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# **Entrepreneurship as a Mode of Integration: Experiences of Former Refugees in Belgrade, Serbia**

This paper is exploring refugee entrepreneurship as a possible mode of integration in the host society. Since integration is complex and dynamic process we use multidisciplinary perspective on migration. The paper is based on the qualitative research through three focus group discussions with former refugee entrepreneurs from Bosnia and Herzegovina and Croatia in Belgrade. They are co-ethnic migrants who make the vast majority of population that fled to Serbia in the 1990s from the former Yugoslav republics. The findings give insight into insertion of former refugees into the labour market through self-employment and entrepreneurship. It centres on the small business development strategies through three topics: the market opportunities and motives for entering into entrepreneurship, human capital and social networks and institutional and societal environment. We find that for starting and developing businesses, which is an emergency solution, the focus group participants mostly rely on family members and refugees' social networks. Later strategies of the entrepreneurship development that significantly use market opportunities, access to open market and transnational activities, have been also outlined.

*Key words:* integration, refugee entrepreneurs, small business development strategies, social networks, Serbia

## **Предузетништво као облик интеграције: искуства бивших избеглица у Београду, Србија**

У раду се истражује предузетништво избеглица као могући вид интеграције у друштво земље пријема. С обзиром на то да је интеграција комплексан и динамичан процес, коришћена је интердисциплинарна перспектива проучавања миграција. Рад се базира на квалитативном истраживању, на основу три дискусије, организоване путем фокус група, са бившим избеглицама – предузетницима из Босне и Херцеговине и Хрватске, који су настањени у Београду. То је претежно српска популација, која је чинила већину становништва избеглог у Србију током 1990-их из бивших југословенских република. Резултати показују на који начин су се бивше избеглице путемпредузетништва и samozапослења укључиле на тржиште рада. Истраживање се фокусира на могућности развика малих предузећа, и то кроз три перспективе: мотиве

уласка у предузетништво, људски и социјални капитал, као и институционално и друштвено окружење. Резултати показују да је улазак у предузетништво углавном последица немогућности проналаска адекватног или било ког вида запослења. За започињање и развитак предузетничких активности учесници у истраживању углавном се ослањају на чланове породице и друштвене мреже међу избегличком популацијом. Посебно су истакнуте касније стратегије пословног развитака, које укључују излазак на отворено тржиште и коришћење његових могућности, као и транснационалне активности.

*Кључне речи:* интеграција, предузетништво избеглица, стратегије развоја малих предузећа, друштвене мреже, Србија

Many EU countries are developing mechanisms to encourage entrepreneurship and self-employment of immigrants and thus integrate foreign workers into wider society (Vah-Jevnsnik & Luksic-Hacin 2011; Kloosterman & Rath 2010). In Serbia, the promotion of entrepreneurship by upgrading economic surroundings and legal framework has been more evident in the last ten years. However, the need for boosting economic integration of different immigrant groups through entrepreneurship is not sufficiently recognised.

Although the economic integration of refugees is one of the key aspects of integration into a new society (Ager & Strang 2008) the lack of empirical evidence on refugee entrepreneurship is evident (Garnham 2006) especially in Europe (Wauters & Lambrecht 2008). This is also the case in Serbia (Babovic, Cvejic & Rakic 2007). One of the reasons is the lack of systematic studies on former refugee population' (Allen & Li Rosi 2010, 17) due to the scarce academic literature and limited statistics on the integration of long-term settled refugees (UNHCR 2010). Therefore, the paper centres on integration of former refugees and their insertion into the labour market through self-employment and entrepreneurship. Their specific refugee and entrepreneurial experience can help in better understanding of economic integration of immigrants, especially in the light of recent transit refugee flows through the Western Balkan route. Small business development strategies have been approached through three topics: the market opportunities and motives for entering into entrepreneurship, human capital and social networks and institutional and societal environment (Wauters & Lambrecht 2008; Kloosterman, Van Der Leun & Rath 1999; Waldinger, Aldrich & Ward 1990).

