

The impact of mixed embeddedness on the creation and growth of Chinese ethnic entrepreneurship in Indonesia

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A thesis submitted in partial fulfilment of the
requirements for the degree
Doctor of Philosophy

2018

Abstract

Ethnic entrepreneurship research has suggested that entrepreneurial activity is part of Chinese heritage, and hence entrepreneurship is attributed to the overseas Chinese diaspora. Furthermore, research suggests a link between Chinese ethnicity and entrepreneurial growth. Kloosterman (2010) transcends such essentialisation of ethnicity by pointing to the importance of the ‘institutional support’ as well as the ‘opportunity structures’ (‘meso environment’) for ethnic entrepreneurship to flourish. This thesis develops the ‘Chinese ethnic entrepreneurship in Indonesia’ model that identifies factors that have been a fundamental driving force of the entrepreneurial success of Chinese Indonesians. This model extends the ‘mixed-embeddedness’ framework developed by Kloosterman (2010).

Mixed-method research has been adopted in this thesis. A survey was distributed to Chinese ethnic entrepreneurs, their employees, and family members. In total one hundred and sixty-four completed surveys were returned. To test the model, hypotheses were developed, Structural Equation Model (SEM) tests were conducted, and the results were analysed. In the second phase of the research, ten qualitative interviews were conducted to corroborate the findings from the survey stage.

Findings indicate that micro, meso, and macro environments all interact with each other with the support of the concept of ‘sinyong-trust’, and there are a number of heterogeneous factors shaping entrepreneurial creation and growth. The results of the analysis indicate that Chinese Indonesians have been able to build their strong entrepreneurial presence in Indonesia due to heterogeneous circumstances, and no single factor can explain this.

Discriminatory regulations, supported by the personality trait of seeing market opportunities, contributes to the process of creating new businesses. In addition, family support plays an important role during the initial stages of a business life cycle. Moreover, opportunity structures through the existence of ethnic markets and wider non-ethnic markets as well as access to business ownership also influence the process of business creation. For some of the entrepreneurs, family support takes a form of family expectations that direct Chinese Indonesians to the entrepreneurial field. Social capital in a form of *guanxi*-networking in its bonding form of co-ethnic support and bridging form of links to the government indeed have been found to support sales and profit growth of the Chinese entrepreneurs. In addition, the Confucian values of hard work and harmony also influence financial growth of the businesses under investigation.

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CHAPTER 1: INTRODUCTION

1.1. Research Purpose

The main purpose of the following thesis is to learn about the role of ‘mixed embeddedness’ for Chinese ethnic entrepreneurs in Indonesia. The research is designed and conducted to assess the importance of the concept of mixed embeddedness, as well as ‘push’ and ‘pull’ factors and their role in the entrepreneurial process. In addition, I investigate if ‘social capital’, through its ‘bonding’ and ‘bridging’ characteristics, has been an important factor that supports the creation and growth of Chinese ethnic entrepreneurs in Indonesia. This research investigates the important contributors that are believed to influence the way in which the Chinese minority in Indonesia runs business ventures. Moreover, investigating the role of the personality traits of entrepreneurs and Chinese Indonesian cultural values in the business process allows drawing complete conclusions about the various factors shaping success of the Chinese minority in Indonesia. In addition, as ethnic entrepreneurship research is rather a young field and lacks sufficient depth (Edelman et al., 2010), this research deepens existing knowledge about ethnic entrepreneurs. In addition, knowledge about Chinese ethnic entrepreneurships in Indonesia is rather weak (Koning, 2007); therefore the findings can help fill the existing knowledge gap.

1.2. Research Question

The research question is the most important aspect of the research, the base that shapes the entire project. It ‘provides the focus and direction for the study’ (Blaikie, 2009, p. 42). As a result, decisions about the design of the research, including its

philosophy, epistemology, and ontology, are based on the research question and its purpose. The research question for the following thesis is:

What is the impact of mixed embeddedness on the creation and growth of Chinese ethnic entrepreneurship in Indonesia?

1.3. Research Objectives

The thesis is driven by several research objectives:

1. To develop a model of Chinese entrepreneurship in Indonesia by evaluating the role of micro, meso, and macro environments with creation and growth of business enterprises in Indonesia.
2. To test the interdependence of social capital bonding and bridging forms.
3. To place Kloosterman's mixed-embeddedness model in the Indonesian context.

The objectives are achieved by collecting information from a sample of Chinese ethnic entrepreneurs as well as their key employees and family members. The project features a mixed-method research design. In the first stage, surveys are distributed to respondents, and the results of the survey are analysed through qualitative interviews.

1.4. Contributions

1.4.1. General contributions

As entrepreneurship research is a relatively young field (Sternberg and Wennkers, 2005) and the discipline is described as 'being in early stages of development' (Doyle Corner and Pavlovich, 2007, p. 288), it is an interesting research area. Chinese ethnic entrepreneurship in Indonesia offers a lot of potential contributions to the whole field. It is expected that the following research will contribute to theory development not

only in the sub-topic of Chinese ethnic entrepreneurs but for the whole field of ethnic entrepreneurship research.

1.4.2. Specific contributions

Similarly to research on entrepreneurship, the field of ethnic entrepreneurship research is rather young and lacks sufficient depth (Turkina and Mai Thi, 2013; Edelman et al., 2010). Therefore, researching about Chinese entrepreneurs in Indonesia brings additional knowledge to the field. This thesis enriches existing knowledge about the role of ethnicity in the entrepreneurial process.

Some of the existing research (e.g. Baycon-Levent and Nijkamp, 2009) indicates that immigrants are more likely to be self-employed than natives possessing similar skills. This interesting finding can also be observed in Indonesia, where Chinese ethnic minorities are widely engaged in entrepreneurship activities. Further research in the Indonesian market might bring answers to the question: 'Why are ethnic entrepreneurs engaged in self-employment more often than the indigenous majority?' The following thesis hence aims to find answers to this question.

The concept of mixed embeddedness developed by Kloosterman et al. (1999) and Kloosterman (2010) is a fundamental concept leading the following thesis. It is placed in the middle of the conceptual model representing importance for Chinese ethnic entrepreneurs in Indonesia. Kloosterman (2010) argues that success of ethnic entrepreneurs cannot be based only on their personality traits, as some academics suggest. In addition to personal characteristics of entrepreneurs, he points to the significant role of institutional support (the 'macro' environment) as well as opportunity structures (the 'meso' environment). In the context of this thesis, all three

categories of Klosterman's mixed embeddedness are used, and findings enrich existing knowledge in this field.

In addition, social capital is the next significant concept placed in the conceptual model that I have developed. Defined as 'an entity consisting of all expected future benefits derived not from one's own labour, but from connections with other persons' (Flap, 1988, p. 136), it emphasizes a collective character. Chinese Indonesians, through years of official and unofficial discrimination, have developed strong intra-ethnic relationships, also known as 'bonding social capital'. This thesis brings insight to the role and importance of bonding capital for discriminated ethnic groups such as the Chinese Indonesians. In addition, several questions from the survey are designed to also research the role of 'bridging capital' (weak social ties). Also known as 'bridge ties', weak ties are a significant concept in the creation of social capital, as they allow tying two networks otherwise not connected (Granovetter, 1973). This thesis brings additional knowledge about the role of these ties in the Indonesian context.

As there are several roots of social capital, this study also investigates what roles those roots play for Chinese ethnic entrepreneurs in Indonesia. Concepts of networks, norms, beliefs, rules, and trust are investigated, and their role in the developing of social capital is analysed. This brings additional knowledge to the topic of social capital creation.

There is an ongoing academic discussion about the role of ethnicity and cultural values that have made Chinese ethnics successful entrepreneurs. Wee and Yuk Wah (2006) discuss the myth of the Chinese using their ethnicity as an engine of entrepreneurial growth. The belief that the decision-making process as well as the development of Chinese enterprises is strongly related to Chinese ethnics (in overseas

Chinese diasporas) is known as the ‘culturalist perspective’ (Gomez and Benton, 2003). The literature concentrating on the culturalist perspective identifies Chinese diaspora members as sharing the same cultural characteristics; these influence their entrepreneurial business style, an ethnic style that is strongly based on family characteristics and intra-ethnic networks, defined by many authors as a ‘Confucian ethic’ (Gomez and Benton, 2003). On the other hand, studies conducted by Gomez (2006) and Gomez and Benton (2003) in neighbouring Malaysia prove that ethnic links play a small role for Chinese entrepreneurs. Thus, the findings of this thesis bring additional insights to the existing knowledge about this phenomenon. It confirms, in the specific case of Indonesia, whether the culturalist perspective applies for Chinese Indonesian entrepreneurs or whether it does not play an important role, as seen in Malaysia. In addition, the survey designed for this study contains several questions about the role in business of ‘guanxi’ (business networking); the Confucian values of hard work, education, hierarchy, harmony, and family support; and ‘Sinyong’ (trust). The answers to those questions enrich the existing knowledge about the role of ‘Chinese-ness’ in the entrepreneurial success. Moreover, a number of academics emphasize the role of personality traits in the entrepreneurial success of individuals. Based on a Schumpeterian approach that was followed by a number of academics (Carland et al., 1984; Martin, 1982), the innovation of entrepreneurs could be the main characteristic describing them. Secondly, entrepreneurs, unlike small business owners, could be characterized by high achievement motivation. McClelland is one of the first theorists concluding that entrepreneurs present a high level of desire to perform well and achieve success (McClelland, 1961). Thirdly, some academics emphasize the importance of goals for entrepreneurs. They, unlike small business owners, concentrate on the growth of their business ventures (Woo et al., 1991). The

contribution of this thesis to the entrepreneurship field is to see if personality traits support entrepreneurial careers, and how. I analyse how the personality traits of Chinese ethnic entrepreneurs influence decisions about establishing business ventures, and if they shape their growth.

As mentioned earlier, Kloosterman et al. (1999) point out that apart from the personal qualities of entrepreneurs there are other factors determining entrepreneurial success. Opportunity structures are a very important part of Kloosterman's (2010) mixed-embeddedness model. The following thesis investigates how heterogeneous factors support Chinese Indonesians in their entrepreneurial activities.

The existing literature brings insight to the topic of the financial strength of ethnic Chinese in Indonesia and other South-East Asian countries. It is estimated that 70%–75% of the small- and medium-sized private enterprises in Indonesia are controlled by Chinese Indonesians (Hefner, 1997, p. 17). According to other sources, 40%–60% of the GDP in countries of South-East Asia (including Indonesia) come from Chinese ethnic enterprises. Moreover, 80% of the financial capital in Indonesia is controlled by the Chinese (Yeung and Olds, 2000, pp. 9–10). Ethnic Chinese are very successful in Indonesia, and one of the potential reasons for this phenomenon can be the 'opportunity structures'. A large domestic population, access to natural resources, and a big territory with many business opportunities can be reasons why Chinese ethnics are engaged in entrepreneurial activities and are successful. As Kloosterman notices, 'Businesses are not just dependent on the resources an entrepreneur is able to mobilize in whichever way, but they also presuppose markets as the goods and services have to be sold' (Kloosterman, 2010, p. 26). The financial opportunities presented in the local market have therefore worked as 'pull' factors in attracting Chinese ethnics into the field of entrepreneurship. Based on the survey of local

entrepreneurs, data about the role of the business opportunities is gathered and analysed. As a result, conclusions are made, which constitute an important addition to the existing knowledge about opportunity structures shaping the 'meso' environment of a business and attracting individuals into the entrepreneurship field.

The final part of the mixed-embeddedness model used for this study is the governmental role in the process of entrepreneurship. In support of the macro-institutional framework identified by Kloosterman et al. (1999), Barrett et al. (2001) acknowledges the importance of the enterprise support provided by government institutions. Government initiatives supporting the entrepreneurship process often work as a 'pull' factor in attracting individuals to the field of business. However, in the case of Indonesia, the situation seems to be different. For more than thirty years, the Soeharto dictatorship introduced many discriminatory laws forbidding Chinese ethnics from government jobs as well as careers in education and health care. This might be one of the vital factors that made Chinese Indonesians choose entrepreneurship, as other professional fields were simply closed for them. Therefore, in the Indonesian context of the Chinese minority, government regulations might have worked as a strong 'push' factor. Kwong et al. (2006) concluded that it is logical to see disadvantaged groups seeking opportunities in entrepreneurship rather than experience the frustration of not being appreciated in other fields of work. This provides further support for my conceptual model, in which discriminatory government regulations force ethnic minorities to search for success in the entrepreneurial field. The following research thus brings knowledge to the field by confirming the role of discriminatory regulations as push factors that influence the decision about entering the entrepreneurial field.

1.5. Structure and Content of the Thesis

The thesis consists of six chapters, as outlined below.

Chapter 2: Overview of Entrepreneurship Research

The focus of this chapter is to identify the most important characteristics and themes in the field of entrepreneurship research. Even though the field itself is a young one, it already presents valuable insights on how ethnic businesses are created, how they grow, and what role they play in societies. The important concepts of SMEs in Indonesia, as well as mixed embeddedness, social capital, and push and pull factors, are overviewed in this chapter and lay a foundation for the conceptual model that shapes the thesis.

Chapter 3: Literature Review and Conceptual Model

The first part of this chapter presents a thorough review of the existing literature on the topics of Chinese entrepreneurship and Chinese ethnic entrepreneurs in Indonesia. The literature review about Chinese entrepreneurship evolves around two main concepts found in the academic research: ‘ethnic networks’ and ‘transnationalism’. The history of Chinese Indonesians as well as their situation and an overview of Chinese Indonesian studies is also provided. The final section of the chapter presents the conceptual model.

Chapter 4: Methodology

This chapter presents a detailed description of important aspects of the thesis, such as the research design, purpose, and paradigm. In addition, the research question is explained and presented. This chapter also contains an overview of the research philosophies, such as: positivism, interpretivism, and critical realism. As critical realism is considered to be an appropriate epistemology for this thesis, detailed

aspects of the three domains of critical realism as well as the ontology based on the work of Bhaskar (1989) are presented. In addition, this chapter justifies the use of surveys and interviews as an appropriate research strategy and explains the importance of concepts such as sampling, sample size, and sample design. In the second part of the chapter, issues related to the pilot study are explained, along with a justification for adjustments made to the survey. In addition, I explain the most important aspects related to the process of in-depth interviews. Limitations of the methodology as well as ethical considerations are analysed and presented.

Chapter 5: Data Analysis

This chapter presents the outcomes from the quantitative and qualitative phases of the research. Descriptive statistics are used to analyse the results of the survey, and inferential statistics are implemented to test the hypotheses. In addition, a Structural Equation Model (SEM) is developed. Lastly, the conceptual model is revisited based on the findings from both the survey and the in-depth interviews.

Chapter 6: Discussion and Conclusion

The final chapter discusses the findings from Chapter 5. All findings are linked with the conceptual model. The research purpose and the answer to the research question are given. A revisited conceptual model is discussed, which shapes the contribution of the study and the advancement of the theory. Finally, the limitations of the research as well as directions for future research are described.

CHAPTER 2: OVERVIEW OF ENTREPRENEURSHIP RESEARCH

2.1. Defining Entrepreneurship: A Discussion

Even though entrepreneurship itself is a very old phenomenon, entrepreneurship research is relatively young (Sternberg and Wennkers, 2005). According to Landstrom, it is no more than 20–25 years old (Landstrom, 2008), and the field can be described as ‘being in early stages of development’ (Doyle Corner and Pavlovich, 2007, p. 288); it is also a challenging one, with ‘data difficult to obtain, theory is underdeveloped’ (Shane and Venkataraman, 2000, p. 219). As a fairly young research field, entrepreneurship is interesting for scholars, and research on Chinese ethnic entrepreneurship in Indonesia offers the promise of potential contributions to the whole research field. It is expected that this thesis can contribute to theory development, not only in the sub-topic of Chinese ethnic entrepreneurs, but for the whole ethnic entrepreneurship research field.

To analyse the phenomenon of entrepreneurship, it is important to acknowledge an assumption that entrepreneurship is the same concept as small-business ownership (Carland et al., 1984). However, the concepts differ, based on academic evidence. Firstly, it should be clearly understood that larger enterprises in addition to small businesses are engaged in entrepreneurial activities (Schollhammer, 1982). This implies that the size of a business is not an entrepreneurial factor. Rather, it should be said that to be engaged in entrepreneurial activities, a company should have individuals who act as entrepreneurs. Secondly, not every small-business owner can be described as an entrepreneur. In some businesses, entrepreneurial activities (associated mostly with innovation and risk) could be led by managers or employees

and not by business owners. This opinion is voiced by Martin (1982), who concludes that a person who owns an enterprise is not necessarily an entrepreneur. This could imply that the definition of entrepreneur should not be based on ownership of a business. Through meta analysis of data gathered by Collins, Hanges, and Locke (2004), it is concluded that entrepreneurs do not necessarily have to be owners of business ventures. This implies that individuals working for others, but possessing strong entrepreneurial characteristics, could also be defined as entrepreneurs. However, linking personality with entrepreneurial activities is not always a correct process, as Brockhaus and Horowitz (1986) conclude that personality is not a predictor of entrepreneurial behaviour.

If entrepreneurs differ from small-business owners, it is important to acknowledge the important characteristics of an entrepreneur. Firstly, based on a Schumpeterian approach that is followed by a number of academics (Carland et al., 1984; Martin, 1982), the innovation of entrepreneurs could be the main characteristic describing them. Carland et al. clearly state that 'The entrepreneur is characterized by a preference for creative activity, manifested by some innovative combination of resources for profit' (Carland et al., 1984, p. 357). Secondly, entrepreneurs, unlike small-business owners, are characterized by high achievement motivation. McClelland is one of the first theorists concluding that entrepreneurs present a high level of desire to perform well and achieve success (McClelland, 1961). Moreover, Collins et al. (2004) describe a correlation between achievement motivation and entrepreneurial career choice. Thirdly, some academics emphasize the importance of goals for entrepreneurs. Unlike small-business owners, entrepreneurs concentrate on the growth of their business ventures (Woo et al., 1991) rather than just on producing family income (Carland et al., 1984). Finally, personal characteristics of entrepreneurs

seem to differ from those of business owners overall. Entrepreneurs have a ‘higher risk propensity’ (Stewart and Roth, 2001) as well as an ability to ‘be proactive’ (Covin and Slevin, 1989). Even though some researchers assume that personality does not influence one’s entrepreneurial behaviour (Brockhaus and Horowitz, 1986), others conclude that personality and entrepreneurial activities should be examined (Stewart and Roth, 2001). For this thesis I use the terms ‘ethnic entrepreneur’ and ‘business owner’ interchangeably. If the term ‘small-business owner’ is used, it can be assumed that I have used it to avoid frequent repetition of the term ‘ethnic entrepreneur’. For this particular research I do not differentiate between the terms.

All of the characteristics of entrepreneurs play significant roles, and it is expected also in the Indonesian context that Chinese ethnic entrepreneurs possess the characteristics described earlier. This thesis analyses how personality traits of Chinese ethnic entrepreneurs influence the decision about establishing business ventures, and if they shape their growth in the future.

As a result, several hypotheses shaped around the concept of the impact of personality traits on entrepreneurial activity have been put forward. These hypotheses are part of a broader Proposition 1, which also investigates the potential impact of bonding social capital on the creation of businesses and their growth.

P1: Personal entrepreneurial traits, combined with bonding social capital, influence the creation and development of Chinese ethnic entrepreneurships in Indonesia.

As mentioned earlier, Proposition 1 consists of heterogeneous factors affecting Chinese Indonesian entrepreneurs. To investigate the impact of each of them, hypotheses and sub-hypotheses have been created. Hypothesis 1 assumes a positive impact of personality traits on the decision to create a business.

H1: Personal entrepreneurial traits positively affect business creation by Chinese ethnic entrepreneurs in Indonesia.

In addition, Hypothesis 2 makes an assumption of a positive impact of personality traits on entrepreneurial growth reflected by sales and profits.

H2: Personal entrepreneurial traits positively affect the growth of Chinese ethnic entrepreneurships in Indonesia.

In both cases, hypotheses are broken down into sub-hypotheses containing twelve personality traits being tested with their potential impact on entrepreneurial activities.

2.2. Ethnic Entrepreneurship

Ethnicity is defined as ‘self-identification with a particular ethnic group or a label applied by outsiders’ (Aldrich and Waldinger, 1990b). Some authors also have emphasized the importance of the interaction within an ethnic group as a vital factor for defining an individual as ‘ethnic’. Ethnic entrepreneurship is defined as ‘business ownership among immigrants, ethnic-group members, or both’ (Valdez, 2008, p. 956) or ‘entrepreneurial activity within minority ethnic groups’ (Verzhinina and Rodionova, 2011, p. 697). Rath and Swagerman (2016) emphasized, however, that the term ‘ethnic entrepreneur’ covers a very broad category of individuals. Foreign-born and native-born immigrants, men and women, old and young people, voluntary and forced immigrants, as well as individuals coming from different ethnic, religious, and financial backgrounds are examples of ethnic entrepreneurs. In addition to the term ‘ethnic entrepreneur’, other terms in the literature include ‘minority entrepreneur’ and ‘immigrant entrepreneur’ (Chaganti and Greene, 2002). Even though some scholars use these terms in different contexts, for others, the terms ‘immigrant entrepreneur’ and ‘ethnic entrepreneur’ are used interchangeably (Barett et al., 2001; Kushnirovich and Heilbrunn, 2008). The variety of terms describing the phenomenon of ethnic

entrepreneurs might cause some problems for researchers, so a clear understanding of the terminology will support research in the ethnic entrepreneurship field. This thesis uses the term ‘ethnic entrepreneurs’ to avoid potential misunderstandings. ‘Ethnic’ or ‘minority’ entrepreneurs are often described as those who are not of Caucasian origin (Chaganti and Greene, 2002); however, in the case of Indonesia, this would mean any individual who is not of Javanese, Sundanese, or Malay origin. Hence, Chinese entrepreneurs in Indonesia are defined as ‘ethnic entrepreneurs’.

Similarly to the research on entrepreneurship, the field of ethnic entrepreneurship is rather young and lacks sufficient depth (Turkina and Mai Thi, 2013; Edelman et al., 2010). Romero and Valdez (2016) describe the beginnings of social researchers’ interest in ethnic entrepreneurship as stimulated by the large inflow of migrants from Africa, the Caribbean, Latin America, and Asia to the United States in the 1970s. However, within this young and promising research field, growing interest is observed (Fairchild, 2009; Ibrahim and Galt, 2003, p. 1107), especially during the 1980s and 1990s—the era of entrepreneurial growth—when a growing amount of academic literature concerning entrepreneurship emerged (Barrett et al., 1996). The interest is based on the belief that ethnic enterprises implement different business strategies than businesses owned by the indigenous majority (Iyer and Shapiro, 1998). As a result of this growing interest, the field of ethnic entrepreneurship has produced an extensive literature (Kontos, 2003; Leung, 2003; Pecoud, 2003; Masurel et al., 2002; Li, 2000; Kloosterman and van der Leun, 1999; Kloosterman et al., 1999; Waldinger et al., 1990a ; Light and Bonacich, 1988; Ward and Jenkins, 1984). An extensive number of academic studies concentrate on the topic of factors affecting ethnic minorities being engaged in entrepreneurial activities. Dana and Morris (2006) group the existing theories on why ethnic entrepreneurs decide to start their own

businesses. The economic situation of ethnic individuals before the decision to establish a business is one of the areas that researchers concentrate on. Secondly, cultural aspects, viewed as drivers of entrepreneurship, are also very important factors affecting ethnic minorities. Finally, a number of scholars have emphasized the presence of a wide group of other heterogeneous motivators that affect ethnic minorities' engagement in entrepreneurship. Importantly, it should also be acknowledged that over time, the reasons to start entrepreneurship activities might change (Smallbone and Welter, 2004). This point is important for the following thesis, as Chinese Indonesians have been engaged in entrepreneurial activities for so long that the forces behind their entrepreneurial activities could have changed. It is expected that older generations of the Chinese in Indonesia chose to be entrepreneurs, as they had few other opportunities, while the younger generations were attracted to the field by observing the success of their parents.

Similarly to the entrepreneurship field of research, ethnic research concentrates on the individual traits of ethnic entrepreneurs in the first stages of development. 'In line with this individualistic view, much research on entrepreneurship has been devoted to the actors themselves, mapping their personal characteristics and backgrounds' (Kloosterman, 2010, p. 26).

Kloosterman (2003) criticizes the over-reliance on the personal characteristics of an entrepreneur: 'One cannot, therefore, explain patterns of immigrant entrepreneurship with only actor-centred approaches, no matter how useful and insightful they might be' (Kloosterman, 2003, p.169).

A considerable amount of research concentrates also on the ethnicity of the entrepreneur as an important factor shaping ethnic entrepreneurship (Knight, 2015) and how this factor uses the resources of 'migrant entrepreneurs' (see Rath, 2000;

Rath and Kloosterman, 2000). Valdez (2016) states that ‘Much of the literature on ethnic entrepreneurship maintains that ethnicity facilitates entrepreneurship in large part by providing resources rooted in social capital’ (p. 1618). This leads to neglecting the crucial aspects of the ‘demand side’ (Kloosterman and Rath, 2001). It is important to understand that ethnicity should not be treated as the only factor determining levels of ethnic entrepreneurship. Other significant dimensions of identity and collectivistic characteristics, like gender and social class, should also be considered (Valdez, 2011). Romero and Valdez (2016) emphasized that ethnic entrepreneurship should be understood not only as a phenomenon shaped by the aspect of ethnicity but by a combination of other factors. These authors suggest that the concept of ‘intersectionality’, which challenges assumptions from previous studies in which ethnicity was described as the main driving force behind the phenomenon of ethnic entrepreneurship, should be investigated. Intersectionality is based on the fundamental belief that identity and collectivity have multiple dimensions. Gender, race, social status, nativity, and legal status, not just ethnicity, intersect to create and manage opportunities that individuals might have (Romero and Valdez, 2016; Valdez, 2011). Moreover, intersectionality emphasizes the interdependence of ‘agnatic processes and structural forces within the larger economy and society condition’ (Romero and Valdez, 2016, p. 1554). This is a valid point that further emphasizes that ethnic entrepreneurship should be understood as a broader phenomenon, stepping outside the traditional understanding of the concept of ethnicity.

As mentioned earlier, the topic of ethnicity and its impact on how ethnic minorities are engaged in entrepreneurial activities has been popular amongst scholars, especially in the initial stages of research. Vincent et al. (2014) present how existing ethnic entrepreneurship research could be grouped based on three main perspectives

used by the researchers to explore this phenomenon: the ethnic communities approach, the mixed-embeddedness approach, and the Bourdieuan approach (p. 369). This thesis incorporates Kloosterman's mixed-embeddedness approach; however, the other two perspectives are also acknowledged and used. This is based on the critique that all three models offer only a partial explanation of the phenomenon (Vincent et al., 2014). Incorporating the philosophical view of critical realism for this thesis enables us to look into the phenomenon of ethnic entrepreneurship from a more diverse angle. Concentrating only on the role of the culture and personality traits in the entrepreneurial process 'fails to consider other casual forces that are deep or reside at other levels or other places in social reality' (Vincent et al., 2014, p. 370).

Because it is in the early stages of development, ethnic entrepreneurship offers significant potential for future development. Research on Chinese ethnic entrepreneurship in Indonesia brings positive contributions to the whole field.

When thinking about entrepreneurship and different ethnicities, one can ask a simple question: 'Are there any differences in entrepreneurship levels between various ethnic groups?'. The issue brought up by scholars is whether ethnic entrepreneurship and non-ethnic mainstream entrepreneurship are the same phenomenon or different phenomena, driven by their own history and culture (De Vries et al., 2015; Wang and Altinay, 2012; Jones and Ram, 2007). Very interesting findings about ethnic entrepreneurship emerge from the research of Baycon-Levent and Nijkamp (2009), indicating that immigrants are more likely to be self-employed than natives possessing similar skills. Jones et al. (2012) present examples of Indians and Pakistanis living in the U.K., who in the 1980s had very high levels of self-employment, reaching 20%, which was one and a half times higher than the entrepreneurship level of whites. This phenomenon might be related to the overall

situation of the newly arriving migrants in the country. The majority of migrants find it challenging to work in local businesses because they do not possess the required educational background or local experience. As a result, at the very beginning ethnic entrepreneurs tend to be involved in the business operations related to their co-ethnics. With an inflow of other members of the same ethnic group, demand created by other co-ethnics increases and creates ethnic market opportunities. There is a considerable amount of literature describing ethnic markets (Vershina and Rodionova, 2011; Kloosterman, 2010; Rusinovich, 2006). As mentioned earlier, ethnic entrepreneurs tend to be engaged in business activities related to the newly established ethnic market, as they 'are usually much better positioned to benefit from those opportunities as they tend to have the required knowledge of products, suppliers and consumers' (Vershina and Rodionova, 2011, p. 698). The phenomenon of ethnic minorities being engaged more in entrepreneurial activities is also observed in Indonesia, where the Chinese ethnic minority is widely engaged in business. This is shown by a number of studies that have compared different ethnic groups and show differences in entrepreneurship levels amongst various groups (Faichild, 2009; Kitching et al., 2009; Engelen, 2001; Rath and Kloosterman, 2003; Fairlie and Meyer, 1996). For example, Chinese, Indians, Pakistanis, and Bangladeshis are those groups that are more likely than the white majority to be entrepreneurs (Jones et al., 2012; Clark and Drinkwater, 1998). The difference between various ethnic groups in conducting entrepreneurial activities proves that in some cultures (e.g., Chinese) the decision about becoming an entrepreneur might be culturally embedded and not only related to the market opportunities. This could explain why a large number of Chinese Indonesians are entrepreneurs in comparison to the local indigenous majority. Both ethnic groups enjoy the same opportunities related to the attractiveness of the

Indonesian market; however, the Chinese seem to be engaged in entrepreneurship more than native Indonesians. Hence, culture could be one of the factors affecting entrepreneurial decisions. As a result, cultural traits could be an explanation for the entrepreneurship phenomenon (Bates, 1994); traditional examples of ethnic individuals involved in entrepreneurial activities are Hokkien Chinese from Singapore, Jews in medieval Europe, Lebanese in North Africa, and Syrians in West Africa. The reasons why those ethnic groups are linked with entrepreneurial activities range from religious to family to community aspects. In addition, in all cases tight community relationships play a significant role (Iyer and Shapiro, 1998). However, contemporary literature on the topic of ethnic entrepreneurship emphasizes, using the example of the U.K., how research in this field has shifted to new ethnic groups previously not covered by the research. Traditionally, ethnic entrepreneurship research in the U.K. concentrated on entrepreneurial activities of South Asians, Africans, migrants from the Caribbean, and Chinese (Ram and Jones, 2008a). From 1980 onward, with a big inflow of migrants from different regions of the world, research on ethnic entrepreneurship shifted its interest to these new, diversified groups of migrants (Jones et al., 2010). The inflow of such socio-economically differentiated groups of migrants, also known as ‘super-diversity’, took over the traditional dominance of low-skilled labour from the New Commonwealth countries (Vertovec, 2006). This phenomenon is shaped around the constant inflow of migrants from diverse parts of the world and their business activity in the U.K. Even though the significance of super-diversity has been acknowledged and the impact on social transformation has been described, little attention to this group has been given by scholars (Ram et al., 2012; Vertovec, 2007). In the case of Indonesia, the concept of super-diversity might not find usage due to two reasons. Super-diversity reflects the

recent inflow of individuals to the U.K from all over the world, while in Indonesia migrants arrived mostly from China and in smaller scale from the Arabian peninsula and India. Secondly, inflow of the Chinese as well as other ethnicities into Indonesia stopped around 1965, when Soeharto's government implemented stricter immigration laws.

What is very important for the following thesis is the variety of evidence about Chinese ethnic minorities in various countries being engaged in entrepreneurial activities. This could indicate that a similar phenomenon might be observed amongst the Chinese in Indonesia. The Chinese are described by Barrett et al. as 'being in some way culturally programmed for self-employment, brought up with business in their blood' (1996, p. 789).

Even the Chinese themselves emphasize that being committed entrepreneurs is based on the combination of genetics and upbringing (Pan, 1994). Some authors credit the father of Chinese philosophy, Confucius, for that phenomenon: 'The Confucian ethic may in many ways be superior to the West in the pursuit of industrialization, affluence and modernization' (Kahn, 1979b, p. 121). Vital elements of the Confucian system are implemented in everyday life and play a very important role, not only in business but also in regular daily routines. Family structures, commitment to education, and kinship or pseudo-kinship social networks are very important parts of Chinese business, tightly linked to Confucian philosophy (Dirlik, 1997, p. 306).

The following thesis analyses whether Confucian values play a significant role during the process of business creation and growth. Family support, commitment to education, and the presence of social networks are expected to be vital factors affecting Chinese ethnic entrepreneurs in Indonesia and their success. The findings

will add to the existing knowledge about the role of Confucian values for Chinese ethnic entrepreneurs.

Even though a considerable amount of research has emphasized the role of culture for Chinese entrepreneurs, not all Chinese should be linked with entrepreneurial careers. For many years, traditional Chinese were finding work in government institutions as highly respected. On the other hand, entrepreneurship, including trade, was not very popular in Chinese society. This might indicate that overgeneralizing could be a potential weakness of the Chinese ethnic entrepreneurship research. Ram et al. (2000) comment on some potential problems with the culturalist approach, claiming that some ethnic individuals tend to be more engaged in entrepreneurship than others. Firstly, previous research does not take into consideration differences between various sectors employing ethnic minorities. Some sectors are more labour intensive, and comparing them with other sectors where the presence of manually skilled employees is not so important does not make logical sense. Secondly, overemphasis on the use of quantitative research methods does not allow problems to be researched in depth (Ram et al., 2000). To address these concerns, the following thesis uses a mixed-method approach.

In addition, even though several studies present evidence that some ethnic minorities are more engaged in entrepreneurship activities than are others, it is very important to acknowledge that in many cases belonging to a certain ethnic group does not lead to an entrepreneurial career and success in business (Danes et al., 2008). A combination of other, non-ethnic factors is more important in the process of shaping an entrepreneurial personality. Wee and Yuk Wah (2006) argue that both successes and failures of Chinese entrepreneurs are rooted deeper in historical processes and are not necessarily linked to ethnic background. In addition, the research of Mullholland

(1997) about family enterprise and business strategies shows that ethnic differences do not necessarily play as important a role in the process of enterprise creation as is claimed. What is significant is that similarities are found in family businesses with different ethnic origins, meaning that class roots and family background could play a more important role than ethnicity. This is in line with contemporary views on ethnic entrepreneurship presented in intersectionality, where other factors like race, gender, social status, and nativity are understood to be important for stimulating ethnic entrepreneurship. It can be emphasized here that intersectionality can be additionally supported by the 'context of reception' framework developed by Portes and Rumbaut (2006), in which heterogeneous factors are described as shapers of the ethnic entrepreneurial process. Based on this framework, development of ethnic entrepreneurship is triggered by combining three different groups of stimuli: individual level of education and experience (human capital), group-based strength of the social group (social capital), and the appropriate structural level of the host country. These take place in the social, economic, and government reception context. All of the three aspects are foundations for the success of ethnic entrepreneurship. This concept is based on similar principles such as Kloosterman's mixed embeddedness, according to which there are several factors that affect the process of ethnic entrepreneurship.

This thesis contributes to the entire field of ethnic entrepreneurship by analysing if cultural characteristics indeed play an important role for Chinese ethnic entrepreneurs in Indonesia. It is expected that through this analysis important contributions to the discussion among various scholars will be presented.

2.3. SMEs in Indonesia

Definitions of small and medium enterprises (SMEs) vary from country to country. In many countries, the definition of SMEs (and micro, small, and medium enterprises, MSMEs) is based on the number of employees; however, factors like the level of starting capital as well as yearly sales levels could also differentiate SMEs from other businesses. According to the Indonesian Law on Micro, Small and Medium Enterprises and the National Agency of Statistics (BPS), MSMEs could be defined based on three criteria: starting capital, number of employees, and annual sales. The numerical data is presented in Table 2.1.

Table 2.1. Definition of MSMEs in Indonesia

	Starting capital	Number of employees	Annual sales/turnover
Micro	Up to 50 million Rupiah	Up to 4	Up to 300 million Rupiah
Small	50–500 million Rupiah	5–19	300 million–2.5 billion Rupiah
Medium	500 million–10 billion Rupiah	20–100	2.5 billion–50 billion Rupiah

Source: Own summary based on BPS (2007) and Indonesian Law on MSMEs (2008)

Micro, small, and medium-size enterprises play a very important role in the Indonesian economy. According to data from the BPS (National Agency of Statistics) in 2007, companies from this sector generated 53.60% of Indonesian GDP. A similar trend was observed during the previous year, when the share of the GDP was 53.49% (BPS, Survey of Enterprises by Size, 2007). What is even more significant is that in the same period of time, 97.3% of the total workforce in Indonesia (94.3 million people) worked in this sector, and the total number of MSMEs reached the level of 49.8 million units (Tambunan, 2009a, b). In addition, the main characteristics of MIEs in Indonesia have been: operating mostly in the informal sector(s), non-payment of

taxes, run by an owner with the help of unpaid family members, very low level of mechanization, no access to government programs, and a high ratio of female entrepreneurs as well as entrepreneurs lacking formal education (Tambunan, 2009a). The data presented above prove that the MSME sector plays a vital role in the Indonesian economy. Understanding entrepreneurship behaviour within this sector is significant for researchers.

2.4. 'Push' and 'Pull' Factors

The motivation of ethnic entrepreneurs to establish businesses has been a topic of considerable attention from academics (see Basu, 1998). The literature has offered a clear distinction between negative 'push' factors, which usually force individuals to be engaged in entrepreneurial activities, and positive 'pull' factors, which attract them to the field of entrepreneurship. 'Structural accounts focus on the "push" of disadvantage or discrimination into necessity entrepreneurship' (Vershina and Rodionova, 2011, p. 698) and include factors such as inability to find work, low salaries, and discrimination. Pull factors concentrate on positive drivers of entrepreneurship such as the attractiveness of a market, personal control, and higher social status.

In some markets, the process of discrimination influences the decision about becoming an entrepreneur (Phizacklea and Ram, 1996; Anthias, 1992; Phizacklea, 1990), as some migrants are pushed (Kloosterman, 2010) towards entrepreneurship by obstacles in the market that do not allow them to start their careers in other professional fields. There are various examples where underprivileged and discriminated groups choose entrepreneurship as a solution for their lack of ability to make other careers. According to Kloosterman and Rath (2001), entrance for the newcomers can be blocked directly by rules and regulations. Some of the markets are

closed for newcomers ethnic minorities (Wilpert, 2003). As Portes states, 'This motivation is reinforced when governmental reception is also unwelcome, repeatedly challenging the migrants' rights to come, work, or settle' (Portes, 1999, p. 465).

This negative experience of ethnic minorities, reflected in lower opportunities for employment and stronger entrepreneurial activity, is described by some researchers as the 'structuralist perspective' (Deakins et al., 2009) and is strongly rooted in the disadvantage of ethnic minorities rather than a difference of culture. This approach is different from the 'culturalist perspective', where the main emphasis is placed on the use of family and co-ethnic relationships in successful enterprise creation.

This thesis analyses both perspectives, the structuralist and culturalist aspects of entrepreneurship activities, amongst Chinese minority entrepreneurs. As a result, research findings allow us to draw conclusions about factors contributing to the success of Chinese entrepreneurs in Indonesia.

Kwong et al. (2006) conclude that it is logical to see disadvantaged groups seeking opportunities in entrepreneurship rather than experience the frustration of not being appreciated in other fields of work. Ethnic minorities hence view self-employment as a 'route to upward mobility' (Sanders and Nee, 1996), a 'way out of the unemployment and social exclusion' (Kloosterman, 2003, p. 167), and 'alternative to the discrimination' (Clark and Drinkwater, 1998), and a 'route out of poverty' (Fairlie and Meyer, 1996, p. 758). Gomez and Benton (2003) give the example of Chinese migrants to the U.K., Australia, and Malaysia, explaining the reasons for their involvement in entrepreneurship: 'For migrants to Australia and Britain, enterprise has served as a means of achieving upward social mobility and coping with isolation and alienation' (Gomez and Benton, 2003, p. 20).

Jones et al. (2012) present examples from the U.K. in the 1980s, when a large number of Asian migrants formed ethnic businesses to survive in the new environment. For the majority of migrants who have very low levels of financial and human capital, entrepreneurship is an obvious solution to support their lives in the host country. The authors also present findings from a study of ethnic entrepreneurs in the East Midlands in the late 2000s. They describe that for many ethnic minorities, being engaged in entrepreneurship is still the only solution to survive in the host country, as they fail to get jobs after arriving in the U.K. (Jones et al., 2012). This simply means that push factors still play a significant role in the entrepreneurial choices made by immigrants. In some markets, discriminated minorities close themselves off and maintain business relations only with co-ethnic entrepreneurs and businesses. A tight relationship with co-ethnics allows ethnic minorities to transform their relationships into financial sources (Kushnirovich and Heilbrunn, 2008). ‘Pooled money of the entrepreneur, nuclear and extended families, and funds from formal financial institutions’ are the definition of financial capital (Danes et al., 2008, p. 242), which is important for any kind of a business. As many researchers state, ethnic entrepreneurs have difficulty accessing financial capital, hence through their social contacts they try to increase their business opportunities.

In Indonesia, Soeharto’s government implemented some 50 discriminatory laws over his 32 years of rule. Chinese schools were closed, Chinese writing was forbidden in public places, and the government prohibited work permits to be issued for new Chinese migrants (Tsai, 2009; Mayo and Millie, 2009; Fischer, 2002). In addition, the government imposed new taxes on Chinese businesses and banned them from wholesale trade (Wijaya, 2009). Moreover, Chinese Indonesians were not allowed to seek work in government institutions, the army, or even universities. This is one of

the reasons why this visible ethnic minority became engaged in entrepreneurial activities. The discriminatory laws have changed only recently, at the beginning of the 21st century, during the era of 'reformasi', which promoted Chinese participation in social and political life (Fischer, 2002).

In addition, it is important to acknowledge that discriminatory laws of the 'New Order' (implemented during the Soeharto era) were not the first discriminatory laws directed against the Chinese minority. Dutch colonialists set up policies in the 17th and 18th centuries that forbade Chinese land cultivation and as a result pushed them towards mercantile and trading activity, which soon became dominated by the Chinese in Indonesia. The discrimination continued after WWII, when new president Soekarno issued restrictive regulations that soon made many Chinese Indonesians return to China (Fischer, 2002). It is also important to mention that Chinese Indonesians were also discriminated against indirectly. Strong social pressure of the indigenous majority punished individuals who maintained strong Chinese roots and relations with China. Anyone who did not try to acculturate with Indonesian culture was labelled 'totok', which means 'pure Chinese' and carries some negative meaning (Wee and Wah, 2006).

This thesis analyses how push factors contributed to the growth of Chinese entrepreneurship in Indonesia. It is expected that a number of Chinese ethnic entrepreneurs were somehow forced to become entrepreneurs by unfavourable government regulations forbidding them from entering other fields of work. Hence, the push factors became important in shaping Chinese ethnic entrepreneurship in Indonesia. The role of these factors in entrepreneurial activity is presented in the conceptual model.

A similar discriminative situation to the Indonesian case was reported in neighbouring Malaysia, where the government favoured large companies, run by Malay-owned firms, and only little support was given to the Chinese minority, which dominated the SME sector (Gomez, 2007). In Indonesia as well as in Malaysia, the Chinese minority entered the SME sector and became strongly involved in entrepreneurial activities. As a result, the business and social networks of the Chinese diaspora in South-East Asia can be interpreted as a socially constructed reaction to political and social instability (Cheung, 2004, p. 675). In the context of market hostility, self-employment for ethnic migrants became a tool of defending against unfavourable and discriminatory regulations (Iyer and Shapiro, 1998), and not only among the Chinese. This phenomenon is observed in many other countries; however, within the territory of South-East Asia, in countries like Indonesia and Malaysia, employment discrimination regulations played a very important push factor, affecting levels of entrepreneurship amongst the Chinese minority. Self-employment simply became the best solution for ethnic minorities who 'usually face difficulties entering the host country's labour market' (Kushnirovich and Heilbrunn, 2006, p. 167).

In contrast to push factors, some researchers present the opinion that the majority of ethnic entrepreneurs are actually pulled into entrepreneurship by positive potential, like independence and financial aspects (Kloosterman, 2003) as well as the presence of an attractive ethnic market (Clark and Drinkwater, 1998). Basu et al. (1998) emphasize the importance of pull factors over push factors in explaining entrepreneurial growth; however, these patterns were inconsistent. There is a considerable amount of literature supporting these views and emphasizing the role of the local opportunity structure that supports ethnic entrepreneurs in their business activities (Lassalle and McElwee, 2016; Aldrich and Waldinger, 1990). The concept

of ‘opportunity structure’ supports understanding of how ethnic entrepreneurs react to the local market conditions and how they shape business strategies that significantly differ from those of native entrepreneurs (Ram and Smallbone, 2003). For this thesis it has been assumed that both push and pull factors might have contributed to the model of Chinese Indonesian entrepreneurship. Market size and market growth in Indonesia could be vital factors shaping the presence and success of Chinese ethnic entrepreneurs in the country. With the fourth largest population in the world, strong local demand for goods and services is expected to be one of the significant factors contributing to the success of Chinese Indonesian entrepreneurs. The attractiveness of the indigenous market is hence a very important part of the conceptual model describing entrepreneurship amongst the Chinese minority in Indonesia.

2.5. Mixed Embeddedness

The ‘mixed embeddedness’ framework developed by Kloosterman et al. (1999) and Kloosterman (2010) places an ethnic entrepreneur within a new, wider structure combining social, political, and economic aspects of the host country (Barrett and Vershinina, 2016; Kloosterman, 2010; Jones and Ram, 2007). According to Kloosterman, ‘much research on entrepreneurship has been devoted to the actors themselves’ (Kloosterman, 2010, p. 26); this concentrates on only one side of the entrepreneurship equation. Some authors state that community networks are important in ethnic business formation; however, to understand entrepreneurship better, a wider economic approach is needed. Ethnic entrepreneurs are parts of wider sectorial, spatial, and regulatory environments (Ram et al., 2008). The social ties with ethnic groups constitute only one part of the equation. Another is the ability to maximize the potential of the wider market with institutional support (Kitching et al., 2009; Barrett et al., 2001). It is important to acknowledge that the market plays a very important

role for entrepreneurs. Kloosterman (2010, p. 28) described markets as ‘crucial components of the opportunity structure’, while Barrett et al. (2001, p. 241) emphasized that ‘localities and regions possess differing potential for business development’. Kloosterman and Rath (2001) argued that studies about ethnic entrepreneurs tend to over-rely on the supply side of the entrepreneurship equation. Much of the literature (see Granovetter, 1985) is then devoted to the characteristics of the individuals and groups involved in the entrepreneurship process. As a result, studies tend to neglect the demand side and ‘the matching process between entrepreneurs and potential openings for new businesses’ (Kloosterman and Rath, 2001, p. 190). The authors outline four important characteristics of the opportunities representing the demand side. These opportunities have to be economically sensible (bringing profit), they must be accessible, profit has to be surmised by would-be entrepreneurs, and finally the opportunities have to be seized in a palpable way (Kloosterman and Rath, 2001, p. 190). Jones and Ram (2007) emphasized, however, the overall tendency to focus on the role of social capital in supporting the creation of ethnic resources. This opinion is in line with the point presented by Kloosterman, emphasizing the role of a variety of factors in the process of ethnic entrepreneurship. The definition of mixed embeddedness given by Kloosterman (2010) is the best description of the phenomenon:

The approach combines the micro-level of the individual entrepreneur (with his or her resources), with the meso-level of the opportunity structure and links in the latter, in a more loose way, to the macro-institutional framework. (Kloosterman, 2010, p. 25)

This definition clearly outlines the importance of not only entrepreneurs but also opportunities present in their surrounding environment. As Kloosterman noted:

Businesses are not just dependent on the resources as entrepreneur is able to mobilize in whichever way, but they also presuppose markets as the goods and services have to be sold. (Kloosterman, 2010, p. 26)

As Rath and Swagerman (2016) correctly point out, mixed embeddedness ‘explicitly combines personal and group factors with market conditions and regulatory matters’ (p. 154). It is important then to understand that businesses are not established in hypothetical locations but in the real world, presenting contexts unique to those locations (Ibrahim and Galt, 2003). As Knight (2015) points out ‘The ethnic economy and ethnic entrepreneurs are reliant on one another’. As a result, the concept of embeddedness might play a unifying role in helping to understand inter-group variations and inter-country differences (De Vries et al., 2015). The concept of opportunity structures developed by Aldrich and Waldinger (1990) is an important factor in understanding how ethnic entrepreneurs operate in the market with significant local conditions. According to the authors, opportunity structures should be viewed as two-dimensional concepts of market conditions in the host country and access to ownership (Lassalle and McElwee, 2016; Aldrich and Waldinger, 1990).

This fact can be very important within the Indonesian context, where the unique attractiveness of the market helps Chinese ethnic entrepreneurs enjoy success. Indonesia, with its large population and strong economic growth, gives the Chinese minority population opportunities to develop entrepreneurial characteristics and create successful business enterprises. This thesis investigates the role of opportunity structures in the success of Chinese ethnic entrepreneurs in Indonesia.

In addition, Lassalle and McElwee (2016) describe four important characteristics of opportunity structures. Firstly, opportunity structures are different for ethnic and native entrepreneurs. In contrast to the neo-classical view of opportunities, different

individuals enjoy different access to resources and have different ability to recognise those opportunities. Secondly, the opportunity structure is dynamic and differs between locations and different periods of time. Thirdly, opportunity structures depend on the external factors shaping the business environment. Macroeconomic and political changes have a strong impact on the opportunity structures present in a market. Finally, Lassalle and McElwee (2016) emphasized that opportunity structures focus on the entrepreneurial activities that differ from the business culture. It should be emphasized that the success of Chinese Indonesians could have been rooted in their ability to take advantage of the wider, non-ethnic market instead of just concentrating on the co-ethnic market that might present limited growth opportunities. Ethnic market operations, because of limitations in size, present the risk of failure or engagement in survival strategies (Lassalle and McElwee, 2016; Ram and Smallbone, 2003; Light and Bonacich, 1991; Waldinger et al., 1990). In support of the macro-institutional framework identified by Kloosterman et al. (1999) and Kloosterman (2010), Barrett et al. (2001) acknowledge the importance of the enterprise support provided by government institutions. However, what also has to be said is that support of the macro environment does not have to be provided only by central governments. In some cases, governments would be cooperating with private institutions to assist enterprises. The importance of third parties somehow influencing the entrepreneurial activities was also acknowledged by Granovetter, who emphasized that social embeddedness depends on the economic actions of non-economic institutions and factors like culture, religion, politics, and social networks (Granovetter, 2005, p. 35; Granovetter, 1985, p. 504). In the case of Indonesia, Chinese ethnic entrepreneurs did not enjoy much support from the government, especially during the Soeharto era, when discriminative legislation against Chinese Indonesians was strong. It can be said

that the 'meso' level of opportunity structures plays a significant role in the growth of Chinese entrepreneurship in Indonesia. The macro institutional level, on the other hand, through various discriminatory laws, pushes Indonesian Chinese to be entrepreneurs rather than seek careers in other professional fields. As mentioned earlier, opportunity structures are not static, and they differ from each other across time and place (Lassalle and McElwee, 2016; Kloosterman and Rath, 2001; Storper, 1997). In the Indonesian context, this might simply mean that Chinese ethnic entrepreneurs could have faced different market conditions depending on whether they operated in Jakarta, Java Island, or other places in Indonesia. This thesis takes this important factor into consideration while asking respondents about different market opportunities present in different parts of Indonesia as well as comparing present opportunities with those ten and thirty years ago. As opportunity structures change in time and differ by location, Kloosterman and Rath (2001) propose three analytical levels enabling us to understand the dynamics of the opportunities structure: national, regional/urban, and neighbourhood (Lassalle and McElwee, 2016; Kloosterman and Rath, 2001). The mixed-embeddedness framework presented by Kloosterman et al. (1999) and Kloosterman (2010) could be linked to the earlier concept of opportunity structures presented by Aldrich and Waldinger (1990a). Kloosterman (2010) presented a model of the opportunity structures (Figure 2.1).

Figure 2.1. Typology of the Opportunity Structure: Market Split According to Accessibility and Growth Potential

	Growth Potential		
Human Capital		Stagnant	Expanding
	High thresholds		Post-industrial/ high-skilled
	Low thresholds	Vacancy-chain openings	Post-industrial/ low-skilled

Source: Kloosterman (2010, p. 30)

In this model, Kloosterman uses two important factors influencing one's decision about entrepreneurial choice: growth potential' (of the market) and the level of human capital. The least attractive environment for ethnic entrepreneurs (immigrants) is a market with stagnating growth potential and requirements of high thresholds. Not many entrepreneurs are willing to enter this market. Those who enter, however, are mostly pushed to do so. More attractive for entrepreneurs is a vacancy-chain openings market, where low necessary human capital is able to attract potential entrepreneurs. In this case, entrepreneurs are rather pulled by the attractiveness of the market; however, operations might need not only human but also social capital. The most attractive environment for ethnic (and not only ethnic) entrepreneurs is the post-industrial and low-skilled market. Not only does this attract business people with its high growth but also with low requirements in the matter of human capital. However, it has to be mentioned that these types of markets are highly competitive, as they do not have high barriers of entry. Some ethnic entrepreneurs might operate in stagnating markets with low human capital requirements only because they might not be able to operate in other, more attractive markets. Rath and Swagerman (2016) describe those

markets as possessing ‘low barriers of entry in terms of capital outlays and required educational qualifications. In these markets, production is mostly “small-scale”, low in added value and usually very labour intensive. Consequently, earnings are typically relatively low and days are long and hard’ (p. 153). Jones et al. (2012) point out that the majority of ethnic entrepreneurs operate in low-value sectors, markets that are simply left by others. Those markets are very hard to operate, they are very labour intensive, and ethnic entrepreneurs survive there only because they use low-cost family and co-ethnic labour (Ram and Jones, 2008b; Jones et al., 2006). As a result, a great number of ethnic enterprises do not play an important role in the mainstream and financially attractive sectors but operate on the fringes of the economy (Jones et al., 2016, p. 3161). It has to be acknowledged that operating in these markets might have been really hard work, and for a majority of ethnic entrepreneurs it might not have brought much enrichment, which is automatically assumed by some studies (Ram and Jones, 2008b). In reality, however, entrepreneurship is not a choice for the majority of ethnic minorities, and it is a struggle for survival rather than a success story (Jones et al., 2000). During the 1960s and 1970s, many Chinese ethnic entrepreneurs entered such markets in Indonesia. The country needed a lot of products, and access to the market was not really restricted to those possessing high levels of human or financial capital. Support from the community played an important role. During this period of time, a strong Chinese ethno-class was created in Indonesia. Finally, post-industrial and high-skilled migrant markets are attractive for the individuals who possess strong human capital. The attractiveness of the market is associated with ‘brave new, dynamic capitalism where Schumpeterian entrepreneurs can make fortunes within a short span of time (Kloosterman, 2010, p. 32).

This thesis integrates a mixed-embeddedness framework as one of the most significant concepts shaping Chinese ethnic entrepreneurship in Indonesia. Influenced by studies of Ram et al. (2008) and Vershinina et al. (2011), the thesis not only relates ethnic entrepreneurship to the forms of capital but also takes into account significant Indonesian opportunity structures as well as the local institutional framework.

2.6. Social Capital

The academic literature provides broad evidence on the existence of different types of capital. Bordieu (1983) presented an explanation of three forms of capital: economic, cultural, and social. Economic capital is the easiest to understand, as it is in a material form and can be easily converted into monetary value. Cultural capital might take the form of education, which under specific circumstances might also be converted into financial values. Finally, social capital, which is made of social obligations, is convertible to monetary value only under special conditions (Vershinina et al., 2011). The concept and earliest definitions of social capital can be traced to the 19th century. However, Bordieu's definition is used as the first contemporary one (Portes, 1998). Bordieu, who is considered to be the father of the social capital concept, gives the following definition:

Social Capital is the aggregate of the actual or potential resources which linked to possession of a durable network of more or less industrialized relationships of mutual acquaintance and recognition—or in other words, to membership in a group. (Bordieu, 1986, p. 51)

Bordieu emphasized other important factors related to this phenomenon. The main idea behind the phenomenon is the central role of the relationships and networks that can then be transformed into social affairs. Those on the other hand give network

members ‘the collectively-owned capital, a credential which entitles them to credit’ (Bourdieu, 1986, p. 249). In addition, Bourdieu emphasized the role of social capital volume, which could be described as the number of connections of the network. While Bourdieu’s work was published in French and did not get a lot of publicity in English-speaking countries for a long period of time, Loury (1977) published his work, in which he noticed the importance and role of social ties while conducting business.

The merit notion that, in a free society, each individual will rise to the level justified by his or her competence conflicts with the observation that no one travels that road entirely alone. The social context within which individual maturation occurs strongly conditions what otherwise equally competent individuals can achieve. (Loury, 1977, p. 176)

Even though there are many academics who agree on the importance of social capital, they do not provide a precise definition of the phenomenon (Nahapiel and Ghoshal, 2000). Modern definitions of social capital are various; for example, Francis Fukuyama described it as a ‘set of informal values or norms shared among a group that permits cooperation among them’ (Fukuyama, 1999, p. 16). Social capital can also be defined as ‘the value of the contacts in their network’ (Uzzi, interview, 2008, p. 8) or ‘an entity consisting of all expected future benefits derived not from one’s own labour, but from connections with other persons’ (Flap, 1988, p. 136). A broader definition comes from Schiff, who defined social capital as a ‘set of elements of the social structure that affects relations among people’ (Schiff, 1992, p. 161). In addition, Sandefur and Laumann (1988) described social capital as a ‘collection and pattern of relationships’ (p. 486). All of these examples acknowledge the roles of the networks and contributions of the social groups rather than just individuals. Social

networks of the friends and family members of the immigrant are a very significant component of the ethnic economy he or she is operating in (Knight, 2015). The collective interactions play a very important role for Asian cultures, where strong social and family ties have been described by various researchers. Therefore, it is expected that the following thesis will explore strong relationships among social capital, group relations, and entrepreneurial careers of the Chinese ethnic minority in Indonesia.

It is also important to acknowledge that social capital, mostly based on the family and co-ethnic support, is not a value per se. As Ram et al. (2008) pointed out, 'social capital does not usually materialise as a concrete resource in itself but as an enabler, unlocking access to other forms of capital, labour, markets, suppliers and so on' (p. 429). In addition to the role of networks, other important concepts linking existing social capital definitions with each other are trust, support, obligation, and reciprocity, based on belonging to a particular social network (Light and Gold, 2000; Portes and Sensenbrenner, 1993; Coleman, 1988). In addition, sources of social capital is an important concept described by several academics. According to Portes (1998), social capital has two basic sources: consummatory and instrumental. Bounded solidarity is the first concept within the consummatory category, and the second is value introjection. Together they lead to strong social control, family support, and network-mediated benefits. On the other hand, enforceable trust and reciprocity exchanges, sourced in the instrumental category, are linked to such consequences as restrictions on individual freedom, restricted access to opportunities, and downward levelling norms (Portes, 1998). In addition to the analysis provided by Portes (1999), Adler and Woo Kwon (1999) summarized several sources of social capital. Firstly, there are networks, which were described in depth by Granovetter (1973). It is important to

acknowledge that wider networks can offer their members more advantages, as individuals profit not only from relationships with people who are close with them but also from those who are in their wider networks. Boissevain (1974) called them 'friends of friends', and Granovetter (1973) defined these wider networks as 'weak ties'. In addition, a number of studies define ties connecting people from heterogeneous groups as 'bridging social capital' (Adler and Kwon, 1999). Weak ties, also known as 'bridge ties', are a significant concept in the creation of social capital as they allow tying two networks otherwise not connected (Granovetter, 1973), hence increasing the size and diversity of the network. The advantage of possessing bridging social capital over concentrating only on the relationships within one's own ethnic group is to produce 'linkages with outside agents thereby enlarging the range of customer potential and source of funding and intelligence' (Ram et al., 2008). On the other hand, bonding social capital describes network relations within a homogeneous group of friends, family members, and business partners similar in demographic characteristics (Putnam, 1995). These homogeneous networks are very important for individuals who just arrived in the host country and have yet to build their own local networks. During this period of time, kinship networks and tight-knit ethnic relationships are a very important form of social capital for ethnic entrepreneurs (Jones et al., 2010). For many ethnic entrepreneurs, bonding social capital plays a significant role in establishing their business presence in the market. Ram et al. (2008) researched Somali entrepreneurs in Leicester and found that support given by their family and co-ethnics was vital in the survival and growth of their business operations. This support is a great example of intra-ethnic relationships that support newly arrived migrants to start business ventures in the host country. Secondly, norms are also a source of social capital, where social values tend to unite members of a

group and accumulate social capital. In this category the work of Portes (1998) could be cited.

