately 32 per cent (30,200 first-generation, 3,900 second generation) to 39 per cent (40,100 first-generation, 6,800 second generation), while indigenous and Western ethnic entrepreneurs remained almost constant.

Table 1: Development of the number of firms in the Netherlands, 1999-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Native entrepreneurs</th>
<th>Western immigrants entrepreneurs</th>
<th>Non-Western immigrant entrepreneurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1st generation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2nd generation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1st and 2nd generation</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>819,000</td>
<td>72,700</td>
<td>30,200</td>
<td>925,800</td>
</tr>
<tr>
<td>2000</td>
<td>835,400</td>
<td>75,000</td>
<td>33,700</td>
<td>948,806</td>
</tr>
<tr>
<td>2001</td>
<td>845,100</td>
<td>77,200</td>
<td>38,100</td>
<td>965,900</td>
</tr>
<tr>
<td>2002</td>
<td>841,400</td>
<td>77,200</td>
<td>39,500</td>
<td>964,100</td>
</tr>
<tr>
<td>2003</td>
<td>842,300</td>
<td>77,300</td>
<td>40,700</td>
<td>966,799</td>
</tr>
<tr>
<td>2004</td>
<td>818,300</td>
<td>74,500</td>
<td>40,100</td>
<td>939,799</td>
</tr>
</tbody>
</table>


Table 1 shows that, in the last decade, the number of non-Western ethnic firms has considerably increased, in particular firms owned by the second generation has doubled from 3,900 firms in 1999 to 6,800 firms in 2004. This means that, in five years, there has been an
increase of more than 50 per cent of the second generation starting as ethnic entrepreneurs. They belong to traditional large migrant groups from Morocco, Turkey, Suriname, the Antilles and Aruba entrepreneurs.

In 2004 over 45,000 non-Western migrants entrepreneurs (first- and second-generation) started an enterprise in the Netherlands; that was 12,000 enterprises more than in 1999. Particularly entrepreneurs with a Chinese and Egyptian background (who are small minority groups) often start up their own business, followed by Turks and Surinamers, while Moroccans rarely set up their own firm.

Despite a high start-up rate of non-Western enterprises in recent years, the indigenous entrepreneurs have the highest survival rate, followed by Western entrepreneurs. The survival rate of non-Western entrepreneurs is relatively low, particularly for the first-generation ethnic entrepreneurs, due to low educational and professional preparation including lack of human capital (such as language skills), legal information, limited knowledge of the local culture, insufficient business experience (such as bookkeeping), and lack of entrepreneurial qualifications, e.g. poor design of a business plan, low access to business consultancy, an inadequate financial plan (Masurel et al., 2004). At least 38 per cent of the enterprises started up by non-Western entrepreneurs in 2002 still existed in 2006, while the survival rate of enterprises started up by indigenous entrepreneurs was 62 per cent, followed by Western entrepreneurs of 44 per cent. However, the survival rates of entrepreneurship among immigrants from different cultures and per economic branch also show a high dispersion and differ significantly (Tastan, 1999; Masurel et al., 2004).

Almost 70 per cent of the non-Western entrepreneurs in the Netherlands originate from Morocco, Turkey, Suriname, the Antilles and Aruba or China/Hong Kong (EIM, 2007). However, within this percentage, the relative growth of the self-employment rate is higher for Turkish immigrants (followed by the Surinamese immigrants) than it is for Chinese immigrants.

Table 2 shows that the largest group of immigrant entrepreneurs in the Netherlands, from both the first- and the second-generation, originate from Turkey, with 12,300 Turkish firms in 2004, followed by Suriname, with 7,700 Surinamese firms in 2004, all of which are more concentrated in large Dutch urban areas.
Table 2: Number of entrepreneurs (x1,000) specified by country of origin (includes both 1st and 2nd generation), 1999-2004

<table>
<thead>
<tr>
<th>Year</th>
<th>Turkey</th>
<th>Morocco</th>
<th>Netherlands/ Antilles</th>
<th>Suriname</th>
<th>China/Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>7.9</td>
<td>2.8</td>
<td>1.5</td>
<td>6.4</td>
<td>5.3</td>
</tr>
<tr>
<td>2000</td>
<td>9.2</td>
<td>3.3</td>
<td>1.8</td>
<td>7.1</td>
<td>5.7</td>
</tr>
<tr>
<td>2001</td>
<td>11.0</td>
<td>4.0</td>
<td>2.0</td>
<td>7.8</td>
<td>6.2</td>
</tr>
<tr>
<td>2002</td>
<td>11.5</td>
<td>4.3</td>
<td>2.1</td>
<td>7.9</td>
<td>6.2</td>
</tr>
<tr>
<td>2003</td>
<td>11.9</td>
<td>4.4</td>
<td>2.2</td>
<td>8.0</td>
<td>6.6</td>
</tr>
<tr>
<td>2004</td>
<td>11.8</td>
<td>4.6</td>
<td>2.1</td>
<td>7.7</td>
<td>7.0</td>
</tr>
</tbody>
</table>


However, in the period 1999-2004, the sharpest rise was among Moroccan entrepreneurs: namely, 61 per cent. The number of the Turkish and Antilles entrepreneurs has also strongly increased in that period by 56 per cent and 47 per cent, respectively, while the number of Chinese and Surinamers has grown by 32 per cent and 27 per cent, respectively (EIM, 2007).