The focus is on population, who fled to Serbia in the 1990s from the former Yugoslav republics. They are co-ethnic forced migrants (Heleniak 1997) who made the vast majority of refugee population in Serbia at the time. Starting from the fact that 2011 Census data indicated a slightly higher share of the former refugee entrepreneurs<sup>1</sup> (8.1%) in the economically active population compared to the host<sup>2</sup> population (6.7%) (Lukic 2015) we discuss the results of the qualitative research through focus group discussion with former refugee entrepreneurs from Bosnia and Herze-

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<sup>1</sup> The term entrepreneurs encompass employers and the self-employed only in the formal sector.

<sup>2</sup> This refers to the population of Serbia without former refugees.

govina (BiH) and Croatia. The fieldwork was conducted in Belgrade, the capital and economic centre of Serbia, home to 25% of all entrepreneurs in Serbia and 35% of former refugee entrepreneurs from the former Yugoslav republics.

## Theoretical framework

Conceptualising the framework for refugee integration in the European context gained increasing attention at the end of 20<sup>th</sup> century. Previous studies show that there is no universal model of immigrant and refugee integration (Valtonen 2004). Integration of refugees is a dynamic process that requires efforts by both parties involved (UNHCR 2005). It covers various aspects of social ties and structural barriers to these ties (language, culture, host communities), practice in the area of citizenship and rights, as well as the domains the majority of integration policies are focused on (employment, housing, education and health) (Ager & Strang 2008). Areas seen as critical to economic self-sufficiency are economic opportunity, language and education (ORR 2007). Employment is generally considered, both by policy analysts and refugees themselves, as a key factor supporting integration especially in countries without government sponsored programmes (Mestheneos & Ioannidi 2002; Djordjevic-Crnobrnja 2017).

In Europe, the policy measures that include entrepreneurship and self-employment focused on reducing the high risks of being marginalised in the labour market have been rapidly developing (OECD 2013). However, it is considered an under-explored area especially among immigrants/refugees, and its potential for the development is under-utilised (Wauters & Lambrecht 2006). The need of refugees for economic and social integration in a new environment can be an additional motive for their decision about self-employment and/or initiation of entrepreneurial activities. Jacobsen (2005, 48) underlines that urban refugees can easily be an economic asset, rather than a burden.

Entrepreneurship among immigrants and ethnic minority communities has been given a significant consideration in the scientific literature, which cannot be said for entrepreneurship among refugees. That is also the case with co-ethnic refugees migrants, who, as defined by Brubaker (1995), after the collapse of a multinational state (such as the former SFRY) and reconfiguration of political space along national lines become “new” ethnic minority and migrate to their “ethnic homelands”. The encounter between the co-ethnic refugees and host population is not a smooth process, and can even lead to conflicts between the newcomers and the hosts (Capo-Zmegac 2007).

It was not until the mid-2000s that the professional and scientific public turned more to researching refugee entrepreneurship (Wauters & Lambrecht 2006; 2008; Garnham 2006). Ethnic and refugee entrepreneurs have both similarities and differences. Garnham (2006) states that the main similarities are the use of the ethnic difference in formulating the business idea and to differentiate themselves out in the marketplace, structure of their business is often the same with reliance on their own ethnic groups for initiating business (Garnham 2006). Wauters and Lambrecht

(2006, 510-511; 2008, 897-898) define the differences between refugees and other immigrant groups that affect their own business start-up and performance as a form of economic integration in the new environment (weak social and financial capital, lack of certificates of education, etc.), which constitute a sufficient justification for conducting research targeting refugee entrepreneurs.

Entrepreneurship of immigrants and members of minority ethnic groups, widely used as a framework to refugee entrepreneurship considerations, is a subject that has for decades been attracting the attention of professional and scientific public. Labour market or resource disadvantage have led immigrants to self-employment (Light 2004). They usually establish themselves in markets with low barriers of entry in terms of capital outlay and educational qualifications (Kloosterman & Rath 2010), with poor prospects for business expansion and a high chance of failure.