Thirdly, beliefs are also a source of social capital that command little attention in the literature (Adler and Kwon, 2000). Authors like Portes (1988) and Nahapiet and Ghoshal (1998) presented the role of beliefs. In addition rules connected with formal institutions can have a strong influence on social capital. They can shape network structures and can also influence norms and beliefs. Finally, trust—according to Adler and Woo Kwon (1999)—causes some confusion, as various authors have treated it as either a source of social capital or a form of capital (Coleman, 1988). Other authors have also acknowledged the role of trust in the creation of social capital. Blanchard and Horan presented a simple relationship between both phenomena: ‘Trust eases cooperation and the more that people trust others and the more they feel that others trust them, the greater the likelihood of cooperation of these people (Blanchard and Horan, 1998, p. 295). Networks, norms, and trust play a significant role in the theory of social capital and interrelate with one another, according to Putnam (1995), linking his observations with those of Adler and Woo Kwon (1999). This thesis tries to look into the concept of social capital amongst Chinese ethnic entrepreneurships from different time angles. Understanding the differences among first-, second- and third-generation Chinese Indonesians and their significantly different levels of capital is very important. As Vershinina et al. (2011) stated, ‘Entrepreneurial activities are time-bounded and it is therefore important to include historical context when researching ethnic entrepreneurship’ (p. 113).

2.6.1. Social capital in comparison to other forms of capital

Social capital is very often compared with other forms of capital. Like other forms of capital, it can be invested ‘with expectation of future, albeit uncertain, returns’ (Lesser, 2000, p. 8) and tends to be appropriable and convertible, to a lesser extent than other forms of capital. Another important characteristic of social capital is that transactions can be more confusing than in the case of other forms of capital. Uncertain time frame, non-specific obligations, and reciprocity expectations (Portes, 1998; Bourdieu, 1979) can cause confusion. In addition, out of all forms of capital, social capital is the least tangible (Coleman, 1988). As already mentioned, social capital is not owned by one, specific individual, and equally important, it does not depend on individuals but on their interactions with others. As Burt pointed out, ‘social capital is a quality created between people, whereas human capital is a quality of individuals’ (Burt, 1992, p. 340). This characteristic of social capital can be vital, and it plays an important role for Chinese ethnic entrepreneurs in Indonesia. Discriminated against as an ethnic group, Chinese in Indonesia created a closed, homogeneous ethnic group, and it is expected that bonding capital played an important role for them. However, it has to be emphasized that social capital should not be viewed as the only form of capital that influences entrepreneurial activities of ethnic minorities. As Vershinina et al. (2011) pointed out, ‘Social capital appears regularly as an explanation for ethnic entrepreneurship but it is only one pertinent form of capital’. Nee and Sanders (2001) acknowledged that all three forms of capital in their social, financial, and human forms support how ethnic minorities are incorporated into the labour markets. As a result, the role of social capital should not be overestimated, and the role of other forms of capital for ethnic entrepreneurs should also be acknowledged. Social capital cannot be analysed as the only source of

capital for ethnic minorities, as ‘it would be completely wrong to dismiss the role of human and financial capital in entrepreneurship itself’ (Ram et al., 2008, p. 430). The findings of this research bring additional knowledge to the current understanding of the role that social capital plays for ethnic entrepreneurs.

2.6.2. Benefits and risks of social capital

Adler and Kwon (1999) summarized the work of several authors and provided a comparison of the benefits and risks of social capital. Thus it is important to acknowledge not only the positive aspects of social ties in business but also potential problems related to them. According to the authors, there are three main benefits for the actors: information access, power, and solidarity. However, the high cost of creating relationships could affect information access, and the choice between power and information benefits could be a trade-off for the poor. In addition, solidarity could be affected by issues such as excessive claims of the network members, lack of freedom, and the lowering of innovation and creativity. On the other hand, for the externalities, excessive brokering is a risk for information diffusion. For the benefit of added value for social welfare, in case of a task being accomplished, there is a risk of the success also being shared by negative externalities. Finally, community citizenship behaviour could be linked to an excessive relationship with the focal group, resulting in fragmentation. In addition, a lack of proper access by outsiders to the focal group can also be present.

2.6.3. Social capital growth

Uzzi (2008) posited that social capital can be built using three different methods: 1) in the ‘self-similarity’ case, individuals tend to choose people a lot like themselves; 2) with proximity, people tend to choose people who happen to be around them; and 3)

third is the shared activity principle (Uzzi, interview, 2008, p. 8). The first two methods are not as successful as the last one, as they actually limit individuals to deal with people who have similar opinions to us or people who tend to live, work, or just be close to us. The shared activity principle plays a major role for social capital build-up. During sports activities or similar events, people coming from various social networks are able to link with each other and as a result also cooperate. Those activities might also support social networks to be more effective for all members of the social structure. In this case, the concept of closure in social networks, introduced by Coleman (1988), might be used. Social networks where all members are within the organisation and no one is left outside of the structure tend to use social capital more effectively. This is very important for the Chinese who participate in associations (formal and informal), which leads to an increase of social capital. Sometimes, simply swimming together and playing games could be a way of engaging in the association that will later help in a business relationship. 'Other social activities—such as professional, social, political and religious activities—may also enable the consolidation of social capital' (Cheung, 2004, p. 677).

In summary, the concept of social capital, even though defined in many ways, has not changed significantly over the years. The vital role of networks and the accumulative and collectivistic character of this form of capital should be acknowledged, as those characteristics might influence the way in which social capital is used by Chinese ethnic entrepreneurs in Indonesia. This thesis investigates if and how Chinese ethnic entrepreneurs use social capital during the process of business network creation, leading to successful business venture operation.

2.7. Summary

As stated previously, both entrepreneurship and ethnic entrepreneurship research are in the early stages of their development (Landstrom, 2008; Sternberg and Wennkers, 2005). Existing research has proven that in some countries ethnic minority representatives tend to be more engaged in entrepreneurial activities in comparison to the indigenous majority (Baycon-Levent and Nijkamp, 2009). As this finding is of significant importance, a considerable amount of research has been evolving around the theme of personality traits of an ethnic entrepreneur. Early research tended to concentrate on this phenomenon, while Kloosterman et al. (1999) and Kloosterman (2010) proposed a mixed-embeddedness model in which they criticized overestimating the role of individual traits and suggest that other factors might have also played a significant role in the entrepreneurial process. In addition, existing research has proven the importance of social capital for ethnic entrepreneurs in comparison to other forms of capital. In many cases, migrants arriving in the host countries are lacking financial capital, and their human capital (e.g., education) is not recognized or valued to the same extent as for the local majority. Relying on family and co-ethnic support and building relationships within their ethnic group is their first step in improving their situation in the new environment. Very often a choice of being engaged in entrepreneurial activities is based on the existence of unfavourable and discriminatory regulations for ethnic migrants (Iyer and Shapiro, 1998), which act as push factors. In contrast, opportunity structures in the form of an attractive market (Clark and Drinkwater, 1998) pull some ethnic minorities to the field of entrepreneurship. Over time, developing inter-ethnic relationships with other groups and bridging to the non-ethnic market prove to be successful means of business growth.

CHAPTER 3: LITERATURE REVIEW AND CONCEPTUAL MODEL

3.1. Chinese Entrepreneurship

A growing academic interest in ‘Chinese-ness’ and Chinese values has been observed over the last decade, and this might be linked to the growing importance of China and Chinese capitalism (Goxe, 2012; Hamilton, 1996; Redding, 1990) or Confucian capitalism (Kahn, 1979). Current knowledge about Chinese ethnic entrepreneurship comes from two distinctive streams of the entrepreneurial literature: one heavily emphasizes the role of culture as an engine of entrepreneurial activities, and the other presents the concept of transnationalism, ‘which has served to create a link between identity and capitalism’ (Gomez, 2007).

3.1.1. Ethnic networks

According to Gomez (2007), the majority of business enterprises in East Asia place a strong emphasis on the role of networks in their business operations. Hence, one can conclude that business networking could be a phenomenon applied by Asian businesses, including Chinese ethnic enterprises. This process is characterized by investing a lot of time and financial resources in order to build and manage the business network in connection to the spirit of ‘guanxi’—business networks. As a result, many scholars identify Chinese entrepreneurship as ‘network capitalism’ or ‘guanxi capitalism’ (Hamilton, 1996). However, it is important to note that reliance on business networks is not only a Chinese phenomenon; it is also observed in other Asian cultures. Unlike Western businesses, which are strongly bureaucratic and

efficient, Asian businesses spend a great amount of time and effort on building business networks (Biggart and Hamilton, 1997).

Dieleman (2011) identified four theoretical approaches related to the topic of Chinese networks present in business. Firstly, there are a number of academics presenting the idea of Chinese ethnic entrepreneurs creating business networks with a preference for fellow Chinese (Backman, 2001; Chan, 2000; Douw et al., 1999). The strong support of the network, consisting of co-ethnics, as well as traditional reliance on Confucian values, strongly defines Chinese business networks (Luo, 1997; Redding, 1990). The role of Chinese business networks (*guanxi*) is very important for Chinese businessmen, and it is based on personal relationships linked to the exchange of favours in a long-term time frame (Chen and Chen, 2004). Dieleman (2011) emphasized that it is easier for the Chinese to build up strong *guanxi* with fellow Chinese rather than with people and organisations representing other nationalities. The second body of research concentrates on a specific type of business networks: ‘crony networks’. Robinson (1986) and Yoshihara (1988) posited that a crony relationship between country leaders grants access to resources as well as protection in return for profits and shares of the businesses. Elson (2001) supported this view and described the relationship between Soeharto’s regime and Chinese businessmen as a crony one. Thirdly, Dieleman (2011), pointed out the importance of social capital, which she defined as ‘personal connections of business owners that are used for the benefit of the company’ (p. 205) in creation of the business network. Finally, the fourth group of research is called ‘evolutionary’ and emphasizes the dynamic attribute of the organisations (Hite, 2005). Academics have presented the opinion that only in the early stages of a company’s existence do relationships with politicians play a significant role. Peng (2003) and Peng and Zhou (2005) believed that

businesses naturally move away from networks relying on relationships into models based on rules and weaker network ties.

Wee and Yuk Wah (2006) discussed the myth of the Chinese using their ethnicity as an engine of entrepreneurial growth:

Such a myth claims that Chinese entrepreneurs constitute a closed category with homogenous ethnic attributes and cultural values that have enabled them to achieve economic success. (Wee and Wah, 2006, p. 328)

The belief that the decision-making process as well as the development of Chinese enterprises is strongly related to Chinese ethnics (in overseas Chinese diasporas) gained the name ‘culturalist perspective’ (Gomez and Benton, 2003). Literature on the culturalist perspective has identified Chinese diaspora members as sharing the same cultural characteristics that influence their business-presenting ethnic style, which is strongly based on family characteristics and intra-ethnic networks, defined by many authors as a ‘Confucian ethic’ (Gomez and Benton, 2003).

These important foundations of the culturalist perspective have also shaped the hypotheses put forward for this study. The impact and importance of family support as well as the support of co-ethnics is emphasized in Hypotheses 3.1 and 3.2.

H3: Bonding social capital in the form of family and co-ethnic support positively influences the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

Both of these hypotheses are part of Proposition 1 and investigate possible relationships between family and co-ethnic support and the entrepreneurial decision to create a business. In addition, Hypotheses 3.3 and 3.4 investigate the impact of

bonding social capital in the forms of family and co-ethnic support on sales and profit growth.

For many researchers, Confucianism plays a very important role in Chinese entrepreneurship. Confucianism is based on strong Chinese cultural values of hard work, respect for learning, harmony, and family (Cheung, 2004, p. 678), and it is believed to be very important for ethnic Chinese living in South-East Asia (Mak and Kung, 1999; Redding, 1993). Confucius (551–479 BC) is considered by many scholars to be the most influential philosopher for the Chinese (Fung, 1952). Confucian values are deeply rooted in Chinese culture and have been taught to generations of Chinese. Apart from being taught formally in some schools, Chinese families use Confucian sayings and stories to teach their children about this important philosophy (Yan, 2006). As a result, over two thousand years after his death, Confucius and his set of values still play a major influence in the lives of ordinary Chinese (Xing, 1995; Jacobs et al., 1995). Research has revealed that even for Chinese ethnic businesses operating outside of China, Confucian values have had an influence on family values (Jacobs et al., 1995). Moreover, many academics as well as government officials have linked the success of Chinese businesses to the presence of Confucianism (Greenhalgh, 1994). As a result, a growing amount of research is raising interest in the topic of success among Chinese ethnic businesses and values related to ethnicity (e.g., Tan and Fock, 2001; Lee, 1996). Therefore, this thesis studies the role of Confucianism in the overall performance of Chinese ethnic businesses in Indonesia.

The importance of Confucian values was also reflected while creating propositions and hypotheses for this thesis. Proposition 2 emphasizes the importance of hard work,

education, respect for hierarchy, harmony, and family values while conducting business activities.

P2: Confucian values combined with bonding social capital influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

Proposition 2 is a foundation for Hypothesis 4, which looks in depth into the impact of Confucian values on business creation and growth. Hypothesis 4 is broken into sub-hypotheses H4.1–H4.10, which investigate the individual impact of each Confucian value on business creation and growth.

H4: Confucian values positively influence the creation and development of Chinese ethnic entrepreneurships in Indonesia.

Important findings supported by previous evidence about the role of bonding social capital might suggest that Chinese Indonesians possess similar entrepreneurial characteristics to Chinese living in other countries. What has to be acknowledged, however, is that some scholars (e.g., Gomez, 2007) have presented an opposing opinion on the culturalist perspective. For some researchers, the topic of *guanxi* takes on importance; however, what is important is that some authors simplify the definition as well as the understanding of this concept. ‘*Guanxi* should not only be seen as a complex manifestation of the social solidarity’ (Tan, 2000, p. 68) but also should be rather looked into as a ‘window to opportunities and resources on an external scale’ (p. 68).

In this thesis, the concept of *guanxi*, which is a form of bridging social capital, is investigated. Hypothesis 6 takes into consideration the importance of heterogeneous factors representing opportunity structures for the growth of Chinese ethnic entrepreneurship in Indonesia.

H6. Bridging social capital in the forms of personal relationships, business connections, and links to government institutions positively affects the growth of Chinese ethnic businesses in Indonesia.

It is expected that some Chinese businesses in Indonesia enjoy healthy financial growth with the support of bridging forms of capital. Testing our hypothesis allows us to see if the meso environment supports the growth of Chinese entrepreneurship in addition to the other elements of the business environment.

In research based on case studies of Chinese entrepreneurs operating in Malaysia, Gomez concluded that for the sample he used, 'ethnic links played a small role' (Gomez, 2006; Gomez and Benton, 2003). Similarly, Chinese entrepreneurs in the U.K., Australia, and Malaysia have been shown to not present very strong intra-ethnic relationships, and their communities are very fragmented, even during a time of discrimination (Gomez, 2007; Gomez and Benton, 2003). For minority Chinese enterprises in Malaysia, Australia, and the U.K., there is more evidence of competition rather than cooperation, as well as more inter-ethnic relationships rather than intra-ethnic ones (Gomez and Benton, 2003); these results collide with the findings of other scholars.

What has to be acknowledged, however, is that generalizations of findings and opinions about Chinese in South-East Asia should be made with a lot of care.

In reality, they (Chinese) are divided along numerous fault-lines, such as different generations, periods of migrations, places of ancestral origin, places of birth, language groups and classes. (Wee and Wah, 2006, p. 340)

This important point should be taken into consideration, especially while analysing the literature about South-East Asian Chinese, which mostly describes them as a

homogeneous group. Generalizing the findings about Chinese entrepreneurs and applying them as a norm about 'Chinese-ness' could be very misleading. As Jacobsen pointed out, 'Chinese in South East Asia consist of several different, more or less socially integrated, groups' (Jacobsen, 2007, p. 220). It is very hard to apply findings about Chinese entrepreneurs to the whole Chinese population, as it is a very heterogeneous group, whose individuals differ from each other depending on where they come from, their time of migration, and their social class. In addition, developing business enterprises may vary significantly depending on which part of the world the Chinese ethnics come from. As a result, the manners in which ethnic Chinese from China, Hong Kong, Singapore, Taiwan, and Malaysia grow their businesses are significantly different (Gomez, 2006). In addition to the important issue of overgeneralizing, the use of the term 'ethnic enterprise' for businesses established by Chinese in countries like Malaysia, where Chinese communities have settled for a long time, 'has little relevance' (Gomez and Benton, 2003, p. 23). It is simply misleading to generalize any findings about those communities and apply them as an example of how Chinese entrepreneurs behave. As a result, authors have challenged the view that all Chinese businesses follow a common path (p. 23). This view plays a very important role in this thesis, where expected findings about Chinese ethnic entrepreneurs in Indonesia might not be applicable for the same ethnic group residing in other countries. All of these important points are taken into consideration while conducting the present research. Even though Chinese Indonesians might present similar characteristics (e.g., Confucian values) to Chinese from other countries in the South-East Asia region, some of their characteristics are uniquely 'Indonesian'. They are shaped by the location they live in rather than ethnic background. Hence, this

thesis avoids presenting generalizations and applying them as examples of entrepreneurial behaviour of Chinese living in other countries.

3.1.2. Transnationalism

The second distinctive branch of the Chinese ethnic entrepreneurship literature analyses the links between identity and capitalism (Gomez, 2007, p. 157). This can be observed with the example of migrants, internally linked with each other through the presence of the ethnic diasporas, sharing almost the same cultural traits (Gomez and Benton, 2003). According to Guarinzo and Smith (1999), transnationalism can be rooted in the rise of globalization, the increase in technological development, changes in the political environments of societies, and the activities of social networks (Guarinzo and Smith, 1999). This opinion was strongly supported by Gomez and Benton (2003), who emphasized the growth of economic transnationalism through the link to global corporations and the ability of ethnic groups to become important players on the global scene. In addition to the opinion of Guarinzo and Smith (1999) about technological development shaping the process of transnationalism, Castells (1993) emphasized the strong impact of technology on the formulation of networks. Gomez (2007) made important links to the studies of Ong and Nonini (1997), who presented a three-way link among transnationalism, capital, and identity. The authors presented the idea that much of the business activity related to the new capitalism in the Asia-Pacific region is based on favourable government decisions. Many scholars who research global capitalism have supported the opinion that governments play a very important role in shaping the economy. Political economists represented by Johnson, Cumings, and Amsden, just to name a few, have emphasized the strong relationship between entrepreneurial growth and state policies (Cheung and Hamilton,

2009, p. 53). Moreover, Gomez (2007) also supported this view and disagreed with some researchers' claims about Chinese entrepreneurs and transnationalism, who exaggerate the role of Chinese capital in the development of East Asia. In some cases, Chinese entrepreneurs simply take advantage of the favourable situation in local and global markets. In addition, Ong and Nonini (1997) claimed that Chinese capitalism is mostly stimulated by government decisions. All of these examples support the concept of mixed embeddedness presenting strong influence on the meso environment for entrepreneurial success. In this case, cultural traits seem not to play as important a role as claimed by researchers following the culturalist approach, and support of the market could be a vital factor shaping the success of Chinese ethnic entrepreneurs in Indonesia.

As a result of the literature review, the remaining hypotheses leave aside the culturalist approach and investigate other factors that have potentially affected ethnic entrepreneurship of the Chinese in Indonesia. Kloosterman's mixed embeddedness takes into consideration elements of micro, meso, and macro environments that have possibly supported ethnic entrepreneurship.

Indonesia and its large population might be considered a very important factor supporting the growth of businesses. This assumption shapes Proposition 3.

P3: Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

Proposition 3 contains Hypotheses 5.1–5.8, which investigate how integral parts of opportunity structures such as ethnic market, presence of wider non-ethnic market, access to business ownership, and level of competition affect the creation and growth of Chinese ethnic entrepreneurship in Indonesia.

H5: Opportunity structures in the form of ethnic opportunities, presence of a wider non-ethnic market, access to business ownership, and level of market competition positively influence the creation and growth of Chinese ethnic entrepreneurship in Indonesia.

This thesis investigates this important issue and brings knowledge to the entrepreneurship field of research by analysing the role of transnationalism and the meso environment in the development and success of ethnic entrepreneurs in Indonesia.

3.2. Chinese Minority in Indonesia

3.2.1. History

Indonesia is the fourth largest country in the world by population (Suryadinata et al., 2003), with more than 237 million citizens (Thambipillai et al., 2009). Before the 2000 census was conducted, various sources estimated the number of Chinese in Indonesia between 5 and 10 million, or 3%–5% of the total population. The census, however, estimated the number of Chinese as lower—only 1.5% of the total population of 206 million (Suryadinata et al., 2003). Even though Chinese are a relatively small portion of the total population of Indonesia (1.5%–5%), they are one of the most significant amongst more than a thousand ethnic groups living in the country (Suryadinata et al., 2003). This is how Major William Thorn, an English soldier, described the Chinese minority living on Java Island in his book *The Conquest of Java*, first published in 1815:

The number of Chinese inhabitants in Batavia (Jakarta) alone, exceeds a hundred thousand.... Their sole object is making money, in the pursuit of which the

Chinese are indefatigable, and their industry embraces every department. Without them indeed the Island of Java would be an unprofitable Colony, as in their hands are all the Manufactories, Distilleries and Potteries. They are also the principal Traders, Smiths, Carpenters, Stone-Masons, Shoemakers, Shopkeepers, Butchers, Fish-mongers, Green-grocers, and in fact, the whole retail trade in Java is in their hands. (Thorn, 1815, p. 242)

As indicated, the Chinese minority was strongly engaged in entrepreneurial activities already in the 19th century. Very significant migration of Chinese (mostly from South-East China) settled in Java at the end of the 17th and the beginning of the 18th century (Fischer, 2002) and soon started to be engaged in entrepreneurial activities. The strong Chinese presence in the business life of Indonesia is truly an interesting phenomenon. As early as the 17th century, the Chinese were cultivating sugar cane for the sugar trade, and in the 19th century they were involved in lead mining in Bangka and gold mining in West Borneo. In the recent history of Indonesia, also, Chinese ethnics played a very important role in the country's business life. These findings might suggest that apart from the market opportunities in Indonesia (e.g., fertile land, availability of natural resources) that might have attracted Chinese to entrepreneurship, a number of other important factors shaped their entrepreneurial behaviour. This thesis investigates if factors like cultural traits and ethnic group support have played a significant role in the success of Chinese ethnic entrepreneurs in Indonesia. Sources acknowledge the success of this ethnic minority; however, they do not describe in detail the mechanism of the entrepreneurial process of Chinese Indonesians. The cultural traits in combination with the attractiveness of the market and unfavourable government regulations might be potential factors contributing to

the success of Chinese ethnic entrepreneurs in Indonesia. Before the crisis of the late 1990s, Chinese ethnic entrepreneurs owned the majority of Indonesian business groups. Out of the ten biggest business groups in Indonesia, nine belonged to Chinese-Indonesians (Cheung, 2004, p. 670). It is also important to remember that not only big conglomerates belonged to Chinese Indonesians. Many SMEs (especially from the non-oil sector) were owned and run by Chinese ethnic entrepreneurs (Cheung, 2004). Those ethnic businesses were run well and were competitive with businesses run by *pribumi* (ethnic Indonesians). Strong involvement in business is a significant characteristic of the Chinese minority in Indonesia, which fully supports the culturalistic approach to entrepreneurship, linking it with the ethnicity of business owners. In addition to the creation of business enterprises, Chinese also grouped themselves in business associations. Siang Hwee, the Chinese Chamber of Commerce, was established in Batavia (now Jakarta) already in 1906 (Adam, 2003). The business success of Chinese Indonesians came in spite of long-term discrimination evidenced by unfavourable public regulations and hostility from the indigenous hosts. Chinese were still able to build up a strong presence in the Indonesian entrepreneurial world. Citing Barrett, Jones, and McEvoy, one can ask a question:

How is it, then, that members of certain racially labelled groups can successfully elevate themselves from 'underclass' to petty bourgeoisie? (Barrett et al., 1996, p. 785).

To answer this question, Hypothesis 7 is put forward:

H7: Discriminatory government regulations have a positive impact on the business creation decisions of Chinese ethnic entrepreneurs in Indonesia.

This thesis investigates if the presence of push factors have affected Chinese Indonesians and their decision to establish a business presence. This hypothesis is the final part of the jigsaw puzzle of mixed embeddedness in the Indonesian context, which is expected to strongly influence and affect the entrepreneurial activities of Chinese Indonesians. All of the hypotheses put forward take into consideration a variety of micro, meso, and macro environmental factors.

It has to be said that Chinese businesses have been present in Indonesia for generations. Since the beginning of their presence, they have had to adapt to changing conditions of doing business in the archipelago. The changes in the external political environment accelerated in the 20th century, when the government shifted from Dutch to Japanese and then to a newly established independent Indonesian government (after WWII). Even after the war, power shifted again firstly to nationalistic Soekarno and then to the dictatorship of Soeharto, who was supported by the army. The changes of the regimes that led to changes of business regulations forced the Chinese Indonesian community to be flexible and adjust to the new reality. For example, during the 1930s, a shift by the Dutch colonial power from open-market policies to a centrally governed economy took place. Dielman et al. (2011) described the approach used by the Chinese Indonesians at that time:

These policies had a large impact on the businesses of the Chinese and necessitated them to seek other economic opportunities and use all their creativity to make a successful shift into the controlled economy that was created. (p. 12)

This thesis brings knowledge to the entrepreneurship field and investigates all possible factors that contributed to the success of Chinese ethnic entrepreneurs in Indonesia. It is expected that Chinese entrepreneurship in Indonesia is strongly shaped by a combination of factors. The combination of cultural background strongly

supporting entrepreneurial careers with opportunities present in Indonesia and unfavourable government regulations discriminating against the Chinese seem to be important factors shaping the success of Chinese entrepreneurs in Indonesia.

3.2.2. Situation of the Chinese in Indonesia

The history of the Chinese presence in Indonesia is a long and complicated case. Since their first arrival in the archipelago centuries ago until today, Chinese Indonesians have been labelled as outsiders and not accepted as true Indonesians by the indigenous majority. Post (2011) pointed out an important phenomenon observed in the post-war literature on ethnic Chinese entrepreneurs. All Chinese were seen as rich elites in Indonesia and associated with collaborators and exploiters of the locals (p. 169). An enforced strong separation of Chinese Indonesians from the rest of society was already present during the Dutch colonial era, when Chinese ethnics were labelled as ‘foreign Orientals’ or colonizers and differentiated from the rest of the local population (Dielman et al., 2011, p. 16). The colonial division of the society into Europeans, foreign Orientals, and natives created segregation, as described by Winarta (2008), which didn’t disappear even years later. According to the general opinion of indigenous Indonesians, the Chinese were treated well during the colonialist era. However, this looks like an opinion of only one part of the Indonesian community. In legal terms, the Dutch East Indies had a dual legal system. The society was divided into two main groups—Europeans and natives—which included Arabs, Moors, Chinese, and all others who were Muslims (Tjiok-Liem, 2011, p. 118). There were no legal privileges given to the Chinese. They were treated the same way as the indigenous majority under the colonial law. Towards the beginning of the 20th century, Indonesia witnessed the rise of nationalism amongst the Chinese Indonesians. In 1899, the Chinese established the Tiong Hoa Hwee Koan (THHK), a

Chinese association, that according to Fromberg (1926, p. 450) started a 'Chinese Movement'. The objective of the association was to unite the Chinese living in the Dutch East Indies and secure them a better legal position. The main aim of the THHK was to rebuild Confucian values amongst the Chinese Indonesians. By 1908, the association had opened fifty-five Chinese schools in which youth learnt the Chinese language and studied about Confucianism. A common education among Chinese children was one of the ways to unite the Chinese (Williams, 1960, p. 66). This thesis analyses how Confucian values present for so long amongst the Indonesian Chinese affected their business operations. Chinese Indonesians also tried to have abolished the zoning system established by the colonial rulers. The Chinese were able to live only in areas given to them by the Dutch. This in reality meant a lack of freedom to change their location (Tjiok-Liem, 2011, p. 123). Thanks to the favourable spirit of change that took place in Holland and Batavia, Dutch decision makers agreed to abolishment of the dual legal system. The changes in favour of the local community and the Chinese minority would not have been possible if not for the case of the Chinese shop owner Loa Joe Djin, who brought international attention to the situation of locals under the Dutch colonial governance. The case is described in detail by Tjiok-Liem (2011). In the first decade of the 20th century, Chinese Indonesians established several organisations, such as the Siang Hwee (Chamber of Commerce) and the Soe Po Sia, which at the beginning served as reading clubs but over the years became politically oriented institutions (Williams, 1960). In addition to the growing nationalism amongst the Chinese Indonesians, China started to pay attention to its overseas citizens. At the beginning of the 20th century, Chinese officials visiting Chinese schools in the East Indies first came to Batavia. In a short period of time,

educational visits were linked with business relationships between mainland China and the Chinese in the Dutch Indies (Tjiok-Liem, 2011).

The independence gained in 1945 did not end the segregation of the Chinese from the local majority, which continued especially until 1998 when Soeharto's regime collapsed. The twenty-year period following WWII made their situation slightly better. Within their community, Chinese Indonesians started to debate about what they should do in the newly independent country. Two opposing views were presented: one in favour of assimilation with the indigenous majority (by resigning from their 'Chinese-ness') and a second one favouring integration linked to cultural pluralism (Susanto, 2008). This debate continued through the 1950s and the beginning of the 1960s, mostly between Chinese activists and politicians (Setiono, 2002). After Soeharto took over Indonesia in the mid-1960s, the situation of the Chinese minority worsened, and they were no longer debating over their approach to the Indonesian state, as the Soeharto regime simply did not give them an opportunity to do so. They had to become either Indonesian or Chinese and had to simply give up their ethnicity. Soeharto's ministers decided that any signs of cultural affinity should be removed, and society should be directed towards national unity. 'Chinese-ness became, more or less, a forbidden cultural identity' (Susanto, 2011, p. 65). The Soeharto regime successfully implemented more than sixty discriminatory policies (Winarta, 2008). *Masalah Cina*, or the 'Chinese Problem', became one of the most important issues for the Soeharto government. During his opening speech, the new president announced that the Chinese problem should be solved and that there should be a clear distinction between Chinese Indonesians and foreign citizens. This led to a series of discriminatory laws implemented to ensure that local Chinese Indonesians would not act as a 'fifth column' supporting communist China. The regime decided to use

legalities to encompass social, cultural, and economic issues related to the Chinese minority (Aizawa, 2011). Some of these policies were implemented with the excuse of supporting the assimilation of the Chinese diaspora with the indigenous majority through changing Chinese names into Indonesian names in order to avoid being discriminated against. In addition, some of the more radical regulations forbade the Chinese minority from expressing themselves through their own media as well as Chinese schools and organizations (Suryadinata, 2005), and ordered them to give up Chinese customs (Susanto, 2011). In 1966, Soeharto's government implemented a law according to which the Chinese were supposed to replace their original names with Indonesian substitutes. The law did not force them to do so; however, for those who did not comply, government officials could in the future make things complicated. A year later, the government passed another law by which Chinese religion, beliefs, and customs could only be expressed at home within the family or in places of worship, and never in public places (Susanto, 2011). The Chinese were encouraged to participate only in organisations that were of Indonesian nature, and participation in Chinese associations was highly discouraged (Suryadinata, 1978). As an answer to the regulations, many Chinese Indonesians became engaged in the general associations that were not exclusive for the Chinese. Susanto (2011) describes a contemporary situation in which the Chinese are engaged in a variety of organisations with Indonesians, such as sports clubs. The only purely Chinese organisations would be funeral houses, as Chinese follow strict funeral procedures known only to them (p. 85). Currently, such discriminatory regulations that were introduced in the past are commonly considered as 'discriminatory, inhumane, and in violation of basic human rights' (Aizawa, 2011, p. 49). However, when they were implemented, Soeharto's government did not view them this way. More important than the government

regulations could be ethnic stereotypes commonly present in Indonesia. Warnaen (2002) conducted a study about ethnic stereotypes and found that the Chinese are often labelled as stingy and crafty. Susanto (2011) presented stories from Yogyakarta that further supported the existence of such stereotypes. According to him, citizens of Yogyakarta view their local Chinese minority as being exclusive and presenting asocial attitudes (p. 70). In 1998, social frustration with the Soeharto regime led to massive protests organised by students, which in turn led to the spread of violence against Chinese Indonesians in several Indonesian cities. Once again the Chinese community was blamed for the bad economic situation, even though it had no direct links with the Soeharto regime apart from a few tycoons selected by Soeharto to cooperate with him. During the darkest days of Soeharto's regime, the government established several institutions dealing directly with the *Masalah Cina*. The KESBANG Directorate and Dirjen SOSPOL were the institutions responsible for implementation of the assimilation programs prepared by Soeharto's ministers (Aizawa, 2011). However, what has to be emphasized about the assimilation programs created by the Soeharto regime was that for the great majority of people, the whole process and idea of assimilation was corrupted from the very beginning. Although the government claimed that the objective of the program was to treat all Indonesians equally regardless of their ethnic background, the reality was different. At the end of the 1970s, Soeharto's government decided to conduct a census, and guidelines about the process were sent to all provinces. Minister Amirmachmud instructed local leaders to put a special code next to the names of any Indonesian citizens of foreign descent, especially the Chinese (Aizawa, 2011). This clearly showed that in reality the government of Soeharto was doing something totally different than it had promised its citizens. The idea of assimilation of Chinese

Indonesians was not real. The collapse of the Soeharto regime, linked with the killings of the Chinese by the indigenous majority, led many Chinese Indonesians to leave the country for good or come back and live in a state of insecurity (Susanto, 2006). Zhou Fuyuan shared his personal story from that difficult time, pointing out that only a small group of Chinese was able to escape from Indonesia and the rest had to stay in the country. ‘Anxiety was our constant companion’ describes best what Chinese Indonesians felt during this difficult time (Fuyuan, 2003). It is important to know that because of the Soeharto propaganda that tried to break Chinese dominance in business, Chinese became easy targets for discrimination from the rest of society. Almost every social conflict during the Soeharto era had strong elements of anti-Chinese violence (Susanto, 2011). After the change of power in Indonesia in the late 1990s, several national leaders tried to restore trust of the Chinese Indonesians within the government. Koning (2011) presented examples of regulations reducing discrimination against Chinese Indonesians that were implemented by post-Soeharto leaders. President Habibie (1998–1999) approved a law allowing Chinese Indonesians to establish political parties. Moreover, he decided to stop using discriminatory terms such as *Pribumi* for describing the indigenous majority and non-*Pribumi* (‘not sons of the soil’) for describing ethnic minorities, including the Chinese. President Wahid (1999–2001) abolished the previous law banning the Chinese from religious and cultural expression, and the first female president of the largest Muslim state in the world—Megawati Soekarnoputri—introduced Chinese New Year as a national holiday. Even though several new laws have been implemented, academics still debate if Chinese Indonesians will eventually be able to feel safe in the country where they were born. The great majority of Chinese Indonesians, after the incidents of 1998, lost their trust in both government and the army because the institutions did not

offer them any protection (Herlijanto, 2005). The situation of Chinese in daily life improved. Aizawa (2011) linked it with a 'China boom' leading to the massive importation of Chinese products to Indonesia as well as to an increasing number of visits between the countries. The changes also included returning to the old terminology describing Chinese Indonesians: the term *Tionghoa* was used instead of the derogative term *Cina* used during the Soeharto era (Aizawa, 2011, p. 49). According to some contemporary research on ethnic groups in Indonesia, several important stereotypes regarding the Chinese can be seen. A study by Warnaen (2002) presented serious and interesting insights on how the Chinese are viewed by the indigenous Indonesians. Chinese are seen as a very close ethnic group that does not accept outsiders to be part of it. It is common for Chinese to prefer living in areas with other Chinese, and if they live in predominantly Indonesian areas they do not participate in neighbourhood activities such as community meetings, events, and night street watch. Chinese Indonesians explain this fact as a matter of safety and claim that they choose not to live in areas with a majority of Indonesians in order to avoid problems (Susanto, 2011). Susanto (2011) presented an example of how Javanese perceive Chinese as people who always seek favours to be paid back.

Many Javanese thought that Chinese place too much emphasis on wealth and were not sincere in nurturing friendships. Even when they were kind to others, they always expected something in return. (p. 70)

Susanto pointed out, however, the important fact that the Chinese are a very large and heterogeneous ethnic group, and such opinions and stereotypes might be true only for some Chinese Indonesians. What has to be acknowledged, however, is that such ethnic stereotypes exist in society, and in time they might be reshaped into prejudice towards Indonesian Chinese. According to Susanto (2011), in the minds of many

Indonesians ‘the Chinese are shop-owners, well-to-do professionals, or big business tycoons’ (p. 72). In reality, however, Chinese Indonesians are very diverse, and such statements might be true only about part of their community and should not be used to describe all of them.

3.3. Chinese Indonesian Studies

The Chinese in Indonesia, like in other countries, are a diverse social group, and hence making conclusions and applying them to the whole Chinese diaspora might be misleading.

Chinese Indonesians are a diverse and socially active group, whose histories and agencies are heterogeneous and locally embedded and cannot be homogenized in a singular framework. (Dielman et al., 2011, p. 3)

Susanto (2011) supported this view and described how different groups of Chinese Indonesians vary from each other in the aspect of assimilation with the Indonesian community. He divided the Chinese minority into four groups. Firstly, he described ‘natural assimilationists’ (p. 72) as mostly Chinese Indonesians of mixed origin who do not look like Chinese and blend naturally with the indigenous majority. The Indonesians have accepted them, and in some cases they cannot even be recognised physically as being Chinese. Secondly, there are opportunistic assimilationists’ (p. 74). They are described as those who treat their Chinese-ness as a potential source of troubles. As a result, they adopt Indonesian names (however they are still linked to their Chinese names) and behave like Indonesians, however, not because they are enthusiastic about it but because they use it as an example of camouflage. There are many representatives of the middle-class working community in this group. What is also interesting is the fact that these Chinese still maintain their Chinese culture and

rituals; however, for the sake of good business they tend to behave in a very Indonesian way (Susanto, 2011). In a third group, called ‘symbolic assimilationists’, there are mostly upper middle-class businesses and professionals. According to them, being a good Indonesian citizen does not mean they have to give up on their Chinese-ness. Even though they might have changed names, they did it only because they were somehow pushed to do it and not because they believe in it. They are strongly Chinese and take pride in the growth of importance of China in the last couple of decades. As Susanto (2011) stated, ‘They do not believe in the Javanese way of life’ (p. 76). They tend to generalize their statements about Chinese being hard workers and smart in business and Indonesians as less reliable and not as hard working as the Chinese.

Finally, there are ‘cosmopolitan assimilationists’ who are the result of the assimilation policies enforced by the Soeharto regime. They are mostly young Indonesian Chinese, living in cities, who consider themselves as 100% Indonesians. They can’t speak Chinese, they do not celebrate Chinese holidays, and they behave like their young Indonesian peers.

Based on this division of all Chinese Indonesians, it has to be remembered that this thesis must not produce generalizations as the subject of the research; the Chinese Indonesians are a very heterogeneous group of people, and generalizations are not suitable.

Studies about Chinese Indonesians are dominated by two paradigms in the literature: state-centred studies and others in which Chinese Indonesians are described as members of a wider international Chinese diaspora (Dielman et al., 2011). In the state-centred paradigm, Chinese Indonesians and their contributions to Indonesia are described in a negative way. Government documents present Chinese Indonesians as

‘invasive agents, as instruments of colonial and global capital’ (Dielman et al., 2011, p. 5).

This view appears mostly after 1920 and presents examples of Chinese being incorporated in the Dutch colonial system or collaborating with the Japanese regime during WWII. Tan (1997) describes the whole social phenomenon of Chinese Indonesians as *Masalah Cina*, the ‘Chinese problem’, which might suggest a negative view of the ethnic group in Indonesia. Interestingly, in documents from the colonial era between 1870 and 1910, the Chinese are described as being an integral part of Indonesian society (Dielman et al., 2011). Until the beginning of the new millennium, a majority of social scientists in Indonesia followed the nationalistic paradigm, grouping Chinese Indonesians as ‘agents of colonial power’ (Anderson, 1997) or ‘alien intruders, collaborators and profiteers’ (Dielman et al., 2011, p. 5) of both Dutch and Japanese colonial empires (Wertheim, 1978). Chinese as a social group did not attract the attention of academics who wished to understand the mechanisms present within this community. The several cases in which scholars have mentioned Chinese Indonesians are in situations of violence against them during the overthrow of the Dutch, the Japanese, Soekarno (1960s), and Soeharto (Dielman et al., 2011). Interestingly, during the Soeharto era, public opinion about Chinese was stereotypical and associated with a few wealthy tycoons related to the political leaders.

This view of the Chinese as a very wealthy social group became very popular amongst the majority of the indigenous population. The misconceptions about the Chinese have been passed on from generation to generation. Yamamoto (2011) presented the example of misjudgement and misleading opinions about the Chinese Indonesians as a political group at the beginning of the 20th century. Since the collapse of the Soeharto regime, the limitations of the paradigm related to state politics have been described by several academics (Dielman et al., 2011; Kratoska et

al., 2005; Schulte Nordholt, 2004;). However, the role of Chinese Indonesians in modern Indonesia is as active agents who still are a marginalized community (Dielman et al., 2011, p. 6).

In contrast with the nationalistic paradigm, the second approach places Chinese Indonesians in a wider network of South-East Asian Chinese, being described as ‘nodes in a regional structure that helps them become successful businessmen and maintain their cultural identity’ (Dielman, et al., 2011, p. 6).

This can be linked to the culturalist stream of the literature associating success of ethnic Chinese entrepreneurs with Confucian values, cultural traits, and social networks (Chan, 2000; Hamilton, 1996). The significant concepts within this stream of the literature were best described by Dielman et al. (2011, p. 6): ‘the hardworking Chinese built upon their cultural and social capital in order to enrich themselves, their families and their communities.’

This statement can provide strong support for the conceptual model developed especially for this thesis. In the conceptual model, cultural traits in addition to personality traits play a significant role in the creation of social capital in the micro environment.

However, there is a range of academics who attempt to challenge the existing culturalist perspective and criticize it for a strong emphasis on common ethnic identity rather than other factors (Koning, 2007; Dahles, 2007; Gomez and Hsiao, 2004; Jacobsen, 2004;). This point of view also supports the conceptual model presented in this thesis. Except for the micro level, consisting of personality traits and cultural values, this thesis proposes that meso factors of opportunity structures and macro discriminatory government regulations played an important role in the success of Indonesian Chinese businesses. This could be supported by the opinion of

Braadbaart (1995), who pointed out the important role of the institutional factors. Dielman (2011) presented the example of the Salim Group, which overcame Soeharto's regime change when it became powerful and built up its strong presence not only on Chinese networks and support of the regime but also on external partnerships.

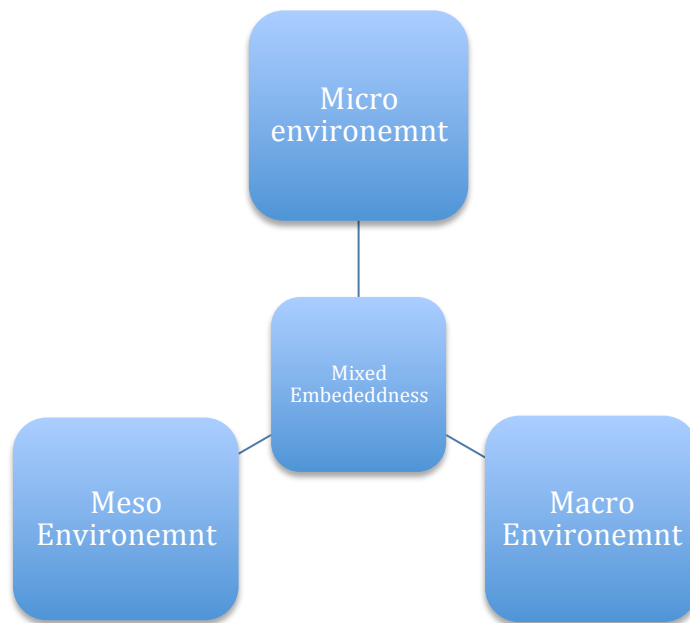
3.4. Conceptual Model

To better understand the role of the micro, meso, and macro environment in the business creation and growth for ethnic Chinese entrepreneurs in Indonesia, the following conceptual model is put forward.

3.4.1. Mixed embeddedness

The model presented here uses the concept of mixed embeddedness presented by Kloosterman et al. (1999) and Kloosterman (2010). It is believed that mixed embeddedness plays an important role for Chinese ethnic entrepreneurs in Indonesia as a factor supporting their use of social capital. The combination of micro aspects related to the personality traits of the entrepreneur, as well as his or her family and co-ethnic relationships, with meso opportunity structures and macro institutional framework, is expected to shape the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

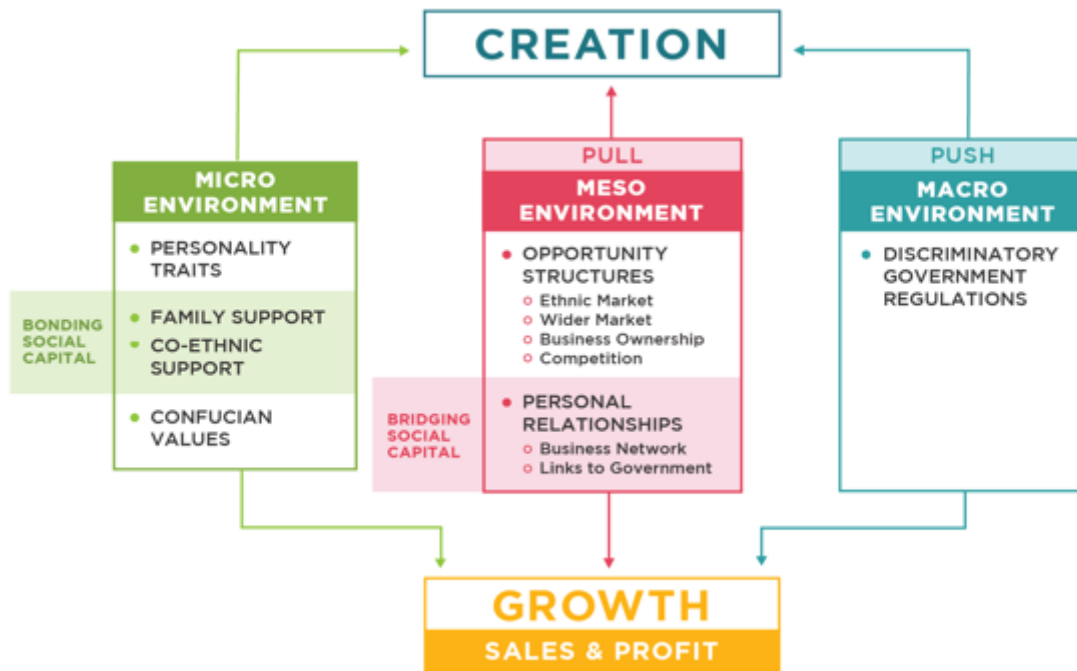
Figure 3.1. Mixed Embeddedness



It is believed that the micro-level, meso-level, and macro-level activities strongly influence the success of Chinese ethnic entrepreneurs in Indonesia and as a result are part of the following conceptual model describing the role of social capital for these individuals. The mixed embeddedness framework has been included in this conceptual model to emphasize the role of all sides of the entrepreneurial equation that are important in the process of entrepreneurship. As a result, not only are the entrepreneurial actors—Chinese ethnic entrepreneurs—significant, but also opportunity structures of the market (meso level) as well as push factors in the form of discriminatory government regulations (macro level). Deakins et al. (2009) stated that the mixed-embeddedness approach is a combination of cultural and social aspects with a general legal and business environment of a market. This finding is significant in the Indonesian context, as strong cultural characteristics of the Chinese, supporting them in their entrepreneurial careers, combined with an attractive market, are expected to be vital factors affecting the success of this ethnic group in Indonesia.

Figure 3.2. Conceptual Model

Chinese Entrepreneurship in Indonesia



3.4.1.1. Micro level

In the micro level of the mixed-embeddedness model, entrepreneurs’ resources play an important role (Kloosterman, 2010). In the conceptual model presented here, ethnic entrepreneurs with their personality traits and cultural background affecting their entrepreneurial decisions are identified as vital parts of mixed embeddedness. Personal characteristics and ethnic connections, supported by social capital, are significant forces contributing to the micro level, linking it with the process of entrepreneurship amongst Chinese ethnic entrepreneurs in Indonesia. For many Chinese ethnic entrepreneurs in Indonesia, being Chinese is expected to be an important factor influencing their decision to become entrepreneurs. In many South-

East Asian countries, the Chinese minority is strongly related to entrepreneurial activities. Business groups in countries like Indonesia, but also in Thailand, Malaysia, Singapore, and the Philippines, are largely owned and managed by the ethnic Chinese (Chung and Hamilton, 2009). The role of bonding social capital is vital for the Chinese as in various countries of South-East Asia, Chinese ethnic entrepreneurs play an important role and stand out as a well-connected community. Cheung (2004) used the term ‘virtual nation’ to describe the Chinese as ‘the economic power circle, ethnic cluster and regional locality of the Chinese Diaspora that reside in various Southeast Asian countries’ (Cheung, 2004, p. 664). During the 1990s, other terms describing Chinese ethnic entrepreneurs evolved—terms like ‘global tribe’ (Kotkin, 1993) and ‘Chinese commonwealth’ as well as ‘ethno-class’ were created. Cheung (2004) used the term ‘Chinese Diaspora’, citing Wang (1999) as it ‘does capture the notion of their economic and networking relations, especially through border-crossing activities’ (Cheung, 2004, p. 664). Another important factor stimulating decisions about creating business and becoming entrepreneurs is the long-term tradition of Chinese Indonesians being involved in entrepreneurship. Cultural traits supported by Confucian values play an especially important role, according to the researchers, as the Chinese follow a culturalist perspective, and entrepreneurship is deeply rooted in the Chinese culture and related to Confucius, the father of Chinese thought. In addition, intra-ethnic support of other Chinese has been acknowledged by a variety of academics as an important tool used by them to support their business activities. New entrepreneurs could use the support from co-ethnics in forms of access to information and resources (Uzzi, 1997) as well as opportunities (Tsai and Ghosal, 1998). Hence the conceptual model I present acknowledges in the micro level of mixed embeddedness the importance of intra-ethnic social networks (bonding capital)

shaping culturalist aspects of entrepreneurship for the Chinese Indonesians. Personal entrepreneurial traits combined with ethnic Confucian values play an important role in this level of mixed embeddedness. For this part of the conceptual model I put forward the following propositions that will be tested:

P1. Personal entrepreneurial traits combined with bonding social capital influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

P2. Confucian values influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

3.4.1.2. Meso level

In contrast to the emphasis on the individual actors and viewing this phenomenon through the lenses of the individual characteristics of a business owner, some academics (e.g., Waldinger, 1996) have concentrated on a classical topic in the entrepreneurship field: the role of market opportunities in business entrepreneurship creation. In Kloosterman's model of mixed embeddedness, opportunity structures are placed in the meso level of the model. The importance of opportunities is presented by Kloosterman and Rath (2001) who, similarly to the economists from the 'Austrian School', concluded that in order for any entrepreneur to start business activity, accessible opportunities have to exist. It needs to be acknowledged that ethnic opportunities in business are part of a wider framework for ethnic business development. Opportunity structures consist of already-mentioned ethnic opportunities and also the presence of a wider non-ethnic market, as well as access to business ownership, level of market competition, and state policies. In my conceptual model, state policies are placed in the third part of the mixed-embeddedness macro level. All of the meso factors could be defined as pull factors that attract entrepreneurs

(not only ethnic Chinese) to be engaged in entrepreneurial activities in Indonesia. It is anticipated that through intra-ethnic networks (bonding social capital) and the use of weak ties (bridging social capital), Chinese ethnic entrepreneurs take advantage of the pull character of the opportunity structures in a form of a large non-ethnic market, access to business ownership, and level of competition. Hence, for the second part of the conceptual model I put forward the following propositions:

P3. Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

P4. Bridging social capital supports the growth of Chinese ethnic entrepreneurships in Indonesia.

3.4.1.3. Macro level

The macro level of the institutional framework is another part of the mixed-embeddedness model being used in this study. According to Kloosterman (2010), support given by government institutions also shapes entrepreneurship. In the majority of cases, support given by government institutions encourages individuals to become entrepreneurs. However, for the Chinese ethnic entrepreneurs in Indonesia, the situation seems to be rather the opposite. Instead of being pulled to entrepreneurship through the support of institutional frameworks, Chinese have rather been pushed into it by discriminatory laws and regulations. As mentioned earlier, many Chinese Indonesian ethnic entrepreneurs were pushed to entrepreneurship, as Soeharto's government imposed many discriminatory laws (Tsai, 2009; Fischer, 2002). Due to the implementation of these laws, Chinese Indonesians were not able to work in the government sector, serve in the army, or teach in local universities. There is evidence that discrimination plays an important role in the decision to become an

entrepreneur (Phizacklea and Ram, 1996). Hence, push factors are included in the conceptual model of Chinese entrepreneurship in Indonesia. It is expected that through bridging social capital, Chinese ethnic entrepreneurs in Indonesia have been able to overcome the discriminatory policies implemented by the Indonesian government. Through the use of weak ties and the creation of relationships with government institutions, influential local businessmen, and politicians, Chinese ethnic entrepreneurs were able to covert unfavourable push regulations into entrepreneurial success. The following proposition is related to the macro level of mixed embeddedness:

P5. Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

3.4.2. Social capital

The use of social capital, in this case in the form of *guanxi*, is one of the most important phenomena observed amongst the Chinese living in South-East Asia. Social capital can be facilitated in this region through ethnicity, language, association, and Confucianism, and that is why Chinese ethnic entrepreneurs became successful in the region (Cheung, 2004, p. 676). Both push factors and cultural traits play important roles during the process of business creation, however social capital in the forms of family support and networking is a stimulator that strengthens the entrepreneurship decisions and potentially brings development to the business. As a result, social capital in both bonding and bridging forms is placed in my conceptual model. This is to present the importance of family support and ethnic networks as well as the links to government institutions for Chinese ethnic entrepreneurs in Indonesia.

Bonding social capital describes network relations within a homogeneous group of friends, family members, and business partners similar in demographic characteristics

(Putnam, 1995). In this case any support given by family members and co-ethnic Chinese is considered as a form of bonding capital supporting entrepreneurial activities of ethnic entrepreneurs in Indonesia. In contrast, ties connecting people from heterogeneous groups are defined as bridging social capital (Putnam, 1995). They are a significant concept in the creation of social capital, as they allow tying two networks that are otherwise not connected (Meyerson, 1994; Granovetter, 1973), hence increasing the size and diversity of the network. In the case of Indonesia, bridging networks are mostly observed when Chinese ethnic entrepreneurs link their businesses with government institutions, indigenous organisations, and well-connected local businessmen. It is expected that during the process of survey results analysis and the following interviews the conceptual model will be tested, analysed, and reshaped based on the analysis of the research findings.

3.5. Summary

Growing academic interest in Chinese values has been observed recently, and it could be linked with the increasing importance of China and Chinese capitalism (Goxe, 2012; Hamilton, 1996). The literature on Chinese entrepreneurship concentrates on two important characteristics of this phenomenon. Firstly, there are cultural aspects related to the concepts of *guanxi* (business networking), *sinyong* (trust), and the role of the Confucian values of hard work, respect for learning, harmony, and family (Cheung, 2004). These elements are very important for any researcher trying to understand how Chinese ethnics conduct their business activities. The second distinctive branch of the Chinese ethnic entrepreneurship literature analyses the links between identity and capitalism (Gomez, 2007, p. 157).

The presence of Chinese Indonesians in the business field has been acknowledged as early as the 18th and 19th centuries (see Thorn, 1815). After WWII and gaining

independence from the Dutch and Japanese in 1945, Chinese Indonesians maintained their strong position in local entrepreneurship. This was a period of time when a new wave of Chinese migrants arrived from China and started to be engaged in business activities all over the archipelago. Before the crisis of the late 1990s, the majority of Indonesian business groups had been owned by Chinese ethnic entrepreneurs (Cheung, 2004). It proves their success and importance to the local economy. International research on Chinese Indonesians is in its early stages, and Indonesian-based research presents two paradigms: negative state-centred studies describe Chinese Indonesians as invasive agents; and Chinese Indonesians are described as members of a wider international Chinese diaspora (Dielman et al., 2011). This thesis brings additional knowledge to Chinese Indonesian studies of their role in modern Indonesia as active agents who are still marginalised (Dielman et al., 2011, p. 6)

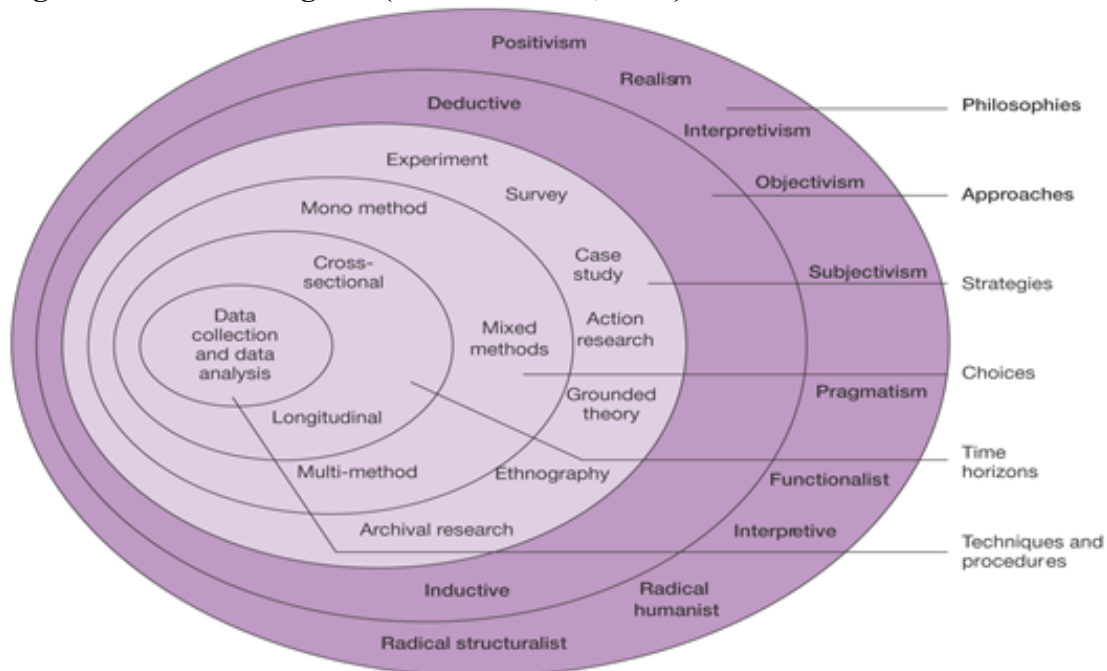
CHAPTER 4: METHODOLOGY

The following chapter outlines how I use mixed-method research to test and shape the conceptual model I put forward in the previous chapter.

4.1. Research Design

A good research design is at the foundation of successful research, as it is there ‘to ensure that the evidence obtained enables us to answer the initial question as unambiguously as possible’ (de Vaus, 2001, p. 9). This unambiguouslyness of the research outcomes lays at the foundation of better understanding the research phenomenon. Hence, before the research is conducted the issues about the research paradigm, strategies, design, and methodologies should be addressed. It is difficult to present the research design and everything related to it in a coherent way as there is no common understanding and use of the terminology in the literature. As a result, researchers have many ways of organizing their research based on the availability of alternatives. As Blaikie (2009, p. 6) stated, ‘While some combinations of choices may be more common, and others might not be legitimate, potentially, there is a wide variety of possibilities’. The design of the research is also a task that various academics have presented different opinions on. Some of them (Cameron and Price, 2009) put at the foundation of the research epistemological decisions, while research methods were placed in the final decision-making stage. On the other hand, Creswell (2009) started the research with the design selection, then procedures of inquiry, and ended with details about the data collection as well as analysis and interpretation. To avoid potential misunderstandings about terminology, this thesis uses the terminology adopted for the ‘research onion’ model taken from Saunders, Lewis, and Thornhill (2007, p. 108).