For a long time, particularly the large Dutch conurbations and cities were places of settlement for major migrant groups of different national and cultural origin, because of better agglomeration advantages, e.g. a better business environment and employment; which is now an important strategic activity of modern cities and leads to the new ‘urban imperative’. Nowadays, almost 9 per cent of the ethnic entrepreneurs (21 per cent Western ethnic entrepreneurs and 39 per cent non-Western) are concentrated in Amsterdam, one of the four largest cities (here called ‘G4’: Amsterdam, Rotterdam, The Hague and Utrecht) of the Netherlands. The first-generation entrepreneurs form the largest group of non-Western entrepreneurs in the G4; the 2nd generation the smallest group.

Table 3 shows that the number of ethnic entrepreneurs in the G4 increased considerably more than the number of indigenous entrepreneurs. Almost one in three entrepreneurs in the cities of Amsterdam, The Hague and Rotterdam has an ethnic background, while in Utrecht less than one in four entrepreneurs is involved in ethnic entrepreneurial activities. However, in this growth, the number of non-Western entrepreneurs was stronger than the Western entrepreneurs, and the sharpest rise was particularly among the second-generation non-Western entrepreneurs.
Table 3: Number of entrepreneurs (x1,000) specified by group of immigrants in the G4 (1999, 2002 and 2004)

<table>
<thead>
<tr>
<th></th>
<th>Native entrepreneurs</th>
<th>Non-Western immigrant entrepreneurs</th>
<th>Western immigrants entrepreneurs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>31,3</td>
<td>33,3</td>
<td>33,7</td>
<td>5,8</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>16,8</td>
<td>17,4</td>
<td>17,2</td>
<td>3,5</td>
</tr>
<tr>
<td>Den Haag</td>
<td>13,8</td>
<td>15,6</td>
<td>15,3</td>
<td>3,0</td>
</tr>
<tr>
<td>Utrecht</td>
<td>8,1</td>
<td>10,3</td>
<td>10,3</td>
<td>1,0</td>
</tr>
</tbody>
</table>


The first-generation entrepreneurs are relatively more concentrated in the poor districts in Rotterdam, The Hague and Utrecht – where average house values are lower than in other districts – than are the higher-educated young ethnic second and third generations. Most of these enterprises are small businesses, mainly oriented towards their own ethnic niche markets – characterized by low barriers of entry in terms of required capital and educational qualifications, their informal nature, less formal ownership, small-scale production, high labour-intensity, and low added value. These businesses are in traditional sectors: the travel, clothing, hotel and catering sectors are still most popular (Waldinger, 1996; EIM, 2007).

The younger generation is, however, more open and is seeking new opportunities outside the traditional sectors and geographical areas – an external market orientation beyond their own ethnic group, which might offer better opportunities to serve target groups outside the Moroccan niche. They are attracted to new sectors, such as ICT, marketing, accountancy, global trade, real estate, consultancy, and leisure and recreation management agencies. Thus, they want to expand into high-volume trade by engaging in trade with indigenous entrepreneurs and other ethnic groups. Among the foreign entrepreneurs, the position of the second generation is much better than that of the first generation, because the second generation have been educated in the Netherlands and also participate more intensively in Dutch society. This means that they experience less barriers and problems than the first-generation foreign entrepreneurs.
The development of the distribution of the entrepreneurs by group of immigrants in these ‘metropolitan, industrial and rural areas’ – which are characterized by a high degree of dynamism, knowledge and creativity – is changing and enhancing the image of these areas’ interest in the potential of foreign entrepreneurs (the lead sector for accelerated economic growth) as major attraction forces and sources of strategies for economic growth.

Cities are now pursuing various diversity strategies, which have a strong influence on the self-employment propensities of different ethnic groups (Volery, 2007), in order to maintain the agglomeration opportunities that make their cities more accessible for all kinds of minority groups. In this way they can improve their position, satisfy their needs, and offer an attractive business location environment, and better financial activities and business services (by way of absorption and upward economic mobility) (Brenner, 2000). This is a major challenge to cities and policy-making bodies, especially in the context of sustainable local development.