Waldinger, Aldrich and Ward (1990) provide a model that contains two sets of variables that influence the success of ethnic entrepreneurship: opportunity structures and group characteristics, as well as ethnic strategies that occur through the interaction of the first two components as a result of adaptation of migrants to the new environment.

The opportunity structures, to which we refer in the paper, involve a wide range of chances to establish a proper business, and consist of market conditions and access to ownership (Wauters & Lambrecht 2008). Opportunities emerge from the development of a new ethnic community, especially if it is large and spatially concentrated. Access to open markets is also possible, although it is a major obstacle for ethnic entrepreneurs, because it is already occupied by host entrepreneurs, and requires a high start-up investment. Market opportunities are not sufficient, since entering into entrepreneurship may be interfered through legal restrictions as well, as we find in our research.

The group characteristics include cultural traditions, ethnic and social networks and it is believed they can explain why certain groups of people become entrepreneurs and others do not. Human capital and social networks are the factors that have the strongest influence on it: human capital, as a set of traits, skills, education, etc. characteristic for each person individually, while social networks can be an important source of information and financial capital (Wauters & Lambrecht 2008). Immigrants experience different restrictions and therefore develop different strategies than domestic population (Waldinger, Aldrich & Ward 1990). It is stated that ethnic entrepreneurs develop different forms of social capital compared to other immigrant workers and thus contribute to the immigrant ethnic communities (Kloosterman & Rath 2010; Waldinger 1986).

Kloosterman, Van Der Leun and Rath (1999) bring the state into the process (Light 2004) through a 'mixed embeddedness' approach. They argue that immigrant entrepreneurial activities can be understood not only within their own social networks, but also within a wider economic (i.e. opportunity structure) and, as stressed in this paper, societal and institutional context within which immigrants are embedded (Kloosterman, Van Der Leun & Rath 1999). In some cases, well inte-

grated immigrants take the opportunities of different institutional structures both in the country of destination and origin and build the open market strategies to expand transnational business activities (Yeung, 2002; Waldinger, Aldrich & Ward 1990). Cultural similarities, as stressed in our research, facilitate expansion of economic activities into global markets (Baltar & Brunet Icart, 2013).

## **Integration of co-ethnic refugees in the Serbian context**

According to census data in the Republic of Serbia there were 277,890 former refugees from the ex Yugoslav republics or 3.9% of the total population in 2011. The largest number of them was in the working-age. Former refugees from the ex Yugoslav republics accounted for 5.4% of the population of entrepreneurs in Serbia (148, 543). They are mostly men in the most active working age, with secondary education and employed in the sphere of trade and services (Lukic 2015).

Although according to the Law on Refugees of the Republic of Serbia from 1992, refugees had the right to employment, they could not be employed in the civil service without Serbian citizenship. Conditions for employment of refugees in the civil service were created at the beginning of 2001, when the procedure for obtaining citizenship for refugees from the former Yugoslav republics was simplified and the possibility of dual citizenship made, so the basis for the integration process of these persons was created. Length of stay in exile positively influenced their determination to integrate into wider society in Serbia (Lukic & Nikitovic 2004) but also the decision to start the company and exit the informal businesses, as stated in our research.

Refugees from the former Yugoslav republics share language, culture and ethnic origin with the host community, which have facilitated integration in their “ethnic homeland” (Heleniak 1997). However, incorporation of co-ethnic refugees in the former Yugoslav republics is a complex process (Capo-Zmegac 2007; Dragojevic 2013). Similar to other findings that point to worse position of refugees in the labour market of receiving countries when compared to the host-country population (Yu, Ouellet & Warmington 2007; Connor 2010) the research findings in Serbia emphasise the difficulties the refugees had regarding the labour market integration (Lukic 2015).