Figure 4.1. Onion Diagram (Saunders et al., 2009)



Source: <https://writepass.com/journal/wp-content/uploads/2012/11/The-research-onion.jpg>

4.2. Research Purpose

The main purpose of this thesis is to bring knowledge about the application of the mixed-embeddedness model with its micro, meso, and macro components to the Indonesian reality. The objective is to create an Indonesian Chinese entrepreneurship model. The thesis is designed and conducted to find out if social capital, through its bonding and bridging characteristics, has been an important factor that supported the creation and success of Chinese ethnic entrepreneurs in Indonesia. In addition, important concepts of social capital such as push and pull factors and their role in the entrepreneurial process are investigated. The purpose is to investigate the important contributors that are believed to influence the way in which the Chinese minority in Indonesia runs their business ventures. Moreover, investigating the role of personality traits and Confucian values in the business process allows drawing complete conclusions about the various factors shaping success of the Chinese minority in Indonesia. As ethnic entrepreneurship research is a rather young field and lacks

sufficient depth (Edelman et al., 2010), it is also my purpose to deepen the existing knowledge about ethnic entrepreneurs and ways in which they maximize their social capital in order to succeed. In addition, knowledge about Chinese ethnic entrepreneurships in Indonesia is rather weak (Koning, 2009); therefore the findings will help to fill the existing knowledge gap.

4.3. Research Question

The research question is a very important aspect of the research; it is the basis that shapes the entire project. It ‘provides the focus and direction for the study’ (Blaikie, 2009, p. 42). As a result, decisions about the design of the research, including its philosophy, epistemology, and ontology, will be based on the research question and the purpose of it. This project’s research question is:

What is the impact of mixed embeddedness on the creation and growth of Chinese ethnic entrepreneurship in Indonesia?

4.4. Research Paradigm

The research paradigm shapes how the whole research process is organized. ‘A paradigm of inquiry describes the general perspective of how the world is viewed and provides a framework that explains how reality is understood by the researcher’ (Hall et al., 2013, p. 11).

It is the research paradigm and the way how the researcher views the nature of the reality (ontology) as well as the relationship between both the researcher and the phenomenon under investigation (epistemology) that shape the decision about the methodology of the research and quantitative or qualitative data collection methods. The choice of the research paradigm results in selection of a particular methodology and further analysis of the result of the research. As Hall et al. (2013) stated,

‘Difference between the assumptions of different paradigms reflects difference in philosophical ideals, and have a significant effect on the process and interpretation of the research’ (p. 18). There has been a long and heated discussion among academics about the value of individual paradigms. Bryman (1988) identified this debate and called it the ‘paradigm war’, in which the main topic is the appropriateness and position of quantitative and qualitative research methods. The long-term discussion concentrates mostly on the incompatibility of both methodologies of research due to the different approach to the ontology and epistemology. In terms of the ontology (the existing reality), academics have seen distinctive differences between quantitative and qualitative research. The first type sees the reality as being able to be researched due to its independent existence, while in contrast qualitative researchers believe in reality existing more in people’s minds (Glogowska, 2010; Murphy and Dingwall, 1998). In addition, there is also a difference between both methodological approaches in how they view the relationship with reality. Quantitative research is believed to be separate from the phenomenon under investigation and maintains an objective stance. In contrast, qualitative research tends to be more interactive. The researcher and the phenomenon interact with each other, leading to more subjective characteristics (Glogowska, 2010). In addition, quantitative research has been linked by academics with positivist philosophy, while qualitative research is considered to be a methodological tool supporting interpretivism (Glogowska, 2010). After many years of heated discussion among supporters of various paradigms, recently several academics have announced the end of the paradigm war (Morgan, 2007; Patton, 1988). As a result, it is now believed that quantitative and qualitative research can be combined to address the research

question better. 'In order to answer research questions usefully and efficiently, recourse to both methodologies is necessary' (Glogowska, 2010, p. 252).

This research implements an in-depth survey as a data collection tool to address the research question with appropriate breadth and depth. In the second phase, shaped as qualitative interviews, the results of the survey are presented to ten selected individuals who comment on the findings and try to analyse them.

4.4.1. Research philosophy

Traditionally, research in academia 'has centred on one of two approaches or paradigms: positivism and interpretivism' (Allan, 1998, p. S1). Bassey (1990) defined 'research paradigm' as a 'network of coherent ideas about the nature of the world and the function of researchers' (p. 36), which indicates that a paradigm should be understood as a more complex phenomenon than an idea. In addition, Gill and Johnson (1997) defined paradigm as 'a perspective from which distinctive conceptualisations of phenomena are proposed' (p. 178).

Since the emergence of social science in the 19th century, the central concern of researchers has been the question of whether social science, like natural science, can produce objective knowledge (Hunt, 93). Unlike natural science, mostly relying on the positivist approach, in social science the rivalry between competing philosophies is strong and hard to resolve. In some social sciences like marketing, many scholars have presented the opinion that the research field is not able to be objective. Hunt (1993, p. 76) stated that many scholars view 'objectivity in marketing research as an illusion, chimera, or impossible'. Positivism and interpretivism perceive reality differently. Hitchcock and Hughes (1994) described the philosophies as representing 'two opposing ways of making sense of reality' (p. 14). According to positivist

researchers, there is only one reality ‘in a rational quantifiable world’ (Allan, 1998, p. S1). In interpretive research, on the other hand, various individuals can interpret the world differently.

4.4.1.1. Positivism

The theory of positivism is rooted in the works of August Comte, according to whom all sciences should use a universal model of inquiry. The roots of positivism are also linked back to the ‘Vienna Circle’ of philosophers (Morcol, 2001). However, the link to Comte is the most popular. For many years positivism, as a central philosophy of research, played an important role not only in natural sciences but also in social sciences. Some research fields, like physics and chemistry, are automatically grouped as positivist due to the nature of these fields’ research (Allan, 1998). However, various social sciences are also closely related to positivist research. Hunt (1994) linked marketing research to positivism:

the dominant paradigm of marketing is positivism (logical positivism or logical empiricism), which implies the use of quantitative methods, the adoption of realism, the search for causality, and the assumption of determinism. (p. 17)

The positivist research is generally described as being based on ‘experience in general, and observation and testing in particular’ (Clarke 2009, p. 29); however, according to Bryman and Bell (2007), it is difficult to describe the method in a precise manner as ‘it is used in a number of ways by authors’ (p. 16). In addition, the significant concept shaping this philosophy is that the epistemology of positivism asserts that knowledge is objective and value free (or neutral), and is ‘obtained through application of the scientific method’ (Breen and Darlaston-Jones, 2010, p.

68). The reality is independent from the researchers (Allan, 1998; Bassey, 1990); hence the researchers can view it in an objective way. As Allan (1998) put it, 'the researcher is thus aloof and independent from the research and is not himself/herself a variable' (p. S2). The role of hypotheses and their testing is a very important concept within positivist theory. According to Pugh (1983), the collection of data and then testing it to define the generalizations play a significant role for positivist researchers. Zhang (2002) identified positivist research as following these steps: problem-hypothesis-proposition-verification-conclusion (p. 40). In addition, positivist research is usually linked with the quantitative method, as scholars within this school of thought 'believe that there is certain objectivity about reality which is quantifiable' (Allan, p. S2).

4.4.1.2. Interpretivism

Interpretivism presents a contrasting epistemology to that of positivism. This philosophy is based on subjectivity and concepts of empathy and interpretation as well as being sceptical towards claims of objectivity (Clarke, 2009). Supported by philosophers like Weber and Schultz, interpretivism states clearly that humans differ from objects of natural science and hence researchers have to use more subjective methods of inquiry. Weber introduced the term 'Verstehen' (empathic understanding) as the basis of social research, rooted not in objectivity but in the understanding of social phenomena. Nagel (1961) in his *Structure of Science*, supported by earlier work of Weber, stated that the social sciences, in contrast to the natural sciences describe human actions based on individual goals and motives (pp. 473–485). Schultz (1962) clearly presented the rationale behind this concept:

The world of nature as explored by the natural scientist does not ‘mean’ anything to molecules, atoms and electrons. But the observational field of the social scientist—social reality—has a specific meaning and relevance structure for the beings living, acting and thinking within it. (p. 59)

In addition, Williams (2001) pointed out that a very important ‘way of knowing’ is social differentiation, which is impossible to generalize and define based on existing standards (p. 10). Schultz emphasized that unlike in the natural sciences, social reality is meaningful to humans, which results in their acts having meaning (Bryman and Bell, 2007), and as a result, studying and observing social phenomena will require usage of different analytical tools than in the case of analysis of nature. Supporting this point of view, Hay, following Bhaskar (1989), listed differences between social and natural structures. Firstly, social structures are not independent from the activities they govern. This means that subjects in social science are conscious and reflexive (Clarke, 2009), unlike in the natural sciences where objects of the research are not reflexive. Secondly, the social structures are not independent from the agent’s conceptions of the phenomenon, which simply means that actors are strongly influenced by the social laws of behaviour. Those laws can significantly modify the behaviour of the research objects. Finally, social structures are enduring (Hay, 2002). Clarke (2009, p. 30) described them as ‘culturally, spatially and historically specific in contrast to universal natural laws’. Moreover, interpretivist research is mostly engaged in qualitative methods of data gathering, as it ‘tends to centre on singularities’ (Allan, 1998, p. S3) instead of generalizations that are so popular in positivist research, and by taking an interpretive stance it will allow researchers to come up with findings that were not expected (Bryman and Bell, 2007)

4.4.1.3. Critical realism

Critical realism is considered as an appropriate epistemology for this thesis about Chinese ethnic entrepreneurs in Indonesia, as both positivism and interpretivism have gaps that do not fully match with the purpose of the research. The reason for selection of critical realism is that in reality ‘what we see is only part of a bigger picture’ and ‘we will only be able to understand what is going on in the social world if we understand the social structures that have given rise to the phenomena that we are trying to understand’ (Saunders et al., 2009, p. 115).

Hence, a deeper understanding of the social environment interrelated with the observed phenomenon, in this case Chinese ethnic entrepreneurs, is needed. Even though scholars have acknowledged that explaining multiple layered patterns of how societies evolve, to understand the mechanisms of ethnic entrepreneurship, is important, it is surprising that few studies have viewed ethnic entrepreneurship using a critical realism ontological position (Ram et al., 2014; Vincent, et al., 2014). This thesis looks at the phenomenon of ethnic entrepreneurship not only from a perspective of ethnicity and individual traits of the entrepreneurs, but also by trying to incorporate various views on this interesting concept. As a result, it makes an attempt to understand other existing forces that are shaping the process of ethnic entrepreneurship on variety levels, even those hidden very deep.

The origins of critical realism come from German philosophy, which ‘designates those positions which take account of Kant’s critical epistemology but deny that the subjectivity of our experience makes it impossible to acquire valid knowledge of the external world as it is in itself’ (Niekerk, 1998, p. 51). The name ‘critical realism’ could be linked to two other terms: ‘transcendental realism’ and ‘critical naturalism’ (Archer et al., 1998). Like Kant’s philosophy, critical realism states that ontology

experiences notion that moves. On the other hand, according to critical realists (unlike transcendental realism by Kant), reality exists independently from our perceptions and understandings. According to Hall (2009, p. 629), a number of critical realists have presented the opinion that reality can't be directly observed even though the ontological reality exists and shapes the natural as well as the social worlds. There are several important authors shaping critical realism philosophy, such as Barbour, Polkinghorne, and Peacocke (Losch, 2009). However, the whole philosophy has been associated with the work of Roy Bhaskar, and recently contributors include Archer, Collier, Danermark et al., Lawson, Manikas, Outhwaite, and Sayer (Bergin et al., 2008). McEvoy and Richards (2003, p. 412) outlined four major features of Bhaskar's critical realism: generative mechanisms, stratified character of the world, dialectical interplay between social structures and human agency, and a critique of the prevailing social order (Bhaskar, 1989; Bhaskar, 1986). Firstly, for the critical realists the primary objective is to obtain knowledge about primary mechanisms (structures, powers, and relations) that explain how things work (Bunge, 1997). These mechanisms, according to critical realists, are not directly being observed; however, they are real and they also may remain latent until they are activated by some circumstances (McEvoy and Richards, 2003, p. 412). Secondly, the natural and social worlds have a stratified and multi-layered nature, and hence various mechanisms operate at various levels of reality (Outhwaite, 1987). Thirdly, critical realists have emphasized the interdependence of structure and agencies through social structures, providing resources that allow individuals to act and also to place limits on their behaviour (McEvoy and Richards, 2003). What has to be acknowledged, however, is that human behaviour does not exclusively depend on social structure, but agents can also transform social structures (Connelly, 2000). In addition, the interplay between

agents and structures can have a temporary character. In the case of this study, Chinese ethnic entrepreneurs might have been able to transform the phenomenon of entrepreneurship in Indonesia. Finally, for some of the critical realists (Marxists), socio-economic influences are embodied in the relationship between capital and labour and are the cause of social inequalities (McEvoy and Richards, 2003, p. 413). In addition, the external reality is present; however, it is separate from what individuals are experiencing (Collier, 1994). Moreover, ‘there is an ontological gap between what we experience and understand, what really happens, and—most important—the deep dimension where the mechanisms are (real domain) which produce events’ (Danermark et al., 2002). There are several important characteristics of critical realism, with three domains of the social and natural world that can be distinguished: the real, the actual, and the empirical worlds (Bergin et al., 2010, p. 443). This supports the view that reality is differentiated and stratified. What has to be mentioned is that events and experiences overlap through these three domains (Collier, 1994). The real domain is everything that exists, regardless if we know about it and experience it or not (Bergin et al., 2010). According to Sayer (2000), there are two important points about the real domain. Firstly, it exists regardless of whether we experience it or not. Secondly, it can produce events as they are: ‘realm of objects, their structures and powers’ (p. 11). In addition, there are also powers that exist that are not yet exercised (Bergin et al., 2008, p. 171), and more importantly the real domain is also beyond what individuals can experience, and the powers related to it could be activated or not (Sayer, 2000). The actual domain refers to everything that happens in reality, and it produces events (Collier, 1994). As a result, the actual domain describes events in reality after mechanisms of the real are activated (Sayer, 2000; Collier, 1994). The empirical domain describes all things that we experience

(directly or not). In this case it is important to remember that not all things can be experienced. This domain is in direct relation with the two other domains (Outhwaite, 1998, p. 282). As a result, critical realism looks beyond what could be seen within the domain of real and empirical and tries to see the outcome of the interplaying mechanisms (Bergin et al., 2010). In addition to the three domains of the world, another important characteristic of it is that the reality 'is also viewed as being stratified' (Bergin et al., 2008, p. 171). This means that two or more features of the world surrounding us can be combined together. However, the components of these events will remain separate from the new creations.

4.4.1.3.1. Critical realism ontology

Bhaskar (1978) pointed that ontology ('theory of being'), and not epistemology ('theory of knowledge') should be the first step in the philosophy of reality. This is a logical sequence where in order to analyse questions about the creation of knowledge, firstly what exists should be examined. 'Critical realism suggests a shared ontology and epistemology for the natural and social sciences' (Bergin et al., 2010, p. 442; Bergin et al., 2008; Sayer, 1992), and it is described as a rather new philosophy (McEvoy and Richards, 2003; Bergin et al., 2008, p. 170). In addition, there is a problem with the use of the term 'critical realism', as according to Niekerk, it has been used with various epistemological positions (Niekerk, 1998, p. 52). According to Bergin et al. (2008, p. 170), critical realism is 'first and foremost concerned with ontology and starts from questions about what exists'. The same opinion was presented by Patomaki and Wight (2000), who stated that critical realism is 'committed to ontological realism (that there is reality, which is differentiated, structured, and layered, and independent of mind)' (p. 224). However, for Patomaki and Wight critical realism is not only related with ontological realism but also with

epistemological relativism, where beliefs are understood to be made socially and as a result are potentially fallible. In addition, critical realism can also be committed to judgemental rationalism, advocating the possibility of existence of ‘justifiable grounds for preferring one theory over another’.

4.4.2. Research approach

There are two distinctive research approaches related to the different research philosophies. The first one is deductive research, in which testable hypotheses are developed based on the theory, and this is closely linked with positivist philosophy. In contrast, the second approach is building a new theory through inductive research, known as interpretivism. Robson (2002) proposed five stages of deductive research:

1. Deducting a hypothesis from the theory
2. Expressing the hypotheses (identification of the way of measuring hypotheses)
3. Testing the operational hypotheses
4. Examining the outcome of the research
5. Modifying theory (if necessary)

Use of the deductive approach, while conducting a survey amongst Chinese ethnic entrepreneurs in Indonesia, allows drawing general conclusions about the role of social capital. The literature review stage of the research allows building up hypotheses that later will be tested.

4.4.3. Research strategy: Mixed methods

During the period of 1900–2000, a strong emphasis in entrepreneurship research was placed on quantitative methods (Piekkari and Welch, 2006). Chandler and Lyon

(2001) reported that only 18% of the international entrepreneurship research, published in the important academic journals between 1989 and 1999, used qualitative methods. Currently, the trend to use quantitative methods in business research is still strong (Peterson, 2004), while in the area of international entrepreneurship both quantitative and qualitative methods are being used (Coviello and Jones, 2004). Similar results emerge from the research of Cameron and Molina-Azorin (2011), who investigated five major studies conducted on the frequency of mixed methods in the management research field. Quantitative studies were the most popular forms of study, and their frequency ranged from 45% to 65%. The frequency of qualitative studies was around 8%, and for mixed methods the result was around 10%.

Generally the research in the social sciences can be grouped into three main categories. Firstly, quantitative research concentrates on analysing numerical data and is supported by the positivist paradigm (Orlikowski and Baroudi, 1991). Secondly, there is qualitative research that concentrates on analysing narrative information in a constructivist form (Venkatesh et al., 2016). These two trends have been dominating the world of academia for years, and only recently the third type of research has been proposed: the mixed-method approach. Quantitative research has historically been the most popular form of research in the business field; however, from the middle of the 20th century, qualitative research has gained popularity (Jogulu and Pansiri, 2011). Over the last decade, mixed-method research has become popular in a variety of research fields, and it has become an established methodological approach (Cameron and Molina-Azorin, 2011). ‘Mixed-method research’ is the most popular name; however, other names like ‘third path’ (Gorard and Taylor, 2004) and ‘third research paradigm’ (Johnson and Onwuegbuzie, 2004) are also used.

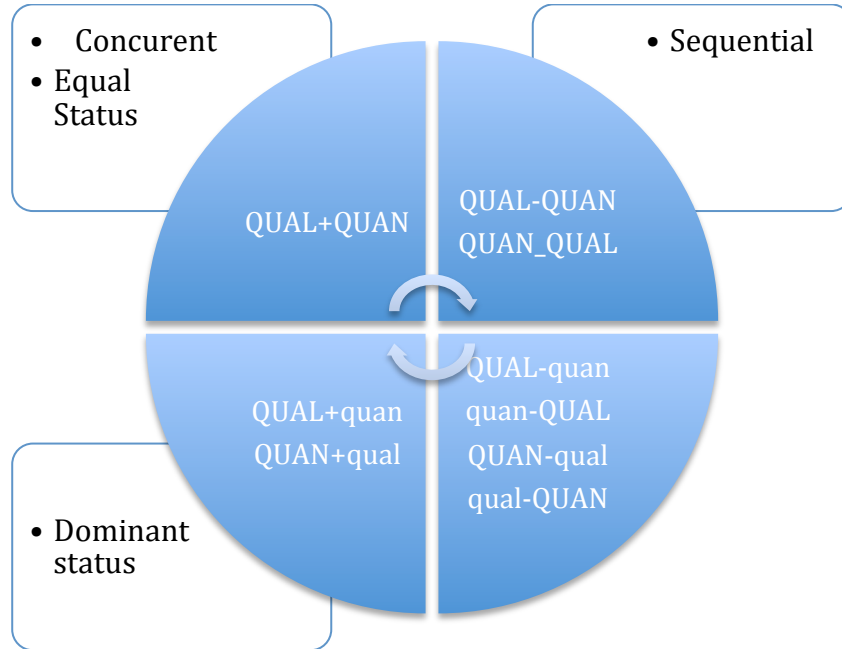
As a fairly new research choice, which started to be increasingly popular in the last 25 years (Creswell, 2015), mixed-method research lacks a unified and complex definition. Creswell and Plano Clark (2007) build a definition around two important features of this methodology. Firstly, mixed-methods research is based on the principle of mixing quantitative and qualitative data in one study. Secondly, through the combination of both methods, a researcher might get a better understanding of the research problem investigated rather than through using only one research method. Some authors have identified four overlapping periods in the development of mixed-method research: the formative period (1950s–1980s), the paradigm debate period (1970s–late 1990s), the procedural development period (late 1980s–2000s), and a separate designs period (2000s onwards). Since its birth over fifty years ago, mixed-methods research has grown, and a considerable number of academics have emerged as advocates of this research method (Bergman, 2008; Bryman, 2008; Tashakkori and Teddlie, 2003). In addition, in January 2007, the first edition of the *Journal of Mixed Methods Research* was published (Cameron and Molina-Azorin, 2011), which enabled further growth of this research method. The main advantage of using mixed methods is the ability to develop new theoretical perspectives by combining the strengths of the quantitative and qualitative approaches (Venkatesh et al., 2016). Venkatesh et al. (2016) outlined three main strengths of the mixed-approach research method. It enables simultaneous evaluation and generation of the theory through addressing confirmatory and explanatory research methods. In addition, it provides stronger inferences than single method. Finally, it supports the researchers in providing complementary views. Researchers can achieve increased credibility of the findings through differing data collection and analysis, which leads to depth and breadth of the results (Jogulu and Pansiri, 2011). Even though mixed-method research

has already established itself as a concrete methodology, a variety of challenges remain (Bazeley, 2002). Archibald et al. (2015) pointed out one of the most important problems for mixed-method researchers: ‘For instance, to what extent can qualitative and quantitative research be mixed without violating of each approach’ (p. 7). A variety of other challenges exists on different procedural and methodological levels (Archibald, 2015).

This thesis uses mixed methods as the most appropriate means to gather not only broad data from a large sample using quantitative surveys but also to collect rich information from qualitative in-depth interviews. Selecting this particular research method is supported by evidence from Jogulu and Pansiri (2011), according to whom a combination of methods is ‘epistemologically coherent and useful for verification as well as for generation of findings’ (p. 688). In addition, mixed-method research enables thesis integration of statistical and thematic data to enhance the findings (Jack and Raturi, 2006). From a methodological point of view, the great strength of mixed-method research is the ability to combine both inductive and deductive research logic. This enables the research to both test the hypotheses as well as generate relevant theory (Jogulu and Pansiri, 2011).

There is no rigid method to design mixed-method studies (Klasesn et al., 2012), and different scholars have identified different types of mixed-methods research. According to Klassen et al. (2012), there are three basic designs: convergent, sequential, and embedded. Jogulu and Pansiri (2011) presented a graphical model summarizing four significant types of mixed-method research.

Figure 4.2. Mixed-method Design Matrix



Source: Adapted from Jogulu and Pansiri (2011, p. 390).

This model is a summarizing framework from the publications of Pansiri (2005), Johnson and Onwuegbuzie (2004), Creswell (2003), and Tashakkori and Teddlie (1998). This thesis uses the sequential method, where in the first phase quantitative data is gathered and in the second phase findings are explained using qualitative methods. In the graphic model presented above, this thesis uses the QUAN-QUAL approach. Statistical data gathered with the help of a survey is explained during structured interviews. As a result of this design, the researcher is able to use qualitative findings to explain quantitative results that lead to enhancement of the validity of the study (Jogulu and Pansiri, 2011). The sequential design also verifies with the respondents the researchers' interpretation of the statistical data gathered in the first stage. Qualitative data is collected in the second stage to help understand and explain trends observed during the preceding quantitative (Klassen et al., 2012).

Based on the paper of the same authors, it is useful for single investigators who ‘Have ample time to stretch data collection over a lengthened period’ (p. 379).

Based on existing research, some potential issues related to the implementation of mixed-method research appear. Firstly, using a sequential design makes the researcher decide which data from the quantitative stage should be used for the qualitative in-depth interviews. This without a doubt brings challenges to the interpretation of collected data. Klassen et al. (2012) identified finding a ‘point of reference’ as the key task that enables the researcher to specify which findings from the quantitative surveys are the focus of attention in the qualitative phase.

4.4.4. Research choice

4.4.4.1. Methodology: Survey and qualitative interviews

This thesis is based on a survey distributed to Chinese ethnic entrepreneurs in Indonesia, their employees, and family members. The survey was prepared in three languages—Indonesian, Chinese, and English—to cover a wider range of the sample population members. The survey was divided into six parts taken from the conceptual model.

In the second stage of data collection, interviews were conducted. Ten purposefully selected respondents were asked a variety questions about the findings from the first part of the study. The interviews lasted between fifteen and twenty minutes. A funnel technique for the questioning was implemented for all of the interviews. Thematic analysis was implemented in this stage of the research, as it can be seen as a ‘fundamental method for the qualitative research’ (Braun and Clarke, 2006, p. 78). For this thesis, several important terms shall be defined. Firstly, the term ‘data corpus’ is used to describe all data collected for the purpose of this study. Secondly, ‘data set’

describes the particular data selected from the data corpus to be analysed. In addition, ‘data item’ is used to refer to each individual piece of data collected, which when combined make up the data set or data corpus (Braun and Clarke, 2006).

4.4.4.2. Sampling

Sampling is a very important step in research (Onwuegbuzie and Collins, 2007).

There are many sampling methods available to researchers; however, various methods are linked with different research paradigms and are suitable for different research purposes. Random sampling methods are usually associated with quantitative research, while non-random sampling is popular while conducting qualitative research. However, according to some academics (Onwuegbuzie and Leech, 2005), random and non-random sampling can be used in both qualitative and quantitative studies. The selection of the sampling method should be related to the objective of the study. If the purpose is to generalize findings, then random sampling should be chosen (Onwuegbuzie and Collins, 2007). In the case of this thesis, the objective is to analyse and understand the role of mixed embeddedness for Chinese ethnic entrepreneurs. As a result, the thesis uses purposeful sampling (Onwuegbuzie and Collins, 2007, p. 287), which specially selects researcher groups and individuals who are ‘information rich’ (Patton, 1990, p. 169). This promises to yield better insights to the phenomenon under investigation. In this method, the researcher does not concentrate on making generalizations. Instead, the researcher ‘purposefully selects individuals, groups, and settings for this phase to maximize understanding of the underlying phenomenon’ (Onwuegbuzie and Collins, 2007, p. 287).

4.4.4.3. Sample size

In addition to the decision on an appropriate sample method, the choice of an appropriate sample size for both steps of the study has to be made. Quantitative research is usually associated with large size samples, while small size samples are linked with qualitative research (Onwuegbuzie and Collins, 2007). For the quantitative phase, I select a sample size of two hundred and fifty. In the second stage, ten qualitative interviews are conducted. The thesis adopts purposive selection of participants for the interviews with a principal assumption that selected individuals provide valuable answers to the questions (Pansiri, 2006). This allows us to learn about the experiences of the selected individuals (Polkinghorne, 2005).

4. 5. Research Methods Description

4.5.1. Survey: General description

The first two sections of the survey collected general demographic information on the respondents (Section A) and the businesses they represent. Questions asked in Section B gained more information about the type of the researched business, their location, the sector of the economy they operate in, and their market share. Section C investigated the concept of social capital, which is one of the main themes of this thesis and is described in the conceptual model as the significant concept shaping ethnic entrepreneurship in Indonesia. Questions asked in this section gathered data about the role of both bonding and bridging social capital for Chinese ethnic entrepreneurs in Indonesia. In Section D, respondents who were Chinese entrepreneurs were asked about the role played by traditional Chinese values like *guanxi* and *sinyong* for Chinese ethnic entrepreneurs in Indonesia. This section was

designed to gain important information about the role of culture and ethnicity in the entrepreneurial process in the national context, as supported by the culturalists. In Section E, respondents were asked about the role of personality traits in entrepreneurship. These are placed in the conceptual model together with Confucian values and are believed to be an important part of the micro level of Kloosterman's mixed embeddedness in the Indonesian context of ethnic entrepreneurship. Finally, in Section F, questions were designed to gather information about pull factors (opportunity structures) and push factors (anti-Chinese laws that forced Chinese Indonesians to seek entrepreneurial opportunities) and their importance in the Indonesian context. The information gathered in this section allows for defining and analysing the role of meso and macro levels of ethnic entrepreneurship in Indonesia, as presented in the conceptual model.

4.5.2. Survey: Scale development and literature support

During the process of survey creation, some of the scales for the questions were adapted from existing sources, adjusted to the research context. The challenge for many researchers lies in the necessity to 'find ways to study important questions where existing scales are either inadequate, inappropriate or unavailable' (Hinkin et al., 1997, p. 3). In cases where ready scales were not available, I adapted the modified works of Churchill (1979) and Hinkin (1995), who recommended a seven-step framework for scales development. In this study, not all steps are used, as some of the questions are rather simple and in-depth scaling methods are not necessary.

The first step of the process of scale development is item generation, when specific items are created to assess the constructs under investigation (Hikin et al., 1997). Here, where some literature on the phenomenon exists, the deductive approach to

scale development has been used. This approach requires an understanding of the literature to generate the items appropriately.

The second step is called content adequacy assessment, which is a vital step as it involves pre-testing the items for content adequacy. Several content assessment methods are described in the literature, including sorting methods, factor analytical techniques, and analysis of variance techniques (Hikin et al., 1997). In this case I used sorting methods in constructing the scales. During the third step, questionnaire administration, remaining items are presented to the sample under investigation. For several questions, Likert scales have been used, as some scholars have described them as the most appropriate (Schmitt and Kilmoski, 1991). Likert scales are shaped around important points along a continuum of levels of the measured phenomenon (Hikin et al., 1997). During the following step, factor analysis, an exploratory method is chosen to reduce the set of observed variables. Some of the literature has linked another method of factor analysis—confirmatory analysis with the deductive approach; however, authors like Hikin et al. (1997) supported the exploratory method for both deductive and inductive research. In a fifth step, internal consistency assessment is conducted. Reliability of the scales is confirmed with the use of statistical tools. Here, Cronbach's alpha was used to assess the scales' internal consistency. This method was chosen because it tells how well items measure some constructs (Price and Mueller, 1986). During a next step, construct validation scales demonstrated content validity and internal consistency validity. In the final replication stage, the scale testing process can be conducted with the newly created scales.

In Section A of the survey, respondents were asked general demographic questions. In addition to questions about age, gender, educational background, place of birth, and place of residence, respondents were also asked about their ethnicity, role in the

business enterprise they work for, and whether they had any family relationship with the owner of the business. Section A contained questions using only nominal scales. Family relations amongst Chinese ethnics in South-East Asia, together with the concept of Confucian values, are believed to shape the Chinese diaspora in various countries, not only in South-East Asia. Confucianism is based on strong Chinese cultural values of hard work, respect for learning, harmony, and family (Cheung, 2004, p. 678), and it is believed to be very important for ethnic Chinese living in Southeast-Asia (Mak and Kung, 1999; Redding, 1993). Therefore, the respondents were asked questions about family relationship with the owner/manager of the business. In Section B (questions 8, 14, 15, and 16), respondents were also asked to provide details about the role of the family in their Chinese ethnic enterprises in Indonesia. The answers were grouped using nominal scales. In Section B, respondents were asked about the company they work for. Firstly, they were asked general questions about the legal status of the business, tax status, and type of legal entity. The answers were grouped using a nominal scale. The following questions asked about the number of employees to group enterprises into *micro* (1–4 employees), *small* (5–19 employees), *medium* (20–100 employees), and *large* company clusters. These categories were taken from the BPS (2007) and Indonesian Law on MSMEs (2008) (Tambunan, 2009a) and used an interval scale. In this section, respondents were also asked about the sectors of the economy in which their businesses operate and their main geographical presence. This allows analysis of sectors of the economy and geographical locations that might possess opportunities for higher profit, regardless of business ownership. This might play a vital role in further analysis of the factors that shape the success of Chinese ethnic entrepreneurs in Indonesia. As with previous questions, nominal scales were used for this question. Question 11 asked

respondents about the reasons why their companies function in Indonesia and not overseas. Analysis of the responses to this question yields insight about business opportunities in the Indonesian market. As Kloosterman (2010) points out, the meso level of the opportunity structure plays an important role in the mixed-embeddedness model. As mentioned before, questions 8, 14, 15, and 16 asked about the role of families in support of the business organizations in Indonesia. Question 8 required respondents to estimate the number of family members as well as females and co-ethnic Chinese who are shareholders, managers, and employees. The answers to this question disclose whether family and ethnic relationships are important for ethnic entrepreneurs in Indonesia during business formation (shareholders) as well as daily operations of the business (managers and employees). In addition, the answers give more information about the role of women in those businesses, who according to some sources are considered as minority entrepreneurs. A nominal scale was used for question 11. In question 14, respondents were asked to rank factors that influence decisions about discount prices to customers. The options of family relationship and ethnic relation were included to find out if these factors play an important role while offering clients better terms of purchase. To find out the most popular answers, ordinal scaling was used for this question. Questions 15 and 16 were adopted from the BEEPS (Business Environment and Enterprise Performance Survey) questionnaire prepared for the World Bank. The original answers were replaced with a 1–5 ordinal scale, with answers ranging from ‘not very important’ to ‘very important’. One of the answers, ‘family and friends’, might determine the importance of family connections for Chinese businesses (Gomez and Benton, 2003). Questions 17–19 used a mix of nominal and interval scales and analysed the market situation of the company. Respondents were asked to estimate the market share of their business and to identify

the number of closest competitors and their characteristics. In the final question of Section B, respondents answered a question about the financial performance of their company in terms of sales and profit over the previous three years. The options were general and intended to investigate only broad trends; nevertheless, the answers are vital, as they identify which entrepreneurships have been experiencing financial growth. For this study, sales growth and profit growth describe the financial development of the business.

Questions in Section C of the survey were designed to analyse a significant concept of this research—social capital and its role for Chinese ethnic entrepreneurs in Indonesia. The concept of social capital is important in the creation and success of Chinese businesses in Indonesia. It plays a significant role in my conceptual model, and the questions were designed to get answers that will help in understanding the role of this form of capital for Chinese ethnic entrepreneurs. Questions put strong emphasis on the collective character of social capital, as ‘social capital is a quality created between people, whereas human capital is a quality of individuals’ (Burt, 1997, p. 340).

Question 21 asked respondents to rank from not very important to very important various factors that affect the success of their businesses. Ordinal scales were used for this question. The options included typical examples of social capital factors like family and co-ethnic support, business connections, and membership of business clubs and associations. In addition, the wealth of the owner was included as an example of financial capital, and the owner’s education and experience were included as examples of human capital. Inclusion of other forms of capital were based on the concept that different forms of capital can be contrasted; however, they also complement one another. Adler and Kwon (2000) defined social and human capital as

being complementary. Human capital is complementary during the process of creating networks for social capital. In addition, human capital can strengthen the role of shared norms and values as well as support the contribution of the social rules. Questions 22 and 23 asked respondents about relationships of their business with government officials (e.g., tax office, customs office) and if respondents have any unofficial relationships with these offices and if any unofficial payments have been made to 'smooth' the business operations. Both questions were taken from the BEEPS World Bank survey, reshaped and adjusted to the local context with the use of nominal scales. The questions were designed to gather information about whether Chinese Indonesians use bridging social capital while conducting business. Bridge ties (weak ties) are a significant concept in the creation of social capital (Granovetter, 1973). They increase the diversity of the network and in the case of Indonesian Chinese could have helped them in succeeding as entrepreneurs. The following questions asked respondents about defining their business networks, as they are very important for Asian businesses. According to Biggart and Hamilton (1997), Asian businesses pay a lot of attention to building business networks, while Western businesses concentrate mostly on efficiency. Other authors emphasizing the importance of networks are Granovetter (1973), Boissevain (1974), Gomez (2007), and Uzzi (2008). Questions in this section were designed with a use of mix of nominal and ordinal scales. Both questions grouped business networks in four categories starting from narrow and homogeneous networks up to wide and heterogeneous ones. Questions 27 to 29 were designed to investigate what role sources of social capital play for Chinese entrepreneurs in Indonesia. Values like beliefs (Nahapiet and Ghoshal, 1998; Portes, 1988), trust (Coleman, 1988), rules, and norms were summarized by Adler and Kwon (2000) as the most important sources of

social capital. Question 27 used ordinal scaling while questions 28 and 29 were designed with a nominal scale. Questions 30 and 31 used ordinal scales and sought information about formal and informal relationships in business. Question 33, using a Likert scale, dealt exclusively with *sinyong* and asked about the importance of trust when dealing with business partners, suppliers, customers, financial institutions, and business consultants. The importance of trust in business was presented by Blanchard and Horan (1998). Question 31 asked about whether being a member in formal or informal business associations is beneficial for Chinese ethnic entrepreneurs. Cheung (2004) emphasized the role of informal business relationships for Chinese ethnic entrepreneurs in South-East Asia. In question 32, respondents identified events during which Chinese ethnic entrepreneurs in Indonesia are able to create their informal business relationships. This phenomenon is very important for South-East Asian businesses in general, as according to Gomez (2007), the majority of businesses put strong emphasis on the role of networks and connections.

Section D investigated the topic of Chinese ethnic entrepreneurs in Indonesia. This section was designed with the goal of gathering important information about how Chinese Indonesians succeed in business, and the findings are linked with the conceptual model that emphasizes the importance of cultural values supporting entrepreneurship amongst the Chinese. Questions 34 and 35 were general in their content and asked about opinions of the respondents on Chinese ethnic entrepreneurs in Indonesia. Both questions used nominal scales. The first part of question 35 asked respondents to compare the rate of success of Chinese Indonesians with other ethnic groups in Indonesia. It was designed to prove or disprove claims by some academics about ethnicity supporting entrepreneurial success. Wee and Wah (2006) discussed the Chinese as using their ethnicity as support for their businesses. On the other hand,

Gomez (2006) and Gomez and Benton (2003) found that ethnicity plays a small role in the entrepreneurial success of Chinese Malaysians. In the second part of question 35, those respondents who pointed out Chinese Indonesians as more successful than other ethnics were asked to select the reasons for this success. Question 36 asked respondents, with the use of nominal scales, about the support that their business receives from various sources of bonding social capital (e.g., family and co-ethnics) and bridging social capital (e.g., government organisations and business associations). Questions 37–40 concentrated on two significant concepts supporting entrepreneurship amongst Chinese ethnics: *guanxi* and *sinyong*. Academics such as Hamilton (1996) describe the importance of networking for Chinese entrepreneurs as ‘network capitalism’ or ‘*guanxi* capitalism’. The last question in section D sought information about the role of traditional Confucian values (Cheung, 2004) like hard work, respect for learning, and hierarchy, family, and harmony in the life of Chinese Indonesians. Questions 37–39 used nominal scales, while the last question used ordinal scaling.

In Section E, respondents were asked about personality traits that are placed in the conceptual model in the micro level of the mixed-embeddedness model. All questions in this section were designed using an ordinal Likert scale and asked respondents to agree or disagree with statements about the personality traits needed by entrepreneurs to succeed. All of the examples of personality traits were taken from the Bolton and Thomson framework (2004).

The final part of the survey, Section F, was designed to investigate two important topics in the conceptual model. The first one is opportunity structures, described by Kloosterman (2010) as an important part of the meso’ level, which in the case of Chinese Indonesians might have worked as pull factors that attracted them to the

entrepreneurial activities. The second part investigated government discriminatory regulations towards Indonesian Chinese (Tsai, 2009; Wijaya, 2009; Mayo and Millie, 2009; Fischer, 2002). These laws forbade ethnic Chinese from working in various government institutions and can be considered to act as push factors in the macro level of the conceptual model (taken from Kloosterman's mixed embeddedness). Questions 43–45 sought from the respondents their general opinion about business opportunities in Indonesia. Answers were based on nominal scales and gathered information about the role of business opportunities in Indonesia in the success of Chinese ethnic entrepreneurs. In question 45, respondents were asked to compare current business opportunities in Indonesia with those of thirty years ago. The answers allow for analysing potential differences in the success rate between first-, second-, and third-generation Chinese entrepreneurs in Indonesia. Questions 46 and 47 asked respondents to rank the attractiveness of various regions in Indonesia and business sectors in terms of profitability. All of those questions used nominal scales. In further analysis, possible positive correlation between particular geographical regions and business sectors and entrepreneurial success might prove the importance of the opportunity structures in Indonesia. Question 48 was designed to investigate if there are any business sectors that are protected from being entered by Chinese entrepreneurs. The answers disclosed if ethnic entrepreneurs in Indonesia are still discriminated against by not being allowed to choose the careers they want (Wijaya, 2009). Question 49 sought an assessment of government regulations in Indonesia. Respondents were asked to agree or disagree (using Likert scaling) with statements describing positive examples of government support for entrepreneurs (e.g., clear taxation system, incentives for entrepreneurs). In addition, respondents were asked to assess if the local government currently discriminates against ethnic minorities

conducting business in Indonesia. The macro level of mixed embeddedness (Kloosterman et al., 1998) placed in the conceptual model is believed to play an important role in the growth of Chinese ethnic entrepreneurship in Indonesia. In the final question, respondents were asked to confirm the existence of discriminatory laws during the Soeharto era (mentioned by Koning, 2007; Hoon, 2006; Winarta, 2004). Respondents could choose among five options (Likert scale) and present their opinion about those discriminatory regulations as well as compare current government regulations with those implemented by the Soeharto regime.

4.5.3. Survey: Measures

The data-gathering process was divided into two stages. Surveys were distributed to the respondents and in-depth interviews were conducted. The following measures were used while constructing the survey.

Section A gathered demographic information about the respondents. Respondents were asked questions on their background, with the measures including age, gender, educational background, role in the company, birth place, place of residence, ethnicity, and motives to become an entrepreneur. Age of the respondents was measured with an interval scale: below 18, 18–25, 26–35, 36–50, and above 50. Educational background was measured with common Indonesian levels of education: non-formal education, SD (primary school), SMP and SMA (middle and high school), S1 (undergraduate degree), S2 (graduate degree), and S3 (doctoral degree). Both place of birth and place of residence were identified with cities in Indonesia: Jakarta, Medan, Bandung, Surabaya, or other city specified by the respondent. Role in the company was measured using criteria built around the literature, stating the differences between generations of ethnic entrepreneurs (Gomez, 2007). Measures included 1st generation, 2nd generation, and 3rd generation business owners as well as

managers and employees. Ethnicity was measured with nominal scales and used common Indonesian ethnicities such as Chinese, Javanese, Sunda, Betwai, Dayak, Batak, Mixed, and other.

For those respondents who had not established businesses on their own, additional questions were asked where respondents clarified if they knew the person who established the business they work at and if this person was a member of their family.

Section B contained general questions about the business organisations of the respondents. Two questions asked entrepreneurs if their businesses were registered and if they have official tax numbers. Respondents were also asked questions on the legal type of the entity of their businesses. Measures were based on the Indonesian legal system and were taken from government publications: single owned businesses, partnerships, unlimited liability proprietorships (CV), limited liability businesses (PT), public limited companies (Tbk), state-owned companies, and foundations (*yayasan*). Respondents were also asked about the size of their business entities. The measures were taken from categories established by Indonesian authorities: 1–5 employees (micro business), 6–20 (small business), 21–100 (medium business), 101–500 (large business), and 501+ employees (conglomerates). In this section, respondents also identified in which sector their respective businesses operated. Nominal measures included the most popular business sectors in Indonesia: mining, farming, construction, fishery, production, hotels and restaurants, education, telecommunications, sales, distribution, transport, banking, technology, finance, and other. In addition, respondents answered questions about the market their businesses were operating in. Measures include two nominal answers—domestic market and foreign markets—with the indication of the percentage of both markets. Moreover, respondents were asked to select which cities in Indonesia their businesses operated

at. Categories included the largest Indonesian cities of Jakarta, Medan, Surabaya, Bandung, and other. Respondents were also asked about the reasons for operating in the Indonesian market. Measures were based on the meso environment (Kloosterman, 2010) and included high potential, low competition, ease to operate, strong local demand, government subsidy, possessing local knowledge, and other. Respondents were also asked about the nature of business organisations their businesses had in their networks. Firstly, questions about the characteristics of the customers were asked. Measures included general population (mass market) and specified target (niche market). Respondents were also asked about their competition. Measures were based on two factors: size of the business and either domestic or foreign ownership of the company. Five measures were used: local SME, foreign SME, large domestic company, large foreign company, and state-owned enterprises. To find out if businesses operated in fragmented or concentrated markets, respondents were asked about the number of direct competitors they faced. The measures were 1 or 2, 3 to 5, 6 to 10, and over 10. Financial condition of the businesses was measured when asking about sales and profit trends in the last three years. Measures were the categories of decreasing much, decreasing, no change, increasing, and increasing much. Section C was designed to seek information about the role of social capital for Chinese ethnic entrepreneurs in Indonesia. Question 20 investigated the role of different forms of capital for ethnic entrepreneurs. Categories came from the literature on forms of capital: owners' wealth, education level, experience, family support, co-ethnic support, support of the Business Club, links to the government, business connections, and other. All of these categories were then measured with a Likert scale with five measures: not very important, important, neither important nor not important, important, and very important. Respondents were also asked about informal methods

of payments to smooth business operations. Question 21 used three simple measures—yes, no, and I don't know—to find out if respondents knew any individuals in government institutions who might help them while obtaining government licenses and permits. The government institutions included in the question were business registry office, customs, government office, police, courts and judges, and other. As it was noticed during the pilot study that the majority of the respondents answered 'no', it was expected that they probably did not present real answers. To clarify this, question 22 asked whether other businesses in their industry used informal payments while dealing with government officials. The same types of government institutions were identified, but the measures of engagement were modified to never, sometimes, often, and always. Respondents were also asked about the characteristics of the business network in which companies operated, reflected as only local businesses, co-ethnic businesses, co-ethnic organizations operating in a variety of sectors, and heterogeneous businesses operating in a variety of business sectors. In the next question, respondents were asked which of the business networks offered the best business potential. Measures were copied from the previous question, and respondents were asked to choose the most attractive business network. In question 26, respondents were presented with a set of significant concepts affecting Chinese ethnic businesses all over the world. Examples were taken from the literature and contained categories like trust, network support, obligation, and reciprocity. Measures were based on a five-stage Likert scale with previously used categories of not very important, important, neither important nor not important, important, and very important. The same measure was used while seeking information on the importance of other significant concepts related with social capital. Concepts were selected from the literature: shared norms of behaviour, shared beliefs, rules, and

trust. The literature on social capital and Chinese entrepreneurship and networking presents a variety of places and occasions when Chinese entrepreneurs network with other businessmen. Respondents were asked where they usually network with other Chinese entrepreneurs, measured by family gatherings, social events, sport activities, political events, religious activities, and other places. The final question in this section was designed to research the importance of trust for Chinese ethnic entrepreneurs. The importance of trust while dealing with business partners, customers, suppliers, financial institutions, and business consultants was measured with a five-category Likert scale regarding the level of agreement with the statements. The measures were copied from previous questions: not very important, important, neither important nor not important, important, and very important.

In Section D, respondents were asked a series of questions about Chinese ethnic entrepreneurs in Indonesia. In question 32, respondents were asked if Chinese entrepreneurs in Indonesia are successful (yes or no). In the next question, they were asked to compare Chinese ethnic entrepreneurs with other ethnic groups in Indonesia (ranging from much less successful to much more successful). The middle, neutral answer was that Chinese ethnic entrepreneurs are as successful as others. For the respondents who claimed that Chinese ethnics are successful, question 34 asked about possible reasons that made Chinese ethnic entrepreneurs in Indonesia successful. The measures, supported the literature, were personality traits, family support, co-ethnic support, business connections, business network support, cultural aspects, innovation, hard work, luck, government favours, ability to spot business potential, and other. Respondents were also asked about the importance of guanxi for Chinese entrepreneurs in Indonesia. The measures were these: guanxi does not find implementation in Indonesia, guanxi is important for the minority of Chinese

entrepreneurs, guanxi is important for the majority of Chinese entrepreneurs, and I do not know. In question 37, respondents were asked about importance of sinyong for Chinese ethnic entrepreneurs in Indonesia, using five measures ranging from not important to very important. In the next question, respondents were asked about the possible correlation between social networking and being successful, using five measures: no, it does not; yes, sometimes; sometimes it does; sometimes it does not; yes, often; and yes, always. In the last question, respondents were asked to scale the importance of several Confucian values, using a five-level Likert scale ranging from not important to very important. The following Confucian values were taken from the literature and used as measures: hard work, respect for learning, respecting hierarchy, family, and harmony.

In Section E, respondents were asked questions related to the concept of personality traits and their impact on business success. The impact was measured with a five-level Likert scale ranging from strongly disagree to strongly agree. Personality traits were taken from the framework of Bolton and Thompson (2004) and contained these personality traits: ability to learn, creativity, spotting opportunities, getting things done, measuring performance, networking, staying focused, meeting deadlines, making a difference, dealing with setbacks, and gathering the right people.

Section F investigated the role of opportunity structures in Indonesia. Kloosterman's framework on mixed embeddedness was the driving concept of the measures in this section. In question 42, respondents were asked to compare the amount of business opportunities in Indonesia with other South-East Asian countries, using three levels: less, more, and same level. In question 43, respondents measured the level of business opportunities with with five constructed measures: Indonesia does not have business opportunities, Indonesia has limited business opportunities, 'Indonesia has neither few

nor many business opportunities, Indonesia has many business opportunities, and Indonesia has an extensive amount of business opportunities. In question 44, respondents were asked to compare present business opportunities in Indonesia with those of thirty years ago, using three measures: less business opportunities than 30 years ago, same amount, and more opportunities than 30 years ago. In the next question, respondents were asked to identify which parts of Indonesia offered the best opportunities for entrepreneurs: Jakarta, Surabaya and Bandung, other cities in Java, Sumatra island, Kalimantan island, Sulawesi island, Papua island, other regions, all regions, and none of the regions. In question 46, respondents chose from several measures describing business sectors offering possible business profit: mining, farming and fishing, construction, manufacturing, telecommunication, education, wholesale and retail, real estate, hotels and restaurants, transportation, banking and finance, tourism, and other. In the following questions, respondents were asked about the role of the Indonesian government in supporting local entrepreneurship. Respondents were given five-level Likert scale measures of agreement with the statements, ranging from strongly disagree to strongly agree. The statements were these: Indonesian government supports entrepreneurship, Indonesian government supports entrepreneurship through clear taxation system and through clear regulations, Indonesian agencies promote businesses supporting entrepreneurs, Indonesian government does not discriminate against ethnic minorities when conducting business, and all ethnicities have the same opportunities to establish and grow their businesses in Indonesia. In the last question, the same Likert scale measures were used to express agreement with statements describing the Indonesian government and discrimination against Chinese Indonesians: President Soeharto discriminated against Chinese Indonesians with the laws and business regulations,

discrimination of the Chinese Indonesians ended in the 1998, Chinese Indonesians can now enter all business fields, there were never any discriminatory policies against Chinese Indonesians, there are currently no discriminatory policies against Chinese Indonesians, the situation of Chinese ethnics in Indonesia is better than 30 years ago, and the situation of Chinese in Indonesia is better than 10 years ago.

4.5.4. Qualitative interviews

In the second phase of the research, ten interviewees were selected and interviewed using a series of questions. The interview process was divided into two sections. In the first section, interviewees were presented with the findings from the survey and were asked to comment on the findings, to determine whether the particular data was correct in connection with their families and the entrepreneurships. Interviewees were asked to comment on the findings such as that a very high percentage of Chinese ethnic entrepreneurs have university degrees (80% of the sample) as well as the higher level of entrepreneurial activities amongst males in comparison to females (63% versus 37%). In addition, respondents were asked to comment on the results of the survey according to which a great majority of the respondents described Chinese Indonesians as successful entrepreneurs. For all of these questions, interviewees were asked support questions to maximize the outcome of the interviews. In the second part of each interview, respondents were presented with the results of the hypothesis testing and were asked to comment on those and to try to justify the reasons for particular results of the statistical analysis. Questions were grouped into micro, meso, and macro findings. The outcomes of the interviews were assessed using thematic analysis to identify the most important common themes. Thematic analysis was selected for this study as it provides core skills and is useful for all qualitative analysis (Braun and Clarke, 2006). Thematic analysis was conducted with a process of coding

during which significant themes were found and opinions of the interviewees were grouped. Thematic analysis was selected as an appropriate method as it offers researchers flexibility. This method offers ‘theoretical freedom and provides flexible and useful research tool, which can potentially provide a rich and detailed, yet complex, account of data’ (Braun and Clarke, 2006, p. 78). Thematic analysis can be defined as a ‘method identifying, analysing and reporting patterns (themes) within data (Braun and Clarke, 2006, p. 79). Even though this method is widely in qualitative research, there is no clear agreement about how it should be conducted (see Tuckett, 2005; Attride-Stirling, 2001). Thematic analysis differs from other analytical methods such as grounded theory because it is not tightly linked with any theoretical framework. As a result, it can be freely used for any useful frameworks. It is an appropriate methodology for this research, which follows critical realist theory, as it reports the experiences of individuals (Braun and Clarke, 2006).

The interviews were conducted between September 5 and October 30, 2017, with ten individuals purposely selected from the previous survey sample participating in the quantitative stage of the research. Interviews lasted from 15 to 30 minutes, and the process was divided into two parts. In the first part, the interviewer introduced respondents to the process of conducting interviews. Respondents were presented with interview procedures described in the protocol. They were given copies of the surveys as well as a description of the findings to refresh their comprehension of the topics. In the second part, respondents were asked questions about the findings from the survey, and they presented their opinions. All of the questions were based on the significant findings from the survey and were grouped according to the micro, meso, and macro categories taken from Kloosterman et al.’s (1999) mixed embeddedness framework. In the first group of questions, interviewees were asked about Finding 1

from the survey. Questions ascertained respondents' experience and opinion on the finding, according to which there is no correlation between having specific personality traits and a decision to establish a business as well as the future growth of the business. Interviewees were asked to present their opinion of the SEM finding according to which individuals possessing the ability to see market opportunities were found to create businesses. Participants were also presented with Findings 5 and 6, according to which there was no correlation between family support and co-ethnic support and entrepreneurs' decision to establish businesses. In contrast, respondents were also presented with the findings from SEM testing, according to which there is a relationship between support of the family and the decision to establish one's own business. All respondents were asked to present their opinion about these findings and share experiences related to their families and ethnic entrepreneurships in relation to the themes of family and co-ethnic support. In the next several questions, respondents commented on Finding 7, according to which co-ethnic support positively influenced businesses' growth in terms of sales and profit. All interviewees were encouraged to share their experience from the businesses they established. In the next phase of the interviews, respondents were asked questions about the role of Confucian values in their upbringing. Interviewees were presented with a series of findings according to which none of the Confucian values have been correlated with the decision to establish business ventures. In addition, all of the respondents presented their opinion on Findings 9 and 10, according to which the Confucian values of ability to work hard positively affected sales growth while harmony is correlated with profit growth. In the next part, respondents were presented with the findings from the meso analysis of the data, concentrating on the theme of opportunity structures and their role for Chinese ethnic entrepreneurs. Respondents were asked to comment on Findings 13, 14, and

15, according to which the presence of the ethnic market, wider non-ethnic market, and business ownership positively affected the decision to establish business ventures. In addition, participants were presented with the results of the SEM testing, according to which opportunity structures also supported business growth. Interviewees were also asked to share their experiences on the role of personal relationships, business connections, and links to the government as stimulators of the financial growth of the businesses. In the last part, respondents were encouraged to comment on Finding 16, according to which past discrimination against Chinese Indonesians influenced the decision to establish business activities. Respondents presented their opinions and shared their experience on the sensitive topic of discrimination, especially by government officials.

The interviews were recorded with EverNote voice recognition software and then transferred to NVivo 11.4.2 software. All interviews were transcribed, and significant themes were identified. A theme can be defined as ‘something important about the data in relation to research question, and represents some level of patterned response or meaning within the data set’ (Braun and Clarke, 2006, p. 82). Here I use the term ‘theme’ in case of repetitive information across the data set, which can be related to the research question and can bring insightful findings. Another reason why thematic analysis was selected as appropriate for this research is its flexibility in determining the prevalence of themes. To clearly show that particular themes really existed in the data, the following descriptors were used: the majority of participants (Meehan et al., 2000, p. 372), many participants (Taylor and Ussher, 2001, p. 298), or a number of participants (Braun et al., 2003, p. 249). I use the term ‘participants’ interchangeably with ‘respondents’ and ‘interviewees’. In addition, this study uses theoretical thematic analysis as it is mainly driven by the theoretical and analytical interest of the

researcher in the Chinese Indonesian ethnic entrepreneurship area. As a result, the research is explicitly analyst driven (Braun and Clarke, 2006). Common themes have been searched across the data set of all interviews.

All of the interviews were recorded in shorter parts to check the quality of voice and ensure that the recording was operational. In some situations, respondents asked clarifying questions, and in a few cases the recording was stopped to let respondents think about the answers. For all of the interviewed individuals, the process took place for the first time; some admitted being a bit intimidated by the process but they were more than happy to help with the process.

4.5.4.1. Coding

After the process of recording interviews and the transcription from the audio files into text files, the analysis of the content was conducted using NVivo 11.4.2 software. The NVivo qualitative tool was used for coding in order to index and link relevant themes (Iyengar et al., 2016). ‘Coding’ can be defined as a process of labelling various data in order to bring the researcher ‘from the data to the idea, and from the idea to all the data pertaining to that idea’ (Richard and Morse, 2007, p. 137). The whole process was designed to move from the diversity of data to the themes that represent the data (Saldana, 2009). The main goal of the coding was to understand the themes presented within the data. ‘Theme’ can be defined as an ‘outcome of coding, categorization, and analytic reflection’ (Saldana, 2009, p. 26).

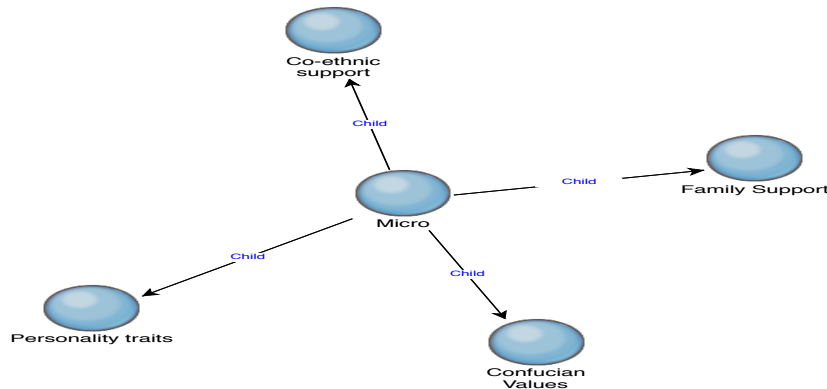
There is an ongoing discussion among academics on the amount of data that should be coded. Some scholars believe that all information gained during the qualitative research is rich and worth coding (Lofland et al., 2006), while others recommend only coding the most significant data (Seidman, 2006). Here I implemented the second approach. As there are many ways of coding, I followed the categories presented by

Saldana (2009), who categorises NVivo coding as ‘elemental methods’ that help in ‘attuning yourself to participant language, perspectives and worldviews (p. 59). For this particular analysis, focused coding was implemented, as it identifies ‘the most frequent or significant codes’ (p. 265) and builds categories around them. This method is suitable in this case as the interviews were designed around the themes that emerged from the literature review as well as the results of the surveys. The coding process was divided into four stages as recommended by Saladana (2009): coding, sorting, synthesizing, and theorizing. The content of the interviews was manually coded, and the initial codes were developed based on the content of the interviews and the research questions. A series of parent and child nodes was created, with Kloosterman’s (2010) mixed-embeddedness framework as the foundation. As the transcription of the recorded interviews continued, some other common topics emerged, and they became additional nodes. Even though the process of transcribing is time consuming and in some cases frustrating, the advantage is that the researcher has a chance to get familiarized with the data. In this case I personally transcribed all interviews, which enabled me to deeply familiarize myself with the qualitative data (Riessman, 1993). A great amount of effort and time spent on the process of transcribing was useful as it enabled the grasping of deeper meaning rather than just focusing on the mechanical act of retyping (Lapadat and Lindsay, 1999).