It is noteworthy that ethnic entrepreneurs form a rather heterogeneous class. Thus, urban (ethnic) entrepreneurship and diversity policies are becoming segmental and tailor-made activities, in which minority groups and firms may play a critical role. Ethnic entrepreneurship has a variable trajectory with many opportunities, but also with many hurdles and failures (Nodoushani and Nodoushani, 1999). To identify these chances and barriers, more empirical fieldwork is necessary. Therefore, in the next section we will describe the results of a case study on one of the three largest ethnic groups which has had the sharpest rise in the absolute number of non-Western entrepreneurs and a relatively high birthrate: namely the higher-educated young Moroccan entrepreneurs in the ICT, legal services, media, financial, real estate, consultancy and marketing sectors concentrated in the G4.

4. Moroccan Entrepreneurs in G4: an Exploratory Investigation

4.1 Introduction

Nowadays, the Moroccan entrepreneurs show the sharpest rise in terms of absolute numbers of all the non-Western entrepreneurs, and have a relatively high birthrate in the Netherlands. Many of the survivors appear to be small-sized, relatively young, and active in small (ethnic) niches, and do not always have the expertise and know the right people in order to make the big
step towards an external market orientation. The question is then: *What are the critical success conditions for these ethnic entrepreneurs?*

In order to trace the opportunities and barriers for ethnic entrepreneurs, we recently made an in-depth field survey of a limited new set of rather representative Moroccan entrepreneurs in the G4. The G4 have a large share of most of the ethnic groups present in the Netherlands. Our study seeks to analyse the behaviour of the second-generation ethnic entrepreneurs of Moroccan origin in the G4 in terms of their entrepreneurial behaviour – with a focus on their personal and business characteristics and on their motivation and driving forces, which all can explain their entrepreneurship and business performance. Our database is a limited sample of 24 ethnic entrepreneurs of Moroccan origin (8 females and 16 males) selected from a group of creative and innovative ethnic entrepreneurs in the business-related professional service sectors with a higher educational level and skills, and who are different from the traditional ethnic niche in terms of their products, services and communication channels.

**4.2 Personal characteristics of Moroccans entrepreneurs in the G4**

The average age of entrepreneurs of Moroccan origin who participated in the research is between 35-39 years (33 per cent) and they are mostly male (67 per cent). Most of the Moroccan entrepreneurs are married (75 per cent) and have children (37 per cent); while the unmarried Moroccan entrepreneurs (25 per cent) do not have children, which could be explained by their lack of marital status.

When the country of birth is taken into consideration, Figure 2 (see point C) shows that the majority of the Moroccan entrepreneurs were born in Morocco (67 per cent) and came to the Netherlands between 1971 and 1980 (54 per cent); and 29 per cent were born in the Netherlands.

The majority of the Moroccan entrepreneurs (92 per cent) achieved their educational attainment in the Netherlands and speak both Dutch as well English fluently (see Figure 1, point A). Depending on their arrival year, which was younger than 12 years (the border between primary and secondary education), and educational attainment in the Netherlands, the majority of the entrepreneurs (70 per cent) fall in the category of the second-generation (see also Veenman, 1996; Masurel and Nijkamp, 2004). The majority of the Moroccan entrepreneurs (58 per cent) have a high level of vocational education (HBO) and university education (WO), followed by
those with a post-doc level (21 per cent), and the rest had a middle level of vocational education (17 per cent) (see Figure 1, point B).

Figure 2: Personal characteristics of higher-educated young Moroccans entrepreneurs in the G4

4.3 Motivation and driving forces of Moroccan entrepreneurs in the G4

Figure 3 shows that the majority (63 per cent) of the Moroccan entrepreneurs were students before they started their own business, and 17 per cent were already active as entrepreneurs (17 per cent) in their previous position (see Figure 3, point E). This shows that unemployment has not pushed the majority to become self-employed as a means of economic survival.
Their previous experience of entrepreneurs through their studies and employment (75 per cent) and, moreover, their obtaining this kind of experience in a similar sector to their own (83 per cent) motivated them to start their own business (see Figure 3, points E and F). Depending on their previous experience and sector choice, the main reasons to become entrepreneurs came from the desire to be independent and their own boss (80 per cent), followed by extra income and the ambition to be a leader (20 per cent) (see Figure 3, point D). More than 75 per cent of the Moroccan entrepreneurs have chosen to be active in a sector similar to that in which they had their work experience and because of the market opportunities and high demand in that sector, while the other 25 per cent of the entrepreneurs have chosen this sector because of their educational background and interest (hobby).

