

## **The Blocked Mobility Hypothesis and Muslim Immigrant Entrepreneurship in Sydney, Australia.**

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### **ABSTRACT**

Muslim immigrants experience much higher unemployment rates compared to other immigrants at twice the national average (Masanauskas 2012). Some argue that this higher unemployment experienced by Muslims in the Australian labor market is because of discrimination and prejudice (Lovatt et al. 2011; Markus 2014). However Collins (2003) argues that the high rate of Muslim immigrant unemployment is due to their blocked labor market mobility in Australia, an experience similar to other immigrant minorities who face blocked mobility. Muslim immigrants often experience informal labor market discrimination; self-employment becomes a more attractive possibility. The research is needed to facilitate greater integration of Muslim immigrants into the wider Australian society. This paper will therefore test the blocked mobility hypothesis on Muslim immigrant entrepreneurship in Australia. Employing a mixed method approach – including both qualitative and quantitative research methodologies. Results from this study could assist new Muslim immigrants who aspire to be entrepreneurs to break into Australian business community. Also, the results could assist other researchers in the field of socio economics and community management. The research, have investigated how entrepreneurship assists in Muslim immigrants' settlement in Australia to be more successful. It has explored the extent in which Muslim entrepreneurs have created jobs for Muslims through the introduction of innovative processes for new products. Only the quantitative result will be discussed in this paper.

Keywords: Immigrant, Muslim Entrepreneurs, Entrepreneurship. Discrimination,

### **1. INTRODUCTION**

Australia is one of the four traditional countries of settler immigration (OECD 2014), along with the USA, Canada and New Zealand and has had a strong immigration

policy and large immigration program for nearly seven decades (Antecol, Cobb-Clark & Trejo 2003; Markus et al 2009; Inglis et al. 2009). The Australian government has managed to absorb larger amounts of immigrants in comparison to most other western nations ever since the middle of the 20th century (OECD 2014). At the 2011 national census 24.6% of the Australian population were born overseas (that is, were first generation immigrants) whilst 43.1% were born in Australia with at least one parent born overseas (second generation immigrants) (Australian Bureau of Statistics 2012). Only Luxembourg and Switzerland have larger immigrant populations than Australia among OECD countries. This large immigrant population has had a significant influence upon Australia's society and economy. This immigrant population has been drawn from all around the globe so that the people of Australia today come from most linguistic, cultural and religious backgrounds in the world today and includes a growing minority of Muslim background. Many immigrants, including Muslims, have turned to entrepreneurship after settling in Australia. Yet while there has been extensive research on the entrepreneurial experiences of many immigrants (Glezer 1988; Pascoe 1990; Lever-Tracy et al 1991; Collins and Castles 1992; Collins 1992; Collins et al 1995; Collins 1998; Ip and Lever-Tracy 1999; Collins 2002a, 2002b; Collins 2003a, 2003b; Collins 2008; Collins and Low 2010, Collins and Shin 2014) there has been little research into Muslim entrepreneurship in Australia or, indeed, globally. The paper attempts to redress this gap in the Australia research by presenting the findings of a survey of Muslim immigrant entrepreneurs in Sydney.

The key research question addressed by this paper is how effective is the blocked mobility hypothesis in explaining the experiences of contemporary Muslim immigrant entrepreneurs in Australia? As Section 3 outlines, the international and Australia literature on immigrant entrepreneurship suggests that for many immigrants the move to move from being employed to being self-employed in the countries in which they settle is often because formal or informal racial discrimination prevents them getting a job or getting a job commensurate with their human capital (what the late Graeme Hugo (2011a: 109) called occupational skidding). Because of this blocked labour market mobility – and also to escape racist experiences in the workplace – many immigrants are motivated to establish their own business. In this sense, the motivation to move to self-employment is the “push factor” of racial discrimination in the labor market. Muslim immigrants in Australia, and globally, have been subject to considerable negative stereotyping – what some scholars call Islamophobia (Hassan and Martin 2015) – since 9/11 so that the hypothesis is that their experience of escalated and extreme workplace and public discrimination (Poynting 2004; Human

Rights and Equal Opportunities Commission 2003; Betts and Healey 2006) would be a key factor in shaping their move to establish a business. Moreover, the secondary research question is the role of the Muslim community in Australia in sustaining and supporting the establishment of the business in the first instance and its growth and survival over time since 'ethnic resources' and 'social capital' generated within well-established ethnic groups have been identified as key resources for immigrant enterprise formation and growth (Light and Gold 2000; Lyon, Sepulveda and Syrett 2007:364).