In transcribing the audio files I created initial codes. Three main parent nodes were created—micro, meso, and macro—and in the following stage sub-nodes were created. As with the two other nodes, the node ‘micro’ was created to reflect the conceptual framework and in this case the role of the micro environment in the creation and growth of Chinese ethnic entrepreneurships. Based on this principle, the

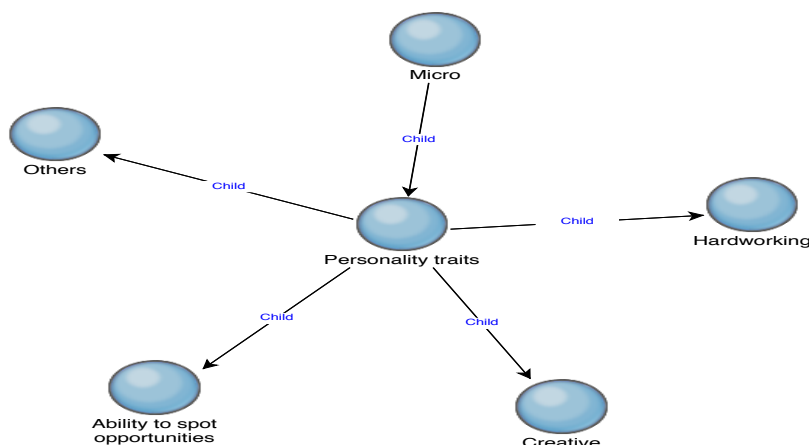
child nodes linked with the parent node micro were created. These were personality traits, family support, co-ethnic support, and Confucian values.

Figure 4.3. Coding: Micro Parent Node



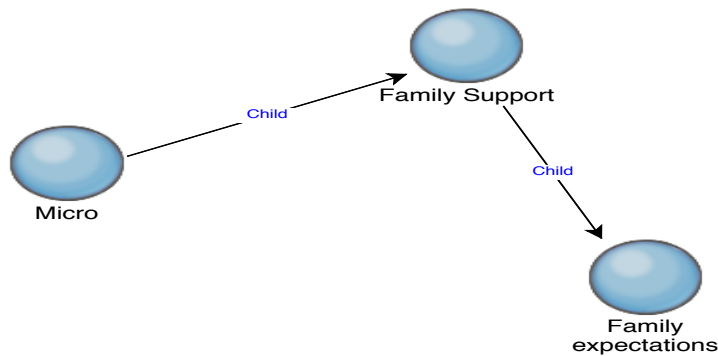
In the following step, additional child nodes were designed to group respondent explanations as accurately as possible. Firstly, the node personality traits was linked with several child nodes. As the amount of the personality traits taken from Bolton and Thomson (2004) was high, the three most commonly appearing traits in the interviews were created as sub-nodes: the personality traits of hardworking, creativity, and ability to see market opportunities. Seeing market opportunities was selected as a result of SEM analysis from the previous section. An additional ‘other’ category was created to group those personality traits mentioned by interviewees that attracted less attention.

Figure 4.4. Coding: Personality Traits Node



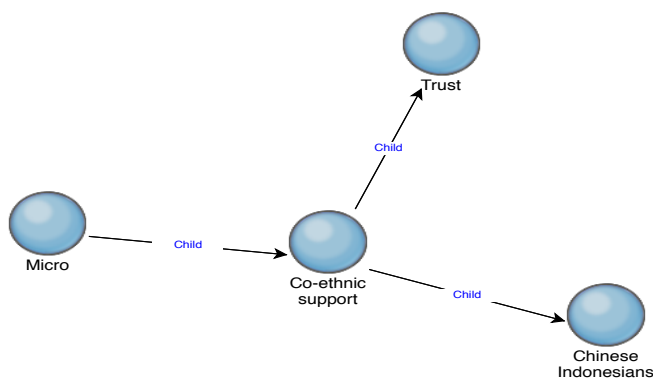
The second child node linked to the parent node ‘micro’ was ‘family support’. In the transcription process, I discovered a repeating new theme of ‘family expectations’, which then was included as a child node linked with ‘family support’.

Figure 4.5. Coding: Family Support Node



In the third child node of the micro environment, reflecting the help of Chinese Indonesians, two child nodes were designed. The conceptual model supports the process; results of the survey as well as the questions designed for the interview were also the basis of the coding.

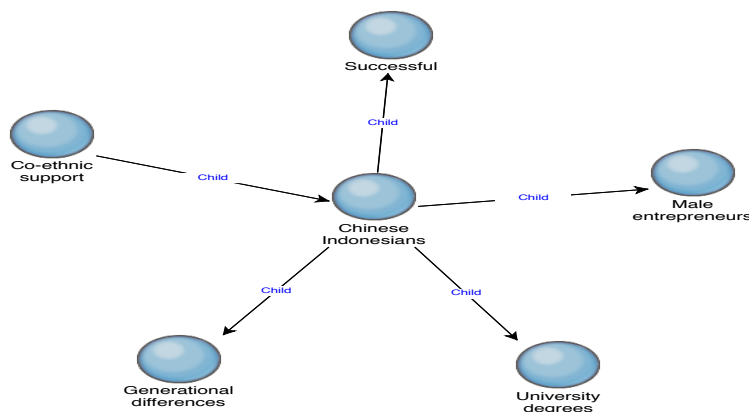
Figure 4.6. Coding: Co-ethnic Support Node



Firstly, the nodes ‘Chinese Indonesians’ and ‘trust’ were created. Based on the literature review as well as the results of the survey, it was expected that respondents would re-emphasize the role of *sinyong* for Chinese Indonesians. ‘Chinese Indonesians’ was created to accommodate answers to the clarifying questions about the significant trends describing Chinese Indonesians that were discovered while

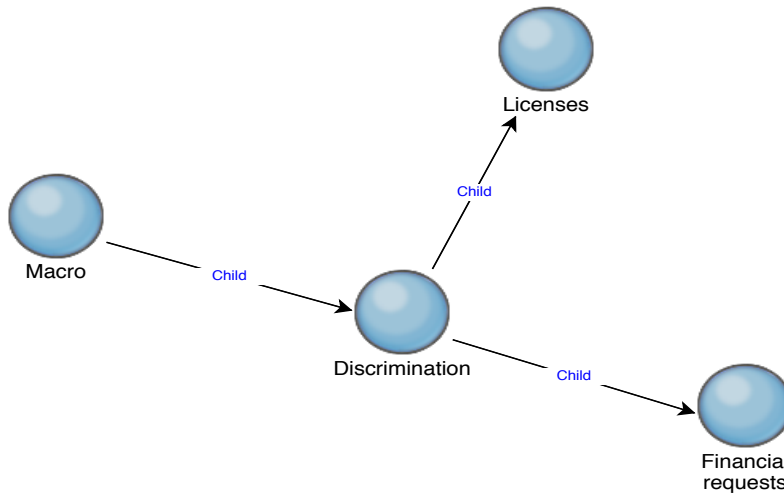
analysing survey answers. The nodes ‘generation differences’, ‘male entrepreneurs’, ‘university degrees’, and ‘successful’ were made to deepen the knowledge about these phenomena. The preceding survey results already acknowledged that these areas produced some interesting insights.

Figure 4.7. Coding: Chinese Indonesians Node



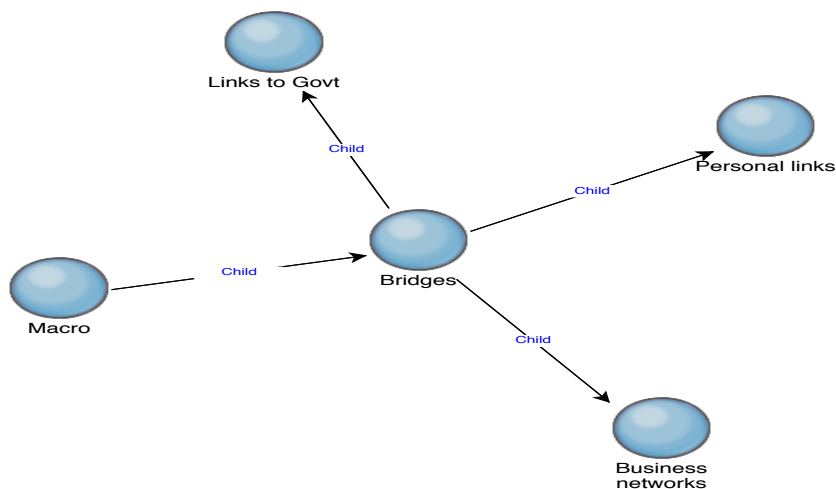
After the nodes in the micro analysis were created, the process was continued with the creation of nodes for the meso part of the analysis. As in the previous step, codes were created and named based on the theoretical framework from the mixed-embeddedness model proposed by Kloosterman et al. (1999) and Kloosterman (2010). One child node was created and named ‘opportunity structures’. Based on the conceptual model and the literature on opportunity structures, several child nodes were created: ‘business ownership’, ‘ethnic market’, and ‘wider market’ (non-ethnic). The final group of nodes, with ‘macro’ as the parent, were linked with the broad macro environment. The parent node was linked with two child nodes. Firstly, the ‘discrimination’ node was created to gather themes around this topic, and as the transcription continued, two important themes emerged, resulting in the child nodes of ‘financial requests’ and ‘licenses’.

Figure 4.8. Coding: Discrimination Node



Finally, the second macro child node was created. Based on the survey results and interviews, it was seen that Chinese ethnic entrepreneurs used several techniques to minimize the impacts of the discrimination they faced, especially while dealing with government institutions. The child node ‘bridges’ was created to represent the additional theme, describing the ways in which Chinese Indonesians overcome the problems related with discrimination. The last three child nodes were ‘personal links’, ‘business networks’ and ‘links to government’. There were thirty-four nodes in total.

Figure 4.9. Coding: Bridges Node



After identifying and naming the nodes, the transcribed interviews were read three times to group answers and allocate them in accordance to the coded categories. The process of synthesizing data started with grouping significant answers to the initial codes. During the process, several new codes were added as interesting new ideas emerged from the data.

4.6. Survey: Pilot Study

4.6.1. Pilot study: process

The pilot study was conducted in February 2013. Thirty-five respondents were given the survey either in Indonesian or English. None of the respondents needed the Chinese version of the questionnaire. Thirty surveys were returned within a period of two weeks. Several respondents pointed out problems they encountered.

4.6.2. Survey structure problems

While the majority of respondents did not find questions confusing, some commented that several questions (25, 31, 32, and 40) did not give them an opportunity to choose more than one answer. As a result, these questions were changed, and for the main survey respondents were able to choose more than one option.

During the process of data compilation and analysis it was noticed that some questions were either unanswered or they were not answered as was expected. Only half of the respondents gave their age. For the main survey this question was redesigned, and instead of asking about exact age it asked respondents to choose among age brackets. However, the largest number of mistakes while answering questions was noticed while analysing answers for the questions that used 'rank' in the description. In all of these questions, around half of the respondents did not rank information as expected. Instead of ranking, some decided to either leave blank

spaces or just choose several important options. This occurred in questions 26, 46, 47, and 48.3. These questions were redesigned, and instead of asking about ranking the options, respondents chose the three best answers. As these questions were redesigned, the analysis of the answers also changed. In question 7, several additional categories were recommended by the respondents, so that for the main survey, new categories were added: distribution, transport, banking, technology, and finance. Question 8 was left unanswered by the great majority of respondents. Based on conversations with some of them, the question was reshaped to ask about the estimated percentage of females, Chinese ethnics, and family members in the structure of the organisations. In questions 46 and 47, it was decided to specify what was meant by business opportunities, so potential profit was added to business opportunities.

4.6.3. Additional adjustments to the main survey

It was also decided that in order to better align the main survey with the conceptual model, a couple of new questions were added while several others were removed.

It is important to find information about the role of mixed embeddedness not only while analysing the success of Chinese ethnic businesses in Indonesia but also during the business creation phase. As a result, for the main study there were two additional questions in section A, designed for the entrepreneurs who created businesses and aiming to find out if they considered other career paths and what were the main reasons that pulled or pushed them towards entrepreneurship. Questions 15 and 16 were removed, as they related mostly to information regarding suppliers and clients.

4.7. Ethical Considerations

In the case of both quantitative and qualitative research there are ethical considerations that the researcher should have in mind. It is vital for the research to comply with the principle of autonomy (Polit and Hungler, 1999), which means that respondents participate in the study voluntarily and have been informed about its purpose. In this case I used an official letter inviting Chinese ethnic entrepreneurs to participate in the study. Potential respondents were informed about the research background and about gaps and potential contributions to the field of ethnic entrepreneurship research. For the community of parents in the school where I worked, I organized information sessions where I explained the objective of the research and its voluntary aspect. All respondents were also informed that the information gathered during the process would be used only for the PhD thesis and that all data was to remain confidential. Participants were told that none of their names would be linked with the surveys they completed. I also asked all participants to be honest in their answers, as this would shape the outcome of the research. Respondents who decided to participate were enthusiastic, as they found the research topic interesting, and some of them also recommended their friends as potential respondents. Similarly, during the interview process, respondents were informed again about the research background and were assured about confidentiality. None of the interviewees had further questions, and all of them understood that I might cite their statements (using pseudonyms).

4.8. Limitations of the Methodology

Methodological limitations are common in social science. In this case, the most important limitations were related to sampling. Firstly, a sample of 250 was

determined to be adequate to the population of Chinese Indonesian entrepreneurs. The main consideration, however, was how to choose respondents so that they were representative of the whole population. Indonesia lacks comprehensive business data on registered companies and ethnicities of their owners. As a result, it was not possible to use random sampling, as a sample frame was not present. The main advantage of using such a sample would be the ability to draw generalizations about the whole population. However, since this study was the first one that tried to put forward a comprehensive model of Chinese ethnic entrepreneurship, I was not able to use this sample method. I decided to approach parents from Binus International School, as it attracted many Chinese Indonesians. The sample, however, would not be fully representative, as the school gathered mostly upper middle-class children. In addition to this, respondents also included family members of my wife, who is Chinese Indonesian, and my business partners and friends. In all of those cases, I was considered to be an insider, and the respondents were able to trust me. As a result, the sample can be considered to be not fully representative, and this was a serious consideration in drawing conclusions. The research was based on purposeful sampling (Onwuegbuzie and Collins, 2007, p. 287), with respondents selected as being 'information rich' (Patton, 1990, p. 169). This allows gathering better insights on the phenomenon under investigation. Because this research used non-random sampling, future generalizations of the findings might be difficult. To minimize the potential weaknesses of the sample, Gauss-Markov assumptions were considered. The sample was based on the independent variables, which leads to a lack of sampling bias. This allows for generalizations to be made. The sample was selected based on the following independent variables: must be of Chinese origin; must be the owner of the business; or must be a family member, manager, or employee of the business. This

allowed me to draw meaningful conclusions. In the second part of the study, the ten interview respondents were purposely selected from the survey respondents' database. The interviewees were selected as being rich in knowledge on Chinese ethnic entrepreneurs operating in Indonesia.

4.9. Summary

This thesis used a survey as its research tool, followed by ten qualitative interviews. A sample size of 250 Chinese ethnic entrepreneurs was set as the target. As it is impossible to conduct the survey using a random sampling method, I decided to use purposeful sampling based on individuals who were information rich. In what follows, descriptive and interpretive statistical techniques are used to analyse the data and draw conclusions.

CHAPTER 5: DATA ANALYSIS

This chapter provides an analysis of the data from the quantitative surveys distributed to the owners and employees of Chinese ethnic entrepreneurships in Indonesia and their family members. The chapter is divided into five sections: the data collection process (5.1), target population description (5.2), survey results and general findings on Chinese ethnic entrepreneurs in Indonesia (5.3), hypotheses testing and results, (5.4) and a summary (5.5).

5.1. Data Collection Process

After the necessary adjustments were made to the pilot survey, the final version in both Indonesian and English was ready to be launched and the collection of data commenced. During the pilot study, none of the respondents were interested in answering the survey in Chinese; thus Chinese surveys were not offered as an option, and none of the respondents requested a Chinese version.

The survey was mostly distributed to Chinese Indonesians whose children studied at Binus International School, Simprug, where I had been working for eight years. This decision was based on several factors:

- Large numbers of the Binus Chinese Indonesian parents who were either entrepreneurs or family members of other Chinese ethnic entrepreneurs.
- A heterogeneous portfolio of businesses established, owned, and run by the members of the population.
- Support of the school principal as well as the Parents-Teacher Association, which agreed to help with survey distribution.
- The fact that I had been working for Binus School for eight years. This made me known to the parents as an insider with whom they were willing to share their knowledge and opinions.

To ensure greater validity of the sample, additional surveys were distributed to entrepreneurs not directly associated with Binus International School. Personal and family connections were used.

Survey Data Collection Time Frame: November 2013–May 2014

After receiving supporting documents from De Montfort University, the principal and members of the PTA from Binus International School scheduled a meeting with me to learn more about the design of the survey and its objectives and ways they could help in the data-gathering process. The meeting in the first week of November 2013 was very fruitful, and participants agreed on the time frame and the procedures. The first step was to send an official email to all parents (also those who were not of Chinese ethnicity), inviting them to answer survey questions and explaining the objectives of the survey. The decision to inform all parents was based on common agreement that ethnic Indonesian parents could also be given the survey. The objective behind this decision was to avoid potential racial misunderstandings. In a next step, PTA members distributed surveys, with a deadline of three weeks for completion. Fifteen surveys per grade level were distributed, yielding 180 surveys distributed. Due to the school holidays, the majority of the surveys were returned in the second week of January 2014. Of the 180 surveys, 98 were returned (response rate 54%). There were several comments from members of the PTA, with the most important concern being the length of the survey. Other concerns were related to the ethnicity of the respondents. Several ethnic Indonesian entrepreneurs decided to fill in the surveys and present their opinion. The great majority of the respondents were supportive and willing to learn in the future about the outcomes of the research. Due to the low return

rate of the first phase of the data collection, with a target of 250 surveys, it was decided to approach additional parents during the parent-teacher meetings scheduled for January 30, 2014. During this event, several students assisted by distributing and collecting the completed surveys, which prevented the surveys from being taken home and lost or not being returned. In total, 150 additional surveys were distributed and 61 were completed (40% response rate). At the same time as survey distribution took place in Binus School, other surveys were distributed to friends, family members, and business partners of the researcher. This produced a snowball design, in which Chinese ethnic entrepreneurs gave surveys to others whom they knew.

In total, 450 paper surveys were distributed and 90 emails with links to the online surveys were sent to Chinese ethnic entrepreneurs. Of the 450 paper surveys, 235 were returned (52% response rate). Of the online surveys, 31 were completed (34% response rate). In total, 266 surveys were completed through May 2014.

Table 5.1. Survey Participation

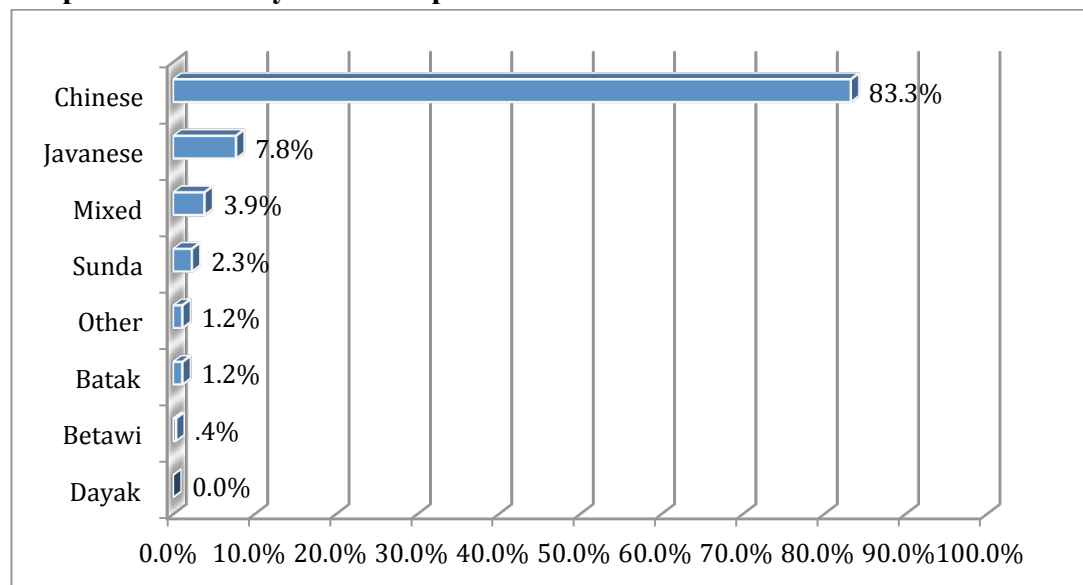
Status	Count (n)	Percentage (%)
Total surveys distributed	540	100%
Paper surveys distributed	450	83.3%
Online surveys distributed	90	16.7%
Paper surveys completed	235	88.3%
Online surveys completed	31	11.7%
Total	266	100%

5.2. Target Population Description

Of the 266 respondents participating in the quantitative survey, 215 were of Chinese Indonesian origin and 10 were of mixed origin. The decision to distribute some of surveys to non-Indonesians was based on a non-exclusion principle, which appeared

to be important for some of the respondents based on conversations with them. The results from those surveys were not analysed together with the answers from the Chinese ethnics. The remaining 41 surveys collected by Binus School parents who were of non-Chinese origin might be further analysed to compare and contrast with the opinion of the Chinese ethnics.

Graph 5.1. Ethnicity of the Respondents



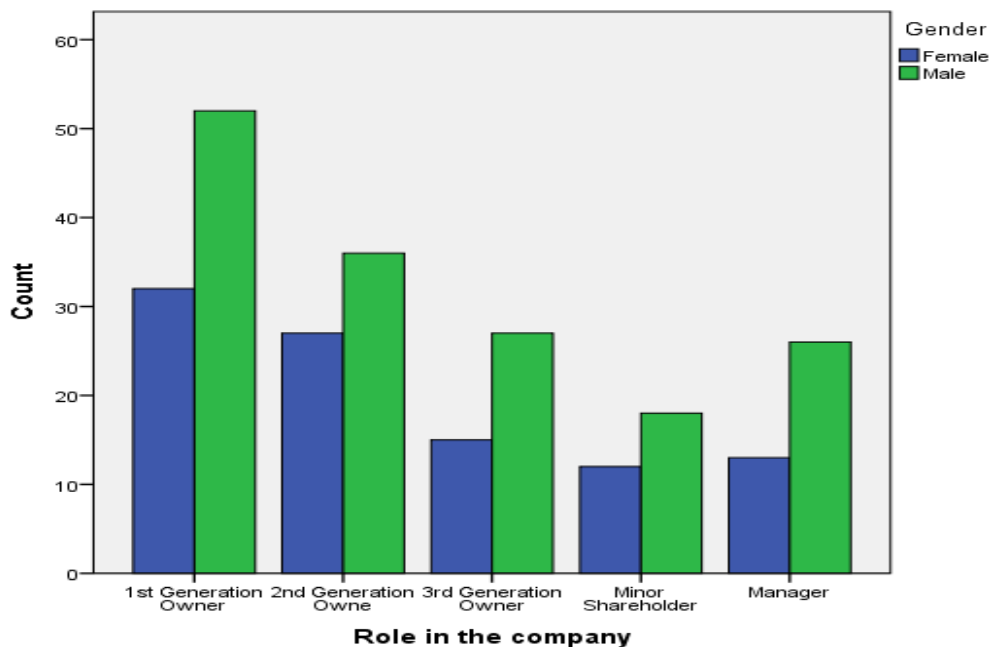
The respondents who returned surveys were of mixed positions in their respective companies: 67 were first-generation business owners, 55 second-generation business owners, and 42 third-generation Chinese owners. This brought the total number of owners participating in the survey to 164. In addition to the business owners, 39 managers and 30 employees also participated in the survey.

Table 5.2. Ownership of the Participating Business

Role in the company	Count	Percentage (n) %
1st Generation Owner	67	31.2%
2nd Generation Owner	55	25.6%
3rd Generation Owner	42	19.5%
Employee	26	12.1%
Manager	25	11.6%

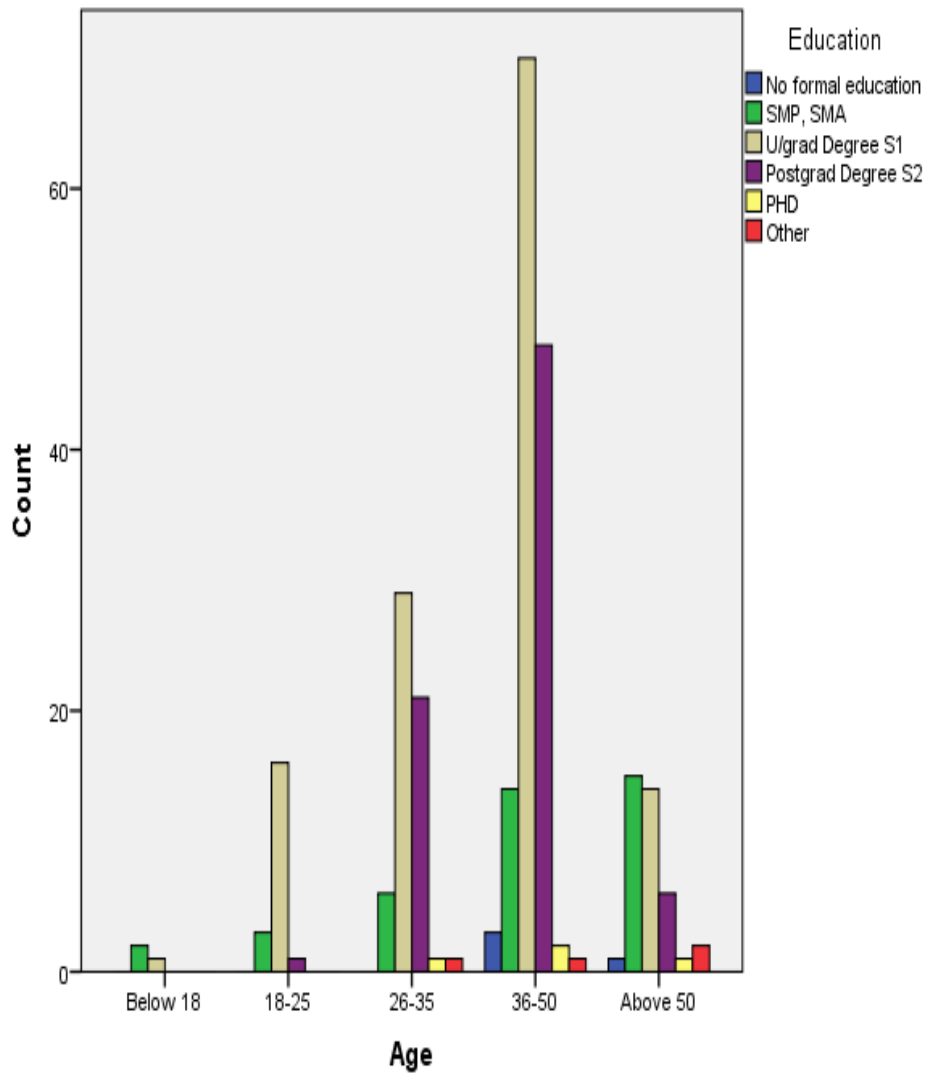
In total, more than 75% of the participants were the owners of businesses. The answers given by managers and employees were also acknowledged to be important, as many of them were family members and they had worked in the business for a long period of time. More than 60% of the respondents were males (n = 134), and 37.7% were females (n = 81), which might indicate that entrepreneurship amongst Chinese Indonesian ethnics was still more popular for males.

Graph 5.2. Gender vs. Position in Business



Three-quarters of the respondents (n = 159) were aged 26–50, with 107 from the age group of 36–50. In addition, almost 80% of the Chinese respondents had a university degree (n = 170), which is especially significant in a developing country like Indonesia where only a minority of the population has such a degree.

Graph 5.3. Education Level vs. Age



The great majority of respondents lived in the capital city of Jakarta (94.9%, $n = 204$), even though under 60% of them were born there ($n = 126$). This proved that many respondents moved to Jakarta possibly due to family or economic circumstances such as market attractiveness. A quarter of the Chinese Indonesian respondents were born in other cities other than the ‘big four’ (Jakarta, Bandung, Surabaya, and Medan). Moreover, 56.3% of the respondents ($n = 121$) established businesses themselves, and more than 90% of the remaining respondents knew the person who established the businesses, who in almost 70% of the cases were their family members. These two facts provide important information about Chinese ethnic entrepreneurs.

Almost 40% of the respondents (n = 83) chose to be entrepreneurs, as it gave them the freedom they needed. Next in importance were exciting opportunities in the Indonesian market and the presence of social capital in the form of business connections. Almost a third of the respondents chose to be entrepreneurs as they had business connections (n = 67), and 30.2% of the respondents linked their entrepreneurial decision with the attractiveness of the local market (n = 65). Less than 3% of the respondents chose the answer ‘Government sectors were not opened for me’, which might suggest that personality traits and market attractiveness were much more important factors than push characteristics such as discriminatory government regulations. The importance of personality traits in choosing an entrepreneurial career was observed in answers to questions asking about other options apart from being business owners. The most popular answer, ‘None, I wanted to be an entrepreneur’, was chosen by 26.5% of the respondents. Almost one-quarter of all respondents took into consideration the option of working for a company in the private sector, while only 3.7% wanted to work in the public sector. This could be due to the fact that for elder Chinese Indonesians the governmental sector was simply inaccessible, and they had not even considered it as an option. Interestingly, only 7.9% of the respondents wanted to work for Chinese businesses, which might indicate that the ethnic relationship was not as significant as was expected. More important was the choice of sector rather than an ethnic relationship. Finally, 13.5% of the respondents considered working for the family. This might indicate that the option of working for the family was not that attractive or respondents did not have family owners running a business.

5.3. Survey Results and General Findings on Chinese Ethnic Entrepreneurs in Indonesia

In what follows I outline, with the support of descriptive statistics, general findings about the role of mixed embeddedness for Chinese ethnic entrepreneurship in Indonesia. General findings are grouped based on the conceptual model presented in Section 3.5. The conceptual model was built on three important groups of factors that were expected to contribute to the creation and growth of Chinese ethnic entrepreneurship in Indonesia:

- Micro factors (personality traits, support of the family and co-ethnics, and cultural aspects related to Confucian values)
- Meso factors (opportunity structures present in Indonesia acting as pull factors)
- Macro factors (discriminatory government policies acting as push factors).

5.3.1. Analysis of participating businesses

Almost 95% of the businesses participating in the research were registered with legal authorities and had tax file numbers. This high percentage of businesses operating in the formal sectors of the economy might indicate several phenomena. The majority of micro businesses without formal registration such as sidewalk restaurants and street food vendors are not owned and operated by Chinese Indonesians. During informal talks with Chinese business owners, they generally presented the opinion that they (Chinese Indonesians) needed to do things in a ‘right way’ to avoid potential problems from government officials. In addition, many respondents run businesses with more than 20 employees, and it was simply harder for them to stay in the informal sector of the economy, regardless of their ethnicity. In addition, two-thirds of

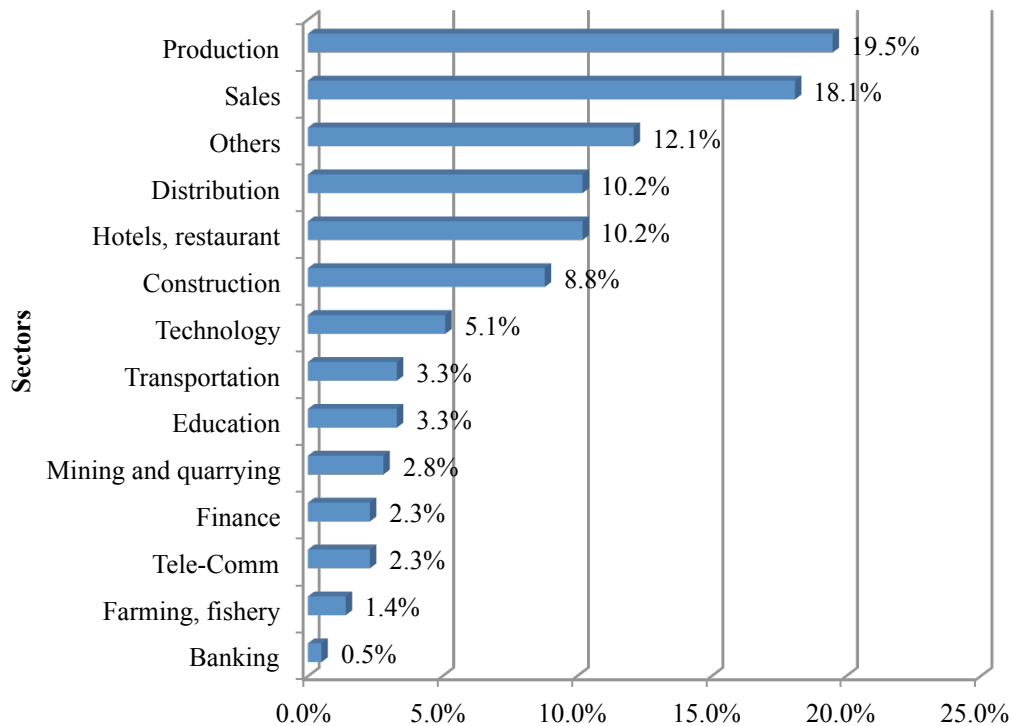
the registered businesses took the form of private limited liability companies (PT), followed by single ownership unlimited liability businesses (CV). A majority of the participating businesses were established before the 1990s (n = 74) or after 2000 (n = 90). This reflects the economic crisis in South-East Asia as well as the collapse of the Soeharto regime in 1998, which eventually turned violent and caused the death of many Chinese ethnics as well as their migration to Singapore, Australia, and other countries.

Table 5.3. Year of Establishment

Year of establishment	Number	%
Before 1990	74	34.4%
1990–2000	51	23.7%
2001–2010	77	35.8%
After 2010	13	6.0%
Total	215	100.0%

Most of the businesses presented sizeable growth from the time they were established in terms of the number of employees. At the time of establishment, almost 70% of the businesses had no more than 20 employees; currently the number decreased to only 25%. On the other hand, each category of the businesses sized 21–100, 101–500, and 500+ presented significant growth. The sample contains representatives from heterogeneous business sectors, leading with production sector (19.5%) followed by sales (18.1%) and distribution (10.2%). More than 12% of respondents chose the ‘other’ option. Only 1.4% of the respondents chose farming and fishing businesses, which were closely related to the place of residence. In other parts of Indonesia this answer would have been more popular.

Graph 5.4. Business Sectors



Businesses represented by the respondents were offering products for both mass and niche markets, in almost equal proportion.

5.3.2. Micro analysis

Based on the conceptual model, entrepreneurs with their set of personality traits and cultural background are one of the three pillars that define the concept of Chinese ethnic entrepreneurship in Indonesia. Personality traits, support of family and co-ethnics, and guanxi supported by social capital are a foundation of the micro level linking it with the process of entrepreneurship amongst Chinese ethnic entrepreneurs in Indonesia. As the micro environment contains several other significant concepts, the following analysis is divided into sub-categories.

5.3.2.1. Personality traits

Analysis of the answers supplies significant data about the role of personality traits for Chinese ethnic entrepreneurs in Indonesia. Based on the literature (Shane and

Venkataraman, 2000; Hisrich, 1985; McClelland, 1961), it was expected that Chinese ethnic entrepreneurs in Indonesia would have possessed special personality traits enabling them to succeed in business. The importance of personality traits for the ethnic entrepreneurs was confirmed in the first question, where 93% of the respondents agreed with the statement that ‘entrepreneurs must have special personality traits’. A lower percentage applied for the statement that entrepreneurship ‘can be learnt’ (17.7%, n = 38), which suggests that respondents believe in the natural character of entrepreneurial traits. Moreover, respondents identified all of the personality traits as important for the entrepreneurs in the majority of answers: strongly agree and agree were in the range of 80%–90%.

Statistical Table 5.1. Ranking of All Personality Traits for Two Answers: Strongly Agree and Agree

Rank	Personality Trait	Total (Agree & Strongly Agree)	Agree	Strongly Agree
Rank 1	Ability to set and meet deadlines (Trait 8)	96.5%	60.5%	36.0%
Rank 2	Ability to take on opportunities (Trait 3)	96.1%	60.1%	36.0%
Rank 3	Creativity (Trait 2)	95.3%	57.4%	38.0%
Rank 4	Ability to network (Trait 6)	94.6%	59.3%	35.3%
Rank 5	Ability to get things done (Trait 4)	93.8%	57.0%	36.8%
Rank 7	Ability to stay focused (Trait 7)	93.4%	49.6%	43.8%
Rank 8	Ability to deal with setbacks (Trait 10)	91.5%	52.7%	38.8%
Rank 9	Ability to set milestones (Trait 5)	90.7%	62.8%	27.9%
Rank 10	Ability to make a difference (Trait 9)	90.7%	61.6%	29.1%
Rank 11	Ability to gather right people (Trait 11)	86.4%	57.0%	29.5%
Rank 12	Ability to learn entrepreneurship (Trait 1)	80.6%	61.2%	19.4%

The ability to learn entrepreneurship and gather the right people were ranked as the two least important traits. Very high scores for the personality traits ‘ability to network’ (n = 204) and ‘creativity’ (n = 201) might prove previous findings from the literature emphasizing the role of those skills in the overall success of entrepreneurs (Thompson, 2004). Furthermore, a mix of social and human capital factors were ranked as the important factors shaping the success of entrepreneurs’ businesses (question 21, Section C). ‘Owner’s experience’ (human capital) was ranked as the most important factor, and 90% of the respondents either identified it as very important or important (n = 198). ‘Business connections’, which are part of social capital, were chosen by 88% of the respondents (47%, very important; 41%, important), and 78% respondents chose ‘family support’ as the third most important variable (n = 172). This proves that several types of social capital were considered to be vital.

With regard to sources of support given to Chinese ethnic entrepreneurs in Indonesia, respondents pointed to personal relationships and business networks as most important. Almost three-quarters of the respondents used those two sources of support either always or often (question 35).

Statistical Table 5.2. Ranking of All Factors: Where does your company get support from? (Question 35)

Rank	Factor		Total (Always & Often)	Always	Often
Rank 1	Factor 2	Business network	73.6%	19.4%	54.3%
Rank 2	Factor 4	Personal relationships	71.7%	17.4%	54.3%
Rank 3	Factor 1	Family members	53.9%	16.7%	37.2%
Rank 4	Factor 3	Co-ethnics	45.3%	6.6%	38.8%
Rank 5	Factor 5	Business associations	42.6%	8.9%	33.7%
Rank 6	Factor 6	Govt. support/favours	25.6%	4.7%	20.9%

As can be seen from Statistical Table 5.2, support of family members and co-ethnics ranks third and fourth, which is in line with the expected importance of those two

micro factors. In contrast, bridging capital in the form of government favours is used least often (n = 47 and n = 60 for 'never' and 'seldom', respectively).

5.3.2.2. Family support

Respondents answering question 30 identified community events as the most important place for the creation of informal business relationships (77%, n = 169). The other popular places were social events (51%, n = 109) and family gatherings (38%, n = 84). These answers prove the importance of the family, community, and co-ethnics in the process of creating business relationships. Answers for question 35 prove that family support is vital for entrepreneurs: 86% of the respondents acknowledged the support of family members always, often, or sometimes. In this case, family support is another example of bonding social capital, and answers might indicate its importance for entrepreneurs in Indonesia. However, this will be confirmed in the statistical analysis and hypotheses testing.

5.3.2.3. Co-ethnic support

Co-ethnic support was identified in question 35 as one of the most important factors supporting entrepreneurship. A majority of the respondents described such support as being frequently provided by co-ethnics: 85% of respondents chose the answers sometimes, often, and always to describe how often co-ethnics supported their business ventures (n = 82, n = 85, and n = 14, respectively). This finding will be confirmed in the statistical analysis, and if relationships are proven this will indicate that bonding social capital in the form of co-ethnic support is a significant shaper of Chinese ethnic entrepreneurship in Indonesia.

5.3.2.4. Confucian values

Section D of the survey was designed to analyse the role of Confucian values, consisting of hard work, respect for learning, respecting hierarchy, family, and harmony. According to the respondents (question 32), Chinese ethnics in Indonesia are considered to be successful entrepreneurs. Given the question ‘Based on your experience, are Chinese Indonesians successful entrepreneurs?’ most respondents (97.2%) answered yes. In addition, while comparing Chinese Indonesians with other ethnicities in Indonesia, only 1.6% identified Chinese as being less (n = 1) or much less (n = 2) successful in doing business than other ethnicities in Indonesia (question 33). The other significant observation is that almost three-quarters of the respondents described Chinese entrepreneurs as being more successful (47%) or much more successful (26%) than other ethnics. This supports evidence in the literature describing Chinese as skilful and successful business owners (Hwang et al., 2009). In question 34.2, respondents were asked to choose three of the most important reasons for the ability of Chinese Indonesians to succeed in business. Answers chosen more frequently were hard work (62%), business connections (43%), family support (32%), and personality traits (29%).

Statistical Table 5.3. What are the reasons for Chinese Indonesian entrepreneurs being more successful? (Choose 3) (Question 34)

Rank	Reasons for Chinese Indonesian entrepreneurs being more successful	Yes
1	Hard work	60.9%
2	Business connections	42.6%
3	Family support	31.8%
4	Personality traits	29.1%
5	Ability to spot business potential	26.7%
6	Business network support	19.0%
7	Cultural aspects	19.0%
8	Co-ethnic support	16.3%

9	Innovation	8.9%
10	Luck	3.9%
11	Govt. favours	1.9%

These results might prove the prediction that a combination of factors from the micro, meso, and macro environments contribute to the success of Chinese ethnic entrepreneurs in Indonesia. Hard work, an example of the personality traits related to Confucian values from the micro environment, was selected as the most important factor contributing to the success of Chinese ethnic entrepreneurs (n = 134). Being part of guanxi was the second most important factor (m = 92) and was a significant concept related to all environments. Family support is part of the micro environment, related with Confucian values (n = 68). Respondents chose personality traits and family support to be more important than the support of co-ethnics (15%) as well as favours given by a government (2%). This might suggest that micro factors play the most important role for Chinese Indonesian entrepreneurs. Lower scores of the answer related to the government might mean low expectations of the entrepreneurs from the Indonesian government. It might also show a decreasing role for policies in comparison to the situation in the 1960s and 1970s, when discriminatory regulations pushed many Chinese Indonesians towards entrepreneurship. However, this finding will be analysed and compared with the results of the statistical hypotheses testing. The importance of hard work in the success of the Chinese Indonesians was confirmed while analysing answers given to question 40, designed around the concept of Confucian values being an important driver of success. Astonishingly, 98% of the respondents identified hard work as either very important (n = 170) or somewhat important (n = 43) for Chinese Indonesians. Respect for learning, family, and harmony were also considered to be very important, while respecting hierarchy scored the lowest. However, all five factors contributing to Confucian values were

considered as playing important roles for Chinese Indonesian entrepreneurs. Only 1% of the respondents described harmony, family, and respecting hierarchy as not important. These results will be confirmed or rejected in the next part of this chapter, where hypotheses will be tested.

Statistical Table 5.4. Are the following Confucian values important? (Question 40)

Rank	Factor	Confucian Values	Total (Somewhat Important & Very Important)	Somewhat Important	Very important
Rank 1	Factor 1	Hard work	98.1%	19.8%	78.3%
Rank 2	Factor 2	Respect for learning	95.7%	38.4%	57.4%
Rank 3	Factor 4	Family	89.9%	39.5%	50.4%
Rank 4	Factor 3	Respecting hierarchy	88.8%	53.1%	35.7%
Rank 5	Factor 5	Harmony	86.8%	38.0%	48.8%

5.3.2.5. The role of guanxi and sinyong

Since the concepts of sinyong and guanxi have been identified in the entrepreneurial literature (Gomez, 2007; Biggart and Hamilton, 1997) as important shapers of Chinese ethnic entrepreneurship, the questions designed around this concept were expected to bring important insights. In question 36, respondents were asked to present an opinion about the role of these aspects of Chinese entrepreneurship. Only 7.9% of the respondents answered that guanxi does not find any implementation in Indonesia. Almost 60% of the respondents identified this concept as being important for Chinese ethnic entrepreneurships (n = 95). In addition, almost 80% of the respondents, when asked if social networking linked with the concept of guanxi helped Chinese Indonesian entrepreneurs in succeeding in business, chose the answers always, often, and sometimes (question 38). Even more important than the idea of guanxi was the concept of sinyong, identified by 87% of the respondents as being very important or somewhat important for Chinese businesses in Indonesia (question 37). These findings were also confirmed by answers to other questions related with the concept of sinyong. Trust played the most important role in business networks of

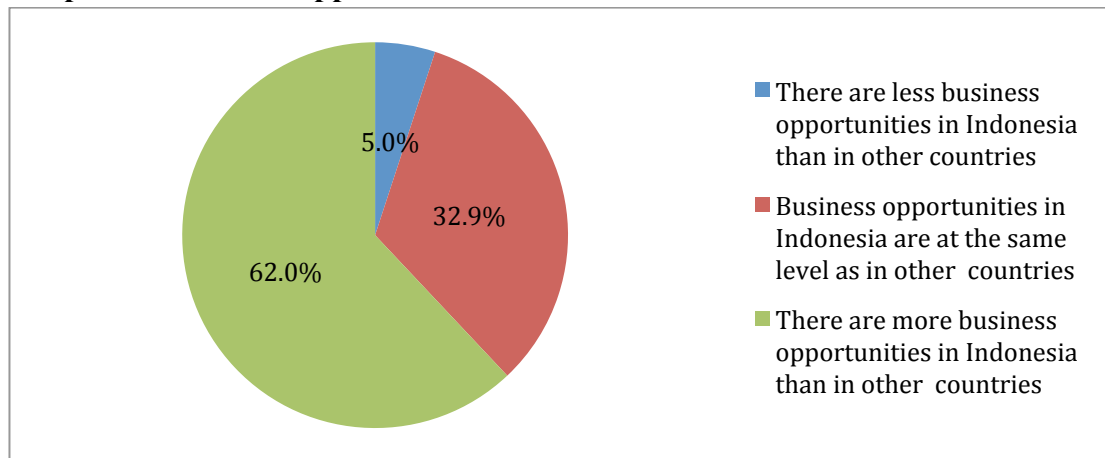
Chinese ethnic entrepreneurs in Indonesia, ranked by 86% of the respondents as either very important (n = 122) or important (n = 65). According to the respondents, network support, obligation to support, and ability to receive favours back (reciprocity) were less important than trust (question 26). Similarly, in question 27, 94% of the respondents identified trust as either very important (n = 141) or important (n = 60) while dealing with business partners, suppliers, and customers. In contrast, 69% of the respondents identified shared beliefs as important. This brings two possible significant facts. Chinese ethnic entrepreneurs still pay strong attention to the shared values of their business partners. However, as the result is lower than that for trust, it might be concluded that even business partners who do not share the same values might be suitable for business relationships with Chinese Indonesians, as long as they are trusted. Analysis of the answers given to question 31 brings additional confirmation to the importance of trust for Chinese entrepreneurs: 96% of the respondents selected strongly agree or agree to the role of trust while dealing with business partners as being important. A score only 1% lower was in the category of customers. Even though fewer respondents agreed with the importance of trust while dealing with business consultants (81%) and financial institutions (89%), the results are still very high and emphasize its importance. This strengthened the findings about the concept of trust found in the previous section. As a result, the conceptual model was enriched and the concept of trust was placed within it to emphasize its importance for the creation and success of Chinese ethnic entrepreneurs in Indonesia.

5.3.3. Meso analysis

The conceptual model proposed in Chapter 3 identified a variety external factors as significant contributors to the creation and growth of Chinese ethnic entrepreneurships in Indonesia. Intra-ethnic networks (bonding social capital) and the

use of weak ties (bridging social capital) are expected to work as pull factors that attract individuals to the field of entrepreneurship. Attractiveness of the Indonesian market was confirmed in the answers to question 11, section B of the survey. Respondents were asked to choose the reasons for local operation rather than international expansion; 71.6% pointed to the high potential of the Indonesian market and 44.2% choose strong local demand as the reasons for this phenomenon. These two answers were first and third most popular and confirmed the importance of the meso environment. The attractiveness of the Indonesian market worked as a strong pull factor also for 30.2% of the respondents, who link their entrepreneurial decision with the attractiveness of the Indonesian market (Section A, question 9). Answers to several questions in Section C present insight on the role of business networks. Based on the literature, it is expected that opening to markets beyond the ethnic community and dealing with heterogeneous partners and customers could have been more profitable to the businesses (Barett et al., 2001; Iyer and Shapiro, 1999). According to the respondents, a majority of the businesses owned by Chinese Indonesian entrepreneurs operated in wider heterogeneous markets, with 52.7% describing their business networks as having more than ten organizations whose owners are of various ethnicities. This proves that for a majority of Chinese ethnic entrepreneurships, opening up to the wider, heterogeneous market has been a way to succeed. In the last part of the survey, respondents identified existing business opportunities in Indonesia (Section F, question 42). Almost two-thirds (60%, n = 129) described Indonesia as being able to offer more business opportunities than other countries. The fact that only 6% of the respondents (n = 13) pointed to Indonesia as less attractive than other countries proves the importance of the external meso market attractiveness to the overall success of Chinese ethnic Indonesian businesses.

Graph 5.5. Business Opportunities in Indonesia



These findings were confirmed in question 43, which allowed respondents to present their opinion about business opportunities in Indonesia; 122 respondents (56.7%) described Indonesia as having many business opportunities and 23.3% as possessing extensive opportunities (n = 50). It can be concluded that these extensive business opportunities could have been important factors that influenced Chinese ethnic entrepreneurs to start up their own business and let it grow. Moreover, according to the respondents who answered question 44, Indonesia offers either more business opportunities than 30 years ago (59.5%, n = 128) or the same amount (25.6%, n = 55). This finding suggests that the meso environment of Indonesia has been improving, hence offering more opportunities for business owners in general. In addition, 61% of the respondents identified Jakarta as the most attractive city for business operations in Indonesia. This proves the leading role of the capital city for business. In addition, 43% of the respondents identified all regions in Indonesia as being attractive for businesses. This finding supports the placement of the meso opportunity structures in the conceptual model, emphasizing a shared role for micro, meso, and macro factors in the context of Chinese ethnic entrepreneurs in Indonesia. In addition, the wholesale and retail (n = 106), communication (n = 89), and

transportation (n = 84) sectors were identified as those offering the highest number of opportunities.

Statistical Table 5.5. Which business sectors offer the highest potential? (Question 46)

Rank	Sector	Business Sectors	Yes
Rank 1	Sector 12	Wholesale, retail	45.7%
Rank 2	Sector 11	Communication	41.9%
Rank 3	Sector 10	Transportation	39.5%
Rank 4	Sector 9	Real estate/renting	36.4%
Rank 5	Sector 8	Manufacturing	27.1%
Rank 6	Sector 7	Construction	24.4%
Rank 7	Sector 6	Banking and finance	20.2%
Rank 8	Sector 5	Education	17.4%
Rank 9	Sector 4	Mining and quarrying	13.6%
Rank 10	Sector 3	Hotels and restaurants	8.9%
Rank 11	Sector 2	Farming and fishery	5.4%
Rank 12	Sector 1	Tourism	1.6%

5.3.4. Macro Analysis

The macro level of the institutional framework is another part of the conceptual model proposed in this work. According to Kloosterman (2010), support given by government institutions can also positively influence entrepreneurship. However, for Chinese ethnic entrepreneurs in Indonesia, instead of being pulled to entrepreneurship through the support of institutional frameworks, they were rather pushed to it by discriminatory laws and regulations that were implemented during the Soeharto era. According to 86% of the respondents (n = 185), potential entrepreneurs could enter all business sectors in Indonesia (question 47), which might indicate a lack of barriers to entry in the form of discriminatory policies. However, in the following question (48.1), respondents presented slightly different opinions about accessibility of the business sectors for different ethnicities. Only a quarter of the respondents (n = 53) chose the answers agree (24%) or strongly agree (1%) when presented with the

following statement: ‘All ethnicities have the same opportunities to establish and grow their businesses in Indonesia’. Half of the respondents (n = 112) chose the neutral answer of neither agree nor disagree. The results might indicate the constant presence of potential barriers for some ethnicities while doing business in Indonesia. Similarly to the previous question (48.1), respondents presented aligned views in question 49b. Only 1% answered strongly agree (n = 2) and 21% agree (n = 45) to the statement ‘The Indonesian government does not discriminate against ethnic minorities in conducting business with laws and business regulations’. As in a previous case, a majority of the respondents did not agree with this statement, which might suggest that Chinese Indonesians still don’t feel they have equal opportunities with other ethnics. This finding will be confirmed and elaborated on during the in-depth interviews.

In the last question of the survey, respondents were asked about the current situation of Chinese Indonesians in comparison to the situation ten and thirty years ago. Significantly, none of the 215 respondents identified the current situation as being worse than in the past. Almost 80% of the respondents either agreed or strongly agreed that the situation of Chinese ethnics in Indonesia is better than 10 years ago or 30 years ago. This finding suggests a significant improvement of the general situation of Chinese ethnics in Indonesia, which might be related to the collapse of the Soeharto regime and the implementation of numerous non-discriminatory policies. In addition to the answers given to question 49, a large group of the respondents did not agree or disagree with the statement ‘There are currently no discriminatory policies against Chinese Indonesians’, with 135 respondents choosing a safe answer that wouldn’t be viewed as politically incorrect. This might suggest a lack of knowledge of the respondents on this topic or simply avoiding giving an answer that might be

considered controversial. Only 6% of the respondents neglected the fact of past discriminatory policies during the Soeharto era, proving the knowledge gained from the literature. In addition, 82% of the respondents agreed or strongly agreed that the Soeharto regime used to discriminate Chinese Indonesians with prohibited access to some of the professions and business sectors. Only 34% of the respondents agreed or strongly agreed that Chinese Indonesians could access all business fields nowadays. This might suggest that even if there are no official discriminatory policies implemented by the government, there might be some other unofficial barriers prohibiting Chinese Indonesians from entering all business fields. This opinion was presented by a number of the respondents during informal conversations with the researcher. To further prove this statement, only 30% of the respondents agreed or strongly agreed that discrimination against the Chinese had ended with the collapse of the Soeharto regime in 1998 ($n = 58$ and $n = 4$, respectively). Even though the majority of Chinese Indonesians admitted that their situation was better than ten or thirty years ago, they still might have felt they were not treated as equal to indigenous Indonesians. Before the analysis of the data was conducted, it had been expected that Chinese Indonesians were using social capital in the form of bridging connections with government officials to minimize the the discriminatory attitudes in Indonesia. A third of the respondents admitted that their businesses had connections to public offices such as the registry office (33%), tax office (33%) and the police (31%). These results might indicate that a considerable number of Chinese ethnic entrepreneurs deal with unfavourable treatment by government bodies by building relationships with their employees (question 21). Interestingly, when asked about such practices in other businesses, the results were even higher (question 22). More than half of the respondents admitted that their businesses or other companies from their industry

sector use unofficial payments and gifts while dealing with local government (57% responding sometimes, often, and always) and the license office (54%). The registry office and tax office got results slightly below 50%, which is also a very significant number. These results prove the expected outcome as based on the conceptual model in which bridging capital in the form of links to government organisations was placed as an important factor shaping success of Chinese ethnic entrepreneurs in Indonesia. This finding supports the prediction that social capital shared amongst Chinese Indonesians enables them to succeed in the Indonesian market. However, the statistical analysis conducted in the next part of this chapter will confirm the role of both bonding and bridging social capital for ethnic entrepreneurs in Indonesia.

5.3.5. Summary: Survey Results

Based on the answers of participating respondents, the following are the most significant findings:

Micro Environment

The results confirmed the importance of special personality traits, with 93% of the respondents agreeing on their importance for entrepreneurs.

Moreover, Respondents identified a mix of social capital (e.g., business connections, personal relationships) and human capital (e.g., owners' experience) as strong supporters of the entrepreneurial process.

Moreover, strong involvement and support of the family was confirmed, with 86% of the respondents admitting to frequent use of this form of capital. Similarly, respondents confirmed frequently relying on the support of co-ethnics.

In addition, survey results confirmed that Chinese ethnic entrepreneurs perceive themselves as successful business owners. Attributes like hard work, business connections, and family support play the most important role.

In addition, all Confucian values proved to be significant for Chinese Indonesians. Hard work and respect for learning were important for more than 90% of the respondents.

Finally, the data confirms the importance of guanxi and sinyong. Respondents acknowledged it to be more significant that shared values with their co-ethnics.

Meso Environment

The respondents confirmed the attractiveness of the local market as an important pull factor shaping Chinese ethnic entrepreneurship in Indonesia.

In addition, operating on wider, ethnically heterogeneous markets proved to be an important factor shaping the performance of ethnic businesses.

Macro Environment

Respondents acknowledged past existence of discriminatory policies acting as a push factor for Chinese ethnic entrepreneurs. Significantly, a decreasing role of discriminatory policies was acknowledged. However, full equality with other ethnicities was not fully confirmed.

Finally, all respondents agreed with an improving situation for Chinese ethnics compared with the situation thirty and ten years ago.

5.4. Hypotheses Testing and Results

The conceptual model proposed for this research emphasizes the role of a variety of factors in the process of creation and growth of Chinese ethnic entrepreneurships in Indonesia. It is expected that a mix of stimulators from the micro, meso, and macro environment shaped this phenomenon. In what follows I restate each of the hypotheses and present the results of the statistical testing. Hypotheses were

constructed around the important micro, meso, and macro factors found in the conceptual model.

The statistical analysis and hypotheses testing is arranged in a following way:

Table 5.4. Propositions and Hypotheses

Environment Level	Proposition	Hypotheses
Micro	Proposition 1	Hypotheses H1, H2, H3
	Proposition 2	Hypothesis H4
Meso	Proposition 3	Hypothesis H5
	Proposition 4	Hypothesis H6
Macro	Proposition 5	Hypothesis H7

5.4.1. Micro environment

5.4.1.1. Proposition 1

In the first section of the questionnaire, investigating the micro environment, variables were tested to find possible correlations between the personality traits and the decision of an entrepreneur to create a business and also its future growth.

The first proposition from the micro level is the following one:

P1. Personal entrepreneurial traits, combined with bonding social capital, influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

This proposition was then broken into separate parts. Firstly, correlation between personality traits and the decision to create a business was analysed. In the next step, potential correlations between the personality traits and the growth of the businesses were investigated. After that, correlations between bonding social capital in forms of family and co-ethnic support and the creation and growth of the businesses were also analysed. As a result, Proposition 1 has been divided into three hypotheses (H1–H3):

Table 5.5. Hypotheses H1, H2, and H3

H1	Personal entrepreneurial traits positively affect business creation by Chinese ethnic entrepreneurs in Indonesia.
H2	Personal entrepreneurial traits positively affect the growth of Chinese ethnic entrepreneurships in Indonesia.
H3	Bonding social capital in the form of family and co-ethnic support positively influences the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

5.4.1.1.1. Hypotheses H1, H2, and H3

H1. Personal entrepreneurial traits positively affect business creation by Chinese ethnic entrepreneurs in Indonesia.

It was expected that there would be a correlation between possessing special personality traits and business creation and growth amongst Chinese ethnic entrepreneurships in Indonesia. Personality traits were tested first against the variable of business creation and then against the variable of business growth. Personality traits analysed during the process were based on the FACETS model developed by Bolton and Thompson (2004). Firstly, respondents were asked a general question of whether personal entrepreneurial traits influenced the process of creation and growth of the businesses. In the following step, individual traits were listed and tested to measure which of those played a significant role during the entrepreneurial process.

Hence Hypothesis 1 contains several sub-hypotheses.

Table 5.6. Sub-hypotheses H1.1–H1.12

H1.1	Possessing special personality traits positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.2	Ability to learn entrepreneurship positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.3	Creativity positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.4	Ability to take on perceived opportunities positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.5	Possessing drive to get things done positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.6	Setting milestones positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.

H1.7	Ability to network positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.8	Ability to focus positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.9	Ability to set and meet deadlines positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.10	Ability to make a recognized difference positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.11	Courage to deal with setbacks positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.
H1.12	Ability to gather the right people together positively affects business creation by Chinese ethnic entrepreneurs in Indonesia.

It was expected that personality traits would present positive correlation with business creation and its business growth.

Based on analysis using SPSS version 20, it was found that there were four cells with the expected frequency of less than five. These results indicate that the requirements of the chi-square test were not fulfilled. Regrouping of variables was conducted. The variables initially used the 5-category Likert scale: (strongly disagree, disagree, neither agree nor disagree, agree, and strongly agree). The original options were then transformed into two distinctive groups: the first group combined the answers strongly disagree, disagree, and neither agree nor disagree and labelled as a negative/neutral opinion group. The second group contained agree and strongly agree answers and can be described as a positive answer group. The same procedure was used with the remaining sub-hypotheses (H1.2–H1.12).