However, the majority of the Moroccan entrepreneurs (71 per cent) had no or an inadequate business plan to start up their own business (lack of entrepreneurial qualifications) (see Figure 3, point B); factors such as sources of capital and information show that 67 per cent of the entrepreneurs have used their own capital, and 54 per cent used their own experience, while 17 per cent obtained information from family and relatives (see Figure 3, points A and C). On the other hand, 29 per cent of the entrepreneurs had a very detailed financial plan to start up their own business, and had obtained financial capital and information from formal institutions and fellow entrepreneurs, as well as from family or friends (34 per cent). Although, less than 21 per cent of the entrepreneurs had a family member who is an entrepreneur, factors such as capital and information sources show that entrepreneurs are quite independent of their family or friends.

The current situation of the dynamic sector was evaluated by the majority of the entrepreneurs as attractive (79 per cent), and as having a growing and promising structure (71 per cent) with scope for sustainability, specialization, new innovative techniques of services and products and less intense competition. 71 per cent of the entrepreneurs mentioned that the share of Moroccans in the sector is increasing, but 4 per cent claimed that their share is decreasing. Almost 30 per cent of the Moroccan entrepreneurs stated that their total orders had slightly decreased because of the financial crisis and government spending cuts. But they are positive and see this as temporary, because they are convinced that the information and communication technologies (ICTs) will probably always play an increasingly significant role in all industries by supporting their business and marketing strategies and internal and external business processes.
4.4 Business characteristics of Moroccan entrepreneurs in the G4

Figure 4 shows that the surveyed Moroccan businesses from the creative industries belong to the following sectors: consultancy and research (38 per cent), ICT (37 per cent), marketing and sales (13 per cent), and real estate and entertainment/music (12 per cent) (see Figure 4, see point
C). When the foundation year of the enterprise is taken into consideration, the findings show that more than 50 per cent started their own small-sized business after 2006 – mostly in sole proprietorship (88 per cent) with less than 5 employees (38 per cent) – while 8 per cent of the entrepreneurs started their business in 1990 (see Figure 4, points A and B). It is very interesting to observe that Moroccan entrepreneurship began in 2001, at 38 per cent.

4.5 Strategic Business Performance of Moroccan entrepreneurs in the G4

Figure 5 shows that the Moroccan entrepreneurs experienced a positive development in their business performance results last year (2008). Almost 75 per cent of the businesses had an increase in sales, while 8 per cent of the entrepreneurs experienced stable sales results in 2008 (see Figure 5, point D). The profit of the previous year shows that 67 per cent of the businesses had a positive profit; while 13 per cent did not see any changes in their profit (see Figure 5, point C). In order to stay ahead, and remain competitive under various conditions, they have become
very critical and use more formal practices. This formal approach increases the focus on the management of the business which not only reflects the growing diverse and dynamic business environment today, but also helps to monitor the firm’s strategic response to this complexity. More than 50 per cent of the entrepreneurs regularly adapt their organizational growth strategies in response to market and economic conditions (see Figure 5, point A).

63 Per cent want to provide higher quality and innovative products and services, and 25 per cent want to focus on professionalization (viz. improvement in the organizational and management structure and attracting high-skilled employees) and market expansion; the remaining 13 per cent want to focus on specialization to achieve strategic and organizational goals and a better alignment of individual objectives to organizational objectives, in order to improve the performance of the business and to ensure a sustainable competitive advantage with regard to its chosen organizational strategies, in a dynamic environment (see Figure 6, point B).

![Figure 5: Strategic Business Performance of higher-educated young Moroccan entrepreneurs in the G4, in 2008](image-url)
Figure 6: Employees and clients of higher-educated young Moroccan entrepreneurs in the G4

4.6 Composition of employees and clients of Moroccan entrepreneurs in the G4

Figure 6 shows that the Moroccan entrepreneurs are not dependent on customers and labour from their own ethnic group in their business environment, because they do not really offer specific ethnic products or services. More than 50 per cent indicated that their target group is Dutch natives and others (such as particular sectors, firm-size, females, governments, etc), while 42 per cent indicated that they do not have a target group (see Figure 6, point B). This applies particularly to Moroccan entrepreneurs in the ICT sector, where their products and services are not related to the needs of a particular (ethnic) group. Therefore, more than 60 per cent of the entrepreneurs mentioned that they actually preferred to hire Dutch employees and 8 per cent of the entrepreneurs do not have any Moroccan employees (see Figure 6, point D).
A few Moroccan entrepreneurs (8 per cent) indicated that their target group is Moroccan clients. Therefore, only 21 per cent of the entrepreneurs explained that they needed to have Moroccan employees because of their Moroccan target group (see Figure 6, point C).