The methodology employed in the research project on Muslim entrepreneurship in Australia is a mixed-methods approach. Stage 1, presented in this paper, is a quantitative survey of 300 Muslim immigrant entrepreneurs in Sydney. Stage 2 comprises of qualitative in-depth interviews of 20 informants drawn from Stage 1 and will be analysed and presented in future papers drawn from this research project. The survey permits an identification of the relevant factors shaping the Muslim immigrant entrepreneurship experience from establishing the business and running the business (Veal, Veal & Burton 2014). The Stage 1 data collection process was through sequential mixed methods. A sample of 300 Muslim immigrant entrepreneurs from various national backgrounds (countries in the Middle East, Asia, Africa, and Europe), who conduct different types of businesses in Australia, were selected utilizing a purposive sample combined with a networking/snowball sampling methodology to respond to a questionnaire. This sampling methodology is chosen because there are no databases of Muslim immigrant entrepreneurs in Australia from which to draw a random sample of informants. Moreover, a networking/snowball sampling methodology enabled the use of social networks at a range of Mosques in Sydney to recruit informants and establish trust. The wide range of national backgrounds of the informants surveyed is critical because the Australian Muslim community is not homogenous and experiences of blocked mobility may vary per national background. Similarly, a wide-range of Muslim enterprises is required to test blocked mobility against a wide range of Muslim entrepreneurial experiences. Therefore, a diverse set of methods has been employed to mirror these differing experiences.

The structure of the paper is as follows. Section 2 presents background information on Muslim immigrant settlement in Australia in general, with a focus on Sydney. Section 3 presents an overview of the Australian and international literature on immigrant entrepreneurship. Section 4 presents a preliminary analysis of the survey of Muslim immigrant entrepreneurs in Sydney. Section 5 draws some of the key findings from

the research, reflects on the implications of the way that religion shapes immigrant entrepreneurship and raises key questions that need to be addresses in future research.

## **2. MUSLIM IMMIGRANT SETTEMENT IN AUSTRALIA**

The immigration of Muslims to this country has had a history of considerable length. The presence of Islam in the Australian continent can be traced back to an era of pre-British rule in Australia. As early as the sixteenth century the Buginese people of Makassar had established a connection through trade with the indigenous people of Northern Australia, which in turn created a more robust relationship between the two groups from the social aspect of trade (Lloyd et al. 2010). When Australia was under British rule, Muslims provided their services as camel herders to the British which provided them with a purposeful utility that aided them significantly in transporting to remote land and establishing agriculture within the interior of territories in Australia. During that era, Muslims constructed several mosques across the expanse of Australia, some of which were permanent in nature and as such are extant, while others were assembled from tin on temporary basis.

The discussion and analysis of Muslim immigrant entrepreneurship is complicated due to the paucity of study afforded to these cohorts of people. To construct a model of Entrepreneurship amongst immigrants is a complex task , as there are many frameworks and theories of immigrant entrepreneurship that have been proposed, which includes blocked mobility (Collins 2003); mixed embeddedness(Kloosterman & Rath 2001, 2003); ethnic community and family social networks (Portes 1998); ethnic resources (Light & Rosenstein 1995). None of the existing theoretical perspectives are sufficiently comprehensive enough for them to be applied to the study of Muslim immigrant entrepreneurship in Australia. Therefore, in discussing Muslim immigrant entrepreneurship, the research will first discuss the issues related to the business start-up process among Muslim immigrants, and then it will identify the influencing factors and how they in turn effect the potential entrepreneurs' decision to actively starting a business venture. The research has explored the common traits in Australia associated with the start-up process, the role of the market or institution factors, the role of the Islamic religion, and the role of the Muslim community in Australia.

The estimated number of Muslims located in Australia in 2011 was 476,290; where most them emigrated from countries such as Pakistan, Turkey, Afghanistan, Lebanon, Iraq and Indonesia (Australian Bureau of Statistics 2011). Table 1 is an illustrated segmentation of the percentages of the total Muslims within Australia segmented into

their country of birth and also provides what their percentage is in relation to the total Muslims population in Australia. The highest birth place of Muslims is Australia (36% of total Muslims currently in Australia) reflecting the importance of the second and later generation Muslim immigrants. Table 1 also shows that the origins of Muslims not born in Australia have originated from a diverse array of countries. Most Muslims originated from the Middle East and Asia (Lebanon, Turkey, Afghanistan, Iraq, Iran, Bangladesh, India, Pakistan and Indonesia. There are other countries that Muslims have originated from but are minor in number, such as the Pacific (Fiji) and Europe (Bosnia-Herzegovina). The remaining amount of 23.1% is made up of many small nations that do not represent 1% in amount.

**Table 1: Muslims in Australia by national country of birth**

National Country of Birth	Population (%) of Australian Muslims
Australian	36
Lebanese	10
Turkish	8
Afghanistan	3.5
Bosnia-Herzegovina	3.5
Pakistani	3.2
Indonesian	2.9
Iraqi	2.8
Bangladeshi	2.7
Iranian	2.3
Fijian	2
Other Nation Countries	23.1

*Source: ABS, (Australian Bureau of Statistics, 2011), Special Tabulations.*

Muslims have settled in Australia, mostly in major cities such as Sydney and Melbourne (Hugo 2011b; Hugo, Feist & Tan 2013). However, Muslim immigrant

settlement is not equally distributed within these cities especially in Sydney and Melbourne. Most Muslim immigrants can be found in the Western and South-Western suburbs of Sydney. While Muslims vary ethnically and have distinctive perspectives and practices within the Islamic Religion, being a Muslim is a common character identification trait that serves as marker of identification of the individual. Yet, Muslims within Australia are confronted with perplexing conflictual situations that emanate from discrimination. Another aspect of problems inherent in becoming an entrepreneur in Australia of someone from the Islamic faith is discrimination.