The same system of education in the former Yugoslav republics was a mitigating factor for refugees on the new labour market, in terms of qualifications. Nevertheless the sudden abandonment of the country of origin, typical for refugees (Wauters & Lambrecht 2008), results in a large number of them missing different documents, including those necessary for entering the labour market in the host country. In contrast to these limiting factors, the dual citizenship creates opportunities for mobility and facilitates transnational connections of former refugees between Serbia and the former Yugoslav republics in the sense that they have access to economic and social opportunities in both countries (Allen, Li & Skeie 2010; Jacobsen 2005).

In harmonising the legal framework in the field of entrepreneurship with the relevant policy of the European Union, Serbia has adopted two strategies to support the development of entrepreneurship (OECD 2013; GORS 2014), particularly among women, youth and socially vulnerable groups, including refugees. However, implementation and coordination of the measures included in the strategies remain the main challenge.

## Focus group research

### *Methodology*

The complexity of former refugees entrepreneurial lives cannot be seen through statistical data. That is why focus group, as a qualitative research method, was chosen for this research, in order to better grasp the views and opinions on entrepreneurship as a mode of integration of former refugees from Croatia and BiH in Serbia. Given the fact that in 2011 (Lukic 2015) among former refugee entrepreneurs the most numerous were persons from Croatia (2/3) and Bosnia and Herzegovina (1/3), the participants in two focus groups were former refugees from Croatia and in one focus groups former refugees from BiH living in Belgrade, that had the status of refugees upon their arrival to Serbia.

In the recruitment of participants we used the snowball method in two ways: through the contacts provided by the organisations dealing with refugees, and the contacts through family, friends, and colleagues.

Authors created standardised focus group guidelines, which were used to direct the discussions. The fieldwork was conducted from November 2014 until February 2015. Each focus group session ran for about two hours and all of the recorded material was transcribed and systematically organised according to main topics defined in the introduction of this paper.

The research included a total of 19 former refugee entrepreneurs living in Belgrade: 15 men and four women. 10 had secondary education and 9 had tertiary education. Three were between 20 and 30 years of age, six were in their thirties, eight in their forties and two in their fifties. The focus group participants established companies between 2001 and 2012. The majority were in the retail sector – eight; there were three construction contractors and three transporters, two in manufacturing sector (semi-finished leather products and petroleum products) and one participant who had a service for repairing machines and tools, one had a driving school and one had an agency for renting agricultural machinery. All the companies, except for two, had up to five employees, while one had 15 and the other one had 24 employees. In all the companies all or some of the employees were family members and close relatives.

### *Results*

*Market opportunities.* The largest number of participants in the discussion agree that the main motives for former co-ethnic refugees from the former Yugo-

slav republics to enter into entrepreneurship was to find ways to get to financial resources for their survival in their new environment (Wauters & Lambrecht 2008; Chaganti & Greene 2002). The participants say that ‘*among refugees there was a great motive, i.e., an urge to do something*’, so that they initially accepted any available job.

In the selection of business activities, the participants emphasise that their small initial capital and inadequate qualifications significantly hampered the business start-up and prevented the selection of profitable activities (Light 2004). However, they emphasise that the large number of refugees in Serbia and their geographic concentration in Belgrade represented significant business stimulation (Bevelander 2009). The ability to place their products and services in the group they ‘share biographies’ with (Chaganti & Greene 2002), for the majority of the participants was crucial in selecting the sector and business development. At the same time, development of their businesses contributed to the development of new refugee settlements and communities.