The composition of the clients also shows that more than 90 per cent of the entrepreneurs have a clientele who consist of 80 per cent native-Dutch and other clients, while the minority of the entrepreneurs (8 per cent) have a clientele who consist of 80 per cent Moroccans and 20 per cent native-Dutch (see Figure 6, point A). The overall evaluation is that the majority of our case-study Moroccan entrepreneurs in the creative industries serve a large group of native clients and provide an employment opportunity for 121 people, who are mainly not from their own ethnic group (71 per cent are non-Moroccan employees).

4.7 Participation in social networks and support from Social Capital of Moroccan entrepreneurs in the G4

Figure 7 shows that the majority of the entrepreneurs (84 per cent) make extensive use of their own social networks (for information, questions, promotions, shared experiences, recruitment of cheap and loyal labour, involvement in the decision making, cooperation, advice on the amount of crucial resources for the desired growth strategies, the ownership of multiple businesses, and the expansion of their own network) within their own ethnic groups through friendship and shared community of origin in their destination areas (on the local level) (see Figure 7, point A). Only 17 per cent of the entrepreneurs make use of formal social networks, and do not really participate in the informal networks (17 per cent) (see Figure 7, point B). Nevertheless, they still see the informal social networks as a valuable and important asset, which contributes to increased flexibility in strategic decision making (see also Rusinovic, 2006), and a central source of ‘social capital’ (see also Massey, 1988). The relationships among these entrepreneurs, and the interaction and connections within their social networks and their shared values, shared challenges and equal opportunities within specific cities/regions, enables them to commit themselves to each other. These relationships are based on a sense of trust, tolerance, hope and norms of reciprocity among the entrepreneurs.
The alpha coefficient ($\alpha_i$) > 0.6 (0.703; 0.678; 0.751, and 0.622, respectively, for Personal Characteristics (PC), Participation and Support Social Capital (PSSC), Motivation and Driving Forces (MDF), and Business Performance (BP)) showed that the measurement scales used in this research are adequately reliable (van der Velde et al., 2000).

In general, the empirical results of our case study research shows that the second-generation Moroccan entrepreneurship in the Netherlands began after 2001. Nowadays, the higher-educated young Moroccan entrepreneurs are focusing on non-traditional and fast-growing sectors and operate in a volatile environment with continually changing technologies, markets, and business strategies, and shifting consumer needs for products and services, which differ widely on the national, regional and local level (Boissevain et al., 1990) and offer business opportunities on different geographical scales (Razin and Light, 1998).

However, the majority of these entrepreneurs still make extensive use of their local informal social networks, with whom they have a strong common interest, and see these as an important and central source of ‘social capital’, which may confine the desire to grow their entrepreneurship only to within the ‘melting pot’ communities. In the long run, however, the lack
of formal commitments and expectations will result in failure to meet the members’ needs (no formalized network structure). This will not help to bridge the gaps that exist between the various ethnic entrepreneurs in their local social network and (other) formal networks, institutions or groups in Dutch society (on the local, regional and national levels), all of which build confidence and lead to increased awareness, knowledge and trust. As Putnam (2000) stated: ‘a society of many virtuous but isolated individuals is not necessarily rich in social capital’.

Therefore, isolation brings limitations in, for example, network, cooperation, break-out strategies, viz. local clients are not big spenders; city clients do not visit their area; and less new product-market combinations are developed. The isolated (migrant) entrepreneurs do not make use of opportunities from formal organizations, governments, financial institutes and potential partners on the local, regional and national levels, which creates loners in the crowded melting pots; particularly migrant entrepreneurs do not find it easy to make their way in the complexities of modern society. However, migrants are proud, work hard, offer good service, have loyal customers and are always open to new markets.

4.8 Problems facing and variables contributing to the success of Moroccan entrepreneurs

The majority of our case study Moroccan entrepreneurs (62 per cent) have not faced any problems in running the business that impede growth and success in a challenging and dynamic business environment. However, 38 per cent of these entrepreneurs are having to cope with critical problems which are also quite commonly experienced by native-Dutch entrepreneurs. There are seven main types of problems:

1. A confusing and complex tax structure, overregulation (long delays in getting approval for trade licences and business registration), and government policies (relating to working hours, labour relations and working conditions) which are to be often overly complex and unclear;

2. Difficulties with the implementation of strategies and formulation of goals: a better achievement of organizational goals is possible, but the operational objectives have to be translated into better and clearly measurable key performance indicators (KPIs) and undertaken actions, which are related to strategic objectives. There has to be a constant
focus on the questions: ‘What do we want to do?’; ‘What are we doing?’; ‘What are the real priorities and real focus points?’; and ‘Is it feasible and how to deliver it?’;

(3) the inability to maintain an accurate internal business process and administration;
(4) the difficulty of attracting good and well-skilled employees;
(5) the challenge of offering quality products and services for a broader group of clients and in broader markets (strong competition);
(6) the need to reduce the overall costs; and
(7) the limited access to financial capital from governmental and private institutions that is so essential for continuous business and sustainable development in order to become and remain world-class players in everything they do (to empower their strategic position in the market). Therefore, they must rely on resources from family and friends or use their own savings to meet their financial needs.