The discrimination that is attitudinal proffered by the native Australian population to immigrants as opposed to specific characteristics of the immigrant population. This contingency also impacts on areas such as immigrant employees being underpaid and enhanced amounts of immigrant unemployment. These two areas may also be the impetus in motivating immigrants to become entrepreneurs. Various other areas of immigrant discrimination involve situations such as purchasing goods or services which in turn can be another stimulant to become an entrepreneur especially within ethnic enclaves of considerable size. Conversely, the rate of immigrant entrepreneurs may be reduced from the negative effect of discrimination when a business is in the process of being initiated. This type of discrimination may eventuate from various institutions. Examples of these are bank loan applications and negotiation with suppliers in relation to prices. For instance, they are subjected to anger and aggression which has as its catalyst Islamophobia. Islamophobia has become prolific especially after the 9/11 tragedy in USA and in the following section Islamophobia will be discussed in detail relating to its activity within Australia.

Many scholars define *Islamophobia* as feelings such as dislike, hatred, and especially the fear directed toward Islam or Muslims. For instance, Bleich (2011) defines Islamophobia as the negative attitudes or emotions allayed to Muslims or Islam. Islamophobia is a form of prejudice, where negative prejudgments occur in relation to Muslim individuals where the pre-requisite for those prejudgements is based on their religious background (Kaya 2015). While the term Islamophobia literally means “the fear of Islam”, in popular terminology which signifies negativity and an attitude that is hostile that is pertinent to Islam and Muslims, which has accumulated panoramic exposure in contemporary years which has been a major part of public, political and academic discourse. The term Islamophobia has been extant within Western academic discourse on Islam which spans a considerable historic period, (Hassan & Martin 2015).

The term “Islamophobia” has increasingly become part of contemporary discourse that embodies all the negative attitudes bestowed on followers of the Islamic faith. Examples of these negatives are dread, hatred, hostility and prejudice. These include unfair discrimination against Muslims, both individually, and as a community, and their exclusion from mainstream society, (Hassan & Martin 2015). This makes the blocked mobility hypothesis a very important salient means of testing the experiences of Muslim immigrants in Australia.

### **3. THE INTERNATIONAL LITERATURE ON IMMIGRANT ENTREPRENEURSHIP**

Globalisation has also been accompanied by increasing international migration, rising to over 200 million, double the number 25 years ago (Goldin, Cameron and Balarajan 2011: 213). In this age of globalisation, immigration is becoming increasingly significant in all countries (Castles and Miller 2009: 2-7). Many immigrants move into entrepreneurship, establishing a new small or medium enterprise or taking over an existing one. Entrepreneurship has influence on economic development (Bonito et al., 2017). However, the rates of immigrant entrepreneurship vary from country to country and vary between immigrant groups in each country. According to the OECD (2010: 14): Entrepreneurship tends to be slightly higher among immigrants than among natives in most OECD countries. Around 12.7% of migrants of working age are self-employed, compared with 12.0% among natives... However, rates of entrepreneurship vary significantly between countries and overtime. In countries such as the United Kingdom, France, Belgium, Denmark, Sweden and Norway, the share of entrepreneurs in total employment is 1.6 to 2.9 percentage points higher for migrants compared with natives. Inversely, in Greece, Italy, Ireland, Spain, Switzerland, Austria and Germany foreigners showed a lower propensity than natives to be entrepreneurs, the difference in self-employment rates between the two groups ranging from 0.7 in Germany, to 16.3 percentage points in that of Greece.

There is a strong international literature on immigrant entrepreneurship, pioneered by Ivan Light (1972), demonstrates that immigrants move into entrepreneurship by drawing on class and ethnic resources (Light and Rosenstein 1995), ethnic solidarity (Bonachich and Modell 1980) and ethnic community and family social networks (Portes 1998). To understand the dynamics of immigrant entrepreneurship Waldinger and his colleagues (Waldinger et al., 1990) stressed the importance of understanding

the interaction between the group characteristics of immigrant communities and the opportunity structure in their host country when they settled. Different immigrant groups exhibit different group characteristics (eg, human capital, financial capital, language skills) and arrive in host countries at different times so the opportunities for establishing a new business also change. This in turn helps explain the rates of entrepreneurship and the characteristics of immigrant enterprises. Light and Rosenstein (1995) developed the concept of group characteristics in more detail. Immigrants draw on ethnic resources, they argued, which include 'ethnic ideologies, industrial paternalism, solidarity, social networks, ethnic institutions and social capital' (Light and Rosenstein 1995: 25).