For Hypothesis H1, the following were proposed:

Table 5.7. Alternative and Null Hypothesis H1

<p>Alternative hypothesis H1: Possessing special personality traits is related to (associated with) business creation.</p> <p>Null hypothesis H0: Possessing special personality traits is not related to (associated with) business creation.</p>
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During the statistical testing, the Pearson chi-square was found to be $\chi^2=0,037$ and $p > 0,10$. As a result, the null hypothesis is approved, since $p > 0,10$.

Statistical Table 5.6. Question E.41.a Results

Question	Statistical Test	Results			Conclusion
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	
Question E41.a	Chi-Square	0,037	0,847	p-value > 0,05 → Accepted	Possessing special personality traits is not related to (associated with) business creation by Chinese ethnic entrepreneurs in Indonesia.

Finding 1

Possessing special personality traits was not related to (associated with) business creation.

The result of the analysis is contrary to Hypothesis H1 and assumptions made during the process of preparing the conceptual model. Unlike what was predicted, the answers by respondents do not indicate any correlation between the personality traits of the entrepreneurs and the creation of entrepreneurial activity. The results show that there is no significant correlation between the fact of possessing particular personality traits and the decision to establish an ethnic entrepreneurship in Indonesia. Further analysis has been conducted to investigate if single personality traits influence the decision about business creation.

Hypotheses H1.2–H1.12

The results of the analysis of all hypotheses H1.2–H1.12 bring the following results: Two variables—ability to take on perceived opportunities (H1.4.) and ability to set

and meet deadlines (H1.9) had one cell with the expected frequency of less than five. As a result, the terms of the chi-square test were not met. The tests were not conducted in an appropriate manner and the hypotheses were not tested. For those two personality traits, it was not possible to answer if they positively inflected the decision to create a business. The other personality traits do not significantly affect respondents' decision about setting up their own business activity. This is a very important finding, and it will shape the final analytical outcome of the whole thesis. The research shows that in the Indonesian context the presence of special personality traits does not influence entrepreneurs' decisions to establish a business venture. Unlike predictions, individual traits are not as important as predicted and as was shown in the first part of the analysis. The following section will investigate what other factors could have influenced the entrepreneurial process in the Indonesian context.

Hypothesis H2

H2. Personal entrepreneurial traits positively affect the growth of Chinese ethnic entrepreneurships in Indonesia.

Personal entrepreneurial traits variables were measured using a 5-point Likert scale (strongly disagree through strongly agree). Meanwhile, the growth variables were measured by asking the questions 'How would you rate your sales performance in the last three years?' and 'How would you rate your profit performance in the last three years?'. The variables of sales and profit were measured using Likert-scale questions (decreasing much, decreasing, no change, increasing, and increasing much). To determine the relationship between these variables, I used the Spearman correlation, chosen because the variables used ordinal-scale measurement. After selecting sales

growth and profit growth as the variables representing the growth of the organization, the null hypotheses were formed and tests were conducted.

H2.1. Possessing special personality traits is positively associated with the sales growth of Chinese ethnic entrepreneurships in Indonesia.

For Hypothesis H2.1, the following were proposed:

Table 5.8. Alternative and Null Hypothesis H2.1

<p>Alternative hypothesis H2.1: There is a correlation between possessing special personality traits and sales increase of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: There is no correlation between possessing special personality traits and sales increase of Chinese ethnic entrepreneurships in Indonesia.</p>

Spearman correlation results indicate that these two variables have a correlation coefficient of 0.020 with p-value = 0.751. The p-value was greater than $\alpha = 5\%$, indicating that H_0 was accepted, meaning there is no significant relationship between possessing special personality traits and sales growth of Chinese ethnic entrepreneurships in Indonesia.

Statistical Table 5.7. Question E.41.a:s-p Results

Question	Statistical Test	Results			
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question E41.a:s-p	Spearman Correlation	0,020	0,751	p-value > 0,05 → Accepted	No significant relationship between possessing special personality traits and sales of Chinese ethnic entrepreneurships in Indonesia.
		0,065	0,295	p-value > 0,05 → Accepted	No significant relationship between possessing special personality traits and profit of Chinese ethnic entrepreneurships in Indonesia.

As in the case of Hypothesis 1, this finding is contrary to the assumption in the conceptual model, where it was expected that such a relationship would have existed.

Finding 2

There is no correlation between possessing special personality traits and sales increase of Chinese ethnic entrepreneurships in Indonesia.

In the second stage of the testing, the potential relationship between possessing selected personality traits and profit increase of Chinese ethnic entrepreneurships in Indonesia was examined.

H2.2. Possessing special personality traits is positively associated with the profit growth of Chinese ethnic entrepreneurships in Indonesia.

For H2.2, the following were proposed:

Table 5.9. Alternative and Null Hypothesis H2.2

Alternative hypothesis H2: There is a correlation between possessing special personality traits and the profit increase of Chinese ethnic entrepreneurships in Indonesia.
Null hypothesis H0 : There is no correlation between possessing special personality traits and the profit increase of Chinese ethnic entrepreneurships in Indonesia.

The Spearman correlation results indicate that these two variables had a correlation coefficient of 0.065 with p-value = 0.295. The p-value was greater than $\alpha = 5\%$, indicating that H_0 was accepted, meaning that in the case of sales increase there was no significant relationship between possessing special personality traits and the profit increase of Chinese ethnic entrepreneurships in Indonesia. As a result, both null hypotheses were approved:

Finding 2

There is no correlation between possessing special personality traits and the sales increase of Chinese ethnic entrepreneurships in Indonesia.

Finding 3

There is no correlation between possessing special personality traits and the profit increase of Chinese ethnic entrepreneurships in Indonesia.

As in the case of Hypothesis 1, the findings were contrary to expectations, and there was no significant relationship between personality traits and the growth of the business in terms of sales and profit. The tests were continued to find out a potential relationship between the specific traits and the growth variables.

Table 5.10. Sub-hypotheses H2.1–H2.12

H2.1	Possessing special personality traits positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.2	Ability to learn entrepreneurship positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.3	Creativity positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.4	Ability to take on perceived opportunities positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.5	Possessing a drive to get things done positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.6	Setting milestones positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.7	Ability to network positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.8	Ability to focus positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.9	Ability to set and meet deadlines positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.10	Ability to make a recognized difference positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.11	Courage to deal with setbacks positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.
H2.12	Ability to gather the right people together positively affects the growth of Chinese ethnic entrepreneurs in Indonesia.

Similarly to Hypothesis 1, none of the single personality traits presented a correlation with sales or profit growth. The Spearman correlation conducted for all personality traits shows that the twelve variables have no significant correlation with the sales or profit growth of Chinese ethnic entrepreneurships in Indonesia. The p-value for all twelve personality traits against both the sales increase and profit increase variables was greater than ethnic entrepreneurs, indicating that all null hypotheses were accepted (detailed statistical results can be found in Appendix 4). The results of the tests for each individual personality trait prove there was no significant relationship between those and the financial growth of the business. As already mentioned, this finding is contrary to the assumption made in the conceptual model as well as some evidence from the analysis of the general answers provided by the respondents. These findings do not support some other academic studies, according to which personality traits of the entrepreneurs were the main engine of the entrepreneurial process. Based on this significant finding, the conceptual model will be modified. The following section will try to find other possible correlations among other variables.

In the following stage of the analysis, the second most important part of the micro environment—bonding social capital—was tested for a possible relationship with the creation and growth of Chinese ethnic entrepreneurships. As the literature review indicated, social capital in form of bonding intra-group relationships was expected to be an important shaper of the entrepreneurial process amongst Chinese Indonesians.

Hypothesis 3

Hypothesis H3 was the last part of Proposition 1.

P1: Personal entrepreneurial traits, combined with bonding social capital, influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

After completing the analysis of the relationship between personality traits and performance of the business, the role of bonding social capital was analysed.

H3: Bonding social capital in the form of family and co-ethnic support positively influences the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

Bonding social capital in the form of intra-ethnic relationships was expected to play a vital role as a facilitator of the entrepreneurial activities for Chinese ethnics in Indonesia. To conduct the necessary statistical analysis, this hypothesis was divided into the following sub-hypotheses:

Table 5.11. Hypotheses H3.1, H3.2, H3.3, and H3.4

H3.1	Family support positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.
H3.2	Co-ethnic support positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.
H3.3	Family support positively influences the development of Chinese ethnic entrepreneurships in Indonesia.
H3.4	Co-ethnic support positively influences the development of Chinese ethnic entrepreneurships in Indonesia.

As can be seen, the generic term ‘bonding social capital’ has been broken into two important categories: family support and co-ethnic support. Then for both of those variables correlation with the variables of business creation and business growth were tested. Hypotheses H3.1 and H3.2 concentrated on the process of business creation and how it has been influenced by family support and co-ethnic support. Hypotheses H3.3 and H3.4 examine how family support and support of co-ethnics correlate with the growth of a business.

Hypothesis H3.1

Firstly, Hypothesis H3.1 was tested:

H3.1: Family support positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.

To examine potential correlations between the two variables, questions 20.d, 34.b, and 35.a were analysed. For H3.1 the following have been proposed:

Table 5.12. Alternative and Null Hypothesis H3.1

<p>Alternative hypothesis H3.1: Family support is related to (associated with) business creation.</p> <p>Null hypothesis H0 : Family support is not related to (associated with) business creation.</p>

As in the previous cases, the requirements of the chi-square test were not fulfilled and the variables had to be regrouped into two categories: the negative/neutral opinion group and the positive answer group.

Table 5.13. Questions 20.d, 34.b, and 35.a Results

Question	Statistical Results
20.d	Pearson chi-square : $q^2 = 1,264$ and $p > 0,05$
34.b	Pearson chi-square : $q^2 = 1,538$ and $p > 0,05$
35.a	Pearson chi-square : $q^2 = 0,982$ and $p > 0,05$

For all the analysed questions, null hypotheses have been approved, since $p > 0,05$.

There was no significant correlation between family members' support and business creation. More detailed results can be found in Appendix 4. This might indicate that support of the family was not as important as other factors during the process of business venture creation. Unlike what was predicted, bonding social capital represented by the relationships with family does not support entrepreneurs in their decision to establish business activity.

Finding 4

Family support was not related to (associated with) business creation.

In the following stage of the analysis, another important example of bonding social capital was tested. Relationships with other Chinese and their support were expected to support entrepreneurs in the initial stages of business activity.

Hypothesis H3.2

In the following stage, Hypothesis H3.2 was examined:

H3.2. Co-ethnic support positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.

As in the previous case of family support, it was expected that support from co-ethnics could have played an important role during the process of business creation. To examine potential correlations between the two variables, questions 20.e., 23.e., and 39.b. were analysed.

For H3.2 the following were proposed:

Table 5.14. Alternative and Null Hypothesis H3.2

Alternative hypothesis H3.2: Co-ethnic support is related to (associated with) business creation.
Null hypothesis H0: Co-ethnic support is not related to (associated with) business creation.

In all of the cases there has been an assumption that there was some correlation between the support of co-ethnics (bonding social capital) and the decision to establish a business. For the three questions tested in regard to sub-hypothesis H3.2, all null hypotheses were approved. (Detailed statistical results are in Attachment 4.)

Table 5.15. Questions 20.e, 23.e, and 39.b Results

Question	Statistical Results
20.e	Pearson chi-square: $q^2 = 3,973$ and $p > 0,05$

23.e	Pearson chi-square: $\chi^2 = 0,160$ and $p > 0,05$
39.b	Pearson chi-square: $\chi^2 = 1,433$ and $p > 0,05$

As a result, Hypothesis H3.2 (Co-ethnic support positively influences the creation of Chinese ethnic entrepreneurships in Indonesia) was rejected.

As seen in the data above, both family support and co-ethnic support do not present a significant correlation with the variable of business creation. Further investigation is recommended.

Finding 5

Co-ethnic support is not related to (associated with) business creation.

In the following stage of the analysis, both social capital variables of family support and co-ethnic support were tested against the growth variables.

Hypothesis H3.3 was presented:

H3.3: Family support positively influences the development of Chinese ethnic entrepreneurships in Indonesia.

To examine potential correlations between the two variables, questions 20d, 30e, and 40d were analysed. Answers from those questions were related to family support (as in the case of H3.1) and then were correlated with the variable of growth of the business. For this study, growth of the business was defined as increased sales and profit. For H3.3 the following are proposed:

Table 5.16. Alternative and Null Hypothesis H3.3

Alternative hypothesis H3.3:

Family support is related to (associated with) the sales and profit growth of Chinese ethnic entrepreneurships.

Null hypothesis H0:

Family support is not related to (associated with) the sales and profit growth of Chinese ethnic entrepreneurships.

As in the cases of H3.1 and H3.2, all null hypotheses were approved, and there was no significant correlation between family support and sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.

Table 5.17. Questions 20d, 30e, and 40d Results

Question	Sales Correlation	Profit Correlation
20.d Spearman Correlation	0.018 p-value: 0.779	0.047 p-value: 0.448
30.e Pearson Chi Square	1.558 p-value > 0, 05	3.400 p-value > 0, 05
40.d Spearman Correlation	0.054 p-value: 0.391	0.391 p-value: 0.536

This finding is contrary to expected results, as there was no significant correlation between support given by the family of Chinese ethnic entrepreneurs and the sales and profit performance of those businesses. Further research is recommended to validate this finding and identify other factors that could have played an important role for the financial success of Chinese ethnic entrepreneurships. Hence, it can be expected that other factors other than family support influence the business growth of entrepreneurships.

Finding 6

Family support is not related to (associated with) the sales and profit growth of Chinese ethnic entrepreneurships.

Hypothesis H3.4

In the final stage of the analysis of Proposition 1, H.3.4 (Co-ethnic support positively influences the sales and profit growth of Chinese ethnic entrepreneurships in Indonesia) was proposed and tested.

To examine potential correlations between the two variables, questions 23e., 35c, and 38 were analysed. Answers from those questions, as part of co-ethnic support (as in the case of H3.2), were then correlated with the variables of sales increase and profit increase.

For H3.4 the following were proposed:

Table 5.18. Alternative and Null Hypotheses H3.3s–p

<p>Alternative hypothesis H3.3: Co-ethnic support is related to (associated with) the sales and profit growth of Chinese ethnic entrepreneurships.</p> <p>Null hypothesis H0: Co-ethnic support is not related to (associated with) the sales and profit growth of Chinese ethnic entrepreneurships.</p>
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As can be seen from the results of the analysis, there was a correlation between co-ethnic support and the development of the business presented in growth of both sales and profits. Statistical table 5.8 summarizes the statistical results for H3.4.

Statistical Table 5.8. Hypothesis H3.4

Question	Statistical Test	Results			Conclusion
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	
Question C23.e	Chi-Square	4,569	0,033	p-value < 0,05 → Rejected	Referral by same ethnic community member is related to (associated with) sales performance of Chinese ethnic entrepreneurships in Indonesia.
		5,436	0,020	p-value < 0,05 → Rejected	Referral by same ethnic community member is related to (associated with) profit performance of Chinese ethnic entrepreneurships in Indonesia.

Question D38	Spearman Correlation	0,092	0,140	p-value > 0,05 → Accepted	No significant relationship between social networking and sales of Chinese ethnic entrepreneurships in Indonesia.
		0,125	0,044	p-value < 0,05 → Rejected	Significant relationship between social networking and profit of Chinese ethnic entrepreneurships in Indonesia.
Question	Statistical Test	Results Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question D35.c	Spearman Correlation	0,164	0,008	p-value < 0,05 → Rejected	Significant relationship between co-ethnics and sales of Chinese ethnic entrepreneurships in Indonesia.
		0,167	0,007	p-value < 0,05 → Rejected	Significant relationship between co-ethnics and profit of Chinese ethnic entrepreneurships in Indonesia.

This finding is very significant and might suggest that unlike the case of family support, co-ethnic support plays a vital role for the sales and profit growth of Chinese ethnic businesses. This indicates that social capital in the form of the support given by other Chinese Indonesians stimulates financial performance of the ethnic entrepreneurships. This very important finding will be reflected in the revisited conceptual model. Statistical analysis proved that Chinese ethnic entrepreneurships in Indonesia enjoy growth through the use of social capital in its bonding form of co-ethnic relationships. Based on the statistical results, H3.4 was approved.

Finding 7

Co-ethnic support positively influences the growth of Chinese ethnic entrepreneurships in Indonesia.

5.4.1.2. Proposition 2

In the second part of the analysis for the micro environment, the following Proposition 2 has been presented:

P2. Confucian values influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

To prove Proposition 2, Hypothesis H4 was developed.

5.4.1.2.1. Hypothesis H.4

H4: Confucian values positively influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

It has been expected that a positive correlation for H4 would be present. Based on the literature review, Confucian values play an important role for the Chinese (Cheung, 2004; Luo, 1997; Redding, 1993). The conceptual model emphasizes the importance of this concept for Chinese ethnic entrepreneurs in Indonesia. As Confucian values group several significant types of characteristics, such as hard work, respect for the family, value of learning, harmony, and respecting hierarchy, the following sub-hypotheses have been proposed.

Table 5.19. Alternative Hypotheses: H4.1–H4.10

Creation	
H4.1	Ability to work hard positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.
H4.2	Respect for learning positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.

H4.3	Respecting hierarchy positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.
H4.4	Family values positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.
H4.5	The importance of harmony positively influences the creation of Chinese ethnic entrepreneurships in Indonesia.
Growth	
H4.6	The ability to work hard positively influences sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.
H4.7	Respect for learning positively influences sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.
H4.8	Respecting hierarchy positively influences sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.
H4.9	Family values positively influence sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.
H4.10	The importance of harmony positively influences sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.

In the following stage of the analysis, all H.4 hypotheses (H4.1–H4.10) were tested. Statistical analysis of respondents' answers showed no significant correlation between the variables of Confucian values and the decision to create a business entrepreneurship. The results of the tests indicate no significant relationship between the variables of ability to work hard, respect for learning, respecting hierarchy, family values, and importance of harmony on the creation of a business venture. These results are significant and might suggest that other factors have been more significant for Chinese ethnic entrepreneurs while establishing their businesses. As a result, H4.1–H4.5 were rejected.

Finding 8

Ability to work hard, respect for learning, respect for hierarchy, family values, and the importance of harmony did not influence the creation of Chinese ethnic entrepreneurships in Indonesia.

In the second part of the Hypotheses 4 analysis, the same Confucian values were tested against the variables of sales growth and profit growth. In contrast to the results of H4.1–H5.4, several values correlated with the variable of growth of the businesses. Firstly, the Confucian variable of hard work (H4.6) presented a significant correlation with sales increase. This finding is significant to the outcome of the whole project. The assumption in the conceptual model was partially proven. Data analysis proved a correlation between the Confucian value of hard work and financial growth of the business.

Finding 9

H4.6: Ability to work hard positively influences sales growth of Chinese ethnic entrepreneurships in Indonesia.

In addition, all of the other Confucian values showed no significant relationship with the sales growth of the businesses. As a result, H4.7s–H4.10s were rejected.

H4.s7–H4.10s: Respect for learning, respect for hierarchy, family values, and the importance of harmony did not influence sales growth of Chinese ethnic entrepreneurships in Indonesia.

Secondly, the Confucian value of the importance of harmony (H4.10.) was correlated with profit growth of Chinese ethnic entrepreneurships in Indonesia. Statistical testing proved that in the Indonesian context one of the Confucian values supported profit growth for the ethnic entrepreneurship. As a result, it can be concluded that the Confucian values of hard work and harmony supported the financial growth of the researched business organisations.

Finding 10

H4.10.p: The importance of harmony positively influences profit growth of Chinese ethnic entrepreneurships in Indonesia.

Thirdly, other Confucian values did not significantly correlate with the profit growth of the business.

H4.6.s–H4.9s: The ability to work hard, respect for learning, respect for hierarchy, family values, and the importance of harmony did not influence sales growth of Chinese ethnic entrepreneurships in Indonesia.

These significant findings support the assumptions made while creating the conceptual model. However, in the following chapter, the model of Chinese ethnic Indonesian entrepreneurship will be enriched by the Confucian values of hard work and harmony only. These two values proved to be the most statistically significant in the Indonesian context.

Statistical Table 5.9 summarizes the statistical data for Hypothesis 4.

Statistical Table 5.9. Hypothesis H4

		Sales Growth	Profit Growth	Hard work	Respect learning	Hierarchy	Family	Harmony
Sales performance	Correlation Coef.	1,000						
	Sig. (2-tailed)							
Profit performance	Correlation Coef.	,862**	1,000					
	Sig. (2-tailed)	,000						
Hard work	Correlation Coef.	,104	,050	1,000				
	Sig. (2-tailed)	,094	,424					
Respect for learning	Correlation Coef.	,025	-,041	,624**	1,000			
	Sig. (2-tailed)	,690	,511	,000				
Respecting Hierarchy	Correlation Coef.	-,014	,014	,398**	,536**	1,000		
	Sig. (2-tailed)	,821	,825	,000	,000			

5.4.2. Meso environment

After conducting the analysis of the micro factors that influenced the entrepreneurial activity of Chinese ethnic Indonesians, analysis of the meso environment was conducted. The meso environment is built on market opportunity structures as well as bridging social capital in the form of personal relationships, business connections, and links to the government. All of these factors were expected to play an important role for Chinese ethnic entrepreneurs in Indonesia. The presence of a large population of potential customers in connection with the ability to legally own business ventures was expected to positively shape growth of the enterprises.

To analyse the impact that the meso environment plays during the company life cycle, Propositions 3 and 4 have been put forward:

P3: Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

P4: Bridging social capital supports growth of Chinese ethnic entrepreneurships in Indonesia.

5.4.2.1. Proposition 3

Based on the literature review, it has been expected that the relationship between the attractiveness of the Indonesian market and the entrepreneurial process would be observed. As the concept of opportunity structures is based on several important contributors, Proposition 3 was further broken into Hypothesis H5.

P3: Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

5.4.2.1.1. Hypothesis H5

As opportunity structures contained several important categories, Hypothesis H5 took all of these into account.

H5: Opportunity structures in the form of ethnic opportunities, presence of a wider non-ethnic market, access to business ownership, and level of market competition positively influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

For the next step of the data analysis, H.5 was divided into more detailed sub-hypotheses:

Table 5.20. Sub-hypotheses H5.1–H5.8

H5.1	Opportunity structures in the form of ethnic opportunities positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.
H5.2	Opportunity structures in the form of ethnic opportunities positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.
H5.3	Opportunity structures in the form of presence in a wider non-ethnic market positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.
H5.4	Opportunity structures in the form of presence of a wider non-ethnic market positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.
H5.5	Opportunity structures in the form of access to the business ownership positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.
H5.6	Opportunity structures in the form of access to the business ownership positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.
H5.7	Opportunity structures in the form of level of market competition positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.
H5.8	Opportunity structures in the form of level of market competition positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.

In the following stage, all H.5 hypotheses (H5.1–H5.8) were statistically tested. Alternative and null hypotheses were formed and tested. For H5.1 the following were proposed:

Table 5.21. Alternative and Null Hypothesis H5.1

<p>Alternative hypothesis H5.1: Opportunity structures in the form of ethnic opportunities positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of ethnic opportunities do not influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p>
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As can be seen from the results presented in Statistical Table 5.10, answers by respondents showed a significant correlation between both variables. Question 24.a was designed to investigate the potential relationship between collaborating only with several co-ethnic organisations, suggesting operating in the ethnic market, and the decision to create a business.

Statistical Table 5.10. Hypothesis H5.1

Question	Statistical Test	Results Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question 24.a	Chi-Square	5,724	0,017	p-value < 0,05 → Rejected	Relationship with small and medium ethnic partners related to (associated with) the decision of business creation.

This proved the existence of ethnic opportunities and the decision to establish a business by Chinese ethnic entrepreneurs. As a result, H5.1 was approved:

Finding 11

Opportunity structures in the form of ethnic opportunities positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

It was expected that for H5.2 a significant correlation between the variables of the presence of ethnic opportunities and growth might not be confirmed.

Based on the literature review, ethnic entrepreneurships operating only in ethnic markets find difficulties to grow as such markets do not present enough sizable opportunities. As the statistical analysis proved for H.5.1, such a significant correlation existed in relation to the variable of creation. For H5.2 the following were proposed:

Table 5.22. Alternative and Null Hypothesis H5.2

<p>Alternative hypothesis H5.2: Opportunity structures in the form of ethnic opportunities positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of ethnic opportunities do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p>
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Statistical analysis proved that answers did not correlate with the variable of growth of the businesses in the form of sales and profit growth. This finding is in line with the prediction that for a business to grow it should be operating in a market that is larger than just an ethnic market. Detailed statistical results for H5.2 are presented in Table 5.23.

Table 5.23. Questions 14f and 24a Results

Question	Sales Correlation	Profit Correlation
14.f Pearson Chi Square	2.314 p-value > 0, 05	1.065 p-value > 0, 05
24.a Pearson Chi Square	0.813 p-value > 0, 05	0.109 p-value > 0, 05

Based on the results of H5.1 and H5.2, it can be concluded that the decision to establish a business is influenced by the presence of the ethnic market. The existence of the customer and business partner base of Chinese ethnics could have been one of

the triggers for entrepreneurs to establish business operations. However, staying in such small ethnic markets would not support further sales and profit growth, and this was also proven by the statistical analysis. The alternative hypothesis was rejected and the null hypothesis was proved.

Finding 12

Opportunity structures in the form of ethnic opportunities do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

In the following stage of the statistical analysis, two hypotheses (H5.3 and H5.4) were proposed and tested. Both were based on a variable of the presence of a wider, non-ethnic market, and statistical tests related to the questions were conducted.

Hypothesis H5.3

For H5.3, the following were proposed:

Table 5.24. Alternative and Null Hypothesis H5.3

Alternative hypothesis H5.3: Opportunity structures in the form of the presence of a wider non-ethnic market positively influences the creation of Chinese ethnic entrepreneurships in Indonesia. Null hypothesis H0: Opportunity structures in the form of a wider non-ethnic market do not influence the creation of Chinese ethnic entrepreneurships in Indonesia.
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It was expected that Indonesia, as a country with a large population of almost 250 million citizens, hence high demand for products and services, played a significant pull factor that attracted Chinese ethnic entrepreneurs. This variable as an example of opportunity structures has been related to the presence of a wider non-ethnic market. Based on the literature review, it was expected that successful ethnic enterprises would have used the potential of a non-ethnic market.

Statistical table 5.11 presents statistical results from testing H5.3.

Statistical Table 5.11. Hypothesis H5.3

Question	Statistical Test	Results			Conclusion
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	
Question A9.a	Chi-Square	62,015	0,000	p-value < 0,05 → Rejected	Family members suggested as related to (associated with) business creation.
Question A9.e		80,773	0,000	p-value < 0,05 → Rejected	Indonesia is an attractive market that is related to (associated with) business creation.

As can be seen from the results of the tests, there was a significant correlation between the presence of a wider, non-ethnic market and the decision to establish a business venture. As in the case of an ethnic market, the presence of a larger base of customers worked as a pull factor that attracted Chinese ethnics to become entrepreneurs. Alternative H5.3 was accepted:

Finding 13

Opportunity structures in the form of the presence of a wider non-ethnic market positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

Hypothesis H5.4

For H5.4 the following were proposed:

Table 5.25. Alternative and Null Hypothesis H5.4

<p>Alternative hypothesis H5.4: Opportunity structures in the form of the presence of a wider non-ethnic market positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of a wider non-ethnic market do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p>
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Similarly to H.5.3, the statistical tests were conducted to analyse the potential correlation between the presence of a wider, non-ethnic market and the growth of the business. The statistical results are presented below:

Table 5.26. Question 9a and 44 Results

Question	Sales Correlation	Profit Correlation
9A	0.773	0.041
Pearson Chi Square	p-value > 0, 05	p-value > 0, 05
44	0.043	0.033
Spearman Correlation	p-value = 0.492	p-value = 0.597

As can be seen from the results of the tests for H.5.4, there was no significant correlation found between the variables—contrary to what was expected. Unlike H.5.3, the existence of a wider, non-ethnic market has not seemed to have had an impact on the financial growth of Chinese ethnic businesses in Indonesia. It might be concluded that the presence of such wider a market might have been more significant for the entrepreneurs who decided to establish a business. The alternative hypothesis H5.4 was rejected and the null hypothesis proved:

H5.4: Opportunity structures in the form of a wider non-ethnic market do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

Hypothesis H5.5

Hypotheses H5.5 and H5.6 were formed to prove if access to business ownership had any impact on the decision to establish a business and its further growth. For H5.5 the following were proposed:

Table 5.27. Alternative and Null Hypothesis H5.5

<p>Alternative hypothesis H5.5: Opportunity structures in the form of access to business ownership positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of access to business ownership do not influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p>
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The statistical analysis found significant correlations between both measured variables. The results are presented in Statistical Table 5.12.

Statistical Table 5.12. Hypothesis H5.5

Question	Statistical Test	Results			
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question B3		15,274	0,018	p-value < 0,05 → Rejected	Legal status of the company is related to (associated with) business creation.

As can be clearly seen from the table, there was a significant correlation between the ability of the respondents to access business ownership and their decision to establish a business. This finding proves that support of a system in which entrepreneurs have been able to register their businesses and run in a legal frame supports Chinese ethnic entrepreneurs during the process of business creation. This finding also supports the assumption made in the conceptual model and will later on shape the outlook of the model summarizing the most important factors that influenced Chinese ethnic entrepreneurs in Indonesia. As a result of the statistical analysis, the alternative Hypothesis H5.5 was accepted.

Finding 14

Opportunity structures in the form of access to business ownership positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

Hypothesis H5.6

As in the previous hypothesis, H5.6 looked into the variable of access to business ownership and its impact on the financial growth of ethnic entrepreneurships.

For H5.6 the following were proposed:

Table 5.28. Alternative and Null Hypothesis H5.6

Alternative hypothesis H5.6: Opportunity structures in the form of access to business ownership positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.
Null hypothesis H0: Opportunity structures in the form of access to business ownership do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

Analysis of question 47 indicates that there was no significant correlation of the variables. In the Indonesian context, access to business ownership supported entrepreneurs' decision to establish a business venture but did not support its further financial growth. Detailed data is presented in Table 5.29.

Table 5.29. Question 47 Results

Question	Sales Correlation	Profit Correlation
47 Pearson Chi Square	0.096 p-value > 0, 05 Regrouping of the variables into positive and negative/neutral	0.044 p-value > 0, 05 Regrouping of the variables into positive and negative/neutral

As a result, the expected relationship between the ability to legally register and own a business venture and its further growth does not appear to be statistically significant. This finding also influences the final outlook of the conceptual model. Hence, it can be concluded that such access to ownership plays a more important role during the process of business creation as proved in Hypothesis H5.5. As a result, the alternative hypothesis H5.6 was rejected.

H5.6: Opportunity structures in the form of access to business ownership do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

Hypothesis H5.7

Both Hypotheses H5.7 and H5.8 investigated the final opportunity structures variable: the potential relationship between the level of market competition and business creation and growth. For H5.7 the following were proposed:

Table 5.30. Alternative and Null Hypothesis H5.7

<p>Alternative hypothesis H5.7: Opportunity structures in the form of level of market competition positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of level of market competition do not influence the creation of Chinese ethnic entrepreneurships in Indonesia.</p>
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As can be seen from the results of the statistical analysis of the answers to questions 15a, 15b, and 15c, there was no significant correlation between the variable of level of market competition and creation of a business.

Table 5.31. Questions 15a, 15b, and 15c Results

Question	Creation Correlation
15a Pearson Chi Square	4.510 p-value > 0, 05
15b Pearson Chi Square	0.394 p-value > 0, 05
15c Pearson Chi Square	1.544 p-value > 0, 05

It can be concluded that factors like the presence of ethnic and non-ethnic markets as well as the ability to legally operate in Indonesia are of higher importance for the

ethnic Chinese while establishing a business, rather than a level of competition in the market. As a result, alternative Hypothesis H5.7 was rejected.

H5.7: Opportunity structures in the form of level of market competition do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

This finding is significant, and it can also be described as a rather logical one. Individuals would have decided to enter and operate in markets that had a slightly smaller competitive presence and other structural advantages had existed.

Hypothesis H5.8

In the final stage of the analysis of Hypothesis H5, the correlation between level of market opportunity and business growth was analysed.

Table 5.32. Alternative and Null Hypothesis H5.8

<p>Alternative hypothesis H5.8: Opportunity structures in the form of level of market competition positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p> <p>Null hypothesis H0: Opportunity structures in the form of level of market competition do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.</p>
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Similarly to the previous hypothesis, the findings from questions related to H5.8 indicated no significant relationship between the level of competition in the market and the development of the business. This indicates that other factors contributed more significantly to the growth of Chinese ethnic businesses in Indonesia.

Table 5.33. Questions 15a, 15b, and 15c Results

Question	Sales Correlation	Profit Correlation
15a Pearson Chi Square	0.012 p-value > 0, 05	0.060 p-value > 0, 05
15b Pearson Chi Square	0.680 p-value > 0, 05	0.647 p-value > 0, 05

15c	0.843	0.368
Pearson Chi Square	p-value > 0, 05	p-value > 0, 05

As a result, alternative Hypothesis H5.8 was rejected.

H5.8: Opportunity structures in the form of level of market competition do not influence the growth of Chinese ethnic entrepreneurships in Indonesia.

As in the case of H5.7, the level of market competition does not support the financial growth of the businesses that participated in the study. This finding will also be placed in the model presented in the following chapter.

5.4.2.2. Proposition 4

In the second part of the ‘meso’ analysis, Proposition 4 was presented.

P4: Bridging social capital supports the growth of Chinese ethnic entrepreneurships in Indonesia.

To analyse the role of bridging social capital, this concept has been narrowed to the specific themes of personal relationships, business connections, and links to the government, and they were presented in the Hypotheses H6.1–H6.3.

H6: Bridging social capital in the forms of personal relationships, business connections, and links to government institutions positively affects the growth of Chinese ethnic businesses in Indonesia.

The following sub-hypotheses were proposed:

Table 5.34. Sub-hypotheses H6.1–H6.3

H.6.1.	Personal relationships positively affect the development of Chinese ethnic businesses in Indonesia.
H.6.2.	Business connections positively affect the development of Chinese ethnic businesses in Indonesia.

H.6.3.	Links to government institutions positively affect the development of Chinese ethnic businesses in Indonesia.
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In the first stage, H6.1 was tested. The following were proposed:

Table 5.35. Alternative and Null Hypothesis H6.1

Alternative hypothesis H6.1: Personal relationships positively affect the growth of Chinese ethnic businesses in Indonesia.
Null hypothesis H0: Personal relationships do not affect the growth of Chinese ethnic businesses in Indonesia.

Statistical analysis of the answers provided by the respondents (Questions 9d and 23d) shows no significant correlation between both variables. Based on the results, it cannot be concluded that personal relationships of the owners positively affect the sales and profit growth of the businesses. Detailed statistical results are presented below.

Table 5.36. Questions 9d and 23d Results

Question	Sales Correlation	Profit Correlation
9.d. Pearson Chi Square	0.000 p-value > 0, 05	0.543 p-value > 0, 05
23.d Pearson Chi Square	1.864 p-value > 0, 05	3.203 p-value > 0, 05

As a result, the alternative Hypothesis H6.1 was rejected.

H6.1: Personal relationships do not affect the growth of Chinese ethnic businesses in Indonesia.

This finding is contrary to the expected outcome from the conceptual model. Unlike predicted personal relationships of the business owners, it did not statistically support the financial growth of Chinese ethnic entrepreneurs.

Hypothesis H6.2

In the second stage of the Proposition 4 analysis, Hypothesis H6.2 was tested.

Both alternative and null hypotheses were presented.

Table 5.37. Alternative and Null Hypothesis H6.2

<p>Alternative hypothesis H6.2: Business connections positively affect the growth of Chinese ethnic businesses in Indonesia.</p> <p>Null hypothesis H0: Business connections do not affect the growth of Chinese ethnic businesses in Indonesia.</p>
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Analysis of the answers given to questions 29b and 36 showed no significant correlation between the presence of business connections and the sales and profit growth. Detailed statistical data is presented in Table 5.38.

Table 5.38. Questions 29.b and 36 Results

Question	Sales Correlation	Profit Correlation
29.b. Pearson Chi Square	0.042 p-value > 0, 05	0.787 p-value > 0, 05
36 Pearson Chi Square	N/A p-value > 0, 05	0.787 p-value > 0, 05

As in the case of personal relationships (H6.1), business connections also do not significantly influence the financial growth of Chinese ethnic businesses. As a result, the alternative hypothesis H6.2 was rejected.

H6.2: Business connections do not affect the growth of Chinese ethnic businesses in Indonesia.

Hypothesis H6.3

In the final stage of the Proposition 4 analysis, Hypothesis H6.3 was statistically tested. It was expected that links to the government supported the financial growth of ethnic businesses in Indonesia. Both alternative and null hypotheses were presented.

Table 5.39. Alternative and Null Hypothesis H6.3

<p>Alternative hypothesis H6.3: Links to the government positively affect the growth of Chinese ethnic businesses in Indonesia.</p> <p>Null hypothesis H0: Links to the government do not affect the growth of Chinese ethnic businesses in Indonesia.</p>
--

Questions 20g and 21a were statistically analysed, and in both cases significant correlation between the variables of links to the government and sales and profit were found. Unlike the previous two meso factors, relationship with the government proved to be an important driver of the financial growth of Chinese ethnic entrepreneurships. The statistical results of Hypothesis H6.3 are presented below.

Statistical Table 5.13. Hypothesis H6.3

Question	Statistical Test	Results			Conclusion
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	
Question C20.g	Spearman Correlation	0,156	0,012	p-value < 0,05 → Rejected	Significant relationship between links to government and sales performance of Chinese ethnic entrepreneurships in Indonesia
		0,187	0,003	p-value < 0,05 → Rejected	Significant relationship between links to government and profit performance of Chinese ethnic entrepreneurships in Indonesia

Question	Statistical Test	Results			
		Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question C21.a	Chi-Square	9,158	0,010	p-value < 0,05 → Rejected	Business registry office related to (associated with) sales performance of Chinese ethnic entrepreneurships in Indonesia.
		8,762	0,013	p-value < 0,05 → Rejected	Business registry office related to (associated with) profit performance of Chinese ethnic entrepreneurships in Indonesia.

As a result, it can be concluded that bridging social capital in the form of links to the government has a significant impact on the financial situation of the businesses, in contrast to personal relationships and business connections, which play a less important role. Maintaining positive relationships with government institutions proves to be fruitful. Hypothesis H6.3 was approved.

Finding 15

Links to the government positively affect the growth of Chinese ethnic businesses in Indonesia.

As a result, the conceptual model I proposed will be reshaped, as only one of the examples of bridging social capital proved to be statistically important. In the Chinese Indonesian context, businesses were able to grow when they established and maintained favourable relationships with a variety of government institutions.

5.4.3. Macro environment

In the final part of the statistical analysis, factors related to the macro environment were tested. It was expected that past and current discriminatory policies implemented in Indonesia against the Chinese minority worked as a push factor. It was expected that Chinese ethnic entrepreneurs decided to enter the field of entrepreneurship as a result of not being able to join the public sector and work for government institutions. The following Proposition 5 was put forward.

P5: Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

To evaluate Proposition 5, Hypothesis H7 was formed. Both alternative and null hypotheses were presented.

Table 5.40. Alternative and Null Hypothesis H7

Alternative hypothesis H7:

Discriminatory government regulations had a positive impact on the business creation decision for Chinese ethnic entrepreneurs in Indonesia.

Null hypothesis H0:

Discriminatory government regulations did not have an impact on the business creation decision for Chinese ethnic entrepreneurs in Indonesia.

Statistical analysis of question 50b brought a very significant insight to the role of discriminatory policies for Chinese Indonesians. The statistical results are presented in Statistical Table 5.14.

Statistical Table 5.14. Hypothesis H7

Question	Statistical Test	Results Coefficient	P-Value	Null Hypothesis (Rejected/Accepted)	Conclusion
Question F50.b	Chi-Square	3,915	0,048	p-value < 0,05 → Rejected	Discrimination against Chinese Indonesians ending with the Soeharto regime collapse in 1998 is related to (associated with) the business creation decision for Chinese ethnic entrepreneurs in Indonesia.

As can be seen from the statistical results, there was a significant correlation between the variables. The existence of discriminatory polices during the Soeharto era and the demise of it in 1998 had a positive impact on the decision to create a business venture. As expected, discriminatory regulations work as a push factor for Chinese ethnic entrepreneurs in Indonesia. As a result, Hypothesis H7 was approved.

Finding 16

Discriminatory government regulations had a positive impact on the business creation decision for Chinese ethnic entrepreneurs in Indonesia.

In conclusion, Proposition P5 was approved. It can be concluded that discriminatory regulations supported Chinese Indonesians’ entrepreneurship involvement decisions.

P5: Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

This finding supports the expected outcome of the study as presented in the conceptual model. Success and business growth of Chinese ethnic enterprises was

possible without the help of the government sector. This form of bridging social capital has proven to be appropriate in the Chinese Indonesian context and will be emphasized in the theoretical model I have been developing,

5.5. Summary: Hypotheses Testing

As seen in the previous section, several hypotheses were accepted and some were rejected, which will shape the conclusions in the next chapter. The following part of the research summarizes the significant findings of this research.

5.5.1. Micro environment

Proposition 1

P1. Personal entrepreneurial traits, combined with bonding social capital, influence the creation and development of Chinese ethnic entrepreneurships in Indonesia.

Based on the analysis of data related to Hypotheses H1, H2, and H3, the following summary can be made.

- H1. There was no significant correlation found for the variables of personality traits and entrepreneurs' decision to create a business venture.
- H2. There was no significant correlation found between the variables of personality traits and sales and profit growth of Chinese ethnic entrepreneurships in Indonesia.
- H3. There was a significant correlation found between the variable of co-ethnic support and both sales and profit growth of Chinese ethnic businesses in Indonesia.

As a result of the evidence, Proposition 1 can be modified:

P1. Personal entrepreneurial traits do not support entrepreneurial creation and growth. Bonding social capital in the form of co-ethnic support influences the growth of Chinese ethnic entrepreneurships in Indonesia.

Proposition 2

P2: Confucian values combined with bonding social capital influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

Based on the analysis of Hypothesis H5, the following can summarize the findings:

- H4.1–H4.5. There was no significant correlation between the variables of Confucian values of ability to work hard, respect for learning, respect for hierarchy, family values, and the importance of harmony and the decision to create a business.
- H4.6s. There was a significant correlation between the Confucian value of hard work and the sales growth of Chinese ethnic entrepreneurships in Indonesia.
- H4.10.p. There was a significant correlation between the Confucian value of harmony and the profit growth of ethnic businesses.

As a result of the data presented above, Proposition 2 can be reshaped:

P2. The Confucian value of hard work influences the sales growth of Chinese ethnic entrepreneurships in Indonesia. In addition, the Confucian value of harmony influences the profit growth of those businesses.

5.5.2. Meso environment

Proposition 3

P3: Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

Based on the results of the analysis, the findings can be summarized as follows:

- H5.1. There was a significant correlation between the variable of ethnic opportunities and creation of minority ethnic entrepreneurships in Indonesia.

- H5.3. There was a significant correlation between the variable of existence of a wider non-ethnic market and business creation.
- H5.5. There was a significant correlation between the variable of access to business ownership and the decision to create a Chinese ethnic entrepreneurship in Indonesia
- There was no significant correlation between all four variables representing opportunity structures and the growth of ethnic businesses in Indonesia.

Based on the evidence presented, Proposition P3 can be redefined:

P3. Opportunity structures in the forms of ethnic opportunities, existence of a wider non-ethnic market, and access to business ownership pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

The second proposition related to the meso environment was Proposition 4:

P4: Bridging social capital supports the growth of Chinese ethnic entrepreneurships in Indonesia.

Results of the analysis can be summarized as follows:

- H6.3. There was a significant correlation between the variable of links to the government and both sales growth and profit growth.

As a result of the findings, Proposition P4 will be reshaped:

P4. Bridging social capital in the form of links to the government supports the growth of Chinese ethnic entrepreneurships in Indonesia.

5.5.3. Macro environment

The role of macro economic factors has been analysed with the support of Proposition 5.

P5: Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

Results of the analysis can be summarized as this:

- H7. There was a significant correlation between the variable of discriminatory government regulations and the entrepreneurial decision to create a business venture

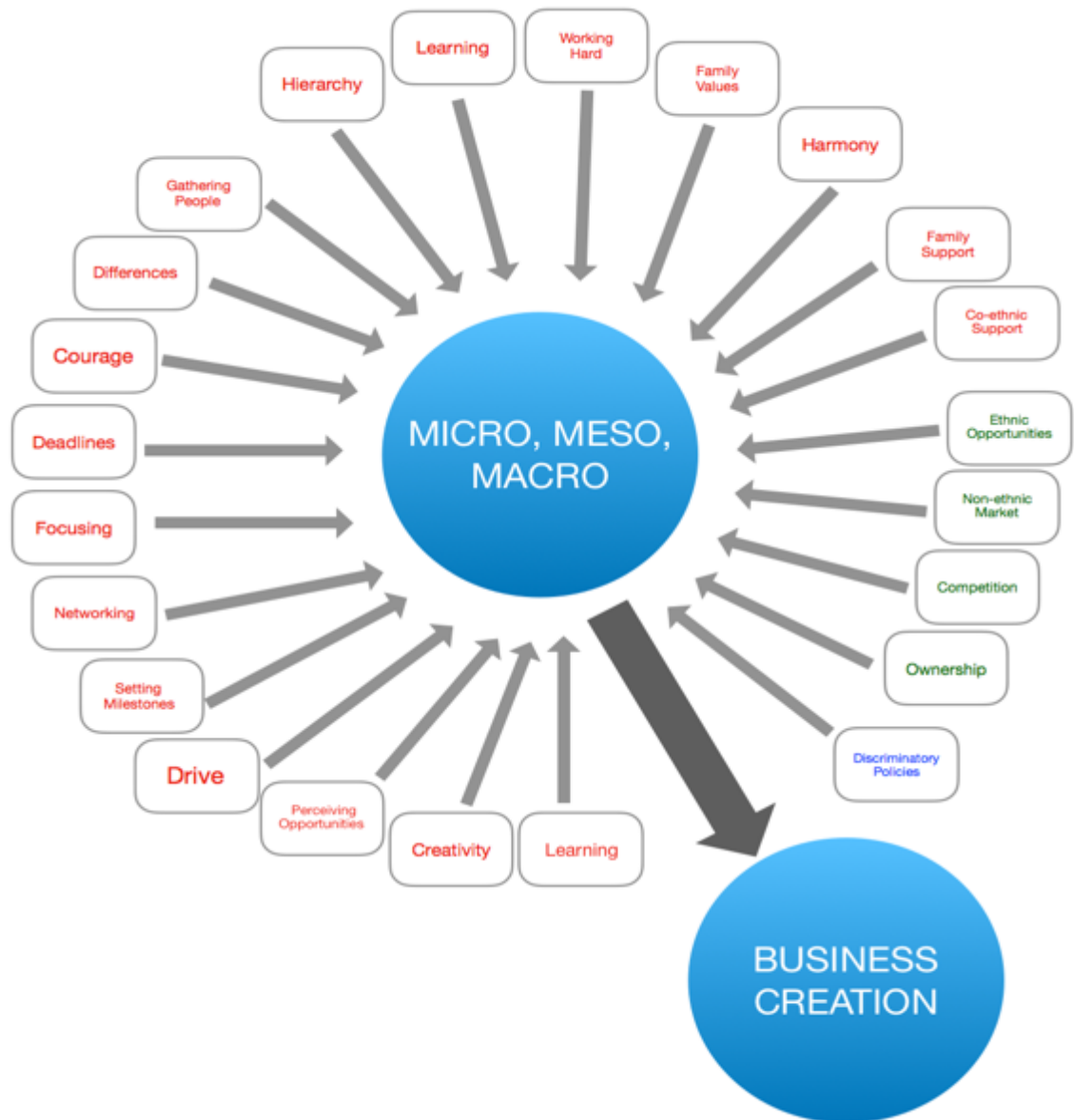
As a result, Proposition 5 remains unchanged, as hypothesis testing proved its accuracy:

5. Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

5.6. SEM Analysis

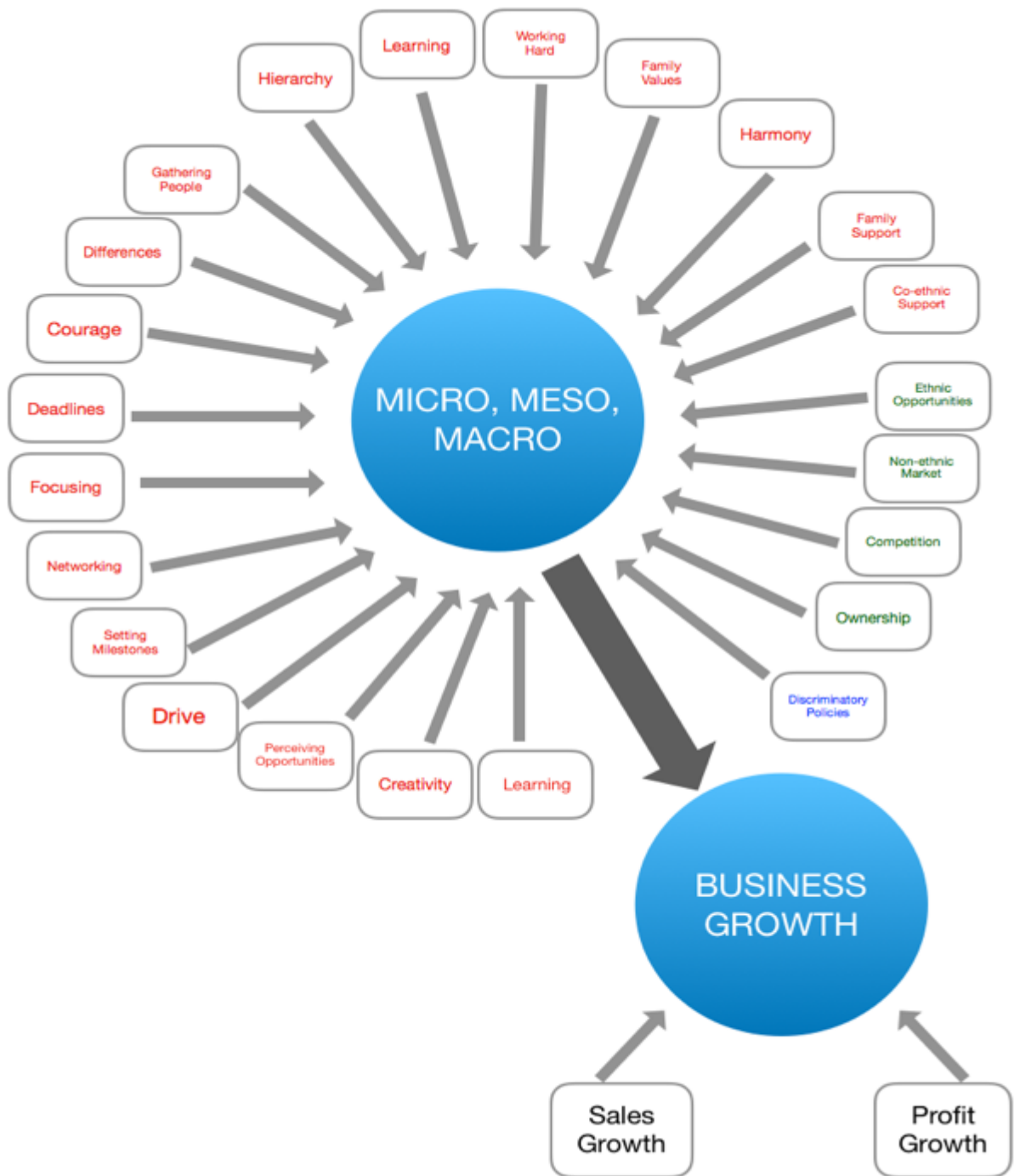
The conceptual model identifies three major groups of factors—micro, meso, and macro—that potentially influence the decisions of Chinese ethnic entrepreneurs in Indonesia. These groups of contributors are selected and supported by the literature on ethnic entrepreneurs and in particular by Kloosterman et al.'s (1999) model of mixed embeddedness. From the global conceptual model drawn in the previous chapter, all factors shaping the micro, meso, and macro environment of Chinese ethnic entrepreneurs have been selected and their potential contribution to the entrepreneurial creation decision and business growth was investigated. Based on the literature review, an assumption was made according to which all three groups of factors contribute to both entrepreneurial activities under investigation. In the following part of the explanation of the model, I separate the business creation and business growth variables. Both aspects of entrepreneurial activity are investigated from the micro, meso, and macro perspective. As a result, the following section of the analysis is dedicated to the structural equation modelling. It will present two separate models, for entrepreneurial intention/creation and for the business growth variable.

Figure 5.1. SEM: Creation Model



As can be seen from the model, a wide range of factors affecting the decision to establish a business are analysed. In this case, the relationship among eighteen factors from the micro, meso, and macro environment and the decision to establish a business is investigated.

Figure 5.2. SEM: Growth Model



In the second SEM, the impact on the business growth represented by the sales growth and profit growth is under investigation.

5.6.1. SEM: Creation

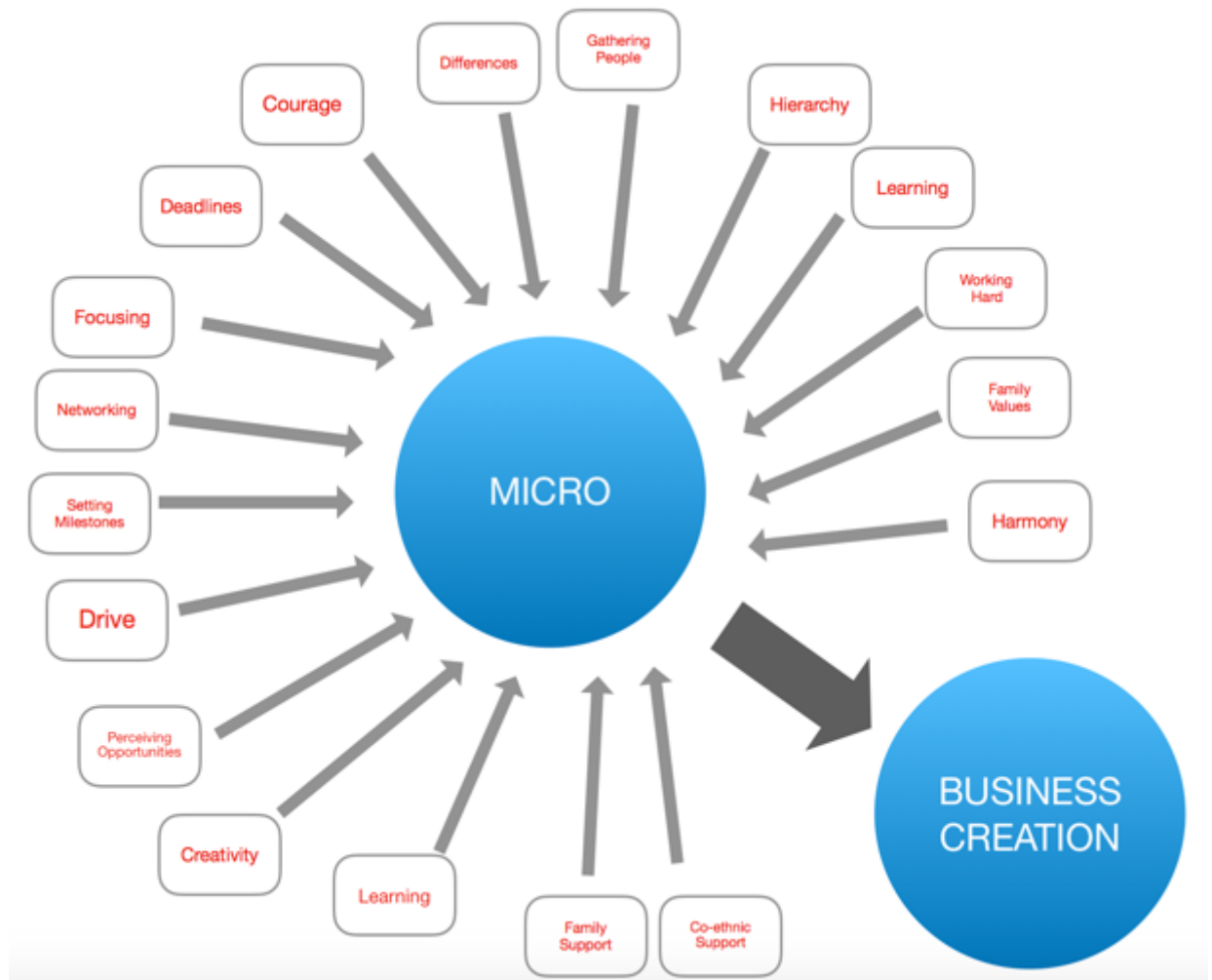
For the further convenience of the analysis, universal SEM diagrams have been separated. This process allows highlighting the best explanatory variable for each section (Benhabib et al., 2014). In the first stage of the creation of SEM, the relationships between observed variables describing the micro environment and the latent variable of entrepreneurial intent/creation are analysed. Based on the hypotheses, the micro factors are divided into three groups: personality traits, bonding social capital in the forms of family support and co-ethnic support, and Confucian values. The following propositions and hypotheses were created in the analysis chapter:

P1: Personal entrepreneurial traits, combined with bonding social capital, influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

P2: Confucian values, combined with bonding social capital, influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

As the research question concentrates on two important aspects of the entrepreneurship process, the following analysis is divided into two major themes: the factors that contribute to entrepreneurial intention/creation and the factors that influence ethnic entrepreneurial growth (defined as sales and profit growth). In the first stage of the analysis of P1 and P2, two sets of latent variables were identified, beginning with the impact of micro factors on entrepreneurial intention/creation.

Figure 5.3. SEM: Micro Environment Impact on Creation



As can be seen from the SEM presented above, the following are the parts of this sub-model. Latent variables, drawn as circles, are micro factors and business creation. Measured variables are presented as squares. There are three distinctive groups of measured variables: personality traits (eleven variables), bonding social capital (two variables), and Confucian values (five variables). As a result, there are eighteen measured variables in the micro' environment.

For the first part of the analysis of the impact of the micro' environment on entrepreneurial intention/creation the following hypotheses were presented:

H1: Personal entrepreneurial traits positively affect business creation by Chinese ethnic entrepreneurs in Indonesia.

Then in the next step Hypothesis 3 was investigated:

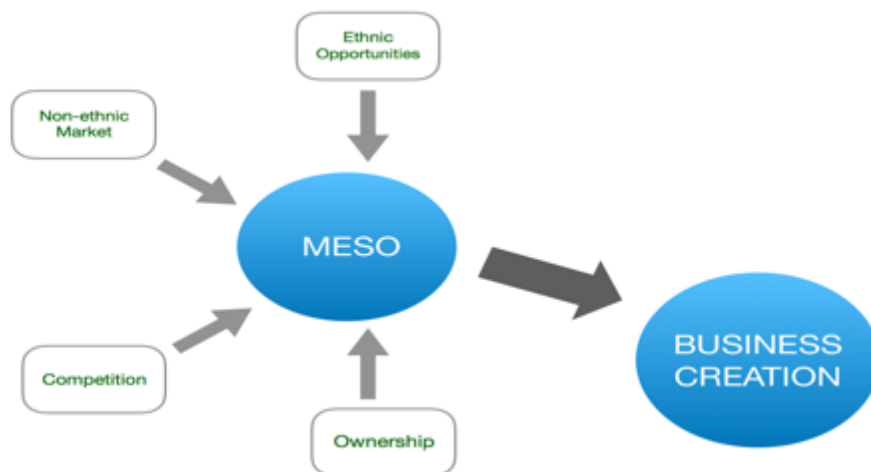
H3: Bonding social capital in the form of family and co-ethnic support positively influences the creation and growth of Chinese ethnic entrepreneurs in Indonesia.

Finally, Hypothesis 4 was investigated:

H4: Confucian values positively influence the creation and development of Chinese ethnic entrepreneurs in Indonesia.