„Half of Busija has the tiles from my warehouse! I let them pay when they could, our people appreciate that!“ (fled from Croatia in 1992, FG 1)

Although the initial business was significantly determined by engagement within the refugee population and the population originating from the same area, the research findings indicate that the later strategies of business development of the participants were significantly useful for market opportunities and access to open market, which added to degree of economic and social integration. However, access to the mainstream market implied a lot of effort. One participant worked as a construction contractor for ten years, working on reconstruction and construction of small auxiliary buildings (garages, sheds, stables), mainly in the informal sector. He believed that the first opportunity for a big project with the host population had to be used as a ticket for future work:

„When I struck the deal for the first house on the main street, I knew that would be the best advertising for my future work. I supervised each detail of the construction ... even today, I take new clients to see that house.“ (fled from Croatia in 1995, FG 2)

Young entrepreneurs who started business after a certain period of residence, education and adaptation to the new environment, as well as family entrepreneurs who engaged two generations of refugees are considered to be much more successful in using benefits of open markets and cooperation with the host population (Kloosterman & Rath 2010).

„Even during my studies I was thinking of having a family business with my father. Now, we process leather, mainly for the Italians. We have expanded our business.“ (fled from Croatia in 1994, FG1).

The lack of initial financial capital is emphasised as one of the biggest obstacles faced by the participants. While pointing out that they tried to choose the activity that required less initial investment, none of the participants used bank loans

or even programs for refugees and former refugees by public and private agencies for their business start-up (Gold 1992). Family, sold property in the country of origin and savings are the main sources of initial financial investments. The lack of assistance from the state or banks is also evident in studies on entrepreneurship of other migrant groups in Serbia (Pavlov, Predojevic-Despic & Milutinovic 2013).

Migrant entrepreneurs face more financial constraints than native entrepreneurs even in the economically developed countries and homeownership increases the probability of being self-employed (Mesters, 2010).

„It was impossible for us to get a loan from any bank as we had nothing of our own left... it is quite clear for me the situation in which Serbia is. It was unrealistic to expect anything from this country ... We sold our lot in Croatia, the only piece of property left there.“ (fled from Croatia in 1994, FG1)

Although there were no major differences between the experiences of former co-ethnic refugees from BiH and Croatia concerning the motives for starting the entrepreneurial business, there were some differences in the attitudes in relation to the choice of business activities, as well as sources of financial capital. It was considerably influenced by faster resumption of ties with BiH, especially with the Republic of Srpska, as well as a bigger chance to maintain contact with the region of origin, than it was the case with Croatia. In addition, BiH had previously created an opportunity for the restitution of property of refugees, which resulted in easier and faster acquisition of start-up financial capital, as well as diplomas on acquired education and qualifications.

„People began to go back and forth more frequently, the corridor was passable. I managed to save just enough to buy a van, I knew the road, I knew the people ...“ (fled from BiH in 1994, FG3)

Re-established connections between BiH and Serbia made it easier for former refugees to get support from family members who remained in BiH. Several participants from BiH say that after the successful initiation of business in Serbia, they connected with relatives and expanded business activities in BiH, by opening branch offices in border municipalities, or placing products from BiH to Serbia.

„The company where I worked had failed and then my uncle from Sokolac helped. I was selling his timber and fuel wood to my acquaintances in Belgrade. I still work with my uncle, I have a warehouse and through my company I sell timber in Serbia.“ (fled from BiH in 1992, FG3)

*Human capital and social networks.* The sudden abandonment of the country of origin and the uncertainty represented a great difficulty for the majority of refugees to exploit the potential of their human capital in the new surroundings (Wauters & Lambrecht 2008; Gold 1992). When asked to name the situations that influenced most in both negative and positive sense on the social and economic status of the refugee population in Serbia during the 1990s, i.e., in the initial phase of integration (Valtonen 2004), the focus group participants emphasised the modest possibilities for developing plans for the future and strategies for coping with the



new conditions, lack of employment record books and diplomas, and in particular the lack of financial assistance of the receiving country.

The same language and ethnicity, great similarities in cultural identity, as well as compliance in the acquired qualifications due to coincidences in the education system in the former Yugoslav republics, somewhat mitigated the sense of insecurity in the initial steps of making their way in a new environment, and contributed to their professional integration (Wauters & Lambrecht 2008). At the beginning, most of them took the jobs that were significantly below their qualifications, i.e., ‘every job was accepted’.