Immigrants also have access to class and other resources that they bring to entrepreneurship and to the 'ethnic economy' (Light and Gold 2000 83-129). Early immigrant entrepreneurship research was largely based on fieldwork in the USA and UK. The continental European experience was very different, with business formation more tightly regulated and controlled by the state. Responding to this, Kloosterman and Rath developed the 'mixed embeddedness' approach (Kloosterman and Rath 2001; Rath 2002) to understanding immigrant entrepreneurship. This stresses how different regimes of regulation of businesses and the informal economy lead to different dynamics of immigrant entrepreneurship in different countries. This mixed embeddedness approach (Kloosterman and Rath 2001; Rath 2002) recognises that immigrant enterprises are embedded in the economic, social and political structure of the broader society which varies substantially from one country to another. This approach also recognises the complex interplay of entrepreneurs' social networks, local and national policies relating to immigration and business ownership, and variations in the market dynamics of different types of goods and services as key factors in shaping the opportunities for immigrant entrepreneurship. A more recent literature on 'Diasporic entrepreneurship' has stressed the critical role that transnational social networks of immigrant communities play in the dynamics and success of immigrant enterprises, particularly in developing nations (Hench 2007, Rezaei, 2011).

In Australia, immigrants have a slightly higher rate of entrepreneurship (18.8%) than non-immigrants (16.3%). However, some immigrant groups, such as the Koreans, have much higher rates of entrepreneurship compared to non-immigrants and other immigrant groups. There is a strong literature on immigrant entrepreneurship in private enterprises in Australia (Glezer 1988; Pascoe 1990; Lever-Tracy et al 1991;

Collins and Castles 1992; Collins 1992; Collins et al 1995; Collins 1998; Ip and Lever-Tracy 1999; Collins 2002a, 2002b; Collins 2003a, 2003b; Collins 2008), but little on Muslim immigrant entrepreneurs. One trend in Australia (Collins and Low 2010) and other countries is the growing number of female immigrants who become entrepreneurs Collins (2003b) argued that immigrant entrepreneurship in Australia is shaped by the intersection of many factors: ethnic resources and networks, class resources, regimes of regulation, inclusion/exclusion, opportunity, gender, racialisation and family. A more recent literature on 'Diasporic entrepreneurship' has stressed the critical role that international social networks of immigrant communities play in the dynamics and success of immigrant enterprises, particularly in developed nations (Henoeh 2007, Newman et al 2010, Rezaei 2011).

#### **4. SURVEY ANALYSIS**

The sample represents respondents with 33 different birth countries where majority of the respondents belong to age groups of 30-39 (34%) and 40-49 (31%). Table 2 shows the birth country and age groups of the respondent in the sample show that 30% of respondents were born in Lebanon (13.33%), Iraq (8%) and Pakistan (8.67%). 12.33% respondents were born in Australia. Another 31.67% of the respondents were born in Afghanistan, Egypt, India, Kenia, Morocco, Sudan, Syria and Turkey. The remaining 36% respondents are from 22 different countries. This reflects the great diversity of the national origins of Australia's Muslim population, diversity reflected in Muslim entrepreneurship in Australia. Moreover, Table 2 shows that 83.7% respondents are aged 30 and above. This also reflects the experience of self-employment among immigrants and non-immigrants in Australia: Most entrepreneurs take some time to get an education, work experience, develop concrete business plans and save up the business capital start-up funds.

Table 3 shows that most of the Muslim entrepreneur respondents are male (76%). This is not surprising since most self-employed in Australia are male. However, as Collins and Low (2010) argued, female immigrant entrepreneurship is growing in importance in Australia and other countries. Further analysis of the quarter of informants who are female will shed more light on the way that gender intersects with religion in Muslim entrepreneurship.

**Table 2 Birthplace and Age of informants**

		age group						Total
		18-24 years	25-29 years	30-39 years	40-49 years	50-64 years	65 years and over	
Country of birth	Afghanistan	0	2	4	2	2	0	10
	Albania	0	0	3	0	1	0	4
	Algeria	0	0	2	5	0	0	7
	Australia	3	15	14	3	2	0	37
	Bangladesh	0	2	2	2	0	0	6
	Bosnia-Herzegovina	0	0	3	2	0	0	5
	Burma	0	0	0	0	2	0	2
	Chad	0	0	0	0	1	0	1
	Egypt	0	0	6	7	3	0	16
	Ethiopia	0	0	1	0	0	0	1
	Fiji	0	1	0	0	0	0	1
	Ghana	0	0	1	0	0	0	1
	India	0	2	7	0	2	0	11
	Indonesia	0	0	6	1	1	0	8
	Iran	0	0	1	0	2	0	3
	Iraq	0	5	2	14	3	0	24
	Jordan	1	2	1	2	0	0	6
	Kenya	0	0	1	1	0	0	2
	Kuwait	0	1	4	3	2	0	10
	Lebanon	0	2	4	16	17	1	40
	Libya	0	0	0	2	0	0	2
	Malaysia	0	0	3	0	0	0	3
	Morocco	0	0	4	5	2	0	11
	Oman	0	1	3	0	0	0	4
	Pakistan	1	3	13	4	5	0	26
	Palestine	0	1	1	2	0	0	4
	Saudi Arabia	0	0	0	0	1	0	1
Somalia	0	0	2	5	2	0	9	
Sudan	0	0	4	7	0	0	11	
Syria	0	5	5	0	0	0	10	
Tunisia	0	1	3	0	0	0	4	
Turkey	0	0	0	9	6	1	16	
Yemen	0	1	2	1	0	0	4	
<b>Total</b>	<b>5</b>	<b>44</b>	<b>102</b>	<b>93</b>	<b>54</b>	<b>2</b>	<b>300</b>	