In the next stage of the structural equation modelling for entrepreneurial creation, a second group of potential shapers of the entrepreneurial activities of Chinese Indonesians was investigated. Meso factors taken from Kloosterman's pull variables in the form of market opportunities are expected to contribute to the entrepreneurial intentions of Chinese Indonesians and their business growth. Similarly to the micro environment analysis, several factors were identified, and their impact on entrepreneurial intentions and business growth was investigated.

Figure 5.4. SEM: Meso Impact on Creation



Similarly to the analysis on micro entrepreneurial factors, meso analysis was divided into two distinctive parts, beginning with potential links between opportunity

structures and the decision to create the business. Proposition 3 supports the model, and the literature review process shaped it.

P3: Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

This proposition was separated into more detailed hypotheses that contain meso factors shaping the entrepreneurial activities.

H5: Opportunity structures in the form of ethnic opportunities, presence of a wider non-ethnic market, access to the business ownership, and level of market competition positively influence the creation and growth of Chinese ethnic entrepreneurship in Indonesia.

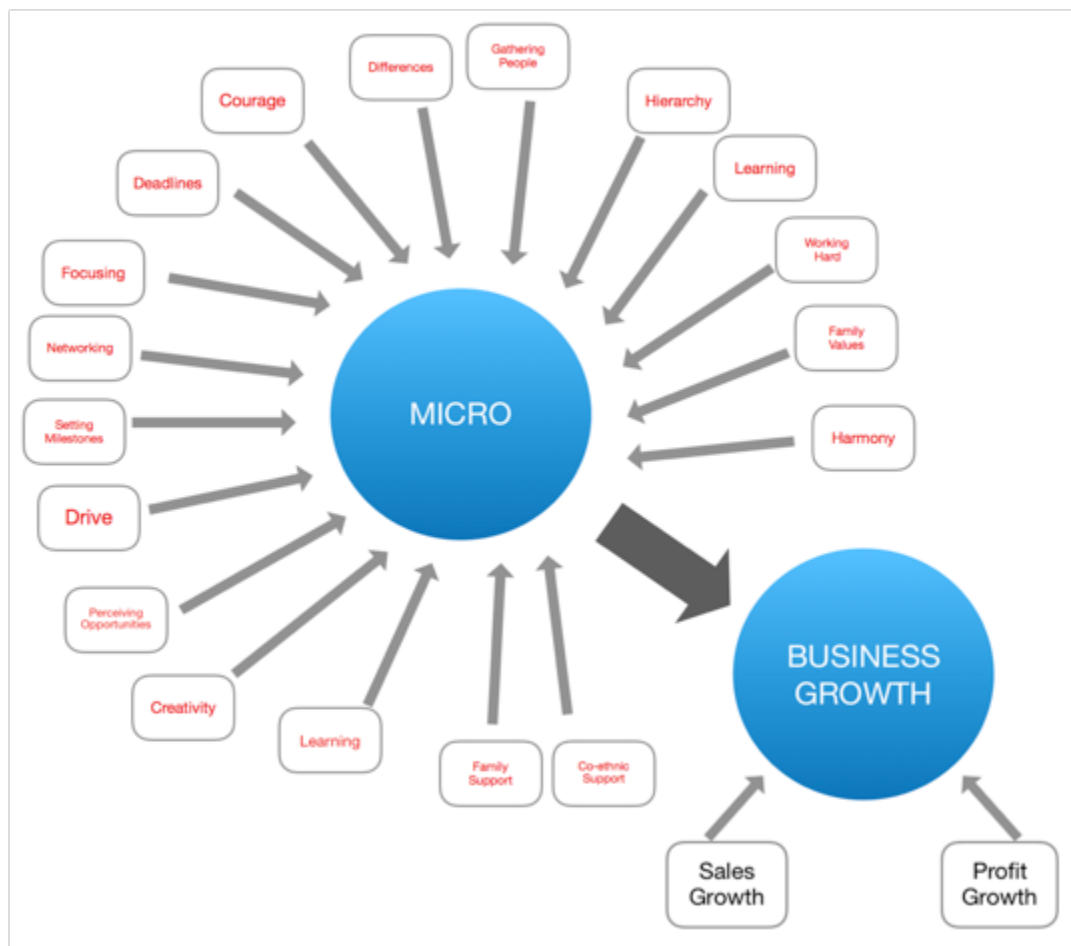
As can be seen from the SEM presented above, the following are the parts of this sub-model. Latent variables, drawn as circles, are meso factors and entrepreneurial intention/creation. Measured variables are presented as squares. In this case, the meso environment is described with support of the concept of opportunity structures. There are four distinctive parts in this category: existence of ethnic opportunities, presence of a wider, non-ethnic market, access to business ownership, and market competition. The relationship of those variables with the entrepreneurial intention was investigated. Finally, the macro environment was analysed. In this case, there were no multiple variables and no need to create an independent SEM for this purpose. However, the macro factor of discriminatory push government policies are included in the universal model.

5.6.2. SEM: Growth

The second SEM was created to investigate relationships between micro, meso, and macro factors influencing the growth of business measured with sales and profit

growth. Potential links between the micro environment and growth in the form of sales and profit growth were investigated.

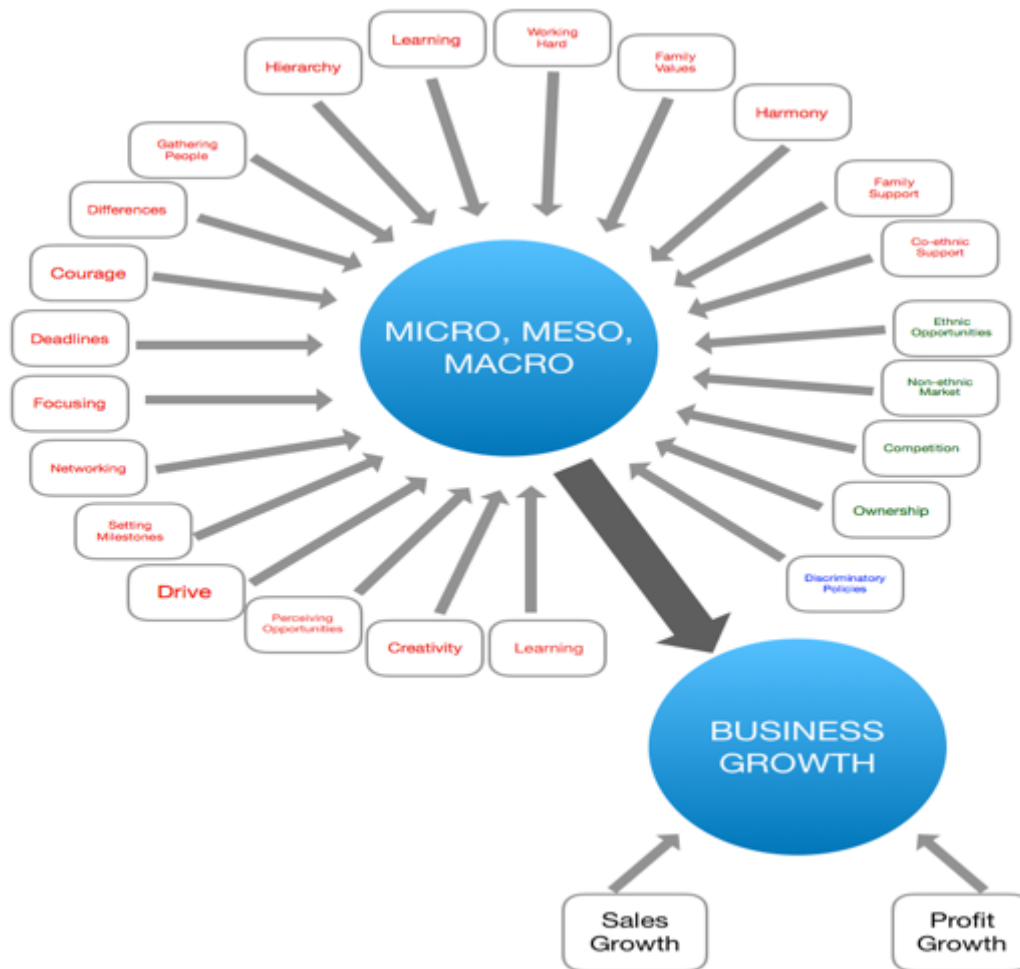
Figure 5.5. SEM: Micro Environment Impact on Growth



Similarly to the analysis of entrepreneurial intention/creation, the micro environment and its variables were investigated for the purpose of identifying mechanisms present during the growth stage. The list of the manifest variables (squares) was based on the hypotheses. However, in this case, the investigation takes into account the possible relationship between the environmental factors and business growth presented by two variables: sales growth and profit growth. As in the previous analysis, two latent variables are drawn as circles. The set of eighteen measured variables from three

categories of micro factors was used again. Unlike in the previous stage, the second of the latent variables—business growth—in this SEM is identified with two measurable variables: sales growth and profit growth. The model is presented below.

Figure 5.6. SEM: Growth Model



This is the list of the hypotheses used while investigating the model.

H2: Personal entrepreneurial traits positively affect the growth of Chinese ethnic entrepreneurships in Indonesia.

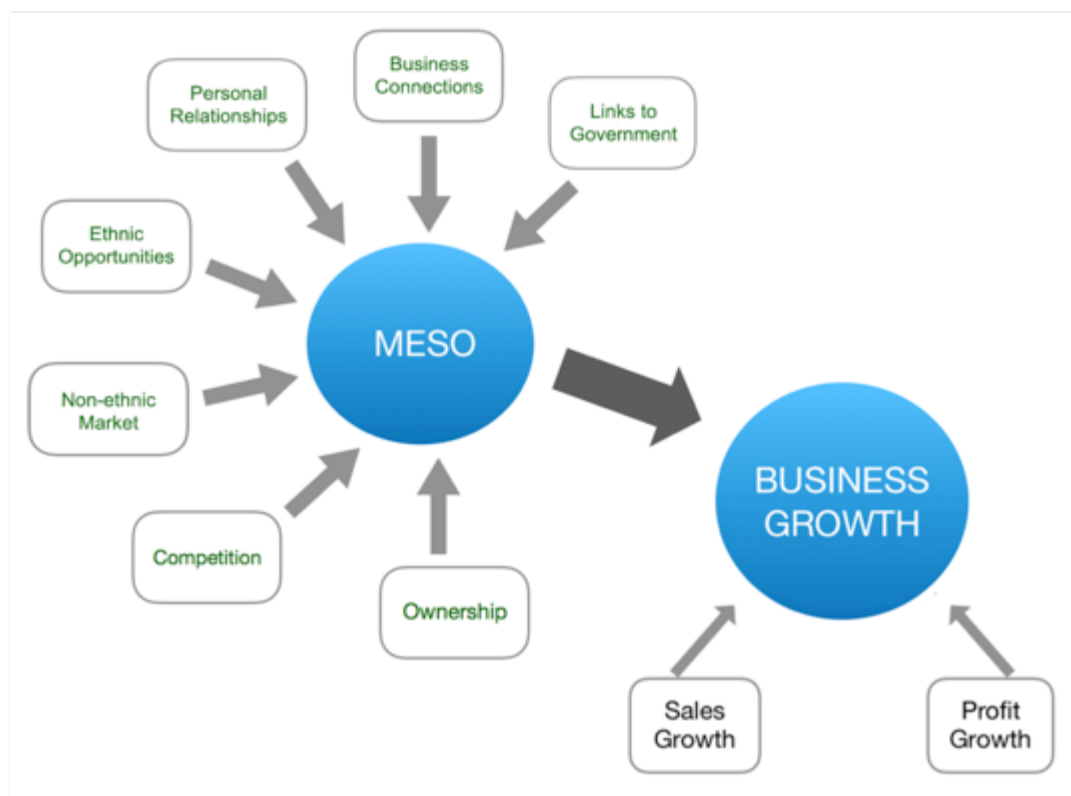
In the next step Hypothesis 3 is investigated.

H3.3: Family support positively influences the growth of Chinese ethnic entrepreneurships in Indonesia.

H3.4: Co-ethnic support positively influences the growth of Chinese ethnic entrepreneurships in Indonesia.

In addition to the analysis of the micro environment and its relationship with entrepreneurial growth, the impact of the meso environment was investigated.

Figure 5.7. SEM: Meso Environment Impact on Growth



In the meso environment analysis, the following hypotheses were used:

H5.2: Opportunity structures in the form of ethnic opportunities positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.

H5.4: Opportunity structures in the form of a wider non-ethnic market positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.

H5.6: Opportunity structures in the form of access to business ownership positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.

H5.8: Opportunity structures in the form of a level of market competition positively influence the growth of Chinese ethnic entrepreneurships in Indonesia.

In addition to the same factors shaping entrepreneurial intention/creation and growth, the meso analysis contains several factors that are believed to affect only the sales and profit growth of Chinese ethnic entrepreneurships in Indonesia. Hypothesis 6 presents three important factors believed to affect the growth of Chinese businesses in Indonesia.

H6. Bridging social capital in the forms of personal relationships, business connections, and links to government institutions positively affects the growth of Chinese ethnic businesses in Indonesia.

In addition to the four measured variables used also during the analysis of the meso environment affecting entrepreneurial intention, three additional measured variables were implemented. The potential impact of personal relationships, business connections, and links to government institutions were investigated. Finally, as in the case of the analysis of the impact on business creation, in the case of the latent variable of entrepreneurial growth, there also is a single macro variable present.

5.6.3. SEM results

The SEM relates two latent constructs: micro or meso environments and entrepreneurial creation or growth. The model shows that the elements of both the micro and meso environment are directly associated with the entrepreneurial process of creation and growth. The model was tested separately for the elements from the micro and meso environments and either creation or growth entrepreneurial variables. This model was tested using the total sample from the survey. SEM with PLS in its

parameter estimation was used in a calculation process iterated by the least-squares method, so the existence of a certain distribution assumption was not required. Based on this assumption, the parametric technique to test or evaluate the significance in the PLS was not required. Therefore, evaluation of the PLS model was conducted by assessing the measurement model and structural model (Chin and Newsted, 1999). Evaluation of the measurement model was performed on each latent variable by testing the validity and reliability of the construct. The size of an indicator was defined as valid if it had a loading value (λ) with a latent variable measured as > 0.5 and a t-count value > 1.96 . The results are shown in Statistical Table 5.15.

Statistical Table 5.15. Validity of the Measurement Model. SEM: Micro on Creation

Hubungan	Loading Factor	T-Count
Co-Ethnics <- Micro	0.297	1.766
Co-ethnicsupport <- Micro	0.297	2.086
Entrepreneur <- Business Creation	0.902	9.636
Entrepreneursaspossible <- Micro	0.222	2.511
Entrepreneursdeadlines <- Micro	0.216	2.349
Entrepreneursdifference <- Micro	0.210	3.064
Entrepreneursfocused <- Micro	0.424	2.046
Entrepreneursnetwork <- Micro	0.498	2.559
Entrepreneursopportunities <- Micro	0.631	2.879
Entrepreneursperformance <- Micro	0.355	1.758
Entrepreneurssetbacks <- Micro	0.390	3.035
Entrepreneurstogether <- Micro	0.297	2.815
Entrepreneushiplied <- Micro	0.487	2.828
Establish <- Business Creation	0.829	8.814
Family <- Micro	0.060	0.324
Familymembers <- Micro	-0.054	0.345
Familysupport <- Micro	-0.049	0.344
Hardwork <- Micro	-0.158	0.787
Harmony <- Micro	0.103	0.535
Respectforlearning <- Micro	-0.081	0.389
RespectingHierarchy <- Micro	0.101	0.521

It is important to acknowledge that if the self-defaulted loading factor (SLF) value is

above 0,5 and t-arithmetic is above 1.96, the statistical test is valid. Based on the results, it can be concluded that there is a loading value from the relationship of the indicator variables with the latent variables with loading value (λ) < 0.5 ; therefore the variables show a relationship. There is a relationship between one personality trait and the decision to create a business. The ability to see opportunities in the market is related with the decision to create a business. This is a significant finding, which will be discussed further and placed in the revisited conceptual model.

Based on the results of λ and t-arithmetic, it can be concluded that all loading values of the indicator variables relationship with latent variables have the values $\lambda > 0.5$ and t-count > 1.96 . This indicates that all variable indicators are valid for measuring their latent constructs. Another method that can be used to measure the validity of a construct is to look at the value of AVE in each latent variable, with a value above 0.5 highly recommended. In this case the value of AVE business creation and micro greater than 0.5 indicates that each indicator variable is valid to measure its latent construct. Furthermore, a variable is said to be quite consistent if the variable has a composite value of reliability above 0.7. Table 3 shows all values of composite reliability > 0.7 ; therefore the indicators have good reliability for measuring the construct. The evaluation of the measurement model shows that the overall model fits with the data, so the results can be declared valid and reliable.

Another method that can be used to measure the validity of a construct is to look at the value of AVE in each latent variable, with a highly recommended value > 0.5 . Based on Statistical Table 5.16, the value of AVE for business creation and micro environment is greater than 0.5, indicating that each indicator variable is valid to measure its latent construct. Furthermore, a variable is quite consistent when it has a composite value of reliability > 0.7 . In this case, all values of composite reliability are

above 0.7; therefore the indicators have good reliability and are able to measure the construct. The evaluation of the measurement model shows that the overall model fits the data, so the results can be declared valid and reliable.

Statistical Table 5.16. Evaluation of the Measurement: Micro on Creation
AVE test, Composite Reliability, and R-Square Latent Variable

Latent Variable	AVE	Composite Reliability	R Square
Business Creation	0.747	0.855	0.013
Micro	0.557	0.897	-

In the second part of the SEM testing, the micro environment variables and growth values of business were tested. Similarly to the first stage, SEM with PLS in its parameter estimation used a calculation process iterated by the least-squares method. As a result, it did not require the existence of a certain distribution assumption. Based on this assumption, the parametric technique to test or evaluate the significance in the PLS was not required. Therefore, the evaluation of the PLS model can be done by assessing the measurement model and structural model (Chin and Newsted, 1999).

Evaluation of the measurement model was performed on each latent variable by testing the validity and reliability of the construct. The size of an indicator is valid with values λ with a latent variable above 0.5 and t-count below 1.96. The results are shown in Statistical Table 5.17.

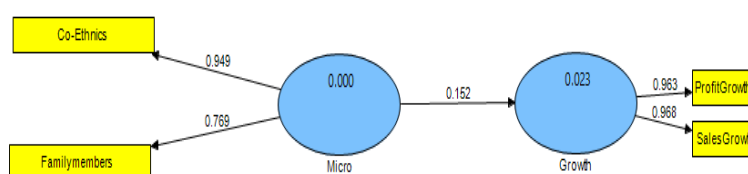
Statistical Table 5.17. Validity of the Measurement Model. SEM: Micro on Growth

Description	Loading Factor	T-Count
Co-Ethnics <- Micro	0.529	2.831
Entrepreneursaspossible <- Micro	-0.408	1.904
Entrepreneursbusinesses <- Micro	-0.458	2.088
Entrepreneursdeadlines <- Micro	-0.517	2.151
Entrepreneursdifference <- Micro	-0.412	1.874
Entrepreneursfocused <- Micro	-0.431	2.001
Entrepreneursnetwork <- Micro	-0.344	1.773
Entrepreneursopportunities <- Micro	-0.425	1.918

Entrepreneursperformance <- Micro	-0.428	2.050
Entrepreneurssetbacks <- Micro	-0.448	2.024
Entrepreneurstogether <- Micro	-0.354	1.746
Entrepreneurshiplearned <- Micro	-0.452	2.458
Family <- Micro	0.297	1.457
Familymembers <- Micro	0.541	3.252
Hardwork <- Micro	0.115	0.725
Harmony <- Micro	-0.122	0.767
ProfitGrowth <- Growth	0.960	96.202
Respectforlearning <- Micro	0.005	0.034
RespectingHierarchy <- Micro	0.049	0.294
SalesGrowth <- Growth	0.971	141.509

It is important to acknowledge that if the SLF value $\geq 0,5$ and $t\text{-arithmetic} > t$ table (1.96), then the statistical test is valid. As a result of the SEM testing, none of the variables from the personality traits category tested positively for a relationship with entrepreneurial growth. Unlike in the previous case, personality traits did not influence the financial growth of the business. However, the variables of family support and co-ethnic support tested with a positive impact on business growth. This finding strengthens the results of the hypotheses testing stage, when it was proved that co-ethnic support was correlated with business growth. In addition, the SEM test proved that family support also affects business growth in a positive way. As a result, findings from the previous statistical tests are enriched by additional significant data. All of these findings are discussed along with the qualitative interviews in the second stage of the study. The analysis presents appropriate results while testing the major variable categories.

Figure 5.8. SEM: Micro on Growth



Similarly to the previous stage of SEM analysis, another method has been used to measure the validity of a construct. The value of AVE in each latent variable is assessed, with a recommended AVE value for each latent variable above 0.5. As shown in Statistical Table 5.18, the AVE of growth and micro values greater than 0.5 indicates that each indicator variable is valid to measure its latent construct.

The table shows that all values of composite reliability are above 0.7; therefore the indicators have good reliability or are able to measure the construct. The evaluation of the measurement model shows that the overall model fits with the data, so the results can be declared valid and reliable.

Statistical Table 5.18. Value of AVE, Composite Reliability, and R-Square Latent Variables. SEM: Micro on Growth

Peubah Laten	AVE	Composite Reliability	R Square
Growth	0.932	0.965	0.023
Micro	0.746	0.853	-

The structural model can be evaluated by looking at the R-square value of endogenous latent variables. Statistical Table 5.18 shows that the value of the R-square growth variable is 0.023, meaning that business creation diversity can be explained by the micro environment with a value of 2.3% and the remainder (97.7%) is explained by other variables outside the model. The results of hypothesis testing for the structural model can be seen in Statistical Table 5.19.

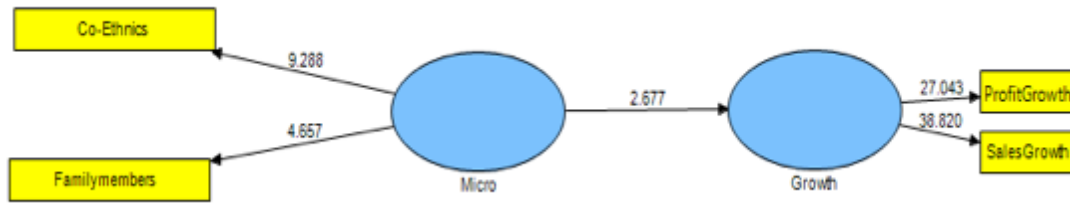
Statistical Table 5.19. SEM: Creation on Growth. Results of the Hypotheses Testing

Relation of casualty (Direct Influence)	Path Coefficient	T-count	Conclusion
Micro -> Growth	0.1524	2.6772	Significant

Note: t arithmetic > 1.96 shows significance and t arithmetic ≤ 1.96 shows no significance.

Figure 5.9 presents the results of the T-count hypotheses testing after modification.

Figure 5.9. T-count Test after Modification. SEM Micro on Growth



In the next stage of the SEM analysis, the impact of meso factors on the variable of creation was tested. The same set of procedures and assumptions was followed for validity. The results of the analysis are shown in Statistical Table 5.20.

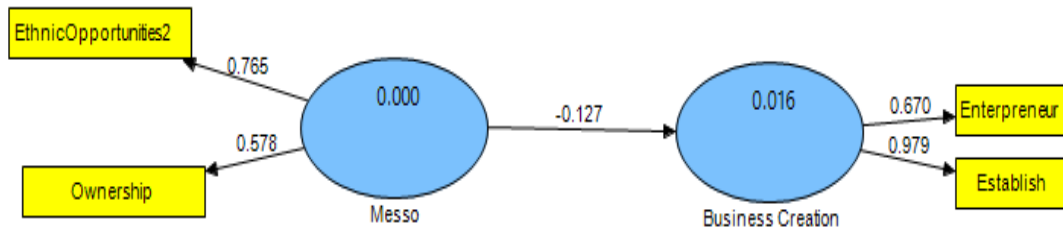
Statistical Table 5.20. Validity of the Measurement Model. SEM: Meso on Creation

Description	Loading Factor	T-Count
Competition <- Messo	-0.152	0.747
Entrepreneur <- Business Creation	0.770	4.239
Establish <- Business Creation	0.940	5.345
EthnicOpportunities <- Messo	0.617	2.361
Lowcompetition <- Messo	0.416	1.823
Nonethnic <- Messo	0.227	0.998
Ownership <- Messo	0.556	2.383

Note: valid if SLF value $\geq 0,5$ and t -arithmetic $> t$ table 1.96.

It can be concluded that there is a loading value of the correlation relationship of the indicator with its latent variable having a loading value < 0.5 ; therefore the non-compliant variables are excluded from the model. SEM tests show a positive relationship between the existence of the ethnic market and access to legal business ownership and business creation. These results support the initial hypotheses testing where both of these factors correlated with the variable of business creation. The model of the relationship between the meso environment and ethnic entrepreneurship creation is presented in Figure 5.10.

Figure 5.10. SEM Meso on Creation



As in the previous two tests, the validity of a construct was checked with the support of the value of AVE in each latent variable.

Statistical Table 5.21. Value of AVE, Composite Reliability, and R-Square Latent Variables. SEM: Meso on Creation

Latent Variables	AVE	Composite Reliability	R Square
Business Creation	0.704	0.821	0.016
Meso	0.546	0.625	-

The structural model can be evaluated by looking at the R-square value of endogenous latent variables. Statistical Table.5.21. shows that the R-square value of business creation variables is 0.016, meaning that business creation diversity can be explained by the meso environment with the value of 1.6% and the remainder (98.4%) explained by other variables outside this model. The results of hypothesis testing for the structural model are shown in Statistical Table 5.22.

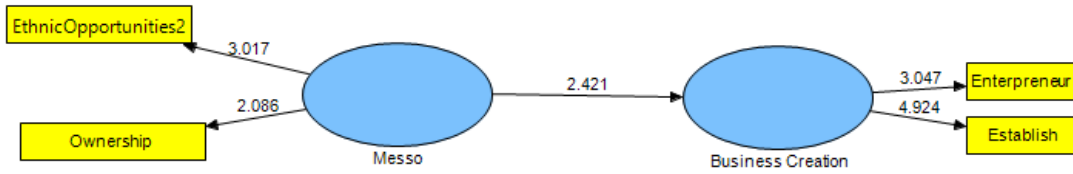
Statistical Table 5.22. SEM: Meso on Creation. Results of the Hypotheses Testing

Relation of Causality (Direct Influence)	Path Coefficient	T-count	Conclusion
Meso -> Creation	-0.1265	2.4213	Significant

Note: significance if $t_{arithmetic} > 1.96$ and no significance if $t_{arithmetic} \leq 1.96$.

Figure 5.11 shows the results of the T-count hypotheses testing after modification.

Figure 5.11. T-count Test after Modification. SEM Meso on Creation



In the last phase of the SEM testing, the relationship between the meso environment and entrepreneurial growth was investigated. The same set of procedures and assumptions were followed for validity. The results are shown in Statistical Table 5.23.

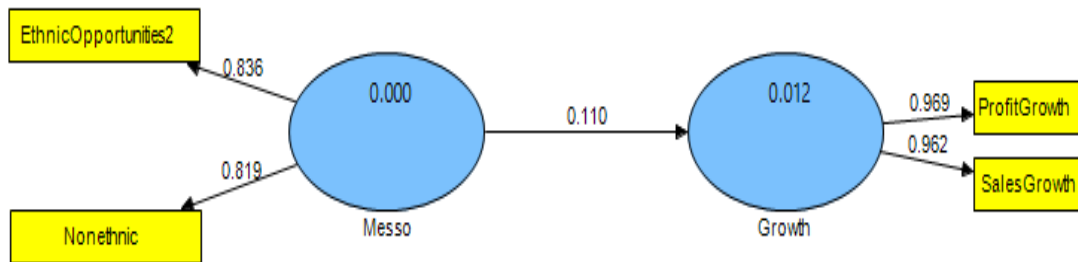
Statistical Table 5.23. Validity of the Measurement Model. SEM: Meso on Growth

Description	Loading Factor	T-Count
Competition <- Messo	-0.157	0.797
EthnicOpportunities1 <- Messo	0.278	1.375
EthnicOpportunities2 <- Messo	0.822	3.437
Lowcompetition <- Messo	-0.045	0.225
Nonethnic <- Messo	0.784	3.324
Ownership <- Messo	0.001	0.007
ProfitGrowth <- Growth	0.970	79.094
SalesGrowth <- Growth	0.962	46.722

Note: valid if SLF value $\geq 0,5$ and t-arithmetic $> t$ table 1.96

As seen in the table, all of the variables from the meso environment proved to stimulate the growth of ethnic entrepreneurships. This significant finding enriches the results of the hypotheses testing where meso factors were not found to affect profit and sales growth. Results of the SEM analysis prove that the presence of ethnic opportunities and the wider-non ethnic market positively stimulate business growth. This significant finding will be confirmed during the qualitative interviews. Figure 5.12 shows the impact of the meso factors on business growth.

Figure 5.12. SEM: Meso on Growth



As in the previous two tests, the validity of the construct was checked with the support of the value of AVE in each latent variable.

Statistical Table 5.24. Value of AVE, Composite Reliability, and R-Square Latent Variables. SEM: Meso on Growth

Latent Variables	AVE	Composite Reliability	R Square
Business Creation	0.932	0.965	0.012
Meso	0.685	0.813	-

The structural model can be evaluated by looking at the R-square value of the endogenous latent variables. The table shows that the R-square value of business creation variables is 0.012, meaning that business creation diversity can be explained by the meso environment with the value of 1.2%, with the remainder (98.8%) explained by other variables outside this model. The results of hypothesis testing for the structural model are shown in Statistical Table 5.25.

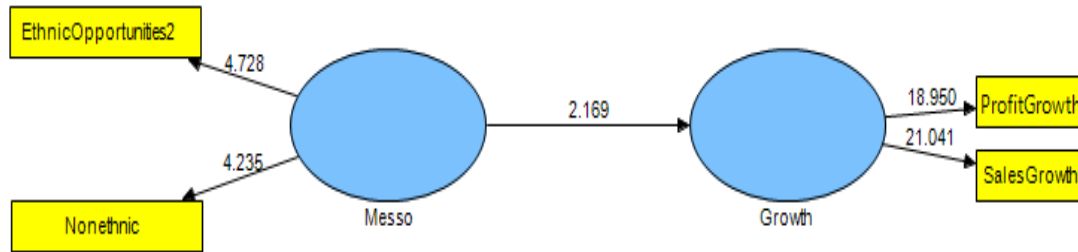
Statistical Table 5.25. SEM: Meso on Growth. Results of the Hypotheses Testing

Relation of Causality (Direct Influence)	Path Coefficient	T-count	Conclusion
Meso -> Growth	0.1103	2.1691	Significant

Note: significance if t arithmetic > 1.96 and no significance if t arithmetic ≤ 1.96 .

Figure 5.13 presents the results of the T-count hypotheses testing after modification.

Figure 5.13. T-count Test after Modification. SEM: Meso on Growth



The findings of the SEM analysis have brought significant insights, which will be confirmed during the in-depth qualitative interviews and will enrich the conceptual model.

5.7. Interview Results

During the first part of the interviews, respondents were asked questions about the significant results of the surveys, while in the second part findings related to the hypotheses testing were discussed. During the process of analysing data and writing the report, data extracts and direct quotes were used to bring more merit and validity to the analysis (Braun and Clarke, 2006). Interviewees were asked questions regarding significant demographical data gathered from the written surveys. Survey results show that 80% of the respondents had university degrees—well above the average for Indonesia. The researcher suspected that the reason for this could be the sample source, which was mostly based on Binus School parents. They were in general second-generation Chinese Indonesians, who were usually much better educated than previous generations. Interviewee answers on these findings were grouped in a node ‘university degrees’. Two respondents were not sure about the educational trends in their own family, while the others generally confirmed that members of their families graduated from universities.

Yeah. I think this is true. Based on my family, like my father and my mother or all of my father’s relatives as well, they all graduated from the university. (Respondent L.e.)

In the current generation probably it is true. But in the past I think it might be lower than 80%. (Respondent A.1)

One of the respondents shared insightful view on the reasons for the lower education level of older generations of Chinese Indonesians.

They would not have these degrees because of a few reasons. The number one is: the business climate did not require you to have a degree and most people started their lives as shop owners and they did not need any degrees for it, right? But as business and society evolve, the priority of education became higher and parents would want their children and future generations to be more educated. (Respondent M.a)

It is interesting that this particular respondent did not repeat the common claim that older generations of Chinese Indonesians did not study in universities due to the discriminatory policies of the Soeharto regime. This might suggest that for this particular group of Chinese Indonesians studying was not a preferred choice in the first place, and the discriminatory policies simply encouraged life decisions related to entrepreneurship. Interviewees were also asked to comment on the survey results, which showed that 63% of the surveyed entrepreneurs were males. They were asked to confirm those results with those of their families and businesses, and to speculate on the reasons for the results. All of the respondents agreed that according to their knowledge there were more male entrepreneurs than females.

I think 63% is a fair number. Because definitely more than half of it should be males. Based on my family. (Respondent M.i)

The causes of such a situation are mostly associated with the culture of Chinese Indonesians, in which it is expected that men work and provide for their families.

Higher than my generation in terms of males? Yes. Definitely higher. I think because again, the older generation is very patriarchal. They want their son to be the bread provider and they want them to be successful so they create a family legacy. So the business is of more importance to the males. (Respondent M.a)

The link to the patriarchal background of the Chinese minority in Indonesia might be a good explanation of this phenomenon. The theme of male offspring being prepared for the business path could also be linked with the expectation among some of the

families that sons have university degrees. Some Chinese Indonesian females do not have to obtain university degrees as they are expected to look after the households. When asked about the support of the parents for their children's education in saying that education is important, one of the interviewees answered:

They do say that to their sons, but not to their daughters. (Respondent M.i)

In addition to the cultural aspects shaping the society and supporting Chinese Indonesian males in choosing entrepreneurial careers, some respondents linked those with male personality traits. Interviewees confirmed that some entrepreneurs possess special strengths allowing them to enter the business field. The ability to see market opportunities was mentioned when participants were asked about confirming the results of the SEM analysis. In addition, one interviewee confirmed the traditional perception of entrepreneurship being linked with gender.

Right now, I think they still see, I mean, women start to grow, but they still see men as those who are less emotionally affected so they have better judgment. (Respondent R.a)

Another interesting theme investigated in the first part of the interviews was the opinion shared by a great majority of the survey respondents who described Chinese Indonesians as successful entrepreneurs. Interviewees were asked if they agreed that Chinese Indonesians were successful when conducting business activities. In addition, they were asked to give their opinion on the reasons for such a perception. While some respondents answered that claiming that Chinese Indonesians are successful entrepreneurs was just a generalization, the majority of them agreed.

It depends. Ethnic does not always mean success. So it is generalising. (Respondent A.l)

This shows that even among Chinese Indonesians there is a consensus that their ethnic group is not homogeneous and that ethnicity should not be the only descriptor of business success. Several respondents presented an important opinion by associating

entrepreneurial success of Chinese Indonesians not with one particular aspect but rather with a series of factors.

I think because they really know how to manage their income. Like, they know how much to spend and how much to save. And also how much to invest. (Respondent L.e)

The financial acumen of Chinese Indonesians was a common theme during the formal and informal conversations with entrepreneurs. In addition, another respondent shared additional characteristics that supported his opinion of the Chinese as successful entrepreneurs.

They see the opportunity to definitely make money. Because they see something that they can build, create, you know. I think what Chinese people do, they can see better about the opportunities on the market. They are not scared to try new opportunities and new businesses. Even though they don't know what is going to be the outcome, they take the risk. (Respondent R.a)

This opinion incorporated views about the special personality traits that entrepreneurs possess. The ability to see market opportunities and risk taking have been very popular themes in the entrepreneurial literature. This finding confirms the results of the SEM analysis. In the next part of the interviews, respondents were asked questions clarifying the role of the personality traits in the process of opening businesses and their further growth.

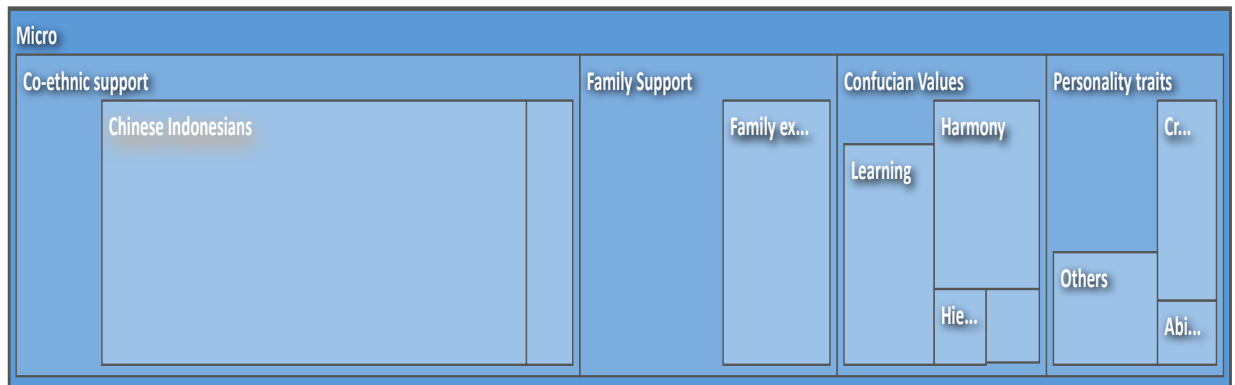
Some interviewees acknowledged that the success of Chinese Indonesian entrepreneurs has been built on the strength of the local market rather than other factors.

I also agree. But I think it's more into a combination of factors like hard working and business opportunity. (Respondent L.n)

As mentioned earlier, in the second part of the interviews respondents were presented with findings from the statistical analysis and hypotheses testing and were asked their opinions and experiences related to the research findings. Questions followed the three main categories of findings linked to the micro, meso, and macro levels of environment taken from Kloosterman et al.'s (1999) and Kloosterman's (2010) mixed

embeddedness model. In the first part of this section, questions related to the micro environment were asked. The most significant concepts were personality traits, family support, Confucian values, and co-ethnic support. The content of the child nodes and the emerged composition can be seen in Figure 5.14.

Figure 5.14. NVivo: Micro Environment Composition



During the second part of the interview process, all interviewees were presented with the key statistical findings from the survey stage. The interviewer presented the correlation or its lack while analysing individual factors. Respondents were asked to comment on the particular findings or to try to analyse why such results had occurred. The main theme of the interview was the micro environment, but the process concentrated on the important micro components. All of the nodes created for this stage were based on the conceptual model, and the discussion centred on those themes. In addition, several new themes occurred. Firstly, the theme of personality traits and their role in business creation and growth was examined. According to the survey results, none of the personality traits correlated with the decision to establish a business and its further growth. Respondents were asked for the potential explanation of this finding. In contrast, interviewees were presented with the results of the SEM analysis according to which there was a relationship between the ability to see market opportunities and business creation. The majority agreed on the importance of

personality traits, but they emphasized that this affected business success only in combination with other factors.

I mean, personality is important in a way that if you don't have creativity and stuff you will not open a business. (Respondent A.l)

I think personality matters to some extent. I think for the Chinese Indonesians it's more of the family pressure, rather than intrinsic motivation to open their own business. (Respondent M.i)

Other respondents shared similar views. They emphasized the importance of personality traits but also acknowledged that they are not the only factors that make Chinese Indonesians establish businesses and grow them. The combination of market opportunities, size of the population, family upbringing, and the overall business climate has been the engine of entrepreneurial activity amongst Chinese Indonesians.

I think it's more into a combination of factors like hard working and business opportunity. (Respondent L.e).

The second important theme emerging from the literature as well as the research data was the concept of family support. Results of the statistical analysis of the surveys did not support the expected relationship between family support and both entrepreneurial creation and growth. However, SEM testing proved that support of the family positively affects the decision to create a business. To clarify this significant finding, respondents were asked questions about potential reasons for such results. In addition, they were asked to share personal experiences in relation to their families' support while establishing and running businesses. Interviewees acknowledged the importance of the family while establishing businesses in terms of providing capital.

Yes. I thought so. Because family support in terms of capital is very important in starting a business. (Respondent L.i)

Other respondents also acknowledged that family support is very important especially in terms of finance, which cannot be easily obtained from banks and other financial institutions. Through the support of the closest family and other Chinese ethnics,

respondents were able to establish their businesses. Respondent M.i gave a very clear explanation when asked about the sources of funding for her father's businesses, where she has also worked:

Pretty much whole business was from his dad. And capital that we need is usually from the other family members or other Chinese Indonesians. (Respondent M.i)

In addition, other respondents shared stories from their family circle, which showed how family financial support was vital for entrepreneurs. However, what has to be emphasized is that for many interviewees such help did not come for free. For many Chinese Indonesians, any help provided by the family has been linked with an expectation, and as a result the common theme of family expectations linked with the concept of family support was created. This theme emerged during the interviews and was not originally part of the theoretical framework. While interviews were conducted to clarify the role of family support and the analysis was directed towards the positive aspects of such support, significant explanations about family expectations emerged. Respondents shared stories and examples of how Chinese Indonesians were expected by their families to run businesses rather than be engaged in other careers. For some of the respondents, lack of freedom of choice was an important factor resulting from those family expectations.

I think most of my family members, at least my cousins, not my direct family, they opened business because their parents told them to. Not because they spotted anything. (Respondent M.a)

Another respondent also shared the experience of Chinese parents expecting their children to establish their own business. For this particular interviewee, the decision to establish a business came from the parents of the father.

I think for the Chinese Indonesians it's more of the family pressure, rather than intrinsic motivation to open one's own business. Since in my parents generation, my dad was definitely pushed towards the business route. (Respondent M.i)

The theme of Chinese parents expecting certain things from their children was present amongst all interviewees. One of the participants actually used the term ‘helicopter parents’ to describe Chinese parents and the way they bring up their children. Chinese Indonesian parents tended to expect certain behaviour from their offspring without letting them make important decisions. In addition to the topic of expecting children to choose business as a professional career, one respondent acknowledged that Chinese parents expect their children to continue their family businesses that led to family problems.

For now I think it is actually. Personally I see that the young generation want to open their business rather than continue with the business of their parents. And they clash. (Respondent A.L)

One of the respondents linked this situation with the wealth of the Chinese parents. According to this particular interviewee, the financial position of the family could have been a burden for younger generations as it made their parents financially comfortable and not willing to support their children in other ventures.

But even some, let’s say, some of my family, if the parents are already rich, they usually don’t let their kids try other things. (Respondent L.n)

As a result, the theme of family expectations emerged and was included in the revisited conceptual model describing Chinese ethnic entrepreneurship in Indonesia. This significant theme should be further investigated, as it has emerged only during the qualitative phase of the research and brought additional light to the concept of family support. Based on interviewees’ responses, the business route could have been a decision made by parents rather than a personal choice.

During the analysis of the interviews, the theme of co-ethnic support was further investigated. Based on the literature review, the theoretical framework, and results of the survey, it was clear that the help of Chinese Indonesians had played a very important role for the entrepreneurs. Results of the statistical analysis proved an

existing correlation between co-ethnic support and financial growth of the business. Interviewees were presented with this significant finding and were asked to comment on it. The majority supported the finding from the surveys, according to which the help of co-ethnics positively affected the financial growth of the businesses. The interviewees justified a more significant role for co-ethnic support than family support with the size of the network. For two of the entrepreneurs, family connections presented only a limited ability to grow in comparison to large Chinese networks.

Family may help just to a certain extent, but rather than that you still need help of other people. (Respondent L.i)

There are a lot of cases also where help of other co-ethnics, the friends and other Chinese, brought businesses to the different level. But again, small business or big business there are more small businesses than the big ones, right, so I think in general, yes, there are people helping each other. (Respondent M.a)

The Chinese community has been able to help ethnic entrepreneurs with wider networks, offering them access to finance, distribution, and connections with other entrepreneurs.

I think support practically, it's not really family support, but more of the connection support. Definitely support of the Chinese. (Respondent R.a)

The theme of the connections related to *guanxi* has been very popular in the literature on Chinese ethnic entrepreneurs. In addition, results of the surveys indicated that Chinese Indonesians put strong emphasis on business networks. Interviewees introduced some additional significant ideas around the theme of co-ethnic support. The node 'Chinese Indonesians' was created to group those findings. One of the respondents pointed out the importance of Chinese Indonesians in promoting goods and services of other Chinese ethnics. Word-of-mouth has provided very important support for the Chinese community, ensuring that fellow Chinese Indonesians know about the businesses offering products and services.

Promotion. Since if you are a Chinese Indonesian business owner your customers would be usually the same, and since if your family is all Chinese Indonesians, it would be easier to get the 'word-of-mouth' promotion. (Respondent M.i)

In addition, interviewees brought additional information on the topic of Chinese Indonesians being discriminated against and not being able in the past to join government institutions. Respondents confirmed that for some of their family members, especially the generations of parents and grandparents, the business route was the main professional life choice, as they were not able to get jobs in government institutions.

I think the pressure that they could not get the official jobs from the government. So they had to provide for their family but with that pressure they went for establishing business. (Respondent A.l)

Respondent M.a explained further the mechanism of Chinese families passing businesses from one generation to the next. The long-term discrimination against Chinese ethnics resulted in their lack of interest in even trying to apply for government positions and simply concentrating their efforts on the business sector.

We were left to do things on our own, which is mostly trade and business. It started by selling stuff, importing goods, and then businesses grew. For generations we were trained to do this. People through generations watched how the older generations do things and they kinda picked up on it. So the Chinese especially believe that they'd rather be boss in the small town rather than a slave in a big town. (Respondent M.a)

Another important phenomenon related to Chinese ethnic entrepreneurs was the concept of *sinyong*. Results of the survey indicated the important role of trust for the Chinese while conducting business in Indonesia. Interviewees linked the importance of trust with a very weak legal system that does not support entrepreneurs in the case of misunderstandings or conflicts among business partners, customers, and suppliers.

Trust is very important. Because, I think here business is not really based on the law. You cannot really depend on the legal system to protect you. (Respondent L.i)

In addition, trust was presented as a value that is passed from one generation to another. It is important for Chinese families, and any sort of unlawful behaviour would result in losing face by the family as well as cutting off the potential for future business cooperation.

I think Chinese culture is a very basic example. The way how we, the Chinese, treat money, very sensitive because it is very intricately linked to trust. So if I owe you something and I don't pay you back, it means that the trust is no longer there. My face would no longer be very valuable, so yeah, I think for the Chinese trust is very important. (Respondent M.r)

This supports the theme of trust related to the Chinese presented in the literature and emerging from the survey results. In addition to the relationship between trust and the way of conducting business, interviewees were also asked about the role of Confucian values in their families and businesses. Respondents were asked about the results of the statistical analysis and hypotheses testing, which showed that only two out of five Confucian values positively affected the growth of the businesses: the value of hard work supported sales growth, and harmony affected profit growth. Two of the respondents confirmed the importance of harmony when asked which Confucian values have been important in their families.

Harmony is very important. (Respondent M.k)

Hard work, family values, and harmony are important. Respect for the education and hierarchy, not important. (Respondent R.a)

When asked to explain why harmony, and not the other Confucian values, supported profit growth, one of the respondents pointed out the risk of potential arguments and conflicts while doing business with family members. Unlike dealing with strangers, conflicts with other family members could harm not only business relations but also synergy within a family.

A lot of businesses, they involve a lot of family members so there could be some potential conflicts and competition. (Respondent L.a)

Building harmonious relationships within the family and also when conducting business was emphasized by the majority of the interviewees. It is a significant finding, which should be further investigated in the future. One of the respondents gave a very insightful example on how the concept of building harmony in family could also be transferred on the business ground.

Because for my dad, he has this philosophy, even in the family, everything is like building stacks. Stacks on top of stacks. So you have to have harmony and hierarchy to make it work. (Respondent A.a)

Interviewees confirmed also that learning and education have not been the most important values for Chinese Indonesians, especially those from older generations. However, with the growth of wealth, Chinese Indonesians realize the importance of education.

Usually what we learn in school is different than reality so that's why education might not be too important. (Respondent L.n)

As business and society evolved, the priority of education became higher and parents would want their children and future generations to be more educated. (Respondent M.a)

As seen from the analysis of the findings related to the micro environment in which Chinese Indonesians have operated, interviews confirmed the findings of the survey results. Personality traits are acknowledged to be significant when combined with other factors. Support of the family has been explained to be important, however not as important as the help given by other co-ethnics. In addition, a new theme of family expectations emerged and put a new light on the concept of support given by family members. Finally, the significant role of hard work and harmony were further confirmed as the main Confucian values driving the business growth of ethnic entrepreneurs.

In the next stage of the interviews, respondents were asked questions related to the meso environment results of the hypotheses testing. Interviewees were presented with

findings from the survey analysis and were asked to comment. The discussion evolved around the theme of opportunity structures and related concepts such as the presence of an ethnic market, a wider, non-ethnic market, business ownership, and level of competition.

Figure 5.15. NVivo: Meso Environment Composition



Respondents confirmed the importance of the ethnic market but also pointed out the trend of moving from the small, ethnic Chinese Indonesian market into the big and attractive market of indigenous Indonesians.

Maybe now they are starting to grow and they do not really focus only on the Chinese.
(Respondent L.n)

Of course we would go for the whole population because we would know that we are the minority so why should we start and sell it only for us while we can sell for all?
(Respondent M.a)

Respondents also acknowledged the reasons for migration from the Chinese ethnic market into the wider market. The size of the national market was the dominant factor, but the intra-ethnic dynamics of the Chinese also played an important role.

And they only knew few people and now they go to school, they know other people. I think things are more cohesive now. I think now they changed and they are more opened.
(Respondent L.i)

Respondents also acknowledged the attractiveness of Indonesia as a business market mostly because of its large population; however, the lack of tight business regulations and the overall freedom of business activities were also mentioned.

It's not only that the market is attractive. We know that Indonesia is the fourth most populous country, but the fact that the cost of labour and the cost of starting up a business is much lower than in other countries. Many of the industries are still very unregulated, so there are still many opportunities for people with small capital to do many things and gain multiple returns. (Respondent M.a)

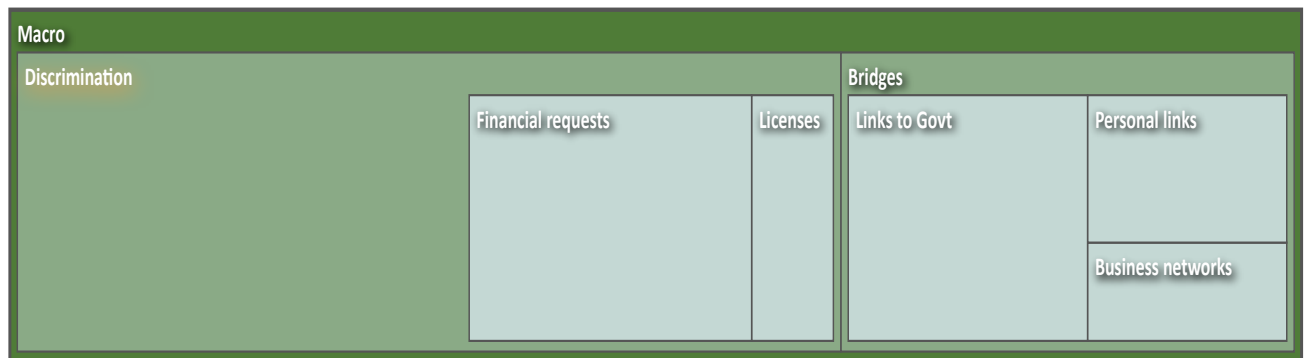
The presence of a large and constantly growing population makes Indonesia a very attractive market for all of the business players. Interviewees also acknowledged that the wider, non-ethnic market used to be even more attractive before; however, currently Indonesia can still be described as more attractive than other countries.

Actually before, during the time when my parents established business, it was even better. But now I think it is still better than other countries. Because from what my parents said, there is so much competition in other countries. (Respondent L.e)

Another important factor that contributes to the overall attractiveness of the Indonesian market has been the ability to legally own businesses, which in the literature was part of the concept of opportunity structures. Findings from the survey emphasized the positive relationship between business ownership and the entrepreneurial decision to establish a business venture. In addition, SEM testing brought an additional finding, according to which opportunity structures are also important during the growth phase. Interviewees explained that such an opportunity has been an additional factor supporting the ethnic entrepreneurial process in Indonesia.

In the last part of the interviews, respondents were asked questions about the discriminatory policies of the Indonesian government, especially during the Soeharto regime. Based on the literature and the conceptual framework, it was expected that push factors in the form of discriminatory laws played a significant role for Chinese ethnic entrepreneurs.

Figure 5.16. NVivo: Macro Environment Composition



Finding 16 of the hypothesis testing proved a positive correlation between the discriminatory policies of the government and the decision of Chinese ethnics to create their own businesses. Interviewees were presented with the findings from the survey and were asked to share their opinion based on their personal, family, and entrepreneurial experience. Several respondents admitted that past discrimination existed and influenced Chinese ethnics to establish their business ventures.

In the past is the pressure from the situation. Like a pressure that I have to feed my family, and I cannot get other jobs. (Respondent A.a)

In this example, the term ‘discrimination’ does not even appear. This particular respondent preferred to use another way of saying this and wrapping it around a more subtle explanation of not being able to get jobs.

Another respondent linked governmental discriminatory policies with other factors and described them as important while making the decision to establish a business.

It’s probably a combination of factors. I think the pressure that they could not get the official jobs from the government, so they had to provide for their family but with that pressure they went for establishing business. (Respondent A.1)

This particular example is a strong case supporting the view that discriminatory policies of the Indonesian government, especially during the Soeharto era, acted as a strong push force. In some cases, Chinese Indonesians did not have much choice, and

in order to provide for their families they decided to engage in entrepreneurial activities. This led many of Chinese Indonesians to enter the field of business rather than even try to find a government position or enter Indonesian politics.

Yes, they are. I think historically speaking, many Chinese Indonesians were not given a public stage to participate for example in politics so they concentrated on the marketplace. We were left to do things on our own, which is mostly trade and business. It started by selling stuff, importing goods, and then businesses grew. For generations we were trained to do this. (Respondent M.a)

However, one of the respondents acknowledged that in his family, his grandparents and parents from the very beginning wanted to do business and did not think about working in the public sector. He did not explain, however, the parents' and grandparents' views on the discriminatory practices in the past.

They entered businesses because this was what they want. It's not that they could not enter other fields. They could choose the business they want and because they can see the business opportunities; that's why they entered the business field. (Respondent R.a)

Interviewees were also asked to share their experience in regards to the current situation of Chinese Indonesians and the theme of discrimination. Respondents acknowledged the existence of discriminatory behaviour by government officials rather than discriminatory regulations per se.

In government institutions, indigenous Indonesians are more privileged because of where they are from, but other than that the treatment we get is still equal. It's just the system and those people in charge. (Respondent M.i)

I think it is still on (the discrimination), I think mainly if we have to deal with the government. (Respondent L.y)

As Chinese Indonesians are visibly different from the indigenous population, they often have been treated differently by government officials who were looking for some sorts of compensation while providing service to Chinese Indonesians.

There are many things that simply because our eyes are smaller than theirs, we will be asked to give more documents when we apply for the license. We are simply extorted more. (Respondent M.a)

During the process of transcribing and analysing interviews, two significant themes appeared that are related to the main theme of discrimination. The first theme is the fact of government officials discriminating against Chinese Indonesians by asking them to provide many documents to obtain legal licenses.

Mostly, the business, the licensing. If they know somebody in the government they can get the license quickly. I think all the requirements, and passes, import passes and paperwork. (Respondent R.a)

If we challenge them they will make things more difficult. (Respondent L.a)

The second theme is the topic of unofficial financial requests being expected by governmental employees. The ability to receive payments from Chinese Indonesians has been a subsequent effect of the situation in which government officials have made things difficult and required many documents, even though very often this was not necessary.

Yes. Just to give an example: If we want to do something related to the government, usually the government will require us to pay a lot of money. With fees like this we don't know if they are real or not. (Respondent L.e)

Moreover, interviewees acknowledged assumptions amongst public-sector employees that Chinese Indonesians are wealthy, so they have been easy targets while being asked for unofficial payments.

But the fact that they also believe in their own expectations that all Chinese are wealthy, which is not true. So all Chinese will be able to give them money. So they see somebody like me, the Chinese, and they will try their own ways to get money. (Respondent M.a)

One of the respondents however, presented the opinion that corruptive practices were common also when government employees dealt with the indigenous majority. Such an example might simply mean that currently all individuals dealing with public-sector servants might face a situation where they will have to give bribes.

I don't think it is about the race. When dealing with the government. I think it's just the money. (Respondent L.i)

Finally, respondents were asked questions about the topic of links to government that was investigated during the survey phase. Chinese Indonesians were creating links to the government while dealing with discriminatory policies. Finding 15 of the survey states that those Chinese ethnic entrepreneurs that have had links to government institutions experience financial growth. This significant finding has been confirmed by the interviewees, and based on this the last theme of the analysis was created: bridges. This theme reflects the ability of Chinese Indonesians to deal with discriminatory policies by finding links to government employees and building relationships with them. Respondents acknowledged that being in close relationship with government officials would help in sectors such as import-export.

If you are dealing with some import and export business, this would help. (Respondent L.y)

If they know somebody in the government they can get the license quickly. (Respondent R.a)

The results of the survey and the interviews confirm that faced with the discrimination of the government sector, Chinese Indonesians have developed relationships with government officials to overcome such discrimination. The results of the survey prove a correlation between links to government and businesses' financial growth, rather than the impact of personal relationships and business networks on such growth.

5.7.1. Qualitative interviews: Summary

As seen from the examples above for meso and macro environmental analysis, interviewees supported the findings from the survey. Several additional and significant themes, such as the importance of the wider, non-ethnic market, types of discriminatory actions, and bridges created to deal with them were presented. The

final contextual model is enriched with the findings from the second, interview part of this mixed-method study.

Based on the answers by interviewees, the following are the most significant findings.

Firstly, a high percentage of university degrees amongst entrepreneurs found in survey answers might be overestimated, especially for older generations.

Secondly, interviewees agreed that the majority of entrepreneurs are males. This is based on the traditional model of the Chinese Indonesian family where males take care of providing finance and running business ventures.

In addition, the trait of spotting business opportunities was confirmed to be the most vital.

In relation to results of the hypotheses analysis as well as SEM, the following findings are the most significant.

Micro Environment

Firstly, personality traits are important for entrepreneurs, but they are not the only factors affecting success. A combination of heterogeneous factors makes businesses grow. In addition, interviews confirmed the importance of family support during the initial stages of business creation, as shown in the SEM process. Such help mostly took the shape of financial support. Thirdly, a new theme of family expectations emerged. Chinese ethnic entrepreneurs might be expected to continue family businesses or establish their own ventures instead of being engaged in other professional careers. This theme should be investigated further.

In addition, the role of co-ethnics was confirmed for growing business. The main reason is the size of the networks, which are larger than family networks. Moreover, the importance of trust for Chinese ethnic entrepreneurs was confirmed. Survey results introduced this significant finding, and the qualitative interviews confirmed it.

Finally, the importance of Confucian values was confirmed. The Confucian value of harmony supports profit growth as it stimulates synergy in the business. In addition, the value of hard work is one of the most important values for Chinese Indonesians.

Meso Environment

Interviewees also introduced several significant findings in relation to the meso environment. Firstly, the interview process confirmed the attractiveness of the market and the importance of opportunity structures. Interviewees mentioned a trend of moving away from co-ethnic markets into wide, heterogeneous markets. Secondly, interviewees confirmed the attractiveness of Indonesia for business, mostly because of the size of its population. Finally, the importance of opportunity structure and having access to legal business ownership as a factor that secures business operations was identified as vital for Chinese ethnic entrepreneurs in Indonesia.

Macro Environment

Finally, interview participants introduced insights on the role of the macro environment for ethnic entrepreneurs. Interviews confirmed the existence of past discriminatory regulations that pushed Chinese Indonesians to search for entrepreneurial opportunities. Older generations had to provide for their families, and establishing their own business was sometimes their only choice. In addition, interviewees confirmed that the overall situation of Chinese Indonesians has improved in comparison to ten and thirty years ago. However, Chinese Indonesians still do not feel that they are treated in the same way as the indigenous majority, especially when dealing with government officials. In addition, two new themes emerged during the interview process: government officials expect unnecessary

documents from Chinese Indonesians, and if these are not submitted they demand payments.

Finally, through the generations, Chinese Indonesians have built relationships—bridges—with government officials to minimize the discriminatory regulations or expectations from officials.

5.8. Conceptual Model Revisited

General findings as well as the hypothesis testing and results of the interviews bring several adjustments to the conceptual model. Based on the hypotheses testing, Propositions P1–P4 have been adjusted, and those changes are reflected in the conceptual model.