The most important variables that contribute to the success of our case study Moroccan entrepreneurs are their:

⇒ growing (new) social network;
⇒ strong motivation, enthusiasm and persistence;
⇒ strong reputation of the organization as a high quality and honest firm with a lot of personality and expertise;
⇒ high-quality of customized services;
⇒ wide language ability;
⇒ strengths in business and managerial skills; and
⇒ higher result orientation.

All these variables have to do with improving the quality of management and processes and thus achieving successful organizational results.

A daily preoccupation for these firms is managing real value drivers (quantitative as well as qualitative) behind the business with a continuous strategic planning process, combined with a learning and thinking process for value-creation and achieving organizational results. Thereby, it is important to clearly communicate the KPIs (i.e. empowerment), which brings transparency to
the accountability and responsibility of people and leads them to better action-orientation and improvement of strategic planning and to gaining a competitive advantage.

Through improved and intensive communication, knowledge share and exchange, and cooperation, these entrepreneurs can get early warning of potential problems, and thus can understand better how to improve their business strategy, which reduces ad hoc work, lowers costs and increases profit. Better steering and execution, which, by using specific concepts and taxonomy that everyone is expected to know, helps people to take a consistent business direction, and to consider how to improve things, and to have a better focus on issues that are important for the organization and its shareholders.

5. Statistical and Multiple Regression Analysis

Using a multiple regression analysis, a structural relation model can be created from the following factors: personal and business characteristics (PC and BC), and motivation and driving forces (MDF), Participation in social networks and support from social capital (PSSC), and strategic business performance (SBP) (Figure 7). This model is constructed to identify the various relations between the factors. In this respect, several hypotheses can be made, such as: (1) there is a significant relationship between personal and business characteristics (PC and BC) and business performance (BP); (2) there is a significant relationship between motivation and driving forces (MDF) and business performance (BP); and (3) there is a significant relationship between participation and support from social capital (PSSC) and business performance (BP). Hence, we can write:

\[ \text{Ln BP} = \alpha \text{Ln MDF} + \beta \text{Ln PSSC} + \gamma \text{Ln PC} + \varepsilon \]

An ethnic entrepreneur is endowed with human capital PC which increases the ability to understand how to steer a business in a challenging and turbulent business environment. This may at a particular stage lead to a higher BP in growth in employee numbers, sales turnover, and value of capital assets.

The migrants benefit from their previous employment experience before starting their own business, and those who are already entrepreneurs benefit from their years as businessmen or -women in similar challenging industries and sectors MDF, which makes them more highly-orientated forwards business growth, and subsequently the achievement of a higher BP.
Naturally, an ethnic entrepreneur will build up, and make an extensive use of, local level personal and social relationship capital $PSSC$ to create competitive advantages to further successfully improve their economic and business performance and the related business objectives $BP$. Figure 8 depicts the results of the multiple regression analysis.

![Structural relations model](image)

**Figure 8: Structural relations model**

Note: The figures show how strong the coefficient of correlation of statistical relationships are between the random variables.

Figure 8 shows that the PC factor has significant positive relations with PB (see also Hisrich et al., 1997), and no significant relations with the other factors. The explanation for this is that human capital (such as age, arrival year, level and place of formal education, a very well-integrated individual, business strengths and managerial skills in generating ideas and dealing with people, management styles (e.g. in terms of mutual empowering, collaboration, sharing of information), and language ability) positively maximizes the entrepreneurs’ ability:

- be more aware of changes in the business environment;
- to understand how to manage the business;
- to develop and execute effective strategies and related determined objectives;
• to seek informal networks and financial capital;
• to get access to the information necessary to discover, evaluate and exploit (profit) opportunities and possibilities for market expansion in the dynamic business environment (i.e. become more conscious of the reality of the business world); and
• to translate this information into strategic decisions for growth (e.g. decisions to grow, improve and innovate) which shows greater renewal and clarity in their strategies.

It seems reasonable to assume that a higher business performance (e.g. growth in numbers of employees, sales, turnover, value of capital assets) will occur:

• when the entrepreneurs have arrived very young and achieve their high educational attainment in the Netherlands and speak the language very well; have a higher ability to be involved in all areas of business activities;
• think from different perspectives to achieve organizational objectives and innovations without personal and financial consequences;
• are better focused on strategic planning; and
• understand how to manage their business in a dynamic market (high quality of entrepreneurs with knowledge and modern skills).

There is no significant relationship between the BC, and the other factors. From this result it can be inferred that the BC are closely linked to specific business performances, and are more stand-alone.