**Table 3: Gender of participant \* What age group are you in?**

		What age group are you in?						Total
		18-24 years	25-29 years	30-39 years	40-49 years	50-64 years	65 years and over	
Gender of participant	Female	2	8	26	22	13	1	72 (24%)
	male	3	36	76	71	41	1	228 (76%)
<b>Total</b>		<b>5</b>	<b>44</b>	<b>102</b>	<b>93</b>	<b>54</b>	<b>2</b>	<b>300 (100%)</b>
		(1.7%)	(14.7%)	(34%)	(31%)	(18%)	(0.7%)	

### 4.1 BARRIERS EXPERIENCED BY THE RESPONDENTS IN AUSTRALIAN JOB MARKET

The blocked mobility hypothesis puts great weight in negative labour market experiences as a driver of immigrants from wage-labour to self-employment. The unemployment rates of Muslim immigrants are much higher than average (Betts and Healy 2006, Collins 2011). As Tables 4 and 5 show, just over half (56%) of the respondents acknowledge that they experienced unemployment in Australia and, out of those who experienced unemployment, 73.27% (159/217) state that they applied more than 5 times for jobs. The following results indicate a significant ( $p < 0.01$ ) relationship between number of job applications and unemployment experiences of the respondents.

**Table 4: Have you applied for jobs before this business? \* Have you experienced unemployment in Australia?**

		Have you experienced unemployment in Australia?		
		No	Yes	Total
Have you applied for jobs before this business?	No	79	4	83 (27.67%)
	Yes	53	164	217 (72.33%)
<b>Total</b>		<b>132 (44%)</b>	<b>168 (56%)</b>	<b>300 (100%)</b>

The Australia literature points to the way that racial discrimination impact of labour market access for immigrant minorities (Booth et al 2012). To test the impact of Islamophobia in the blocked mobility hypothesis, informants were asked about their experiences of discrimination. Mixed responses are recorded for discrimination experience due to religion. As Table 6 shows, 45.33% respondents report on facing discrimination at workplace due to religion and of these the experiences was so bad that two-thirds (94/136) of these informants left their job because of these experiences of discrimination. Chi-square test shows that discrimination experience at

workplace due to religion is significantly ( $p < 0.01$ ) related to leaving job for discrimination for this sample.

**Table 5: Number of Job Application \* Have you experienced unemployment in Australia?**

	Have you experienced unemployment in Australia?		Total
	No	Yes	
Number of Job Application	79	4	<b>83</b>
1 to 5	41	17	<b>58</b>
5 to 10	11	91	<b>102</b>
10 to 15	0	30	<b>30</b>
15 to 20	1	23	<b>24</b>
20+	0	3	<b>3</b>
<b>Total</b>	<b>132</b>	<b>168</b>	<b>300</b>

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	192.060 <sup>a</sup>	5	.000
Likelihood Ratio	231.246	5	.000
N of Valid Cases	300		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 1.32.

**Table 6: Have you faced discrimination at workplace because of your religion? \* Have you left a job because of discrimination?**

		Have you left a job because of discrimination?		Total
		No	Yes	
Have you faced discrimination at workplace because of your religion?	No	135	2	<b>137 (45.67%)</b>
	Not Relevant	27	0	<b>27 (9.00%)</b>
	Yes	44	92	<b>136 (45.33%)</b>
<b>Total</b>		<b>206 (68.67%)</b>	<b>94 (31.33%)</b>	<b>300 (100%)</b>

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	152.500 <sup>a</sup>	2	.000
Likelihood Ratio	180.943	2	.000
N of Valid Cases	300		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.46.