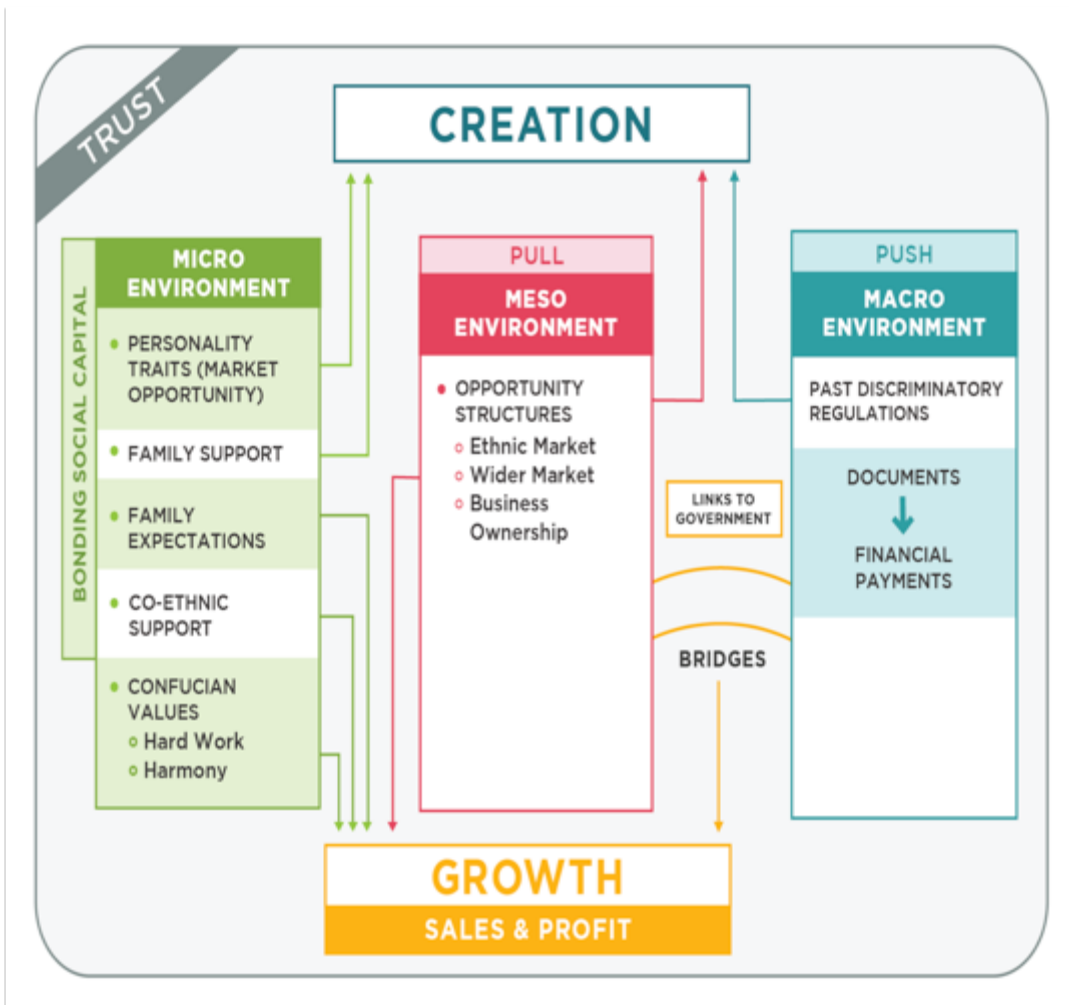
Table 5.41. Reshaped Propositions. Findings

Environment Level	Proposition	Source
Micro	<p>Proposition 1: Personality traits apart from the ability to see market opportunities do not support creation and growth. Bonding social capital in the form of family support affects business creation. In addition, co-ethnic support influences growth.</p> <p>Family expectations shape entrepreneurial decisions.</p> <p>Proposition 2: The Confucian value of hard work supports sales growth, while harmony influences profit growth.</p>	<p>Hypotheses Testing and SEM</p> <p>Interviews</p> <p>Hypotheses Testing</p>
Meso	<p>Proposition 3: The opportunity structures of ethnic opportunities, the existence of a wider non-ethnic market, and access to business ownership work as pull factors. They affect both creation and growth.</p> <p>Proposition 4: Bridging social capital in the form of links to the government supports growth.</p>	<p>Hypotheses Testing and SEM</p> <p>Hypotheses testing</p>
Macro	<p>Proposition 5: Past discriminatory policies work as a push force to entrepreneurship.</p>	<p>Hypotheses</p>

	Chinese Indonesians develop bridges to deal with government requests for documents and financial payments.	testing Interviews
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In addition, the conceptual model has been enriched by the significant concept of *sinyong*, based on the survey results and qualitative interviews.

Figure 5.17. Revisited Model: Chinese Ethnic Entrepreneurship in Indonesia



CHAPTER 6: DISCUSSION AND CONCLUSION

This chapter will discuss the findings from both the quantitative and qualitative stages of the research. All of the conclusions are related to the existing academic literature as well as the results of the survey analysis and qualitative interviews. This chapter is divided into four parts: research purpose and research question (6.1), discussion and summary of findings (6.2) contributions of the study: advancement of the theory (6.3), and limitations and directions for future research (6.4).

6.1. Research Purpose and Research Question

Based on the literature, ethnic entrepreneurship research needs further investigation to build up appropriate theory. In addition, as described in Chapter 2, ethnic entrepreneurial research is also considered to be a new research field, and it lacks sufficient depth (Edelman et al., 2010). Early research into the phenomena of entrepreneurship and ethnic entrepreneurship concentrated on the role of individual traits of the entrepreneurs as strong drivers of the process. Such concentration on personal factors has been criticized by several academics (Kloosterman, 2003; Kloosterman and Rath, 2001).

One of the themes found in the ethnic entrepreneurship literature is the role of ethnicity as a strong driver of entrepreneurship. The literature emphasizes the difference between the levels of entrepreneurial activity amongst ethnic entrepreneurs and the indigenous majority of the population (Fairchild, 2009; Baycon-Levent and Nijkamp, 2009; Kitching et al., 2009; Fairlie and Meyer, 1996). In general, ethnic entrepreneurs present higher levels of entrepreneurial activity compared to members of the local population (Campbell and Daly, 1992). Several academics (e.g., Bates, 1994) point to cultural traits as a strong foundation for ethnic entrepreneurship. A

growing number of studies have presented evidence on the Chinese minority in various countries as being strongly engaged in the entrepreneurial field. Supporting this thought, Barrett et al. (1996) described Chinese ethnics as ‘culturally programmed for self-employment’ (p. 789). As mentioned earlier, there is a wide body of research supporting this view of Chinese ethnics being actively involved in the entrepreneurial activities in their host countries. A considerable number of studies have illustrated how Chinese ethnic entrepreneurs use their ethnicity and socio-economic networks in their business operations (Ong, 1999; Saxenian, 1999; Yeung, 1999; Ong and Nonini, 1997; Froschauer, 1997; Weidenbaum and Hughes, 1996; Mitchell, 1995; Seagrave, 1995). As a result, it can be concluded that Chinese can be naturally linked to the entrepreneurial activities in their host countries. However, it has to be mentioned that defining ethnic entrepreneurship based only on cultural factors might be misleading. Over-relying on the culturalist aspects of ethnic entrepreneurship can be seen as a potential weakness (Leung, 2001; Ram et al., 2000). Valdez (2011) emphasised that ethnicity should not be treated as the only factor determining ethnic entrepreneurship. Factors like gender and social class should also be considered. Romero and Valdez (2016) suggested that the concept of intersectionality should be implemented, and they challenged assumptions from previous studies in which ethnicity has been described as the main driving force behind the phenomenon of ethnic entrepreneurship.

To minimize the effect of too much emphasis on one group of factors describing the phenomenon of ethnic entrepreneurship, Kloosterman presented a model of mixed embeddedness, which he defined as this:

The approach combines the micro-level of the individual entrepreneur (with his or her resources), with the meso-level of the opportunity structure and links in the latter, in more loose way, to the macro-institutional framework. (Kloosterman, 2010, p. 25)

This thesis used Kloosterman's model as one of the key theories, as it took into consideration not only personality traits as important shapers of ethnic entrepreneurship. In the Indonesian context, pull factors in the form of opportunity structures as well as the discriminatory policies of the Soeharto government working as push factors significantly influence the entrepreneurial process. In some cases, discrimination influences the decision to become an entrepreneur (Phizacklea and Ram, 1996; Anthias, 1992; Phizacklea, 1990). Such formal and informal discriminatory factors act as a push force towards an entrepreneurial career, as ethnic entrepreneurs have little choice in the host countries. In contrast, positive aspects of the market such as independence and financial rewards work in some markets as pull factors. The research I conducted brings important insight on the variety of pull factors affecting Chinese ethnic entrepreneurship in Indonesia.

As discussed in Chapter 2, ethnic entrepreneurs and Chinese ethnic entrepreneurs in particular conduct business activity with the support of their social capital. Academics have described a common characteristic of this form of capital as the presence of business network connections (Uzzi, 2008; Flap, 1988). Such business connections are present in two distinctive forms, both supporting one another. Putnam (1995) described network relations mostly with family members, friends, and co-ethnics as bonding social capital. In contrast, bridge ties, support entrepreneurs in connecting business networks usually not connected (Granovetter, 1973). For Chinese Indonesians, both forms of social capital play an important role in the creation and growth of their entrepreneurships.

The primary purpose of this research has been to test relationships among factors from the micro, meso, and macro environment with the entrepreneurial decision of creation and further growth of businesses. A wider range of factors influencing

entrepreneurial activity should be investigated, as current models concentrate only on certain aspects of the process (Danes et al., 2008; Wee and Wah, 2006).

Another purpose of this research has been to understand the role of social capital for Chinese Indonesians, which allows developing a model presenting the role of factors influencing the process of entrepreneurship amongst Chinese ethnics in Indonesia. As described in Chapter 2, over-relying on the importance of individual characteristics of an entrepreneur, as well as over-emphasizing the role of the cultural aspects of ethnic entrepreneurship, are common mistakes made by researchers (Ram et al., 2000). Instead of concentrating only on one part of the equation—the entrepreneur side—researchers must try to draw a bigger picture and also include in entrepreneurial research the market potential (customers) and macro framework. According to Kloosterman (2003), the phenomenon of immigrant entrepreneur cannot be explained only with research based on the individual traits of the entrepreneurs, regardless of how useful and insightful they are (p. 169). The following three objectives have guided this thesis and assisted in answering the research question:

1. Test the interdependence of the micro, meso, and macro environment with the creation and growth of business enterprises in Indonesia.
2. Place Kloosterman's mixed-embeddedness model in the Indonesian reality.
3. Develop a model of Chinese entrepreneurship in Indonesia evaluating the role of the social capital bonding and bridging characteristic.

As presented in Chapter 5, a set of data was collected using surveys and analysed using statistical tools. In addition, qualitative interviews were conducted to clarify findings from the survey stage. In the following section, findings of both are discussed.

6.2. Discussion of Findings

6.2.1. Objective 1

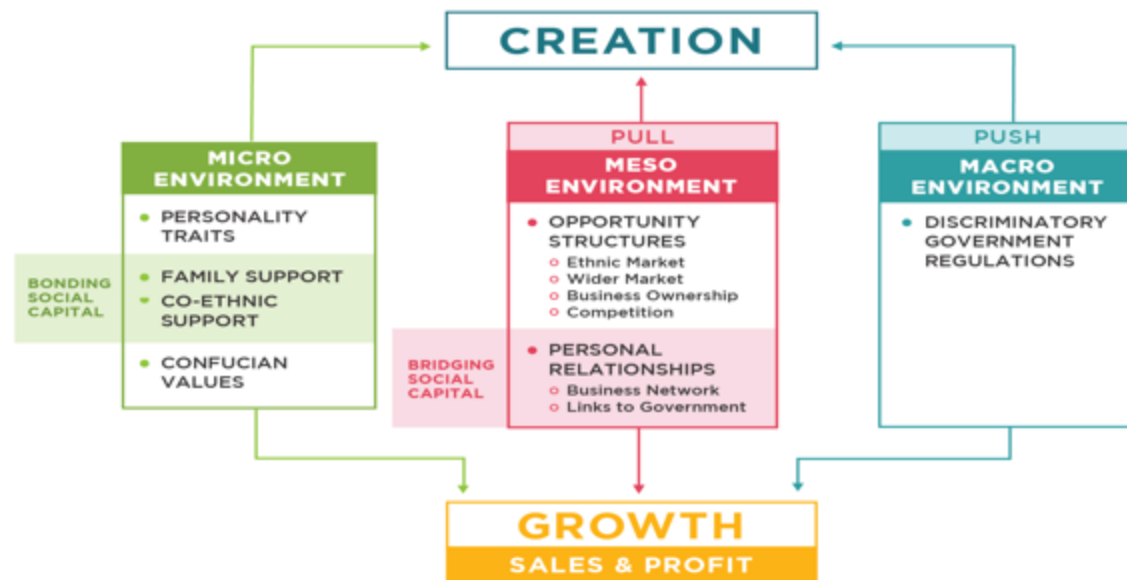
Test the interdependence of the micro, meso, and macro environment with the creation and growth of business enterprises in Indonesia.

As discussed in Chapter 2, ethnic entrepreneurship research is a growing field in academia (Edelman et al., 2010; Sternberg and Wennkers, 2005), but knowledge about Chinese ethnic entrepreneurs in Indonesia is weak (Koning, 2009). Because several academics have pointed out that immigrants are more likely to be self-employed than the native population with similar skills (Baycon-Levent and Nijkamp, 2009; Campbell and Daly, 1992), this thesis has analysed potential reasons for such a situation in relation to Chinese Indonesians. Chinese-ness related to Confucian values as well as *guanxi* have become very important factors shaping the business activity of Chinese ethnic entrepreneurs. For the purpose of this thesis, *guanxi* has been assumed to be a very important engine of social capital that was expected to be the most important driver of ethnic entrepreneurship in Indonesia. In contrast to the main field of Chinese ethnic entrepreneurship research, Gomez (2006) and Gomez and Benton (2003) referred to studies on Chinese in Australia, where intra-ethnic relationships did not play much of a role. To avoid potential generalizations, this thesis has proposed a conceptual model on Chinese Indonesian entrepreneurs that has concentrated not only on the obvious individual and cultural factors but took into consideration the broader environment in which entrepreneurs happen to operate. Analysis in Chapter 5 provided important insights to the conceptual model presented in Chapter 3. The primary level of this thesis is related to micro, meso, and macro analysis of the factors that affect the decision of Chinese Indonesians to establish business operations and possible future growth. Contrary to some of the academic work emphasizing the

single role of particular factors such as the individual traits of entrepreneurs and their cultural roots, I assumed the importance of several heterogeneous factors. As seen in the conceptual model presented in Chapter 3, and based on the literature presented earlier, several assumptions and predictions have been made.

Figure 6.1. Proposed Conceptual Model

Chinese Entrepreneurship in Indonesia



Firstly, potential factors shaping Chinese ethnic entrepreneurship in Indonesia have been identified and grouped into homogeneous categories. Kloosterman’s (2010) model of mixed embeddedness acted as a foundation for the categorizing of the variables into micro, meso, and macro factors. This model is supported by the bonding and bridging forms of social capital, which are expected to influence the creation and growth of the businesses.

Micro Factors

Supported by the academic literature, it was expected that several concepts have contributed to the micro environment of Chinese ethnic entrepreneurs in Indonesia: personality traits, family support, co-ethnic support, and Confucian values.

The role of personality traits as important contributors to the process of entrepreneurship has been a popular topic for many academics (Liargovas and Skandalis, 2012). The work of McClelland (1961) is often described as pioneering in the field of entrepreneurship and the role of individual traits. Over the years, various authors have identified important traits that positively influence the process of entrepreneurship. These include the need for achievement (McClelland, 1961), risk-taking (Shane and Venkataraman, 2000), and the need for independence (Hisrich, 1985). For the survey used in this thesis, I designed entrepreneurial personality trait questions based on the FACETS model developed by Bolton and Thompson (2004).

As the literature review proved the existence of individual traits supporting the process of business creation, it has been expected that for this thesis those would play an important role in the micro environment. Results of the analysis proved entrepreneurship to be a very important life choice for many participants. More than three-quarters of the survey respondents had not considered other career paths other than becoming entrepreneurs (question 10). This might indicate the presence of a strong entrepreneurial drive amongst the respondents. Analysis of survey question 41 shows the belief that entrepreneurs have special qualities (93% of answers). This confirms the results of the studies in which individual traits of entrepreneurs play an important role (McClelland, 1960). Furthermore, respondent ranking of personality traits based on their importance for entrepreneurs brought additional findings.

It can be seen from the results in the analysis chapter that the personality traits of meeting deadlines, spotting opportunity, creativity, and ability to network were pointed by the survey respondents as the most vital for entrepreneurs. The literature supports these findings. The ability to take on business opportunities has been frequently present in academic research as a vital driver of entrepreneurship (Timmons and Spinelli, 2004; Ardichvili and Cardozo, 2000) and has been confirmed by the survey respondents as being important for entrepreneurs. In addition, analysis of the qualitative interviews supports this opinion and places this particular personality trait as the most vital when engaged in entrepreneurial activities. One of the interviewees shared his opinion on Chinese Indonesians being able to take advantage of the business opportunities present in the market.

They see the opportunity to definitely make money. Because they see something that they can build, create, you know. I think what Chinese people do, they can see better about the opportunities on the market. (Respondent R.a)

This opinion supports the results of the SEM testing. During the process of statistical testing, a strong relationship between the personality trait of seeing market opportunities and the decision to create a business was found. This shows that this particular trait is important for Chinese ethnic entrepreneurs while starting their entrepreneurial activities. However, interview participants acknowledged that the personality of entrepreneurs plays a significant role only when combined with other factors. In addition, the high ranking of creativity in the survey results confirms the Schumpeterian view in which this personality trait is one of the foundations of entrepreneurial success. The works of Schumpeter (1947) emphasized the role of an entrepreneur as a creator who ‘does not passively operate in a given world, rather he creates a given world different from that he finds’ (Kirzner, 2009, p. 146). In addition, Bolton and Thompson (2004) defined the entrepreneur as a person who habitually

creates and innovates. Moreover, the same authors emphasized the importance of meeting deadlines, which also was a very important personality trait for the survey respondents. The importance of the trait of creativity was also confirmed by one of the participants in the second phase of the research. Interviewee A.1 linked the trait of creativity with the decision to establish a business.

I mean, personality is important in a way that if you don't have creativity and stuff you will not open business. (Respondent A.1)

Possessing a trait like this naturally supports individuals in the entrepreneurial process, as even classical theories of economics point to entrepreneurship as the most important factor of production. The opinion of this interviewee was supported by other participants, who acknowledged the importance of the personal characteristics of business owners. Other personality traits were also confirmed as significant for entrepreneurs. Maritz and Beaver (2001, p. 745) stated, 'Entrepreneurs more than others enjoy deadlines and meeting them provides an adrenaline rush'. In addition to those, the high ranking of the ability to network confirms an earlier study of Lee and Tsang amongst Chinese business owners in Singapore, where results indicated a relationship between networking activities and business growth (Lee and Tsang, 2002). Further analysis of the micro environment and propositions as well as hypotheses related to personality traits brought different results than the general analysis of the answers provided by the respondents.

Under Proposition 1, Hypotheses H1 and H2 were put forward to test a possible relationship between the presence of personality traits and businesses' creation and growth. Results of the statistical tests proved that in both cases personality traits do not present a significant correlation with the variables of creation and growth of businesses. This supports the opinion of Brockhaus and Horowitz (1986) that

personality traits of the individuals are not linked with entrepreneurship. Findings from the statistical testing are contrary to the expected outcomes as well as to the initial findings from the general analysis of the answers. However, during further hypotheses testing using SEM, the relationship between seeing market opportunities and business creation was found. As mentioned earlier, this finding was also confirmed during the qualitative interviewing, as several participants pointed to this particular trait as an important one. As a result of the SEM testing and qualitative interviews, a final model on Chinese Indonesian entrepreneurship will present the importance of this particular personality trait during the initial stages of business creation. In addition to the findings presenting no significant correlation between other personality traits and the entrepreneurial decision of creation as well as the growth of Chinese ethnic entrepreneurships in Indonesia, none of the ten tested traits had a relationship with the independent variables. Statistical testing of the hypotheses proved no significant correlation between each of the ten FACETS model personality traits and the variable of business growth. Such a significant finding was further strengthened by SEM testing, which also showed no relationship between personality traits and business growth. These findings suggest that for Chinese ethnic entrepreneurs in Indonesia, personality traits do not influence entrepreneurial growth as much as has been expected. This might indicate that other micro factors as well as the meso and macro environment are important contributors to the ethnic entrepreneurship process in Indonesia. This finding is in line with the intersectionality principle, according to which there are other factors such as gender, social status, and race that shape the process of entrepreneurship.

As mentioned, SEM statistical testing brought significant additions to the findings. Results of the structural modelling confirmed that the ability to see market

opportunities is related with the entrepreneurial decision to create a business. Even though respondents presented the opinion that personality traits are important in the entrepreneurial process only when combined with other factors, SEM analysis supported placement of this particular trait in the revisited model. In addition, as interviewees confirmed, personality traits play a significant role only when combined with other factors.

I think personality matters to some extent. (Respondent M.i)

Important characteristics of individuals make them establish business operations only when supported by other elements of the micro, meso, and macro environments. Interviewees clearly emphasized the importance of family support, the help of co-ethnics, and market opportunities as vital to support the personality traits of the entrepreneurs. Based on this significant finding, the conceptual model proposed in Chapter 3 was reshaped.

The second important theme in the micro analysis of Chinese ethnic enterprises in Indonesia has been the concept of family support. An example from neighbouring Singapore proved the importance of family support for ethnic entrepreneurs (Lai, 2005). The importance of family for the Chinese is deeply rooted in the culture and shaped around the concept of Confucian values.

Hofstede (1991) explained the role of the Chinese family as a basic unit of society in which relationships are a prototype of the social relationships outside of the family. According to Yan (2006), 'the will of the individual is subordinated to that of the family group', which clearly shows the important role of the family and its dominance in Chinese culture. The importance of family also leads to the phenomenon of Chinese businesses being family centred (Tsang, 2001; Lee, 1996; Weidenbaum, 1996a; Greenhalgh, 1994; Whitley, 1991; Wong, 1985).

The micro environment of the conceptual model contains family support as an important foundation of the entrepreneurial activity of Chinese ethnic entrepreneurs in Indonesia. Analysis of the survey questions related to family support (question 35) proved its vital role for entrepreneurs. Of the respondents, 86% acknowledged very frequent support of family members while conducting business. As expected, respondents confirmed that Chinese ethnics in Indonesia take advantage of the support given by their closest circle of family members. The findings from the first part of the analysis were further confirmed by the statistical analysis of Hypothesis 3 (Proposition 1), which looked into the potential relationship between family support and the entrepreneurial process.

H3. Bonding social capital in the form of family and co-ethnic support positively influences the creation and growth of Chinese ethnic entrepreneurships in Indonesia'

Results of Hypotheses H3.1 and H3.3 testing proved no significant correlation between both variables. Both hypotheses were rejected. Contrary to the conceptual model, family support seemed not to be as significant as I expected. However, I decided to use SEM testing to further investigate the relationship between family support and the decision to create a business. The results proved the relationship between those two latent variables, contrary to the first phase of the statistical analysis. This finding supports the themes in the literature describing how ethnic entrepreneurs use family support during the early stages of operation. In contrast, SEM analysis found no correlation between the latent variables of family support and the second variable of business growth. This significant finding was further discussed during the qualitative interviews. All of the participants were presented with this particular finding and expressed their opinions and explanations. According to the

majority of the interviewees, family support is very important for Chinese Indonesian entrepreneurs. Mostly it takes the form of financial help, and some of the businesses have been fully financed by family monetary resources. Interviewees also shared personal stories on how businesses of their parents and other family members benefitted from the generous help of their families. As mentioned, such help takes the form of financial funding for newly established businesses but also help in promoting, distributing, and marketing of products by family members. Several interviewees offered insightful explanation of the results of the statistical analysis. Interviewees explained why family support might not be enough to make businesses grow. Unlike co-ethnic networks, family capital is limited in its size, and although it might be able to help during the creation process it might not be sufficient to support further growth. In addition, opportunities present on the market might be more important for business growth. The results of both research stages proved the significant role of support by family members, however mostly during the initial stages of the company life cycle. Interviewees explained this phenomenon in detail. They supported the mixed-embeddedness framework and explained that a combination of heterogeneous factors supported the entrepreneurial process amongst Chinese Indonesians. Further discussion presented an explanation of the other factors that shape entrepreneurship in the Indonesian context.

Moreover, interviewees confirmed that Chinese Indonesian families support their members in the entrepreneurial decisions; however, in plenty of cases the initial support is later converted into expectations. The theme of family expectations emerged only while conducting qualitative interviews. Respondents pointed out how children in Chinese Indonesian families are expected to do certain things. Some of them are expected to continue business ventures of their parents, while others are

expected to start their own business rather than choose other careers. Interview participants explained that for some individuals being engaged in entrepreneurial activities actually takes the form of family pressure, and it is not a decision of an individual. Interviewees shared their experience on how some Chinese Indonesian entrepreneurs get family support but in return they are expected to support their parents. The theme of expectations should be investigated further, as it might shed a new, important light on the process of Chinese ethnic entrepreneurship in Indonesia. Interviews brought additional light to the theme of family support. For many interviewees, such support works both ways and needs to be paid back by supporting the family in one or another way. The emergence of this new theme also proved the appropriateness of the mixed method chosen for the research. If not for the qualitative interviews, it would not have been possible to discover such a significant phenomenon amongst Chinese Indonesians. Future research on the topic of family support and family expectations is recommended.

Use of mixed-method research combined with critical realism epistemology allows more in-depth investigation of the phenomenon of Chinese ethnic entrepreneurship. This research took on the challenge of observing reality and obtaining knowledge about primary mechanisms (structures, powers, and relations) that explain how things work (Bunge, 1997). The natural and social worlds have a stratified and multi-layered nature, and various levels of reality can be observed (Outhwaite, 1987). With the support of mixed-method research, such multi-layered phenomena like family expectations can be discovered, investigated, and described. In addition, ‘there is an ontological gap between what we experience and understand, what really happens, and the deep dimension where the “real domain” produce events’ (Danermark et al., 2002, p. 39). Phenomena such as family expectations can be experienced and

understood in different ways by different elements of a reality. Further investigation into Chinese ethnic entrepreneurship is recommended and might bring some additional insights on the three domains of the world: real, actual, and empirical.

Findings emerging from the statistical analysis can be placed in line with results of a study conducted amongst ethnic entrepreneurs in Singapore. Lai (2005) proved that Chinese entrepreneurs rely less on the support of the family and more on weak ties with the external environment to support their activities.

In addition to the significance of personality traits and family support, co-ethnic support was the third fundamental pillar of the micro environmental analysis placed in the conceptual model. In the Indonesian context, co-ethnic relationships that are a basis of bonding social capital were expected to be significant for Chinese ethnic entrepreneurs. Based on the broad amount of academic research, co-ethnic support amongst Chinese ethnic entrepreneurs is a very significant shaper of business activity. Intra-group support and relationships are important engines of the businesses process for Chinese ethnics. Academic research presents a variety of examples of how ethnic entrepreneurs use co-ethnic support as social capital (Kalnins and Chung, 2006).

This project's conceptual model acknowledged the importance of intra-ethnic relationships while creating and growing business ventures. Co-ethnic support was identified in question 35 of the survey as one of the most important factors supporting entrepreneurship of the respondents. A majority of the participants identified frequent use of such support. This might indicate that support of other Chinese entrepreneurs is an important tool. Furthermore, statistical analysis of the hypotheses proved a correlation between the variables of co-ethnic support and growth of ethnic businesses. Answers to survey question 35.c proved a significant relationship between support of co-ethnics and both sales growth and profit growth.

Results of the statistical testing of the two other questions related to co-ethnic support (23e and 38) also found a significant relationship between those variables. It can be concluded that amongst the three pillars of the micro environment, co-ethnic support is an important contributor to the growth of Chinese ethnic entrepreneurships in Indonesia. As a result, Hypothesis H3.4 is accepted.

Finding 7. (H3.4)

Co-ethnic support positively influences the growth of Chinese ethnic entrepreneurships in Indonesia.

Both statistical hypotheses testing and SEM analysis proved the significance of co-ethnic support for the growth of Chinese Indonesian entrepreneurships.

SEM testing conducted in the second phase of the statistical analysis also confirmed the relationship between the presence of opportunity structures and sales and profit growth of the businesses under investigation. The structural equation model showed a positive relationship between the existence of the ethnic market as well as access to a wider, non-ethnic market and the financial performance of the businesses.

This significant finding is in line with results from other ethnic entrepreneurship studies. Chinese ethnic entrepreneurs have enjoyed a variety of the benefits provided to them by membership in the ethnic network. The potential support of other co-ethnics in the forms of access to information, resources, and opportunities (Tsai and Ghosal, 1998; Uzzi, 1997) is an important factor allowing their businesses to grow.

In addition, during the qualitative interviews, respondents were asked to comment on this finding and also to explain the potential reasons for such a result. Interviewees confirmed the importance of co-ethnic support while conducting business in Indonesia. The majority of the respondents supported Finding 7 from the quantitative surveys, according to which support of Chinese Indonesians presents a positive

impact on the financial growth of the businesses under investigation. The interviewees justified a more significant role for co-ethnic support rather than family support given the size of the network. For some of the entrepreneurs, family connections presented only limited ability to grow in comparison to large Chinese networks. Obtaining help from other Chinese Indonesians could elevate a business to another level. Interviews also brought examples of how Chinese Indonesians help their friends when conducting business. Support is not only limited to financial help but also takes the forms of help in getting new customers, promoting products, and recruiting. This brings additional information to the topic of co-ethnic support. Interviewees emphasized that in some cases, wide ethnic networks support growth of the businesses without providing financial help. In addition, this thesis also brings knowledge on the ways in which Chinese ethnic entrepreneurs network not only with other Chinese Indonesians but also with others. Survey respondents and interview participants confirmed that Chinese Indonesians engage in a variety of activities in order to build and increase the size of their business networks. They do it during community events, sport and religious activities, business gatherings, and other occasions. It can be said that they use the activity principle described by Uzzi (2008), where they do not close themselves from others and build on needed networks.

As a result of the statistical analysis, it can be concluded that amongst the three important factors shaping the micro environment of Chinese ethnic entrepreneurs, personality traits are not as important as had been expected based on the literature review (Findings 1, 3, 4, and 6). SEM analysis proved the significance of family support during the phase of business creation. Statistical analysis and hypotheses testing supported the expectation of co-ethnic networks as an important factor while assisting ethnic businesses in their further growth (Finding 7). Support given by

Chinese ethnics allows ethnic enterprises to enjoy sales and profit growth, as proved in the statistical analysis and SEM testing presented in Chapter 5. This significant finding re-shapes the conceptual model and will lay the foundation for development of the Chinese ethnic entrepreneurship in Indonesia model with a strong foundation on intra-ethnic relationships. This significant finding supports the expected importance of bonding social capital for the financial growth of Chinese ethnic businesses in Indonesia. In addition to the results of the quantitative surveys, qualitative interviews confirmed the importance of co-ethnic support for Chinese Indonesian entrepreneurs. Interviewees shared interesting examples on how co-ethnics can support ethnic entrepreneurships and increase their sales and profit.

In the final part of the micro environment analysis, data was collected about the role of Confucian values as a supporting force behind the entrepreneurial activity of Chinese ethnic entrepreneurs in Indonesia. Confucianism is one of the foundations of Chinese culture and is shaped around the values of hard work, respect for learning, harmony, respecting hierarchy, and family (Cheung, 2004, p. 678). Confucian values are believed to be very important for ethnic Chinese living in South-East Asia (Mak and Kung, 1999; Redding, 1993), and they support the development of Chinese enterprises (Zapalska and Edwards, 2001). They are deeply rooted in Chinese culture as passed on by generations of Chinese. This significant fact has driven this thesis and resulted in an attempt to investigate the role of a variety of cultural aspects related to Confucianism. It has been expected that this could have affected how Chinese ethnic businesses operate and succeed in the Indonesian archipelago. Even though Confucianism is a very complex philosophy with a wide selection of significant concepts that shape relationships within families, organizations, and societies, five important common values can be identified: hard work, respect for learning, harmony,

respecting hierarchy, and family (Cheung, 2004). Yeh and Xu (2010) emphasized the difference between the Western way of managing and that of Chinese businesses. They pointed out the importance of hard work and respect for hierarchy in achieving business harmony (Wei et al., 2010). Jacobs et al. (1995) confirmed the importance of Confucianism as a foundation for the value of hard work and other significant concepts amongst the Chinese. Confucian principles influence business practices like the work ethics represented by diligence, responsibility, promptness, co-operation, and learning (Wei et al., 2010). The reappearing theme of learning in the literature on Confucian values suggests its vital role for Chinese businesses and their owners. It should also be acknowledged that such a process is not only presented by formal education but rather a lifetime learning process (Wei et al., 2010). This thesis investigated the importance of Confucian values in the Indonesian context and acknowledged their role as a significant shaper of the micro environment. Section D of the survey gathered information about Confucianism in the Indonesian context. As presented in Chapter 5, Chinese ethnics in Indonesia can be described as successful entrepreneurs. Respondents, in almost 99% of cases, identified Chinese as more successful entrepreneurs than other ethnicities. These findings are in line with the stream of literature describing the recent growth of the Chinese economy as well as the success of Chinese businesses (Hwang et al., 2009; Lee, 1996; Weidenbaum, 1996a; Whitley, 1991; Wong, 1985). Based on the survey findings, interview participants were asked to present their opinion about Chinese Indonesians being successful in business. All of the interviewees agreed that Chinese ethnic entrepreneurs are successful in business. However, they did not point out one factor that makes it possible but rather described a variety of aspects shaping entrepreneurial success. A mix of some personality traits such as hard work and seeing market

opportunities with family and co-ethnic support allows Chinese businesses in Indonesia to grow. When asked about the survey finding according to which the majority of Chinese Indonesian entrepreneurs are males, interviewees agreed; however, they emphasized that the trends are changing. Participants agreed that in the past a great majority of businesses were created and run by males, which was related to the traditional model of Chinese families in which men were supposed to provide for the households and women were supposed to look after children. Things are changing nowadays, and more and more women are engaged in entrepreneurship. However, interviewees acknowledged that the business field is still dominated by males. In addition to the family and co-ethnic support, the attractiveness of the market has made it possible for Chinese entrepreneurs to grow.

Confucian values were described by the respondents as important contributors to the success of Chinese ethnic entrepreneurs in Indonesia. Even when not asked directly about the role of traditional Confucian values such as hard work and family support, respondents selected them as significant sources of success of the local Chinese. The importance of hard work for the success of Chinese Indonesians was confirmed from answers to question 40. Results proved all five Confucian values to be important for the respondents. Detailed results of the answers clearly indicated that in more than 85% of cases all of the attributes of Confucianism were described as being important. Such high scores prove how vital these categories are for Chinese ethnic entrepreneurs in Indonesia.

As it can be seen from the results, hard work was confirmed as the most important value amongst all five. These results are in line with studies by several academics that have emphasized the importance of Confucianism in the overall success of ethnic Chinese businesses (Lee, 1996; Jacobs et al., 1995). The existence of strong cultural

factors, shaping the way in which society behaves, plays a significant role in the success of Chinese ethnic entrepreneurs in Indonesia. The leading role of hard work as a shaper of Chinese entrepreneurship was confirmed in analysing the answers. Testing of Hypothesis H4 (Proposition 2) brought insights to the role of Confucian values in the creation and growth of Chinese ethnic enterprises in Indonesia.

H4: Confucian values positively influence the creation and growth of Chinese ethnic entrepreneurships in Indonesia.

Analysis of this phenomenon in the Indonesian context was shaped around the five themes of hard work, respect for learning, family, respecting hierarchy, and harmony. Statistical testing of the sub-hypotheses H4.1–H4.10 provided significant findings. There was a significant correlation between the variables of hard work and sales growth as well as harmony and profit growth.

Finding 9

H4.6: Ability to work hard positively influences the sales growth of Chinese ethnic entrepreneurships in Indonesia.

Finding 10

H4.10.p. The importance of harmony positively influences the profit growth of Chinese ethnic entrepreneurships in Indonesia.

Both findings support the expectation that Confucian values have played an important role in the process of growth of Chinese ethnic enterprises in Indonesia. Hard work was perceived as a vital factor supporting sales growth of Chinese businesses in Indonesia. This common theme was a leading one in my informal conversations with Chinese businesses owners as well as during the qualitative interviewing. Strong emphasis on the importance of hard work for the success of Chinese enterprises was

proven by the statistical results. This finding is in line with the first part of the analysis, in which the quality of hard work was identified as the most significant Confucian value shaping Chinese entrepreneurship in Indonesia. It supports a range of academic research about the importance of hard work as a vital descriptor of Confucianism and its role for the Chinese (Lim and Lay, 2003; Dana, 1999; Redding, 1990). In addition, the majority of the interviewees explained the importance of hard work for their business success, confirming that in their families and business organisations success has been tightly linked with it. Interviewees shared their stories of how since childhood they learned about the importance of hard work. This personality trait, in addition to being an important Confucian value, was confirmed as a leading trait for the success of Chinese Indonesian entrepreneurs.

Based on the results of the analysis and with the support of the literature, the conceptual model that I proposed in Chapter 3 has been reshaped, and a stronger emphasis on the role of hard work has been included in it. This finding is a very significant one for the whole thesis. It not only supports the prediction that some Confucian values have shaped the Chinese Indonesian entrepreneurship process but also re-confirms the significance of hard work for Chinese ethnics.

The statistical hypotheses testing confirmed that harmony positively influences the profit growth of Chinese ethnic businesses in Indonesia. Based on this significant finding, the conceptual model has been enriched by the presence of this Confucian value. Respondent answers brought additional knowledge to the ethnic entrepreneurial field and were in line with several studies in which the importance of harmony for Chinese entrepreneurs was described. In addition to the statistical hypotheses testing, interviewees confirmed the importance of hard work and harmony in the financial growth of their businesses. When asked why the particular Confucian

values of hard work and harmony present a statistical correlation with the financial growth of the businesses, they pointed to several reasons. Hard work has been taught to Chinese Indonesians since they were children. Interviewees mentioned seeing their parents working hard and remembered being told about the value of hard work. They explained very simple logical correlation between putting an effort into business activities and later on seeing an increase in sales. Once a company has been able to increase its sales, and management and employees have had a harmonious relationship, this leads to an increase in profit. All respondents confirmed the significance of harmony not only in business operations but also in daily life. This supports the general theme in the literature describing Chinese as those who try to avoid conflicts. The current research showed the importance of harmony in the growth of profit in both the quantitative and qualitative stages of the study. In addition to confirming why these Confucian values have been important for Chinese ethnic entrepreneurs and the growth of their businesses, interviewees shared their opinion of the other three values. Interview respondents presented their opinion on the value of education, some emphasizing that learning has been important for them and their families, but the majority not seeing the practical value of education in business. One of the respondents clearly explained that what she learnt in school was different from what she needed in business. Other interviewees explained that for the older generations of Chinese, the attractiveness of the market was more stimulating than continuing education. In addition, discriminatory regulations of the Soeharto regime discouraged some Chinese Indonesians from attending universities. Interviewees confirmed that for some of their parents and grandparents, the entrepreneurial route was the only choice, as they had to provide for their families. In addition,

interviewees confirmed that the values of hierarchy and respect were important but did not influence the financial performance of the businesses.

These findings support evidence from other studies describing the importance of harmony for Chinese entrepreneurs (Wei et al., 2010). Cheng (2001) described how harmony is important for Chinese leaders who strive to achieve in their businesses ‘harmony through interaction’ and ‘harmony through growth’. For Chinese enterprises, overall harmony depends on the harmony of each part of the organization (Zhao and Roper, 2011), and this could explain why there is such a strong emphasis on this phenomenon in the literature. The current findings confirm previous conclusions that have emphasized the role of harmony as an important phenomenon shaping Confucian values (Yeh and Xu, 2010; Wei et al., 2010; Cheung, 2004). As Zhao and Roper (2011) state,

Core Confucian values remain embedded in the organisation’s social practices, notably those connected to notions of collectivism and harmony which underpin relations amongst employees and between employees and managers.

In summary, this thesis has analysed important micro contributors to the creation and growth of Chinese ethnic entrepreneurships in Indonesia. The Indonesian context of the micro environment contains several important aspects, such as the role of personality traits of the entrepreneurs, family and co-ethnic support, and Confucian values. All of these are important parts of the Indonesian Chinese entrepreneurship jigsaw puzzle. They all support each other and need one another to be present. However, some of them stand out as representing the engines of the entrepreneurial activities of Indonesian Chinese. I have shown the significant role of hard work, which shapes the growth of Chinese businesses in Indonesia. Supported by the data and existing research, hard work together with another Confucian value of harmony have been identified as two important drivers of the financial success of ethnic

Chinese in Indonesia. In addition, family support helps entrepreneurs during the initial stages of business creation. Moreover, co-ethnic support is also linked with the financial growth of ethnic businesses. Supported by the literature (Tsai and Ghosal, 1998; Uzzi, 1997), it can be concluded that Chinese Indonesians would not be fully able to succeed in the local market if not for their strong intra-ethnic relationships. These three factors, supported by the individual personality trait of seeing market opportunities, bring a new, interesting light to the phenomenon of Chinese success in Indonesia. This strengthens the expected outcome of the significance of social capital in the form of intra-group relationships. The analysis proved that the individual characteristics of entrepreneurs affect their business activity only when combined with the collectivistic support of other Chinese.

Meso and Macro Factors

This thesis has emphasized the importance of not only micro factors in the Indonesian context but also the role of external market powers as well as government policies. The conceptual model has acknowledged the importance of opportunity structures for Chinese Indonesian ethnic entrepreneurship. Kloosterman and Rath (2001) concluded that for any entrepreneur to start a business activity, accessible opportunities have to exist. Based on this important assumption, and with the support of Kloosterman's mixed-embeddedness model, this thesis conceptualized the role of meso opportunities for Chinese ethnic entrepreneurs in Indonesia. Waldinger et al. (1990) identified the main elements of opportunity structures: ethnic opportunities and also the presence of a wider non-ethnic market as well as access to business ownership, level of market competition, and state policies. As a result, the meso analysis has been shaped around these significant themes. The role of state policies has been discussed in the macro analysis of the market. Data analysis of the answers from survey respondents proved

the importance of the business opportunities present in Indonesia. As was expected, Indonesia was an attractive market for the majority of respondents; almost three-quarters described Indonesia as having high potential. In addition, almost three-quarters of the respondents associated their decision to create a business with the attractiveness of the local market. The survey also confirmed that a majority of Chinese Indonesian businesses do not operate only in ethnic markets. This indicates that Chinese ethnic entrepreneurs have looked beyond their ethnic peers while conducting business. This might be because the majority of businesses are owned and run by individuals who were born in Indonesia, and they are either children or grandchildren of migrants from China. The literature provides several examples of successful communities that move away from ethnic markets into attractive indigenous networks, as these wider networks offer more business opportunities (Leonard and Onyx, 2002). For the majority of respondents, Indonesia is more attractive than other countries in South-East Asia. In addition, respondents concluded that business opportunities in Indonesia have not been decreasing over time. Only 15% of the survey respondents reported that Indonesia is less attractive for entrepreneurs than thirty years ago. This finding is in line with the literature explaining the different levels of market opportunities over time. Lassalle and McElwee (2016) pointed out that the opportunity structure is dynamic and differs between locations and different periods of time. All of these findings fully support the statement of Kloosterman (2010) that we must look beyond entrepreneurs when analysing the phenomenon of ethnic entrepreneurship. Market attractiveness in addition to other micro factors is a vital engine of the success of Chinese Indonesians. In the second part of the meso analysis, statistical hypotheses testing brought additional significant information to the thesis. The meso environment of Chinese

Indonesian entrepreneurs has been funded on market opportunity structures as well as bridging social capital in the form of personal relationships, business connections, and links to the government. The presence of a large population of potential customers in connection with the ability to own business ventures was expected to positively shape enterprise growth. Proposition 3 emphasizes the role of opportunity structures:

P3. Opportunity structures pull Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

Statistical testing of Hypothesis H5 (H5.1–H5.8) proved a significant correlation between the variables of ethnic opportunities, presence of a wider non-ethnic market, access to business ownership, and creation of a business. Hypotheses H5.1, H5.3, and H5.5 were approved.

Finding 11

H5.1. Opportunity structures in the form of ethnic opportunities positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

Finding 13

Opportunity structures in the form of the presence of a wider non-ethnic market positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

Finding 14

Opportunity structures in the form of access to business ownership positively influence the creation of Chinese ethnic entrepreneurships in Indonesia.

These significant findings highlight how important opportunity structures are for Chinese ethnic Indonesians during the early stages of their company life cycle. The ability to legally register businesses as well as the opportunity to touch both ethnic and non-ethnic markets prove to be significant supporting powers of the

entrepreneurial decision. In addition, SEM analysis further proved the existence of a positive relationship between the existence of an ethnic market and a wider, non-ethnic market and financial growth of ethnic entrepreneurships. This supports the overall prediction that the size of ethnic and indigenous markets plays a significant role for Chinese Indonesians. These findings were investigated further during the qualitative interviewing. All of the respondents were presented with the findings of the hypotheses testing and SEM results and shared their own experience and opinions on this issue. Interviewees confirmed the importance of ethnic markets during the initial stages of business operations. As mentioned already, the help of Chinese Indonesians might also take the form of supporting sales of the newly established business. In some cases, friends and family members of the entrepreneurs were the first customers and also provided free word-of-mouth promotion. Interviewees confirmed the importance of the ethnic market but they also pointed out the trend of moving away from the small ethnic Chinese Indonesian market into the big and attractive market of indigenous Indonesians.

Maybe now they are starting to grow and they do not really focus only on the Chinese.
(Respondent L.n)

The size of the national market has been the dominant factor, but intra-ethnic dynamics among the Chinese have also played an important role. This mechanism shows a transformation from operating in the ethnic Chinese market into wider non-ethnic markets. In such a case, Chinese Indonesians move away from using only bonding social capital based only on intra-ethnic relationships and develop bridging links connecting them with the wider markets. Interviewees emphasized the importance of getting out of their ethnic circle and bridging to the large and attractive Indonesian market. Respondents shared their personal observations that the ethnic

market used to be a very important factor while starting business operations for their parents and grandparents. In the 1960s and 1970s, Chinese Indonesians were not as open as they are now. Today it is more natural for Chinese ethnic entrepreneurs to bridge to the larger community, even during the initial stages of the product life cycle.

Of course we would go for the whole population because we would know that we are the minority so why should we start and sell it only for us while we can sell for all' (Respondent M.a)

In addition to the two examples of the opportunity structures described earlier, interviewees confirmed the importance of the ability to legally register business entities as a factor influencing the decision to establish business ventures. This used to be different in the past, when the majority of the businesses were not registered and those entrepreneurs who tried to obtain licenses struggled to do so within the legal frame of the law of Indonesia. Even though respondents acknowledged the existence of difficulties while dealing with government officials, they emphasized the improvement of the situation. The detailed discussion of the government involvement was presented while analysing the macro environment.

In contrast to those three elements of opportunity structures, market competition does not support a decision to become engaged in entrepreneurship. This indicates that Indonesia is already a pretty competitive market; otherwise a low level of market competition could have been an important shaper of the entrepreneurial process. The importance of the other meso factors can be a clear indicator and prove the prediction that a combination of several groups of factors enabled Chinese Indonesians to establish their businesses and make them successful. These important findings support the model of Kloosterman (2010) and Kloosterman et al. (1999) in which all three levels of environment shape the process of ethnic entrepreneurship. It can be concluded that all of these positive aspects of the Indonesian environment have worked as pull factors attracting ethnic entrepreneurs to the field of business. The

academic evidence that points to the importance of the pull factors supports this finding. Basu et al. (1999) described high growth potential as one of the important pull factors playing a vital role for ethnic entrepreneurs.

In the second part of the meso analysis, the importance of bridging social capital was analysed. The literature has many studies on the role of bridging social capital (weak ties) in the entrepreneurship process. It is important to acknowledge that wider networks can offer their members more advantages than operating only amongst co-ethnics. Boissevain (1974) called these non-ethnic networks 'friends of friends', and Granovetter (1973) defined them as 'weak ties'. In this thesis, the term 'bridging social capital' was used, as in several studies that have shown how ties connecting individuals from heterogeneous groups are defined (Adler and Kwon, 1999). Based on the literature, weak ties or bridge ties are a significant concept in the creation of social capital (Granovetter, 1973), increasing the size and diversity of the network.

As expected, survey answers proved that Chinese Indonesians have been using social capital in the form of bridging connections with government officials to minimize the results of the discriminatory regulations in Indonesia. One out of three businesses participating in the survey had direct connections to government offices (e.g., registry office, tax office, and the police). This supports the assumption that relationships with government bodies and their employees supported Chinese ethnic businesses in their operations. This finding was also strengthened by evidence from another survey question (number 22), where respondents described the way in which other businesses used their social capital while conducting business in Indonesia. More than half of the respondents admitted that either their businesses or others from their respective fields use gifts and unofficial payments while dealing with government officials. This proved that connecting business with public servants is an activity used frequently by

entrepreneurs in Indonesia. In the second part of the meso analysis, Proposition 4 was presented.

P4: Bridging social capital supports the growth of Chinese ethnic entrepreneurships in Indonesia.

Bridging social capital was narrowed to the specific concepts of personal relationships, business connections, and links to the government, and all of these were statistically analysed with the support of Hypotheses H6.1–H6.3. The results of the testing (Chapter 5) indicated a significant relationship between businesses possessing links to government and their growth. This finding is in line with the assumptions made for the conceptual model, where it was expected that such connections would positively influence the growth of Chinese ethnic enterprises. It is significant that this form of capital (weak ties) proved to be more important than personal connections and business connections. It can be concluded that in the Indonesian context, developing positive relationships with government officials has brought financial benefits to entrepreneurships. Hypothesis H6.3 was accepted.

Finding 15

H6.3: Links to the government positively affect the growth of Chinese ethnic businesses in Indonesia.

This finding is supported by evidence from the first part of the analysis, in which respondents described the use of gifts and financial payments as important. As expected, Chinese ethnic entrepreneurs use this form of capital to overcome the potential discriminatory atmosphere found in government institutions. Results of the hypotheses testing were presented to the interviewees. They acknowledged the existence of discrimination while dealing with government institutions, and the

detailed analysis of such policies was presented in the last part of the analysis. Interviewees confirmed the importance of developing formal and informal relationships with the government sector. Interviews showed the common theme of bridges created by Chinese Indonesians to get closer to government employees. Building such relationships takes the form of providing informal payments to these employees; however, interviewees acknowledged that this used to be more important in the past. The current government has introduced a series of laws that prohibit government officials from receiving payments from businesses, but in many cases such laws have not been implemented successfully. Overall, interviewees confirmed the positive effect of developing ties with the public sector for the profit growth of the businesses. This finding is in line with previous research describing how weak ties connect heterogeneous networks. Leonard and Onyx (2002) acknowledged that individuals who operate in wider networks (bridging social capital) have higher social capital. This supports the outcome of this research, pointing to how Chinese ethnic entrepreneurs improve their business performance by using weak ties. In the Indonesian context, getting out of the ethnic market and linking with other networks proves to be a vital engine of entrepreneurial growth. Links to the government were shown to be a very important factor allowing ethnic entrepreneurs to grow their businesses and succeed in the Indonesian market. These findings related to the role of government connections proved what was expected from the conceptual model. It is significant that other forms of weak ties, such as personal connections and business connections, do not support entrepreneurial growth as much as relationships with the government, as shown by the hypotheses testing. As a result, the Chinese Indonesian entrepreneurship model developed here has been enriched by this particular factor. Bridging social capital in the form of links to the government, in

addition to the pull factor of opportunity structures, have been placed in the model, as they have been proven to be important in the Indonesian context.

The final part of this thesis is related to the environment analysis factors shaping the macro environment, which was another part of the conceptual model. According to Kloosterman (2010), the support given by government institutions can positively influence entrepreneurship. However, in the Indonesian context, Chinese entrepreneurs, instead of being pulled to entrepreneurship through support of the institutional framework, have rather been pushed to it by discriminatory laws and regulations implemented during the Soeharto era. It was expected that Chinese ethnic entrepreneurs decided to enter the field of entrepreneurship as a result of not being able to join the public sector (push factor). In some markets, discrimination influences the decision about becoming entrepreneurs (Phizacklea and Ram, 1996; Anthias, 1992; Phizacklea, 1990), as some migrants are pushed (Kloosterman, 2010; Bates, 1999) towards entrepreneurship. Obstacles such as discriminatory policies do not allow them to seek employment in the government sector and as a result force them to entrepreneurship. As shown in the analysis (Chapter 5), survey respondents acknowledged the existence of discriminatory policies against Chinese Indonesians during Soeharto's era. Those regulations were experienced mostly by the first and second generations of Chinese ethnic entrepreneurs. This supports the academic literature on discrimination against Chinese Indonesians (Susanto, 2011; Winarta, 2008; Suryadinata, 2005). In addition, this finding is in line with the structuralist perspective on ethnic entrepreneurship, according to which disadvantaged ethnic minorities had to seek entrepreneurial careers. All survey respondents (n = 215) agreed that the current situation for Chinese Indonesians is better than in the past. This trend is seen in the everyday life of Chinese Indonesians as, unlike in the past,

they can nowadays send their children to Chinese schools, celebrate Chinese holidays, use the Chinese language, and put written signs in public places. Even though their situation is better than in the past, respondents did not fully agree with the common opinion presented by local politicians claiming no current discrimination against Chinese Indonesians. Only a quarter of the survey respondents acknowledged that all ethnicities in Indonesia have the same opportunities to be successful entrepreneurs. Such low scores might indicate that Chinese Indonesians might still face an uphill journey while conducting business. The analysis of the information provided by survey respondents has given an important insight into the current situation of the ethnic Chinese in Indonesia. Even though their overall situation has improved comparing to the situation thirty years ago, Chinese Indonesians still do not feel like they are given equal opportunities. Such opinions were also shared during the interviews. Interviewees confirmed the existence of discriminatory behaviour of government officials rather than discriminatory regulations per se.

In government institutions, indigenous Indonesians are more privileged because of where they are from, but other than that the treatment we get is still equal. Its just the system and those people in charge. (Respondent M.i)

Interviewees explained that officially there are no discriminatory regulations directed against Chinese Indonesians, unlike during the Soeharto era, when tens of regulations against Chinese Indonesians were introduced. However, government officials still demand from Chinese Indonesians additional documents to force them to provide payments that can smoothen up the process. Interviewees shared their experience that in many cases government officials assume that Chinese Indonesians are rich, hence they are easy targets for such financial demands. In many cases, public-sector employees demand a large number of documents, which according to the respondents are not even legally required. However, in challenging government officials and

questioning their demands, things might get even harder for Chinese ethnic entrepreneurs.

In the second part of the macro analysis of the surveys, statistical tests were conducted to test Proposition P5.

P5: Discriminatory government regulations implemented during the Soeharto era acted as push factors for Chinese ethnics entering the entrepreneurial sector.

It was expected that the existence of discriminatory laws, especially in the past, worked as a push factor that forced many Chinese Indonesians to the entrepreneurial field. The literature supports this, and analysis of the data (Chapter 5) brought further insight to this issue (Tsai, 2009; Fischer, 2002). As a result of the statistical testing, Hypothesis H7 was approved.

Finding 16

Discriminatory government regulations had a positive impact on the business creation decision for Chinese ethnic entrepreneurs in Indonesia.

In conclusion, Proposition P5 was confirmed as valid, and the thesis proved the hypothesis of government discriminatory regulations acting as a push factor for Chinese ethnic entrepreneurs in Indonesia. It can be concluded that discriminatory regulations support Chinese Indonesians' entrepreneurship decisions. Interview respondents acknowledged a positive relationship between the discriminatory policies, especially in the past, and the decision to establish their own business. Several interviewees explained the pressure on Chinese Indonesians who had to provide for their families and while being blocked from entering positions in the public sector decided to establish their own businesses. Participants also explained that over time, younger generations of Chinese Indonesians, even when the public

sector opened for them in the 1990s, decided to continue entrepreneurial activities of their parents or establish their own businesses. As a result, the second generation of Chinese Indonesians almost automatically followed the entrepreneurial footpaths of their parents and grandparents, as this is something they learnt while observing older Chinese Indonesians. Interview participants acknowledged that Chinese Indonesian entrepreneurs developed bridges allowing them to be linked with government officials. When faced with discriminatory treatment, such bridges ensure that things will be executed faster and entrepreneurs will get help from the public sector.

These findings are in line with several studies on how push factors support the entrepreneurial process amongst ethnic entrepreneurs (Waldinger et al., 1990). What has to be acknowledged, however, is that several factors influence how Chinese ethnic entrepreneurship has been shaped. This thesis has proven the existence of heterogeneous circumstances that influence the creation and growth of Chinese businesses in the Indonesian archipelago. Table 6.1 is taken from Chapter 5 and summarizes all of the propositions that I put forward and adjusted according to the outcomes.

Table 6.1. Reshaped Propositions. Findings.

Environment Level	Proposition	Source
Micro	<p>Proposition 1: Personality traits apart from the ability to see market opportunities do not support creation and growth. Bonding social capital in the form of family support affects business creation. In addition, co-ethnic support influences growth.</p> <p>Family expectations shape entrepreneurial decisions.</p> <p>Proposition 2: The Confucian value of hard work supports sales growth, while harmony influences profit growth.</p>	<p>Hypotheses Testing and SEM</p> <p>Interviews</p> <p>Hypotheses Testing</p>

Meso	<p>Proposition 3: The opportunity structures of ethnic opportunities, the existence of a wider non-ethnic market, and access to business ownership work as pull factors. They affect both creation and growth.</p> <p>Proposition 4: Bridging social capital in the form of links to the government supports growth.</p>	<p>Hypotheses Testing and SEM</p> <p>Hypotheses testing</p>
Macro	<p>Proposition 5: Past discriminatory policies work as a push force to entrepreneurship.</p> <p>Chinese Indonesians develop bridges to deal with government requests for documents and financial payments.</p>	<p>Hypotheses testing</p> <p>Interviews</p>

As a result, the conceptual model has been adjusted, and the significant findings from both quantitative and qualitative stages have been placed in the re-shaped conceptual model.

Contrary to studies on the role of personality in the entrepreneurial process (Carland et al., 1984; Martin, 1982; McClelland, 1961), this thesis does not support existing evidence on how only natural traits of individuals support their entrepreneurial decisions. Only the ability to see the opportunities was proved during the process of SEM analysis as an important contributor to the decision to create a business. The other personality traits did not show a relationship with the decision to create a business and its financial growth. As mentioned before, a combination of several other significant concepts has played a vital role for Chinese Indonesians during the process of creation and growth of their entrepreneurships. Confucian values have proved to be important for Chinese ethnic entrepreneurs. Survey participants acknowledged their significance for Chinese Indonesians and statistical analysis supported the prediction that these values have been crucial definers of ethnic entrepreneurship in Indonesia. In addition, the interviews also supported the findings

from the surveys. The Confucian values of hard work and harmony have had an impact on sales growth and profit growth, respectively. This significant finding supports existing studies on Confucianism acting as an important factor affecting entrepreneurial activities of the Chinese (Dirlik, 1997; Kahn, 1979).