However, there are several significant relations between MDF, PSSC, and PB, specifically between MDF and PSSC, between MDF and PB, and between PSSC and PB. These factors can be interpreted as mutually-reinforcing pairs.

The success and economic survival BP of the entrepreneurs depends not only on their PC. In addition, MDF and PSSC also have a positive relationship with the BP of Moroccan entrepreneurs. This concerns their previous position before starting their own business, the entrepreneur’s years of prior experience in a similar (growing and attractive) industry (see also Storey, 1994; Glancey et al., 1998), and the information they receive from social family and relatives. The entrepreneur’s previous educational attainments and work experience in the long run (learning-by-doing) in a similar type of business (see also Chell et al., 1991; Box et al., 1995
Schiller and Crewson, 1997), coupled with an innovative and positive entrepreneurial attitude (e.g. being a hard worker, acceptance of risk, loyalty, participating in a strong social network) and motivation (e.g. being ambitious, wish to be their own boss), and strengthened involvement and commitment to the strategy to meet their strategic (personal) objectives, are all dominant predictors of a higher orientation on business growth, and subsequently the achievement of higher business results. In turn, this strong focus will increase the capability of their business to achieve its financial results and strategic goals and objectives.

However, there is also a significant relationship between MDF and PSSC, that is, motivation factors (e.g. achievement, self-confidence and satisfaction, the search for independence, locus of control (pull factors)) and supportive environmental factors (e.g. attractive and growing industry sector, and sources of information and finance) help Moroccan entrepreneurs to exert themselves and create dynamic businesses.

The entrepreneurs (with their motivational driving forces) make extensive use of their informal advisory and mentoring supportive relationships to create competitive advantages, such as informal advice and relevant contacts. These social support (ethnic) networks motivate them to start up their own business, and can help by delivering a number of important resources to overcome the disadvantages and obstacles which the entrepreneurs face that impede growth, success, and personal fulfillment in a challenging and dynamic business environment (see also Fraser, 1995; Wheeler, 1995).

The influence of strong ethnic informal social networks is often intense and reaches further, because these networks are based on (ethnic) business associates, and on family and friendship networks in which these entrepreneurs participate and are an intrinsic part of their lifestyle (see also Light et al., 1993). These networks are strongly involved in their entrepreneurship and still massively influence the decision-making process of these entrepreneurs concerning, for example, self-employment and selection of localization.

They use different functions of their personal and social relationships (informal advisors and mentors, (ethnic) business associates, family and friends) to access important information resources, lower cost via trust, and support in quick and efficient decision making and related collective action in order to successfully further their economic (i.e. mass of potential customers) and business performance and their related business objectives (see also Hisrich and Brush, 1987), and to identify new opportunities and transform these into new commercial business ideas.
for market expansion. This creates a challenging social environment to develop and establish (new) networks among these entrepreneurs who are constantly interacting – via information flows between newcomers and settlers (see also Waldinger, 1994). Such networks generally serve as platforms for further exchange of information, experiences and interests, growth and fruitful cooperation between businesses.

It seems reasonable to assume that what makes Moroccan entrepreneurs more capable of managing their business successfully is:

- when they have been involved for a long time in a similar type of business to that in which they gained knowledge and managerial skills through education and work experience and an increase in their ability to recognize relevant (re)sources (information) to solve problems, supported by reliable environmental factors such as source of (informal) information (channels), contact networks, low-cost financing and cheap personnel, training and skills, customers and suppliers, competition, and dedicated government policies (see also Boissevain et al., 1990), and
- when these entrepreneurs have access to training courses and workshops on entrepreneurial development and improvement.

All these advantages lead to a better focus on the survival and growth (path) of the firms, e.g. in terms of turnover, profit, number of employees (Santarelli and Vivarelli, 2007), and, the entrepreneur’s satisfaction and expectations (Cooper and Artz, 1995).

On the other hand, BP, such as profitability, revenues and sales growth, and the provision of higher quality and innovative products and services, also has a significant influence on MDF.

It seems reasonable to assume that the positive business results obtained by achieving successful strategic goals and objectives make it possible for entrepreneurs, as well as their informal advisors and mentors, to become more enthusiastic and satisfied, and have a better focus on, and, be connected and committed to, the strategic goals and objectives. If they can pro-actively achieve these goals and deliver more and better performances (positive reinforcement), this will also increase the capability of the business to achieve its financial results and organizational goals and related objectives.
6. Conclusion and Implications

The research described in this paper has focused on answering the question: What are the critical success conditions for higher-educated young Moroccan entrepreneurs in the G4? On the basis of field research conducted at 24 prominent Dutch-Moroccan businesses in the creative industries, it was possible to discover more about the success factors of the ‘new generation of Moroccan entrepreneurs’ in the four big cities in the Netherlands (the G4: Amsterdam, Rotterdam, The Hague, and Utrecht), which have a rich variety of migrants entrepreneurs. In order to provide a comprehensive answer to this research question, the following variables were considered: human, social and business capital, and the motivation and driving forces of the second-generation Moroccan entrepreneurs in the creative industries.