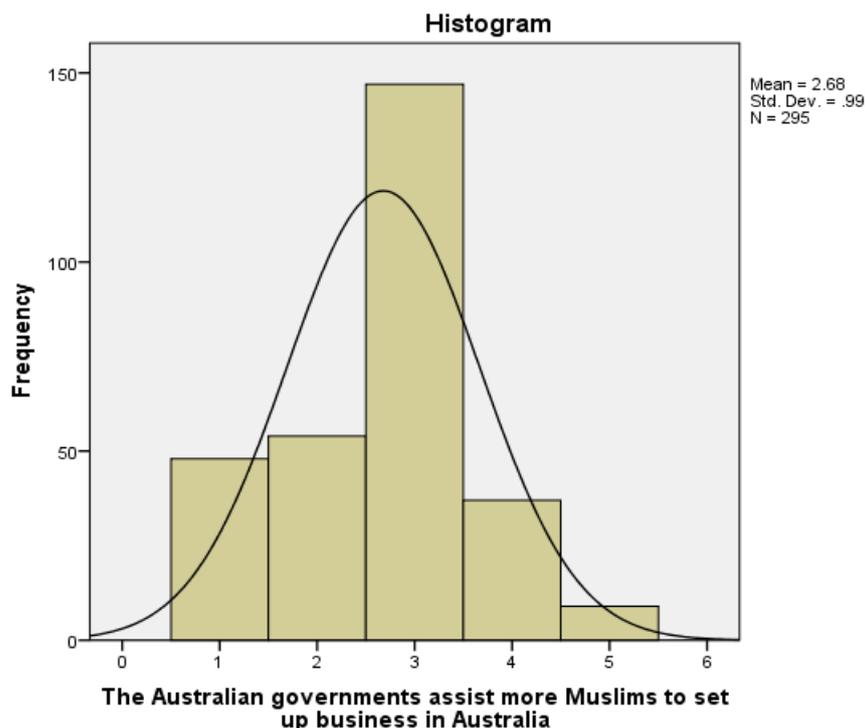
### 4.2 GOVERNMENT SUPPORT FOR THEIR BUSINESS

The Australian (Collins 2003b) and international research (Desiderio, 2014) has indicated that there is little effective government support for immigrant entrepreneurs in most countries. Table 7 reports on the respondents’ experiences in relation to the available supports in Australia for setting up small businesses, data has been collected under Likert 5-point scale to obtain respondents’ attitude towards such supports. In the scale, 1 represents “strongly disagree” and 5 represents “strongly agree” where average is expected to be 3. One sample T-test has been conducted with a test value of 3 to identify the significance of responses in relation to Australian government support, Islamic finance availability, person’s Islamic culture and Australian regulation support.

With respect to the respondents’ attitude towards assistance of Australian government to Muslim immigrants in setting up small businesses, the mean value is 2.68 (< 3) and the result is significant as per one sample T-test (p < 0.05). It indicates that the respondents are not experiencing enough assistance from Australian government in setting up small businesses.

**Table 7: Attitudes towards government assistance**

Statistics		
The Australian governments assist more Muslims to set up business in Australia		
N	Valid	295
	Missing	5
Mean		2.68
Median		3.00
Mode		3
Std. Deviation		.990
Variance		.981
Range		4
Minimum		1
Maximum		5



**One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
The Australian governments assist more Muslims to set up business in Australia	295	2.68	.990	.058

**One-Sample Test**

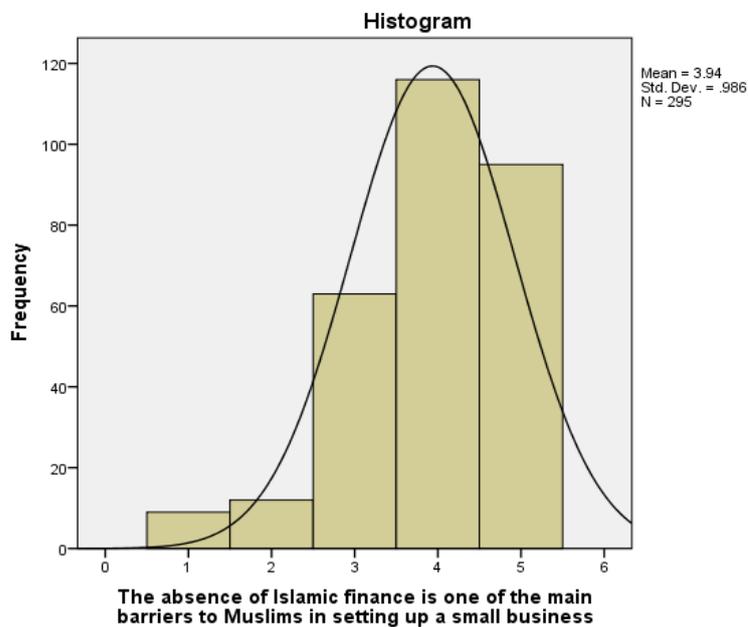
Test Value = 3

	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The Australian governments assist more Muslims to set up business in Australia	-5.584	294	.000	-.322	-.44	-.21

On the other hand, absence of Islamic finance is also considered as one of the main barrier to Muslims in setting up small business. Here, the mean value is 3.94 (> 3) and the result is significant as per one sample T-test ( $p < 0.05$ ). It indicates that the respondents are facing the difficulty in terms of Islamic finance in setting up their small businesses.