This thesis has proven the importance of both bonding social capital and bridging social capital for Chinese ethnic entrepreneurs. Bonding social capital in the form of family support affects the decision to create business, and co-ethnic support influences the growth of the business. This supports the literature on the role of networks and connections within the Chinese diaspora as an engine strengthening individuals' efforts in their entrepreneurial activities. The tight relationship with co-ethnics, described in the literature, allows ethnic minorities to transform their relationships into financial sources (Kushnirovich and Heilbrunn, 2008). In addition to the strong intra-ethnic ties, relationships with other groups in the form of bridging social capital are also important for Chinese Indonesians, as confirmed by the surveys and interviews. For this particular research, bridging ties, in the form of links to the government, enabled Chinese ethnic entrepreneurs to grow their businesses. As expected, developing relationships with the public sector supports the growth of ethnic entrepreneurs. Through the existence and development of weak ties, social capital of ethnic entrepreneurs increased (Granovetter, 1973) and led, with the support of other factors, to overall business success of Chinese Indonesians. Bridging social ties in the form of relationships with government officials should also be acknowledged as the most important factor that minimizes the negative aspects of government discriminatory policies, especially those implemented in the past. This research proved that past discriminatory government regulations worked as a strong push force for Chinese Indonesians. Soeharto's government implemented around 50

discriminatory laws over his three decades in power (Tsai, 2009; Mayo and Millie, 2009; Fischer, 2002). In addition to the push factors, ethnic entrepreneurship in Indonesia shows the presence of very strong pull forces in the form of opportunity structures. The presence of ethnic opportunities, a wider non-ethnic market, and access to business ownership support Chinese ethnic entrepreneurs in their business growth. Clark and Drinkwater (1998) highlighted the ability to touch an attractive ethnic market as a vital supporter of ethnic entrepreneurship, acting as a strong pull factor. The evidence here shows that Indonesian Chinese have used a variety of tools to establish their entrepreneurial presence as well as to achieve sales and profit growth. The concepts of Confucian values and bonding and bridging social capital, with the support of pull and push factors, have fully supported the remarkable success of Chinese ethnics in the Indonesian economy.

6.2.2. Objective 2

Place Kloosterman's mixed-embeddedness model in the Indonesian reality.

The conceptual model navigating this thesis has placed a strong emphasis on the role of three layers of the environment that Chinese ethnic entrepreneurs were operating within. The role of micro, meso, and macro environments taken from the work of Kloosterman et al. (1999) and Kloosterman (2010) has proven to be very important for ethnic Chinese entrepreneurs in the Indonesian context. Kloosterman and Rath (2001) acknowledged that research on ethnic entrepreneurs tends to put too much emphasis on the supply side of the entrepreneurship. Much of the literature (see Waldinger, 1996; Granovetter, 1985) has described how individuals and groups are involved in the entrepreneurship process. As a result, studies tend to neglect the demand side and 'the matching process between entrepreneurs and potential openings

for new businesses' (Kloosterman and Rath, 2001, p. 190). Kloosterman (2010) acknowledged that community networks are important in ethnic business formation; however, the social ties within an ethnic group are not the only contributors to entrepreneurship. For Chinese ethnic entrepreneurs, Indonesia has offered plenty of business opportunities that they successfully converted into well-operated and profitable enterprises. It is important to understand that businesses are not operating in hypothetical locations, but in the real world, presenting contexts unique to those locations (Ibrahim and Galt, 2003), and this has proven right for Chinese ethnic entrepreneurs. All three levels of the environment have played significant roles for ethnic entrepreneurs in Indonesia.

Analysis of the micro environment has brought some important insights to Kloosterman's model. The results of the statistical analysis proved the importance of the micro factors; however, not all of them are equally significant for ethnic entrepreneurs. SEM analysis proved the importance of an ability to see market opportunities as an important factor influencing the decision to create a business. Other significant concepts in the micro environment are the Confucian values of hard work and harmony as well as bonding ties in the form of family and co-ethnic support. The presence of various stimuli for Chinese Indonesians is in line with the model developed by Kloosterman, which looks beyond the individual characteristics of an entrepreneur. This thesis and its micro analysis support the research of Kloosterman (2010), in which he acknowledged the importance of community networks. Chinese ethnic entrepreneurs in Indonesia have successfully combined the Confucian foundation of hard work and harmony taught them in their families with support of their family and co-ethnics. These factors have proven to be vital in the

Chinese Indonesian context, and they are placed in the Chinese ethnic entrepreneurship model that I present in the last part of this study.

In addition to the significance of the micro environment, this thesis has proven a vital role of the meso market opportunities for Chinese Indonesians. Indonesia, with the world's fourth largest population, was expected to be a very attractive place for any entrepreneurs, not only those of Chinese origin. Survey and interview data proved that the meso environment has been a very important supporter of the entrepreneurial process. This is in line with the research of Kloosterman (2010), who described the role of the market as crucial and acknowledged its significance in shaping entrepreneurial processes. The attractiveness of the local market is the general theme that can be observed here with regard to the survey and interviews. Survey respondents consistently described Indonesia as a very attractive market, more attractive than other countries in the region and offering more business opportunities than in the past. In addition, interviewees also supported these findings with examples. Chinese ethnic entrepreneurs described how both the ethnic market and the wider, non-ethnic markets are important shapers of entrepreneurship for Chinese Indonesians. These findings support Kloosterman's view. It is a logical conclusion, as it is hard to imagine successful entrepreneurs operating in markets that do not offer substantial growth opportunities. According to Kloosterman,

Businesses are not just dependent on the resources as entrepreneur is able to mobilize in whichever way, but they also presuppose markets as the goods and services have to be sold. (Kloosterman, 2010, p. 26)

Chinese Indonesian entrepreneurs have taken advantage of the large market where a high number of local consumers create demand for goods and services.

Statistical analysis proved a significant relationship between the existence of an ethnic market, a wider, non-ethnic market, and access to business ownership and the

decision to create a business. In addition, SEM analysis proved a relationship between both ethnic and non-ethnic markets and growth in terms of sales and profit. Findings from this research can also be related to Kloosterman’s model of opportunity structures (2010). Currently, a majority of Chinese ethnic entrepreneurs operate in post-industrial, high-skill markets in which high levels of human capital are needed as well as markets that are described as expanding.

Figure 6.2. Typology of the Opportunity Structure: Market Split According to Accessibility and Growth Potential. Indonesian Case

		Growth Potential	
		Stagnant	Expanding
Human Capital	High Thresholds		Post-industrial/ high-skilled
	Low Thresholds	Vacancy-chain openings	Post-industrial/ low-skilled



Results of the survey confirmed that Chinese ethnic entrepreneurs are currently well educated and experienced. They operate in highly attractive business markets and take full advantage of them. The attractiveness of these markets was identified as ‘brave new, dynamic capitalism where Schumpeterian entrepreneurs can make fortunes within a short span of time’ (Kloosterman, 2010, p. 32). The annual *Forbes* list shows that seven out of the ten richest entrepreneurs in the Indonesian archipelago are Chinese Indonesians (Forbes list, 2015).

In addition, levels of education amongst Chinese Indonesians have been consistently improving, which might indicate a shift to the current situation (post-industrial, high-skill markets) from post-industrial, low-skill markets in the past. Further research comparing and contrasting the levels of human and social capital amongst first-, second-, and third-generation Chinese Indonesians is recommended, as it might bring significant insight and confirmation of this shift.

This thesis has also proven the significance of the institutional macro framework. Despite the presence of discriminatory policies in the past as well as the current overall feeling of not being treated equally compared to other ethnics, Chinese Indonesians have been able to build fruitful relationships with the government sector that allow them to turn around the discriminatory policies and succeed. Analysis (Chapter 5) highlighted the role of weak ties in the form of links to the government that support Chinese ethnic entrepreneurs in the creation and growth of their businesses. Data from the surveys and interviews support the idea that Chinese Indonesians have built bridges in the forms of formal and informal relationships with government officials to minimize the impacts of discriminatory policies in the past and current expectations of public servants. In support of the macro-institutional framework identified by Kloosterman (2010), Barrett et al. (2001) acknowledged the importance of enterprise support provided by government institutions. In the case of Chinese Indonesians, they do not get official support from the government officials but they still manage to develop unofficial relationships with the government sector, which supports their entrepreneurial activities and improves their financial performance. As seen from the evidence presented here, all three parts of the environment have played an important role for Chinese ethnic Indonesians while conducting their entrepreneurial activities. The definition of mixed embeddedness by Kloosterman (2010) can be cited again to re-assess its application in the Indonesian context:

The approach combines the micro-level of the individual entrepreneur (with his or her resources), with the meso-level of the opportunity structure and links in the latter, in more loose way, to the macro-institutional framework. (Kloosterman, 2010, p. 25)

It can be concluded that mixed embeddedness in the Chinese Indonesian context takes the form of a micro level of Confucian hard work and harmony with family and co-ethnic support; a meso level of opportunity structures; and a macro level of relationships with government institutions. As already described, for Chinese Indonesians their ability to see market potential has been a very important personality trait. In addition, Confucianism, expressed by hard work and harmony, is proven to be important within the micro environment of ethnic entrepreneurs. In the meso level, opportunity structures are acknowledged as vital contributors to why Chinese have entered the business field. The existence of an ethnic market and bridging to an even more attractive, wider, non-ethnic market have proven to be important stimulators of the entrepreneurial process. Without an attractive market, the process of entrepreneurship would not even be possible. The ability to legally own a business supports the other meso aspects and is proven to be significant for Chinese ethnic entrepreneurs. Finally, well-developed relationships with government institutions overcome discriminatory policies and support Chinese Indonesians in their business activities. Connections to the macro institutional framework enable Chinese ethnic entrepreneurs to overcome formal and informal discriminatory obstacles.

In the previous parts of this chapter, all important contributors to the process of Chinese ethnic entrepreneurship in Indonesia were discussed. In addition, there are two final concepts that are related to the success of Chinese Indonesians: the concepts of *sinyong* (trust) and *guanxi* (business connections, as found in the entrepreneurial literature (Tan, 2000)), are important identifiers of the Chinese-ness supporting the entrepreneurial activity of this ethnic group.

The concept of business networking and its role in the overall success of the business is present in a majority of Asian countries (Gomez, 2007; Biggart and Hamilton,

1997). Academics have pointed out that Asian businesses tend to spend more time and financial resources on building a relationship, which then is transformed into a strong business network. The role of Chinese business networks (guanxi) is very important for Chinese businesspersons, and it is based on personal relationships linked to the exchange of favours in a long-term time frame (Chen and Chen, 2004). This concept is directly linked with two forms of social capital. In both cases, maintaining relationships within one's own ethnic group (bonding capital) and with outside networks (bridging capital) have been proven to support both the creation and growth of Chinese enterprises in Indonesia. The importance of guanxi as a vital Chinese business philosophy has been confirmed in this study. As only 8% of the respondents did not acknowledge guanxi in their business implementation in Indonesia, it can be concluded that business networking is still important for Chinese Indonesians. Respondents showed that Chinese ethnics have used a variety of opportunities to evolve their business networks. Community events, family gatherings, sport, religious, and social events are frequently used as networking opportunities with other individuals and organisations.

In addition to guanxi, the concept of sinyong has proven to be a significant descriptor of how Chinese ethnics operate their entrepreneurships in Indonesia. Almost nine of ten survey respondents identified trust as a very important factor shaping entrepreneurship in Indonesia. Like guanxi, sinyong is a phenomenon that allows all three types of environment to be connected together and interrelate with one another. Both concepts work as a sort of buckle or a clip that allows heterogeneous factors from different levels of the environment to successfully work together. This important finding is based on the results of the survey data. Over 90% of the survey respondents acknowledged that trust plays a significant role while dealing not only with customers

but also with suppliers and business partners. Trust was identified both in the quantitative and qualitative stages of this research as a concept that stands above the division of the environment into micro, meso, and macro categories. Without trust, Chinese ethnic entrepreneurs are not able to take full advantage of the support given to them by their co-ethnics (micro level), and they are not be able to maximize the effects of their hard work. In addition, trust allows them to maximize the opportunities related to ethnic and non-ethnic markets as well as access to legal business ownership (meso level). Finally, without trust Chinese Indonesians are not able to successfully network with government institutions to overcome the negative aspects of institutional discrimination. Moreover, interview participants also acknowledged the importance of trust in their business relations. Interviewees explained the importance of trust as a support of the very weak legal system in which businesses transactions are conducted with special care. Trust taught in families and carried by family names and business brands is a significant force behind the process of ethnic entrepreneurship in Indonesia. For all interviewees, trust plays a very important role and in many cases is a guarantee that things will go well in business. As a result, the qualitative part of this research confirms findings from the surveys. This important finding is in line with studies elaborating on the role of trust in business. Blanchard and Horan presented a simple relationship between trust and developing a business relationship: ‘the more that people trust others and the more they feel that others trust them, the greater the likelihood of cooperation’ (Blanchard and Horan, 1998, p. 295). The role of trust in the creation of social capital is acknowledged by other authors (Akram and Routray, 2013; Turkina and Mai Thai, 2013).

6.3. Contribution of the Study: Advancement of Theory

6.3.1. Objective 3

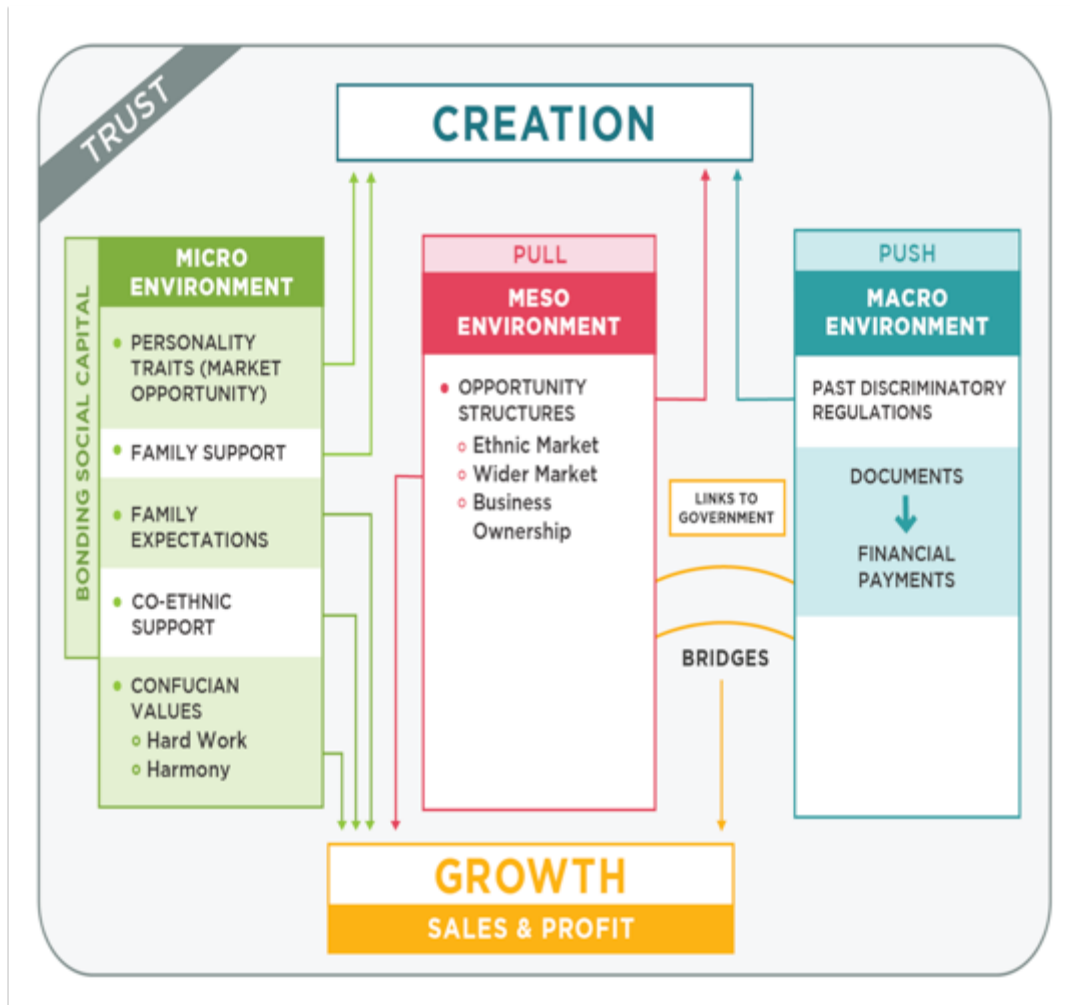
Develop a model of Chinese entrepreneurship in Indonesia evaluating the role of the social capital bonding and bridging characteristic.

The final objective of this project has been to develop a complex model of Chinese ethnic entrepreneurship in Indonesia.

As seen from the data analysis (Chapter 5) and discussion of findings (Chapter 6), there are several important contributors to how Chinese Indonesians create their businesses and help them succeed. As proposed in the conceptual model (Chapter 3), the success of Chinese Indonesians does not depend only on one factor but is rather a combination of a larger number of stimuli that affect the whole process.

In the centre of the model is Kloosterman et al.'s (1999) and Kloosterman's (2010) concept of mixed embeddedness. In the Indonesian context, this concept has also been proven to support Chinese Indonesian entrepreneurs. To succeed in this highly attractive market, they take advantage of several of the entrepreneurial drivers and not only their personalities. The only personality trait that was confirmed to be significant during SEM testing was the ability to see market potential, which positively influenced the entrepreneurial decision to create a business. Other factors, rather than the personalities of the entrepreneurs, proved to be significant for Chinese ethnic entrepreneurs. As can be seen from the model, micro, meso, and macro aspects of the environment are vital and supported the entrepreneurial process.

Figure 6.3. Chinese Ethnic Entrepreneurship in Indonesia Model



Micro, meso, and macro factors have proven to affect Chinese entrepreneurs who operate and succeed in their business ventures. Various factors from all types of environments have acted as windows of opportunity for the entrepreneurs. In the meso level of business operations, the existence of both an ethnic market and a wider non-ethnic market, in addition to access to business ownership, supports business creation. As a result, Chinese ethnic entrepreneurs are able to open a new window of business opportunity that they spot on the local market. The results of this research proved the importance of the opportunity structures during the process of business

creation and provide business growth. In the Indonesian context, opportunity structures work as a pull factor, bringing ethnic employees to the field of entrepreneurship and supporting their expansion. Spotting existing business opportunities pulls Chinese Indonesian ethnics to the entrepreneurship field. In addition to the meso level of the opportunity structures, the macro environment also shapes the entrepreneurial activities of Chinese ethnics. In contrast to the opportunity structures, the macro environment shapes a process of business creation in a totally different way. Discriminatory policies implemented by the Soeharto regime had worked as a strong push factor that forced Chinese to choose this path, in contrast to opportunities present for other ethnicities. In this case, through the discriminatory activity of the local government, Chinese Indonesians were pushed to the field of entrepreneurship, which eventually proved to be very good for them.

This research not only proved the expectation that a pushed social group would search for careers in the entrepreneurial sector (Kushnirovich and Heilbrunn, 2006; Iyer and Shapiro, 1998) but also brought an important insight to the current situation of Chinese Indonesians. Even though Chinese Indonesians admit that their status has improved, they also acknowledge that they still do not feel like they are treated equally with other ethnicities. The discrimination, even though not as widely present as in the past, still acts as a push factor that stimulates the creation of ethnic entrepreneurship.

As seen from the description in the previous part, the personality trait of seeing business opportunity and another micro element of family support shape the process of business creation. Moreover, meso (opportunity structures) and macro factors (discriminatory policies) act as stimuli that support Chinese ethnic entrepreneurs in the process of business creation. In addition, the micro environment (hard work and

harmony) and macro environment (links to government) support the process of business growth. This thesis has brought an important insight to the role of Confucian values for Chinese ethnic entrepreneurs in Indonesia. As seen in the literature review (Chapter 3), Confucianism has been described as a very important concept for the Chinese (Cheung, 2004; Luo, 1997; Redding, 1993). Supporting the conceptual model (Chapter 4), Confucian values have been statistically proven to support the growth of Chinese ethnic businesses in Indonesia. Interview results also support this finding. As a result, two of the Confucian values have been placed in the model presented in this chapter. Confucian hard work and harmony have been supported by statistical hypotheses testing as important stimulators of business growth. Described by previous research (Wei et al., 2010; Dana, 1999; Zhang, 1999), both of these characteristics have been identified as vital tools for Chinese ethnics in Indonesia while operating their businesses. It is fairly logical to link findings of the research with the reality that those entrepreneurs operated in. It is not surprising that hard-working individuals experience sales growth in their businesses. In addition, harmony within an organisation leads to profit increase, as lack of internal conflicts improves synergy within the organisation that affects improved profitability of the businesses. Opportunities in Indonesia act as pull forces in combination with push discriminatory factors to help Chinese Indonesians in their decision to enter the business field. However, they have not proved to be enough to let businesses grow. The Confucian values of hard work and harmony are indeed important factors that allow Chinese ethnic entrepreneurships to grow their sales and profit. Without them, Chinese Indonesians can establish their entrepreneurial presence but would not be able to grow their business ventures and let them succeed in the fertile Indonesian market.

In addition to the presence of Confucian values, two other factors have proven to be significant in the process of Chinese ethnic entrepreneurship growth. Firstly co-ethnic support, which is part of Kloosterman's micro environment, has been acknowledged to successfully shape the growth of business. In the case of Chinese Indonesian entrepreneurship, co-ethnic support and its role in the business growth is observed through double lenses. Firstly, with the social capital lens, help given to entrepreneurs by other Chinese can be seen as a form of bonding social capital. Support of other co-ethnics has been presented in a range of academic articles (Putnam, 1995). Secondly, by looking at this factor through a mixed-embeddedness lens, it can be said that co-ethnic support is part of a wider framework combining factors from the micro, meso, and macro environments to help ethnic entrepreneurs successfully operate in the Indonesian market. In the Chinese Indonesian entrepreneurship model developed in this chapter, co-ethnic support enables Chinese businesses to grow. Supported by both social capital and mixed embeddedness, help given by other ethnic Chinese is proven to be significant for ethnic businesses in achieving their business goal of growth.

Finally, the last significant part of the model developed in this chapter supported by the analysis (Chapter 5) is the concept of bridging social capital. This form of capital has been described in several academic studies (Adler and Kwon, 1999; Boissevain, 1974) and has also proven its significance in the Indonesian context. Based on existing knowledge, it was expected that this form of social capital enabled Chinese ethnic entrepreneurs to expand their business opportunities and take advantage of the wider market as well as link with other networks. As data from the surveys and interviews has shown, bridging social capital in the form of links to the government has supported the financial growth of ethnic entrepreneurships in Indonesia. As in the case of co-ethnic support, links to the government can be seen from two perspectives.

As mentioned already, this type of bridging social capital is seen to be vital for entrepreneurs while conducting business activities, especially in developing countries like Indonesia. In the past, the richest Indonesian tycoons developed favourable relationships with the Soeharto family, which supported their spectacular business success. This thesis has proven that such a situation still remains today. Links to government officials and institutions has proven to have a direct impact on the financial growth of the businesses. The role of links to the government can also be analysed from the perspective of Kloosterman's mixed embeddedness. The current findings support assumptions from the Kloosterman model. A combination of heterogeneous micro, meso, and macro stimuli helped to shape Indonesian Chinese entrepreneurship and supported the success of this ethnic group. Without the support of government institutions, the spectacular business growth of Chinese entrepreneurs would not be possible.

As can be seen from this analysis, Indonesia presents a unique model of ethnic entrepreneurship. On the one hand, discriminatory government policies have been a negative factor that Chinese had to encounter. On the other hand, Chinese Indonesians have been able to develop relationships with government officials from a variety of institutions who supported them in their respective field of operation. Even though the discriminatory laws were mostly implemented before 1998, survey and interview participants acknowledged that the indigenous majority is still not treating them equally. This might support the overall conclusion that forms of informal discrimination still push Chinese ethnics in Indonesia to be engaged in entrepreneurship. In addition, data presented in Chapter 5 also proved that even today, Chinese Indonesians link themselves with the government, which leads to an increase in profitability. As mentioned earlier, developing links to the government enable them

to take full advantage of the favourable market situation. As a result, Chinese Indonesians are able to use this to leave their ethnic environment and grow in wider, more heterogeneous markets.

However, it has to be emphasized that all of this would not be possible without trust, which significantly supports the entrepreneurial process of Chinese Indonesians. Both survey and interview respondents emphasized how trust is important for them while dealing with business partners, suppliers, customers, financial institutions, and government institutions. The concept of *sinyong* has proven to be vital for Chinese Indonesians, and as a result I have placed it in the model, as its overall importance cannot be disregarded. Trust for Chinese Indonesians works as a guarantee that things in business will go the expected way. It can be said that *sinyong* works here as glue that combines together all of the significant factors that shape Indonesian Chinese entrepreneurship. All of the concepts are enriched by trust, which works better than any written contract or other obligation.

To summarize, the model of Chinese ethnic entrepreneurship in Indonesia combines several important concepts. Social capital, taking the form of *micro guanxi*, in its bonding and bridging forms, supported by the Confucian values of hard work and harmony linked with mixed-embeddedness environments through macro links to the government define how Chinese Indonesians create and grow their entrepreneurships. All of this is achieved with the support of trust and somehow forced by family expectations and discriminatory regulations. Finally, it builds on the meso opportunity structures to complete the mixed-embeddedness model proposed by Kloosterman et al. (1999) and Kloosterman (2010).

6.4. Limitations and Directions for Future Research

Like any research, this thesis also has limitations. Firstly, the sample size can be considered to be a main limitation. I planned to survey 250 Chinese ethnic entrepreneurs. The number of returned survey questionnaires was 266; however, only 215 were completed by Chinese Indonesians. These respondents were of mixed positions in their respective companies: 67 were first-generation business owners, 55 second-generation business owners, and 42 third-generation Chinese owners. This brought the total number of survey participants to 164. As a result the sample size, even though still considerably large, was not as large as I expected. This could have affected the results of the research, and the statistical significance. Secondly, the population chosen could have been a weakness. I decided that Chinese Indonesian parents from the Binus School Simprug were a good target for the research. However, in a country as large as Indonesia, and an ethnic community as diverse as the Chinese population, this might have had some impact on the research findings. A third potential limitation of the research was the length of the survey related to the overall complexity of the topic. As one of the objectives of the thesis was to develop a model of Chinese entrepreneurship in Indonesia, evaluating the role of the micro, meso, and macro environment, the survey was designed to gather complex information. It also investigated the significant concepts of social capital and push and pull factors that influenced the entrepreneurial process of Chinese Indonesians. As a result, the research was theoretically broad and led to a rather complex and lengthy survey design. As mentioned in Chapter 5, this became a major issue for some of the respondents. As the research on Chinese Indonesians and their entrepreneurial activities is in its initial stages and theory has not yet been developed, the knowledge gap I faced was rather distinctive. This led me to create a conceptual model that

combined several important concepts such as social capital, mixed embeddedness, and push and pull factors. Another limitation is the fact that I simplified the process and did not separate the outcomes depending on the role of the respondents in their organisations. As analysis of the data did not take into consideration vital differences between first-, second-, and third-generation entrepreneurs as well as their managers and employees, the findings of the research might be too generalised. It is expected that if a sample were divided according to sub-categories of respondents, differences between groups could have been significant. This issue should be addressed in future research where respondents can be divided into homogeneous clusters and findings based on the role in the company can be analysed. Another limitation of the research was the period of the study. A pilot study was conducted in the first half of 2013. The survey was adjusted, and the main study was conducted between November 2013 and May 2014. I planned to receive all surveys by January 2014; however, several factors delayed the process. In addition, data analysis and statistical testing was conducted in the first half of 2015, which further delayed the process. Due to health-related issues and full-time engagement in professional activities, the written data analysis took eight months longer than I had predicted. In addition, conducting qualitative interviewing and analysis of the audio files and transcripts added an additional nine months to the process. All of this brought the process to over seven years in total, which might have had an impact on the overall circumstances that affected the whole process. Finally, as a Polish national living in Indonesia, I have faced some of the cultural issues that also affected the research process. Not being Indonesian Chinese and unable to fully understand the way in which they responded to the research, I overestimated several things. Tens of respondents promised survey return but did not fulfil their promises. Some respondents informed me that they were business owners

even though they were not, which delayed my research, as I had to find replacements. Many surveys were not returned on time or were not completed according to the instructions. The whole process was time consuming as well as frustrating. Having in mind all of these limitations, the following directions for research on Chinese Indonesian entrepreneurs can be recommended.

Firstly, based on existing knowledge and findings of this research, the final model could be further tested, challenged, and developed. As one of the themes of this thesis was the role of social capital, it is recommended to further investigate how bonding and bridging social capital were developed and used by Chinese Indonesian entrepreneurs. Here I have been able only to touch the surface of this phenomenon, and additional research opportunities can be pursued in the future. The present research took into consideration and implemented the mixed-embeddedness model proposed by Kloosterman et al. (1999) and Kloosterman (2010). I tried to place this model in the Indonesian context. Similarly to the concept of social capital, the roles of micro, meso, and macro environments for Chinese ethnic entrepreneurs in Indonesia were researched only briefly, and further research can look deeper into the role of Kloosterman's environments in the Indonesian context. In this research I was able to briefly analyse the role of push and pull factors in the Chinese Indonesian context, and future research can also investigate the impact of those factors. Moreover, research into entrepreneurship of different generations of Chinese Indonesian entrepreneurs can be conducted. I am confident that each generation would be able to exhibit a different model of entrepreneurship.

Secondly, future research on Chinese Indonesian ethnic entrepreneurs can concentrate on different groups of respondents from this ethnic group. I limited this study to the parents of students from the school where I was a teacher. Future research, however,

should be able to approach Chinese Indonesians from other social classes as well as other locations in Indonesia rather than just Jakarta. In addition, researchers on Chinese ethnic entrepreneurship can conduct further studies using other research strategies. I applied a mixed-method approach with surveys and qualitative interviews. Applying other quantitative and qualitative research methods might enrich the findings of the research. In addition, several significant concepts covered here should be further researched. Further analysis of the role of mixed embeddedness for Chinese Indonesians is highly recommended, as my thesis has been able to research only limited aspects of this significant concept. Deeper understanding of the interactions among micro, meso, and macro factors can bring additional knowledge to the entrepreneurial field. This framework can be compared and contrasted with others, such as intersectionality, and tested in the Indonesian setting. In addition, deeper understanding of the role that social capital and other forms of capital play for Chinese Indonesians is also important. Finally, further research on the role of *sinyong* and *guanxi* will bring additional knowledge to the field of Chinese ethnic entrepreneurship, not only in Indonesia but worldwide.

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8. Appendices

Appendix 1: 'List of the Hypotheses for Survey'

Micro Level:

P1: Personal Entrepreneurial Traits combined with the Bonding Social Capital influenced the creation and development of the Chinese ethnic entrepreneurships in Indonesia.

H1: **Personal entrepreneurial traits** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

Sub Hypotheses:

H1.1: **Possessing special personality traits** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.2: **Ability to learn entrepreneurship** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.3: **Creativity** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.4: **Ability to take on perceived opportunities** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.5: **Possessing drive to get things done** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.6: **Setting milestones** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.7: **Ability to network** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.8: **Ability to focus** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.9: **Ability to set and met deadlines** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.10: **Ability to make a recognised difference** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.11: **Courage to deal with setbacks** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H1.12: **Ability to gather right people together** positively impacted the decision of **business creation** by the Chinese ethnic entrepreneurs in Indonesia.

H.2: **Personal entrepreneurial traits** positively impacted **the development** (Growth?) of the Chinese ethnic entrepreneurships in Indonesia.

Sub Hypotheses:

H2.1: **Possessing special personality traits** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.2: **Ability to learn entrepreneurship** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.3: **Creativity** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.4: **Ability to take on perceived opportunities** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.5: **Possessing drive to get things done** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.6: **Setting milestones** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.7: **Ability to network** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.8: **Ability to focus** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.9: **Ability to set and met deadlines** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.10: **Ability to make a recognised difference** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.11: **Courage to deal with setbacks** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H2.12: **Ability to gather right people together** positively impacted **the development** of the Chinese ethnic entrepreneurships in Indonesia.

H.3: Bonding Social Capital in forms of **family and co-ethnics support positively** influenced the **creation and development** of the Chinese ethnic entrepreneurships in Indonesia.

Sub Hypotheses:

H.3.1: **Family support** positively influenced the **creation** of the Chinese ethnic entrepreneurships in Indonesia.

H.3.2: **Co-ethnic support** positively influenced the **creation** of the Chinese ethnic entrepreneurships in Indonesia.

H.3.3: **Family support** positively influenced the **development** of the Chinese ethnic entrepreneurships in Indonesia.

H.3.4: **Co-ethnic support** positively influenced the **development** of the Chinese ethnic entrepreneurships in Indonesia.

P2: Confucian Values combined with the Bonding Social Capital influenced the creation and development Chinese ethnic entrepreneurships in Indonesia.

H.4: **Confucian Values** positively influenced the **creation and development** of Chinese ethnic entrepreneurships in Indonesia.

Sub Hypotheses

H.4.1: **Ability to work hard** positively influenced the **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.4.2: **Respect for learning** positively influenced the **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.4.3: **Respecting hierarchy** positively influenced the **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.4.5: **Family values** positively influenced the **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.4.6: **Importance of harmony** positively influenced the **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.4.7: **Ability to work hard** positively influenced the **development** of Chinese ethnic entrepreneurships in Indonesia.

H.4.8: **Respect for learning** positively influenced the **development** of Chinese ethnic entrepreneurships in Indonesia.

H.4.9: **Respecting hierarchy** positively influenced the **development** of Chinese ethnic entrepreneurships in Indonesia.

H.4.10: **Family values** positively influenced the **development** of Chinese ethnic entrepreneurships in Indonesia.

H.4.11: **Importance of harmony** positively influenced the **development** of Chinese ethnic entrepreneurships in Indonesia.

Meso Level:

P3: Opportunity Structures ‘pulled’ Chinese ethnic entrepreneurs in Indonesia towards entrepreneurship.

H.5: **Opportunity structures** in forms of **ethnic opportunities, presence of a wider non-ethnic market, access to the business ownership and level of market competition** positively influenced **creation and development** of Chinese ethnic entrepreneurships in Indonesia.

Sub Hypotheses

H.5.1: **Opportunity structures** in form of **ethnic opportunities** positively influenced **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.5.2: **Opportunity structures** in form of **ethnic opportunities** positively influenced **development** of Chinese ethnic entrepreneurships in Indonesia.

H.5.3: **Opportunity structures** in form of **presence of a wider non-ethnic market** positively influenced **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.5.4: **Opportunity structures** in form of **presence of a wider non-ethnic market** positively influenced **development** of Chinese ethnic entrepreneurships in Indonesia.

H.5.5: **Opportunity structures** in form of **access to the business ownership** positively influenced **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.5.6: **Opportunity structures** in form of **access to the business ownership** positively influenced **development** of Chinese ethnic entrepreneurships in Indonesia.

H.5.5: **Opportunity structures** in form of **level of market competition** positively influenced **creation** of Chinese ethnic entrepreneurships in Indonesia.

H.5.6: **Opportunity structures** in form of **level of market competition** positively influenced **development** of Chinese ethnic entrepreneurships in Indonesia.

P4: Bridging Social Capital supported development of the Chinese ethnic entrepreneurs in Indonesia.

H.6. **Bridging Social Capital** in forms of **personal relationships, business connections** and **links to the government institutions** positively impacted **development** of the Chinese ethnic businesses in Indonesia.

Sub Hypotheses

H.6.1. **Personal relationships** positively impacted **development** of the Chinese ethnic businesses in Indonesia.

H.6.2. **Business connections** positively impacted **development** of the Chinese ethnic businesses in Indonesia.

H.6.3. **Links to the government institutions** positively impacted **development** of the Chinese ethnic businesses in Indonesia.

Macro Level:

P5: Discriminatory government regulations implemented during Soeharto era were 'push' factors for the Chinese ethnics entering entrepreneurial sector.

H.7: Discriminatory government regulations had positive impact on the business creation decision for the Chinese ethnic entrepreneurs in Indonesia.

P6: Chinese Ethnic entrepreneurs in Indonesia overcome discriminatory Government regulations using Bridging Social Capital.

H.8: Chinese ethnic entrepreneurs in Indonesia used Bridging Social Capital in forms of **personal relationships, business connections** and **links to the government institutions** to overcome impact of the discriminatory government regulations.

Sub Hypotheses

H.8.1: **Personal relationships** positively impacted ability to **overcome impact** of the discriminatory government regulations.

H.8.2: **Business connections** positively impacted ability to **overcome impact** of the discriminatory government regulations.

H.8.3: **Links to the government institutions** positively impacted ability to **overcome impact** of the discriminatory government regulations.

Appendix 2: 'Survey Instrument'

Demographic Information

1. Role in the company	a. 1st generation Owner <input type="checkbox"/>	b. 2nd generation Owner <input type="checkbox"/>	c. 3rd generation Owner <input type="checkbox"/>	d. Employee <input type="checkbox"/>	e. Manager <input type="checkbox"/>
2. Age	below 18	18-25	26-35	36-50	above 50
3. Gender				Male <input type="checkbox"/>	Female <input type="checkbox"/>
4. Education	a. No formal education <input type="checkbox"/>	b. Primary school SD <input type="checkbox"/>	c. SMP, SMA <input type="checkbox"/>	d. U/grad Degree S1 <input type="checkbox"/>	e. Postgrad Degree S2 <input type="checkbox"/>
5. Birth Place			f. PHD <input type="checkbox"/>	g. Other, Specify:	
6. Place of residence	a. Jakarta <input type="checkbox"/>		b. Medan <input type="checkbox"/>	c. Bandung <input type="checkbox"/>	d. S/baya <input type="checkbox"/>
7. Ethnicity				e. Other City, Country:	
8. Have you established this business?	a. Chinese <input type="checkbox"/>	b. Javanese <input type="checkbox"/>	c. Sunda <input type="checkbox"/>	d. Betawi <input type="checkbox"/>	e. Dayak <input type="checkbox"/>
9. 'I chose to be an Entrepreneur because...' (choose up to 3 reasons)	f. Batak <input type="checkbox"/>	g. Mixed:		h. Other:	
10. What other choices have you considered before becoming Entrepreneur? (Choose up to 3 answers)	a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>	If Yes, Answer Questions 9 and 10 next questions 11 and 12		If No, Answer
11. Do you know the person who established this business?	a. Family members suggested it	b. It gave me personal freedom	c. It offered financial incentives	d. I had business connections	e. Indonesia is attractive market
12. Is He/She a member of your family?	f. Govt. Supports businesses	g. I could not work for Govt.	h. Others:		
	a. None. I wanted to be entrepreneur	b. Employee of Govt. sector	c. Employee of Private sector	d. Employee of family business	e. Employee of Chinese business
	f. I had no other choices	g. Others:			
	a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>			
	a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>	If Yes, describe relation to you:		

Company- General information

1. Is this company registered?	a. Yes <input type="checkbox"/>		b. No <input type="checkbox"/>		
2. Does it have Nomor Pajak?	a. Yes <input type="checkbox"/>		b. No <input type="checkbox"/>		
3. Choose Legal Status of the company	a. Single Owner <input type="checkbox"/>	b. Partnership <input type="checkbox"/>	c. Unlimited Liab. CV <input type="checkbox"/>	d. Limited Liab. PT <input type="checkbox"/>	e. Public Ltd (TbK) <input type="checkbox"/>
	f. State-Owned Company <input type="checkbox"/>	g. Foundation-Charity- Yaysan <input type="checkbox"/>	h. Other, Specify:		

4. When was this company established?	Year:				
5. How many employees worked in this company when it was established?	1to5	6to20	21-100	100-500	500+

6. How many employees does this company currently have?	1to5	6to20	21-100	100-500	500+
7. In what sector does your company operate?	a. Mining and quarrying <input type="checkbox"/>	b. Farming, fishery <input type="checkbox"/>	Construction <input type="checkbox"/>	Production <input type="checkbox"/>	e. Hotels, restaurant <input type="checkbox"/>
	f. Education <input type="checkbox"/>	g. Tele-Comm <input type="checkbox"/>	h. Sales <input type="checkbox"/>	i. Distribution	j. Transport
	k. Banking	l. Technology	m. Finance	N. Others:	

8. What is the percentage (%) of the following in your company?	%	Females	Family Members	Chinese ethnics
	a. shareholders			
	b. managers			
	c. employees			

9. What percentage of the sales of your company comes from?	a. Domestic Market %	b. Foreign Market %
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10. What is your main geographical market in Indonesia?	a. Jakarta <input type="checkbox"/>	b. S/baya <input type="checkbox"/>	c. Medan <input type="checkbox"/>	d. Bandung <input type="checkbox"/>
	e. Other City:		f. Province:	

11. Why do Indonesian companies operate on Indonesian Market rather than internationally? **Choose 3 most suitable answers**

a. High potential <input type="checkbox"/>	b. Low competition <input type="checkbox"/>	c. Easier to operate <input type="checkbox"/>	d. Hard to expand overseas <input type="checkbox"/>	e. Government subsidy <input type="checkbox"/>
f. Strong local deman <input type="checkbox"/>	g. Local knowledge <input type="checkbox"/>	h. Other Reasons, Specify:		

12. How can you describe your target market?

a. General population <input type="checkbox"/>	b. Specific group of customers <input type="checkbox"/>
--	---

13. If your company offers products to specified customers choose their **3 most important** characteristics

a. Age <input type="checkbox"/>	b. Gender <input type="checkbox"/>	c. Income level <input type="checkbox"/>	d. Education level <input type="checkbox"/>	e. Location <input type="checkbox"/>
f. Ethnicity <input type="checkbox"/>	g. Profession <input type="checkbox"/>	h. Other, Specify:		

14. When offering discount to your **customers** choose **3 factors** that are the most important.

a. Frequency of purchase <input type="checkbox"/>	b. Volume of purchase <input type="checkbox"/>	c. Family relationship <input type="checkbox"/>	d. Close affiliation (friendship) <input type="checkbox"/>	e. Business relationship <input type="checkbox"/>
f. Ethnic relation <input type="checkbox"/>	g. Other, Specify:			

15. RANK How important are the following as sources of information about **new customers** for your firm :**1. VERY NOT important, 2. NOT important, 3. Important, 4. VERY Important**

a. Family and friends <input type="checkbox"/>	b. Customer or supplier <input type="checkbox"/>	c. Business club <input type="checkbox"/>	Competition activity <input type="checkbox"/>	e. Trade Fares <input type="checkbox"/>
f. Gov't agencies <input type="checkbox"/>	g. Market research <input type="checkbox"/>	h. Others, Specify:		

16. RANK How important are the following as sources of information about **new suppliers** for your firm :**1. VERY NOT important, 2. NOT important, 3. Important, 4. VERY Important**

a. Family and friends <input type="checkbox"/>	b. Customer or supplier <input type="checkbox"/>	c. Business clubs <input type="checkbox"/>	Competition activity <input type="checkbox"/>	e. Trade Fares <input type="checkbox"/>
f. Gov't agencies <input type="checkbox"/>	g. Market research <input type="checkbox"/>	h. Others, Specify:		

17. Who are your close competitors?

a. Small and medium local firms <input type="checkbox"/>	b. Small and med. foreign firms <input type="checkbox"/>	c. Large domestic firms <input type="checkbox"/>	d. Large foreign firms <input type="checkbox"/>	e. Gov't enterprises <input type="checkbox"/>
Other:				

18. How many close competitors does your company have?

a. 1 or 2 <input type="checkbox"/>	b. 3 to 5 <input type="checkbox"/>	c. 6 to 10 <input type="checkbox"/>	d. more than 10 <input type="checkbox"/>
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19.1. According to your knowledge of the market what is approximate market share of your company in your main **local** market?

a. below 5% <input type="checkbox"/>	b. 5-10% <input type="checkbox"/>	c. 11-25% <input type="checkbox"/>	d. 26-50% <input type="checkbox"/>	e. 51%+ <input type="checkbox"/>
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19.2 According to your knowledge of the market what is approximate market share of your company in your main **national** market?

a. below 2% <input type="checkbox"/>	b. 2-5% <input type="checkbox"/>	c. 6-10% <input type="checkbox"/>	d. 11-20% <input type="checkbox"/>	e. 21%+ <input type="checkbox"/>
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20. How would you rate your sales and Profit performance in last 3 years?

1. sales	a. Decreasing MUCH <input type="checkbox"/>	b. Decreasing <input type="checkbox"/>	c. No Change <input type="checkbox"/>	d. Increasing <input type="checkbox"/>	e. Increasing MUCH <input type="checkbox"/>
2. profit	a. Decreasing MUCH <input type="checkbox"/>	b. Decreasing <input type="checkbox"/>	c. No Change <input type="checkbox"/>	d. Increasing <input type="checkbox"/>	e. Increasing MUCH <input type="checkbox"/>

Social Capital

21. How important are the following factors in achieving success of your business?(or other businesses in your sector)

	VERY Important	Not Important	Neither Important Nor Not Important	Important	VERY important
a. Owners' wealth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Owner's education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Owner's experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Family Support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Support of Co-Ethnics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Support of Business Club	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Links to Government Organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Business connections	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Others, Specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. Do you know someone in the following organisations that helps you to do things for your company?

	Yes	No	I don't know
a. Business registry office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Tax office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Police	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Customs office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Immigration office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Court/Judges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Others, Specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. How often does your company (or other firms in your sector) use unofficial payments/ gifts while dealing with?

	Never	Sometimes	Often	Always
a. Customs office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Immigration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Tax office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Registry office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e. License office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Local government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Others, Specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. Does your company get favourable terms of payment from other businesses in the following situations?

	Yes	No
a. High volume of purchased goods	<input type="checkbox"/>	<input type="checkbox"/>
b. Regular orders	<input type="checkbox"/>	<input type="checkbox"/>
c. Membership in the same business association	<input type="checkbox"/>	<input type="checkbox"/>
d. Personal relationship with owner/manager	<input type="checkbox"/>	<input type="checkbox"/>
e. Referral by same ethnic community member	<input type="checkbox"/>	<input type="checkbox"/>
f. Other, specify:	<input type="checkbox"/>	<input type="checkbox"/>

25. How can you describe business networks of your organisation?(Multiple answers possible)

a. Only with several local co-ethnic organisations	<input type="checkbox"/>
b. Only with several (up to 10) local organisations	<input type="checkbox"/>
c. With more than 10 businesses from various sectors and same ethnicities of the owners/managers	<input type="checkbox"/>
d. With more than 10 businesses from various sectors and different ethnicities of the owners/managers	<input type="checkbox"/>

26. Which business **network** in Indonesia offer their members the best advantages? (one answer only)

a. Only with several local co-ethnic organisations	<input type="checkbox"/>
b. Only with several (up to 10) local organisations	<input type="checkbox"/>
c. With more than 10 businesses from various sectors and same ethnicities of the owners/managers	<input type="checkbox"/>
d. With more than 10 businesses from various sectors and different ethnicities of the owners/managers	<input type="checkbox"/>

27. In a business network how would you rank the following factors?

	VERY not important	Not Important	Neither Important Nor Not Important	Important	VERY important
a. Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Network support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Obligation (to support)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Reciprocity (receive favour back)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

28. Do community networks (e.g. social ties with other co-ethnics) support firms in Indonesia?

	YES	NO
a. During Business creation	<input type="checkbox"/>	<input type="checkbox"/>
b. During Business growth	<input type="checkbox"/>	<input type="checkbox"/>
c. During Business maturity	<input type="checkbox"/>	<input type="checkbox"/>

29. How important are the following factors in conducting business in Indonesia while dealing with **business partners, suppliers and customers**?

	VERY Important	Not Important	Neither Important	Not Nor	Important	VERY important
a. Shared Norms of behaviour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Shared Beliefs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. Is your company a member of a business association or chamber of commerce?

a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>
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31. Does **membrship in a business association** (formal and informal) in Indonesia **benefit** the members? (**Multiple answers possible**)

a. No, it's not beneficiary <input type="checkbox"/>
b. Yes, it is beneficiary for members of formal associations <input type="checkbox"/>
c. Yes, it is beneficiary for members of informal associations <input type="checkbox"/>

32. How do Chinese Indonesians create their informal business relationships? (**Multiple answers possible**)

a. During sport activities <input type="checkbox"/>	b. During community events <input type="checkbox"/>	c. During political activities <input type="checkbox"/>	d. During religious activities <input type="checkbox"/>	e. Others, specify:
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33. Agree or disagree with the following statement: *'Trust plays very important role in success of a business while dealing with the following':*

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
a. Business partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Financial Institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Business consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Chinese

ENTREPRENEURS

34. Based on your experience, are Chinese Indonesians successful entrepreneurs?

a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>
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35. 1. In comparison with other ethnic groups in Indonesia, how would you rank Chinese Indonesian entrepreneurs?

a. Much less successful than other ethnic groups	<input type="checkbox"/>
b. Less successful than other ethnic groups	<input type="checkbox"/>
c. As successful as other ethnic groups	<input type="checkbox"/>
d. More successful than other ethnic groups	<input type="checkbox"/>
e. Much more successful than other ethnic groups	<input type="checkbox"/>

35.2. If answered **d and e**: What are the reasons for Chinese Indonesian entrepreneurs being more successful? **Choose 3 answers.**

a. Personality traits <input type="checkbox"/>	b. Family support <input type="checkbox"/>	c. Co-ethnic support <input type="checkbox"/>	d. Business connections <input type="checkbox"/>	e. Business network support <input type="checkbox"/>
f. Cultural aspects <input type="checkbox"/>	g. Innovation <input type="checkbox"/>	h. Hard work <input type="checkbox"/>	i. Luck <input type="checkbox"/>	j. Govt. favours <input type="checkbox"/>
k. ability to spot business potential <input type="checkbox"/>	j. Others, Specify:			

36. How often does your business use support of the following?

	Never	Seldom	Sometimes	Often	Always
a. Family members	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Business network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Co-Ethnics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Personal relationships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Business associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Govt. Support/favours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Others, Specify:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

37. Do Chinese Indonesian entrepreneurs follow the idea of Guanxi?

a. Guanxi does not find implementation in business in Indonesia	<input type="checkbox"/>
b. Guanxi is important for minority of Chinese Indonesian entrepreneurs	<input type="checkbox"/>
c. Guanxi is important for majority of Chinese Indonesian entrepreneurs	<input type="checkbox"/>
d. I don't know	<input type="checkbox"/>

38. How important is a role of 'Sinyong' ('Xinyong')- 'Trust' for Chinese businesses in Indonesia?

a. NOT important <input type="checkbox"/>	b. Not very Important <input type="checkbox"/>	c. Neither important nor not important <input type="checkbox"/>	d. Somewhat Important <input type="checkbox"/>	e. Very important <input type="checkbox"/>
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39. Does social networking help Chinese Indonesian entrepreneurs in succeeding in business?

a. No, it does not <input type="checkbox"/>	b. Yes, sometimes <input type="checkbox"/>	c. sometimes it does, sometimes it does not <input type="checkbox"/>	d. Yes, often <input type="checkbox"/>	e. Yes, always <input type="checkbox"/>
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40. The usual business networks of your firm consist of: **(Multiple answers possible)**

a. Businesses run by family members	<input type="checkbox"/>
b. Businesses run by co-ethnics	<input type="checkbox"/>
c. Businesses run by entrepreneurs you know	<input type="checkbox"/>
d. Businesses run by entrepreneurs you don't personally know	<input type="checkbox"/>

41. What role do the following traditional Confucian values play in life of Chinese Indonesians?

	Not important	Not very important	Neither important Nor not Important	Somewhat Important	VERY important
a. Hard work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Respect for learning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Respecting Hierarchy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Harmony	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Personality Traits

42. Agree or disagree with the following statements

a. Entrepreneurs must possess special personality traits enabling them to succeed in business

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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b. Entrepreneurship can be learned

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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c. Entrepreneurs are creative in conducting their businesses

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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d. Entrepreneurs engage in and take on perceived opportunities

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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e. Entrepreneurs have real drive to get things done as soon as possible

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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f. entrepreneurs set milestones and measure performance

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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g. entrepreneurs know how to network

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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h. entrepreneurs stay focused

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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i. entrepreneurs know how to set and meet deadlines

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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j. Entrepreneurs are able to make a recognised difference

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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k. Entrepreneurs have courage to deal with setbacks

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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l. Entrepreneurs are able to gather right people together

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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Opportunity Structures

43. Compared with other countries with Chinese ethnic population how would you describe business opportunities present in Indonesia?

a. There are less business opportunities in Indonesia than in other countries <input type="checkbox"/>
b. Business opportunities in Indonesia are at the same level as in other countries <input type="checkbox"/>
c. There are more business opportunities in Indonesia than in other countries <input type="checkbox"/>

44. How would you describe Indonesia's business opportunities

a. Indonesia does not have business opportunities <input type="checkbox"/>
b. Indonesia has limited business opportunities <input type="checkbox"/>
c. Indonesian has neither few nor many business opportunities <input type="checkbox"/>
d. Indonesia has many business opportunities <input type="checkbox"/>
e. Indonesia has extensive number of business opportunities <input type="checkbox"/>

45. From what you know about Indonesia 30 years ago how can you describe current business opportunities in Indonesia?

a. Indonesia now offers less business opportunities than 30 years ago <input type="checkbox"/>
b. Indonesia now offers same amount of business opportunities as 30 years ago <input type="checkbox"/>
c. Indonesia now offers more business opportunities than 30 years ago <input type="checkbox"/>

46. What parts of Indonesia offer the best business opportunities in terms of potential profit? **Choose 3 options**

a. Jakarta <input type="checkbox"/>	b. Other big cities (eg. Surabaya) <input type="checkbox"/>	c. Java Island <input type="checkbox"/>	d. Sumatera Island <input type="checkbox"/>	e. Kalimantan island <input type="checkbox"/>
f. Sulawesi island <input type="checkbox"/>	g. Papua Island <input type="checkbox"/>	h. All regions in Indonesia <input type="checkbox"/>	i. Other regions:	j. None regions in Indonesia <input type="checkbox"/>

47. What business sectors in Indonesia offer the best business opportunities in terms of potential profit? **Choose 3 options**

a. Mining and quarrying <input type="checkbox"/>	b. Farming and fishery <input type="checkbox"/>	c. Construction <input type="checkbox"/>	d. Manufacturing <input type="checkbox"/>	e. Communication <input type="checkbox"/>
f. Education <input type="checkbox"/>	g. Wholesale, retail <input type="checkbox"/>	h. Real estate/renting <input type="checkbox"/>	i. Hotels and restaurants <input type="checkbox"/>	j. Transportation <input type="checkbox"/>
Banking and finance <input type="checkbox"/>	Tourism <input type="checkbox"/>	Others, Specify:		

48. 1 Can all business sectors in Indonesia be accessed by potential entrepreneurs?

a. Yes <input type="checkbox"/>	b. No <input type="checkbox"/>
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48.2 If answered **NO**, which sectors cannot be accessed by all entrepreneurs:

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48.3 What are the reasons why these sectors cannot be accessed by all entrepreneurs? **Choose 3**

a. Legal barriers <input type="checkbox"/>	b. Financial barriers <input type="checkbox"/>	c. Tech barriers <input type="checkbox"/>	d. Lack of skilled HR <input type="checkbox"/>	e. Govt. protection <input type="checkbox"/>
f. Strong competition <input type="checkbox"/>	g. Corruption <input type="checkbox"/>	h. Others, Specify:		

49. Assess Indonesian Government support given to the entrepreneurs. Agree or Disagree with the following:

a. Indonesian Government supports entrepreneurs in Indonesia

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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b. Indonesian Government supports entrepreneurs through fair and clear taxation system

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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c. Indonesian Government supports entrepreneurs through clear regulations

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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d. Indonesian Government Agencies promoting businesses encourage entrepreneurship

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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e. Indonesian Government supports entrepreneurs through incentives(e.g. subsidies, tax reliefs)

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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f. Indonesian Government does not discriminate ethnic minorities in conducting business with laws and business regulations

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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g. All ethnicities have same opportunities to establish and grow their business in Indonesia

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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50. **Agree or disagree** with the following statements.

a. President Soeharto Government used to discriminate Chinese Indonesians with prohibited access to some professions (education, army, government positions)

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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b. Discrimination of Chinese Indonesians ended with Soeharto Regime collapse in 1998

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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c. Chinese Indonesians can currently access all business fields, same as ethnic Indonesians

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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d. There were never any discriminative policies implemented by Indonesian government against Chinese Indonesians

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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e. There are currently no discriminative policies implemented by Indonesian government against Chinese Indonesians

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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f. The situation of Chinese ethnics in Indonesia is better than 30 years ago

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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g. The situation of Chinese ethnics in Indonesia is better than 10 years ago

Strongly Disagree <input type="checkbox"/>	Disagree <input type="checkbox"/>	Neither Disagree Nor Agree <input type="checkbox"/>	Agree <input type="checkbox"/>	Strongly Agree <input type="checkbox"/>
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Appendix 3: ‘Interview Protocol ‘

Part 1

General Instructions - Participants

Good morning (afternoon). My name is Bart Wasik. Thank you for coming. This interview is to clarify and explain findings from the first part of my research; the survey.

This interview will seek your opinion and experience on the findings from the survey. Feel free to share your personal, family and professional experience. If something is not clear do not hesitate to ask questions. The purpose is to get your experience and opinions in regards to how Chinese Indonesians conduct their businesses. There are no right or wrong answers so please just take things easy and share your experience. Interview will be based on questions I personally created and it will be conducted by me. I have the list of the questions here but in some cases I will be modifying them or changing order, depending on the flow of the interview we will be having.

The interview and the results are solely used for the academic purposes. Your name will not be published, as some of the topics we might touch are sensitive in Indonesia. I will be giving you statements based on the survey outcomes and ask you to comment on those.

Part 2

Tape recording

I will be recording our conversation with a use of my mobile phone and voice recording software. The main purpose is to get all details and then analyse your

answers. One more time I want to assure you that all your comments will remain confidential. I will be including quotes from each Interview in the doctoral thesis I am working on.

Part 3

Final preparation

Before we start please read the survey questionnaire to recall all of the questions that you have been asked. It has been a while since you participated in the survey and I would like to make sure that you are aware of the content of the survey and findings related to it. Then I will ask you about comments on the main findings from the surveys.

Interview Instrument

1. According to the results of the survey, 80% of the Chinese ethnic entrepreneurs have had university degree? Is it true? National average is much lower.
2. According to my research 63% of Chinese Indonesian business owners were males. So about two thirds. Do you agree with this number?
3. Is there any single factor that made Chinese Indonesian successful?
Or is it what respondents said. Mix of connections, relationships, experience?
4. Do you agree with the results of the survey about support of family and co ethnics? Is family and co-ethnic support still very important for the Chinese Indonesians? Which might be more important?
5. Are Chinese Indonesians successful? If yes why? Is it the mportance of hard work, business connections and family support?
6. Have you ever heard about Confucian values? Do you know what they are? If not maybe I can go one by one and ask you about their importance?

7. Is 'trust' in business important for the Chinese? Can you tell me more about it?

What about business connections 'guanxi'? Research proves importance of those.

8. Do you think Indonesia is an attractive market to conduct business? Is it more attractive than other countries in South East Asia? Is it as attractive as 10 and 30 years ago?

9. What do you think about Chinese Indonesians now? In a matter of being discriminated by the government? Survey results show that in the past Chinese Indonesians were discriminated. Is it better now?

10. Is personality important for the entrepreneurs? Should they possess special traits? If yes what are the traits? Results of the survey show no correlation between having special traits and sales and profit growth.

11. Do you agree that co-ethnic support is more important than the family support in financial growth? Survey respondents presented such opinion. What would be explanation of it?

Why do co ethnic support impacts business growth in form of sales and profit growth?

How come co-ethnic support is more effective than family support?

What could be other factors helping businesses to grow rather than help from family and other Chinese Indonesians?

12. Are you aware of the Confucian values? What do you think about the value of 'hard work' is it important in your family and businesses?

13. What role does 'harmony' play in your family? Is it important? More important than other Confucian values? Is Harmony important in business? Survey results show link between harmony and profit growth.

14. What do you think about Chinese and ethnic opportunities? When creating business now, do Chinese offer their services only to the Chinese or also to other ethnicities? Why yes or why not?

15. What do you think about personal relationships, business connections and links to the government? Are they important in business? How come results of survey show that links to government institutions are the most important? Would you agree with these findings? Why links to the government was the only factor impacting financial growth of businesses?

16. Do you agree that past discrimination of the Chinese 'pushed' them to 'create' businesses?

Is it still valid? Do you feel somehow pushed to own business cause government sectors are close for you? Do you think Chinese are still discriminated in Indonesia? What about the past? Is situation of the Chinese Indonesians better now than 10 and 30 years ago?

Appendix 4: 'List of the Nodes'

List of the Nodes

- **Micro**
 - Personality Traits
 - Creative
 - Hard-working
 - Ability to see opportunities
 - Others
 - Family Support
 - Family Expectations
 - Confucian Values
 - Education
 - Harmony
 - Hierarchy
 - Family Values
 - Working Hard
 - Co-ethnic support
 - Trust
 - Chinese Indonesians
 - University degrees
 - Male entrepreneurs
 - Successful
 - Generational differences

- **Meso**
 - Opportunity structures
 - Ethnic Market
 - Wider Market
 - Business ownership

- **Macro**
 - Idea
 - Discrimination
 - Licenses
 - Financial payments
 - Bridges
 - Personal relationships
 - Business links
 - Links to Government