The new generation of Moroccan entrepreneurs is very well-educated and integrated in the Dutch community (very familiar with the Dutch culture and speak the language fluently). Hence, with their very good previous study and work experience in a similar type of business, coupled with innovative and positive entrepreneurial attitude and motivation, they have the ability to be involved in all areas of business activities, thinking from different perspectives in order to achieve their organizational objectives and innovations without personal and financial consequences. All this contributes to a higher economic and business performance and success level for the younger Moroccan entrepreneurs.

Moroccan entrepreneurship in the Netherlands started mainly after 2001, and there was an enormous increase in start-ups of small-sized enterprises with less than five employees after 2006, in particular in the service sectors, such as ICT and consultancy and research.

The critical factors cited as pulling the younger generation of Moroccan migrants to become entrepreneurs are the market opportunities and possibilities, as well as the growing and promising structure of the business environment with scope for sustainability, specialization, new innovative techniques of services and products, and less intense of competition in the sector, which all differ widely on the national, regional and local levels and offer many business opportunities on different geographical scales. All these factors are supported by the young entrepreneurs’ reliable social capital in the form of family and friends who provide them with (informal) advice, information, workshops on business development and improvement, and make them more capable of managing their business successfully. However, it is important for these
entrepreneurs to realize that in their decision-making process, the (informal) social networks may confine the desire to grow their entrepreneurship only to within the melting pot communities. Therefore, to benefit from potential formalized social capital, diversity and business opportunities demands a high level of interaction and connection within various social networks and between the individuals within and across cities/regions.

The most important factor that contributes to the success of the entrepreneurs is the strong reputation of the organization as a high quality and honest firm with a lot of personality and expertise. To grow a (new) social network requires strong motivation, enthusiasm and persistence, factors which were also cited as critical success variables. In running their business, only a few entrepreneurs faced that impeded growth and success. Their main problems are: overregulation, concerning, for instance, long delays in getting approval for trade licences and business registration; the challenge of implementing strategies and formulating goals; the need to maintain an accurate internal business process and administration; the difficulty in attracting good and well-skilled employees; and their limited access to financial capital.

It became clear that motivation and driving forces and human and social capital have a significant relationship with entrepreneurship business performance, which is linked to success. Thereby, motivation and driving forces have to do with the ability to recognize and get access to the information necessary to discover, evaluate and exploit (profit) opportunities and possibilities, and to integrate this important and crucial information into strategic decisions for growth (viz. thinking from different perspectives and implementing and understanding their business strategies), which all require proactive involvement in all areas of business activities, and yield higher organizational results.

Furthermore, the social capital, based on (ethnic) business associates, family and friendship networks, has to do with helping to deliver a number of important resources for tackling the disadvantages and obstacles which the entrepreneurs face that impede growth, success, and personal fulfillment; and is also concerned with identifying new opportunities and transforming these into new commercial business ideas for market expansion to successfully further their economic and business performance in terms of profitability, revenues and sales growth, and the provision of higher quality and innovative products and services, all of which also had an significant influence on motivation and driving forces and social networks.
The business characteristics turned out to be stand-alone (i.e. they are not related to the other factors). The research also showed that the motivation and driving forces and social capital form several mutually-reinforcing pairs which strengthen the business capital to be successful in practice in order to maintain a firm’s competitive advantage in today's turbulent and challenging business world.

The general results of our study show that the younger generation of Moroccan entrepreneurs are more open and are looking for new opportunities beyond the traditional markets (economic expansion). They want to expand their market domain through break-out strategies, by offering high quality products and services for a broader group of clients and markets, outside their own indigenous ethnic group.

This research study can help to explain how to achieve a better understanding of the important factors which influence entrepreneurial behaviour and activity, the business entry decision and the creation process, and the conditions for success and other factors that can have an effect on the performance of ethnic entrepreneurs in the Netherlands, within the broader context of entrepreneurship. This has implications for various stakeholders such as other ethnic entrepreneurs, policy makers and business investors in this dynamic and promising business environment.

There are several limitations to the research. One is that the sample size of the research was relatively small. Another limitation is that this research is not a longitudinal panel study. Such studies would be able to better examine the developments and shifts in the relations between human, business and social capital and the motivation and driving forces of the Moroccan entrepreneurs in the services sectors. Further research is necessary on the various success conditions depicted in the relation framework, comparing findings between nations, and between genders.

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