**Table 8: The absence of Islamic finance**

Statistics		
The absence of Islamic finance is one of the main barriers to Muslims in setting up a small business		
N	Valid	295
	Missing	5
Mean		3.94
Median		4.00
Mode		4
Std. Deviation		.986
Variance		.972
Range		4
Minimum		1
Maximum		5



Moreover, person’s Islamic culture is also considered to be an obstacle to get job in Australian sector. Here, the mean value is 3.52 (> 3) and the result is significant as per one sample T-test ( $p < 0.05$ ). It indicates that the respondents are experiencing a

barrier to get a job in Australian employment sector due to their Islamic cultural background. Such a barrier may be one of the major factors that are compelling Muslim immigrants to start their own business.

**Table 9: Person's Islamic culture**

Statistics		
Person's Islamic culture is an obstacle to get a job in Australian employment sector		
N	Valid	297
	Missing	3
Mean		3.52
Median		3.00
Mode		3
Std. Deviation		1.103
Variance		1.217
Range		4
Minimum		1
Maximum		5

Furthermore, the respondents' attitude towards Australian regulations in setting up small businesses is also not favourable. Here, the mean value is 2.61 ( $< 3$ ) and the result is significant as per one sample T-test ( $p < 0.05$ ). It indicates that the respondents are also finding Australian regulations as additional obstacle in setting up small businesses.

Overall, the attitude of respondents in the sample reflects that the assistance and environment for Muslim immigrants in setting up small businesses in Australia is not conducive enough.

**Table 10: Attitude towards Australian regulation**

Statistics		
Australian regulations are obstacles in setting up a small business		
N	Valid	294
	Missing	6
Mean		2.61
Median		3.00
Mode		1 <sup>a</sup>
Std. Deviation		1.286
Variance		1.653
Range		4
Minimum		1
Maximum		5
a. Multiple modes exist. The smallest value is shown		

### 4.3 HYPOTHESIS TESTING

It is observed in the above findings that many of the Muslim immigrant entrepreneurs in Australia have started their own businesses despite the lack of trade related qualifications. Many of them migrated to Australia with different backgrounds and qualifications; however, their experience of difficulties in getting job in the Australian employment sector due to their religion and cultural background compelled them to start their businesses. Many others are induced to start the business after leaving jobs due to discrimination at work place relating to their religion and culture. In testing the validity of such responses from the sample respondents, a few hypotheses have been tested below using Chi-square test for relatedness or independence.

(a) *Null Hypothesis: There is no association between number of job applications and experiencing unemployment.*

Applying for job is a mostly a pre-condition of having job. However, after a number of attempts for getting success, the applicant may experience unemployment condition. For the sample respondents, it is assumed that the number of their job applications is not related to their experience of unemployment in Australia. The following results indicate that the relationship between *number of job applications* and *unemployment experience* by the respondents are statistically significant ( $p < 0.05$ ).

Even after getting job, many respondents left the job due to the experience of discrimination at work place for religion and Islamic cultural background. How far such discrimination experience is leading to the decision of leaving job? In testing the validity of such relatedness, it is assumed that there is no relationship between discrimination experience at work place and leaving job.

*(b) Null Hypothesis: Discrimination experience for religion at work place is not associated with the decision of leaving job*

Even after getting job, many respondents left the job due to the experience of discrimination at work place for religion and Islamic cultural background. How far such discrimination experience is leading to the decision of leaving job? In testing the validity of such relatedness, it is assumed that there is no relationship between discrimination experience at work place and leaving job.

*(a) Null Hypothesis: Discrimination experience for religion at work place is not associated with the decision of leaving job*

*(b) The following results indicate that the relationship between discrimination experience for religion at workplace and decision for leaving job by the respondents are statistically significant (p < 0.05).*

<b>Crosstab: Have you faced discrimination at workplace because of your religion? * Have you left a job because of discrimination?</b>				
		Have you left a job because of discrimination?		Total
		No	Yes	
Have you faced discrimination at workplace because of your religion?	No	135	2	<b>137 (45.67%)</b>
	Not Relevant	27	0	<b>27 (9.00%)</b>
	Yes	44	92	<b>136 (45.33%)</b>
<b>Total</b>		<b>206 (68.67%)</b>	<b>94 (31.33%)</b>	<b>300 (100%)</b>
<b>Chi-Square Tests</b>				
	Value	df	Asymptotic Significance (2-sided)	
Pearson Chi-Square	152.500 <sup>a</sup>	2	.000	
Likelihood Ratio	180.943	2	.000	
N of Valid Cases	300			
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.46.				