None of the participants knows whether at the time of entering into entrepreneurship there was a possibility to obtain legal advice for starting a business, by the state or any humanitarian organisation. While developing their business they relied on their knowledge and experience, with the support of the closest family members. They emphasise the support network comprised of relatives and friends important for business development, especially those who had helped them in Serbia after their arrival from Croatia and BiH. These social networks are the result of a longstanding tradition of immigration to Serbia from the regions of origin. The assistance of relatives in Serbia in obtaining advice and opportunities for finding a reliable workforce was also a part of their proactive strategy in response to difficult circumstances at the labour market (Valenzuela 2001).

„My cousin had an accounting agency, I was learning the job skills so that we could do the accounting for our company.“ (fled from Croatia in 1993, FG2)

Several focus group participants suggest that through family ties they managed to get to business contacts they could not get on their own, or to reach employees in public administration who helped them solve problems related to the legal status of the company, social or health insurance. In this way they compensated for the lack of ties with the host population, state institutions and businesses, which had a negative impact on their entrepreneurial activity. In addition, the participants emphasise that initially they had contacts mainly with refugees from their regions of origin and not with the entire refugee population from the former Yugoslav republics, which affected the business, especially when choosing business sector and finding trusted associates.

„We come from small towns. We know exactly who is who, we know each other, parents, entire families. This here, it is a jungle, anyone can con you. I have confidence only in our local folks.“ (fled from Croatia in 1993, FG2)

The role of women entrepreneurs in extending business networks is particularly emphasised. The participants state that women entrepreneurs, as well as wives or close female relatives that assisted in the entrepreneurial activities, are *contact conductors* for maintaining and expanding ties with members of the same ethnic group. This has reflected positively on the business because they initially

represented the main market (Waldinger, Aldrich & Ward 1990) and it still is the important market for their products.

The participants emphasise young entrepreneurs as suitable for expanding businesses through the extension of social networks in order to find a wider market (Kloosterman, Van Der Leun & Rath 1999) as a prerequisite for the survival of their businesses, because they have more knowledge, enthusiasm and business ambitions (Jacobsen, 2005).

„I wanted to work in order to feed my family and reach retirement age. My son decided to buy another truck he said that's the future. It was a big risk!“ (fled from Croatia in 1995, FG1)

Expansion of businesses with the country of origin, BiH in this case, is also pointed out as significantly depending on the possibilities of intergenerational family ties, but also on the involvement of people from the local community in which businesses would be conducted:

„I would not have opened a new branch in Bijeljina if I hadn't known the man who is now running it, and also, my father returned there after his retirement.“ (fled from BiH in 1994, FG 3)

*Institutional and societal environment.* When asked what measures of the Republic of Serbia were incentives for entrepreneurship and business development, most of the participants say that the turning point in making a final decision about staying and a more agile building of a 'new life' in Serbia was the possibility of gaining citizenship of the Federal Republic of Yugoslavia / Serbia with the adoption of the Law on Citizenship of 2001. It is in this, second stage of integration in the new environment (Valtonen 2004) after the formal acquisition of Serbian citizenship that they made the decision to enter into entrepreneurship, although some of them were already developing their business in the informal sector.

„Citizenship was a great relief for all of us, another chance! We made quick plans for the company, and I had already worked a little on the side.“ (fled from Croatia in 1994, FG1)

While the inefficient state support for entrepreneurship is evident, the participants are of the view that such a situation has been present for a long time and that entrepreneurs themselves have to take the risk of doing business.

„And here in Serbia, whether it is a war, sanctions, Kosovo, it mostly works the same way. People say - the crisis in Serbia. It is not the crisis, it is simply Serbia.“ (fled from BiH in 1993, FG3)

Young entrepreneurs have heard of some of the new government measures to encourage entrepreneurship. However, they do not believe they can help them, because they refer to the unemployed and those who have just entered into entrepreneurship. Insufficient knowledge of administrative rules, as well as frequent and sudden changes of legislation are the problem and create uncertainty in business planning (Wauters & Lambrecht 2008).