**Table 11: Crosstab: Have you left a job because of discrimination? \* Have you faced discrimination at workplace because of your religion?**

		Have you faced discrimination at workplace because of your religion?			Total	
		No	Not Relevant	Yes		
Have you left a job because of discrimination?	No	Count	135	27	44	206
		Expected Count	94.1	18.5	93.4	206.0
		% within Have you left a job because of discrimination?	65.5%	13.1%	21.4%	100.0%
		% within Have you faced discrimination at workplace because of your religion?	98.5%	100.0%	32.4%	68.7%
		% of Total	45.0%	9.0%	14.7%	68.7%
	Yes	Count	2	0	92	94
		Expected Count	42.9	8.5	42.6	94.0
		% within Have you left a job because of discrimination?	2.1%	0.0%	97.9%	100.0%
		% within Have you faced discrimination at workplace because of your religion?	1.5%	0.0%	67.6%	31.3%
		% of Total	0.7%	0.0%	30.7%	31.3%
Total		Count	137	27	136	300
		Expected Count	137.0	27.0	136.0	300.0
		% within Have you left a job because of discrimination?	45.7%	9.0%	45.3%	100.0%
		% within Have you faced discrimination at workplace because of your religion?	100.0%	100.0%	100.0%	100.0%
		% of Total	45.7%	9.0%	45.3%	100.0%

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	152.500 <sup>a</sup>	2	.000
Likelihood Ratio	180.943	2	.000
N of Valid Cases	300		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.46.

Whether the job market for Muslim immigrants in Australia is accessible enough that leaving a job due to discrimination experience is not developing unemployment experience in the mind of respective person? In testing the relationship between these two variables, it is assumed that there is no association between leaving a job due to discrimination experience at work place and experiencing unemployment.

(c) *Null Hypothesis: Leaving a job due to discrimination experience for religion at work place is not associated with the feeling of experiencing unemployment.*

The following results indicate that the relationship between *discrimination experience for religion at workplace* and *unemployment experience* by the respondents are statistically significant ( $p < 0.05$ ).

**Table 12: Crosstab: Have you left a job because of discrimination? \* Have you experienced unemployment in Australia?**

			Have you experienced unemployment in Australia?		Total
			No	Yes	
Have you left a job because of discrimination?	No	Count	116	90	206
		Expected Count	90.6	115.4	206.0
		% within Have you left a job because of discrimination?	56.3%	43.7%	100.0%
		% within Have you experienced unemployment in Australia?	87.9%	53.6%	68.7%
		% of Total	38.7%	30.0%	68.7%
	Yes	Count	16	78	94
		Expected Count	41.4	52.6	94.0
		% within Have you left a job because of discrimination?	17.0%	83.0%	100.0%
		% within Have you experienced unemployment in Australia?	12.1%	46.4%	31.3%
		% of Total	5.3%	26.0%	31.3%
Total	Count	132	168	300	
	Expected Count	132.0	168.0	300.0	
	% within Have you left a job because of discrimination?	44.0%	56.0%	100.0%	
	% within Have you experienced unemployment in Australia?	100.0%	100.0%	100.0%	

Chi-Square Tests					
	Value	Df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	40.437 <sup>a</sup>	1	.000		
Continuity Correction	38.859	1	.000		
Likelihood Ratio	43.502	1	.000		
Fisher's Exact Test				.000	.000
N of Valid Cases	300				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 41.36.

b. Computed only for a 2x2 table

	% of Total	44.0%	56.0%	100.0%
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## 5 CONCLUSIONS

There is a strong literature on immigrant entrepreneurship in private enterprises in Australia but little on Muslim immigrant entrepreneurs in particular or on the role of religion in immigrant entrepreneurship in general. This paper has presented the results of a survey of 300 Muslim Entrepreneurs in Sydney to test the hypothesis that formal and informal racial discrimination against Muslims in the labor market and in society acts as a form of blocked mobility that drives them to establish small businesses. Section 2 has outlined the long history of Muslim immigrating to Australia and the great diversity of national backgrounds of today’s Australian Muslim population. Section 3 outlined the national and international literature on immigrant entrepreneurship to frame the questions that would be asked in the survey. This literature suggested that the blocked mobility hypothesis provided a possible explanation as the driving force to explain why these Muslim immigrants moved into entrepreneurship. The survey was designed to include informants who reflect the diversity of the current contemporary Muslim population in western Sydney, the area of greatest Muslim immigrant concentration in Australia. A snowball sampling process was used to recruit informants, using Muslim networks from local western Sydney mosques. Most informants (three out of four) were male though one in four was female.

A key finding of this paper is that most of the Muslim immigrant entrepreneurs surveyed did not report experiences of racial discrimination and most did not experience unemployment in Australia. For these informants, their move into

entrepreneurship was not due to blocked mobility but to other factors. These factors will be explored in future publications, drawing on the qualitative in-depth interviews to flesh out their motivations and business experiences. However, of the 94 of informants who did experience unemployment in Australia, 84 per cent reported that they had left a job because of discrimination. In other words, for about one third of the sample blocked mobility was an important factor in their decision to move to establish their own business in Australia. This finding suggests that while blocked mobility and discrimination are not part of the experiences of most those surveyed they resonate strongly for a large minority of informants. This paper opens up many more research questions about Muslim immigrant entrepreneurs in Australia than have been addressed in this paper. In what ways does the gender of the Muslim immigrant entrepreneur impact of the decision to establish a business in the first place, and on the experiences of the entrepreneur while in business? How does the Muslim social networks of these entrepreneurs' impact on their business in terms of raising finance, finding employees, locating supply chains and finding markets for their goods and services? These issues will be explored in later papers.

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