„Business owners are not sufficiently informed, they don't know the laws,... Political influence is strong ... they just change the regulation, and you might become collateral damage.“ (fled from Croatia in 1995, FG2)

On the other hand, participants state that some specific businesses, such as international freight transport, can take advantage of certain legal solutions to significantly expand the business and increase profits through bypassing laws and regulations (Light 2004).

„I have all the permits for Europe, we have fulfilled the required criteria [both of the state and EU, author's note]. Everything is in accordance with the law.“ (fled from Croatia in 1991, FG 1)

In Serbia, international freight transport is tax-exempt. Dual citizenship of Serbia and Croatia allowed the same entrepreneur to establish a company much easier in the EU as well, and thus the opportunity was created for availability of new markets, as well as tax exemption in Serbia.

## Conclusions

Difficulties of former refugees from the ex-Yugoslav republics during the economic integration and inclusion in the labour market, in the conditions of high unemployment of the host population in Serbia were reflected in their greater entrepreneurial activity compared to the host population. They started registering their companies mainly after the conditions had been met for legal integration, after 2001. Until then, the greatest number of the analysed migrant group spent substantial time in Serbia, and thus the length of stay positively affected the integration process and determination to succeed in this new environment. Resolution of property issues, which was conducted with significantly greater success in Bosnia and Herzegovina than in Croatia, created conditions for initial entrepreneurial capital or at least partially alleviated difficult financial situation of migrants from the former Yugoslav republics.

The results of the focus group discussion show the link between various spheres of integration. For the majority of discussants, former refugees, economic integration is a crucial prerequisite for survival in the new environment. Although the choice of business activities and business development initially relied significantly on the needs of the refugee population, later development strategies used market opportunities and possibilities and access to open market. This particularly applies to young entrepreneurs, members of the second generation.

The discussion conclusion points to the important role of various forms of capital in the economic performance of refugees. Social capital is the main resource for business development. Family members and relatives are the biggest support in business operations, while members of the same refugee group are largely recruited as workforce. The sources of support are also the relatives who moved to Serbia in the earlier inner migration waves during the second half of the 20<sup>th</sup> century. Young

former refugees entrepreneurs emphasise that the basic prerequisite for the business development is to expand business networks with the host population. The focus group participants who came from BiH expressed their intentions, and some have even managed to expand business and establish transnational business relationship with the environment of origin, particularly with the Republic of Srpska, with which Serbia has close cultural and economic ties.

The focus group participants say that the biggest obstacles to business are low initial capital and insufficient stimulus from the state, which in their view fails to recognise the importance of entrepreneurship in general. Another problem is the uncertain business environment, and an inability to cope in the administrative regulations, which hinders transformation from informal to formal sector. Entering into entrepreneurship represented an emergency solution for refugees in conditions of lack of public assistance and formal employment opportunities. These circumstances made refugees more willing to take financial risk to make their business work and expand.

In order to stimulate the process of economic and social integration of specific groups of immigrant entrepreneurs it is necessary that the state timely recognises difficulties they face, but also their potential. It concerns provision of information on the possibilities of entering into entrepreneurship and education on legal and economic aspects of starting their own business that would enable their faster transition from the informal to the formal sector, easier access to the mainstream market and expansion of business operations to surrounding countries and countries of origin.

However, due to the small sample size and the method that does not involve longitudinal monitoring of the researched phenomenon the results cannot be generalised. On the other hand, our findings represent the first research in Serbia that analyses the characteristics and specificities of migrant and refugee entrepreneurs and their businesses activities for the purpose of integration in the society of Serbia as a destination country.

The development of entrepreneurship can contribute to the boosting of the very immigrant communities through economic advancement, to the strengthening of social capital and realisation of a win-win effect for both host community and refugees.

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