

## Breaking Limitations: Constraints and Strategies of Indonesian Migrant Entrepreneurship in Taiwan\*

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### [ Abstract ]

As migrants develop businesses abroad, entrepreneurship needs specific strategies due to some barriers when establishing and doing businesses. This paper examines the kinds of problems that have been faced in Indonesian migrant entrepreneurs in Taiwan and how the entrepreneurs cope with the difficulties. They use structural and cultural strategies for survival, seize the opportunities for self-development, and develop future careers. Research result shows that the limitations of Indonesian entrepreneurs in Taiwan are related to institutional issues, migrant status, business regulations, resource-providing institutions, language barriers, competition among migrants and locals, and capital. Hence, migrant entrepreneurs must conduct strategic actions to continue their businesses by developing innovations to grow and survive. Some measures include changing from offline to online marketing especially when the COVID-19 pandemic

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hit, product diversification using migrants and local people's assistance and networks, and setting competitive prices. This paper is based on qualitative research. The data were obtained through interviews in East Java-Indonesia and in Taiwan in 2022. The data were analysed using the descriptive analysis with sociological perspectives.

**Keywords:** constraints, coping strategies, innovations, entrepreneurships.

## I . Introduction

Migrant entrepreneurs who belong to minority groups in foreign countries often face challenges. These obstacles arise from various aspects such as the economic, social, cultural, and regulatory factors of the host country. Nonetheless, despite these challenges, some migrant entrepreneurs manage to overcome them and achieve success. In order to comprehensively understand and analyze the strategic approaches and adaptation of migrant entrepreneurship, it is recommended by Glick-Schiller, Ayşe and Thaddeus C (2006) and Brettell (2003) to broaden the analysis beyond individual entrepreneurs and the economy of ethnic enclaves. Instead, it is more advantageous to consider the symbolic and social dimensions of entrepreneurial activities. Recognizing the importance of individual values in the economic mobility of migrants is crucial for understanding the role of migrant entrepreneurship in shaping their pathways to economic incorporation (Glick-Schiller, Ayşe and Thaddeus C 2006). Similarly, according to Zhou (2004), migrant entrepreneurship should not be regarded solely as a consequence of economic activities, but rather as the endeavor of individuals operating their businesses. This highlights the significance of uncovering both external and internal factors that contribute to their entrepreneurial patterns and strategic models. These two concepts form the basis for constructing the research perspectives.

The challenges faced by entrepreneurs can be categorized into internal and external factors (Rusdiana 2018). The internal factor comes from personal issues, while the external one comes from the

interaction between the persons with their environment. However, when discussing migrant entrepreneurship, some scholars mention that factors such as discrimination, unequal access to financial resources, or lack of information transfer are the barriers (Hatziprokopiou in Davidavičienė and Lolat (2016). Meanwhile, Moon et al. (2014) explains that capital factors for opening a business, understanding regulations and taxes, advertising, licensing processes and requirements, and getting a location are some obstacles for migrant entrepreneurs, either being a new entrepreneur or being in business for a long time. They even find difficulties to get capital from financial institutions. Although the language problem is not so significant, there appears to be cultural differences in this matter (Moon et al. 2014). Meanwhile, Davidavičienė and Lolat (2016) explain that bureaucracy, education levels of the ethnic labor force, lack of knowledge of business culture, competition of EMBs (Ethnic Minority Businesses), access to finance, administrative burden, language, skills, low quality, niche market, and access challenge migrant entrepreneurs in European countries. Almost similar to it, according to the European Commission (Davidavičienė and Lolat 2016), migrant entrepreneurs' limitations also include lack of capital and entrepreneurial skills, training, human resources, organising production, distribution and marketing, and technology. Last but not least, the COVID-19 pandemic has become the current challenge that has made an impact to entrepreneurship in the world (Liñán and Jaén 2022).

This article aims to explore the socio-cultural and legal challenges encountered by Indonesian migrant entrepreneurs, regardless of gender, in Taiwan, as well as their coping strategies in overcoming these obstacles. How Indonesian migrant entrepreneurs have difficulties expressing their social-economic activities, and what strategies they employ to evade strict labor regulations are the questions of this paper. This study provides specific academic contributions in three areas. Firstly, it explores the phenomenon of intra-Asia migrations, with particular focus on migrant entrepreneurship. Secondly, it sheds light on the entrepreneurial endeavors of Indonesian migrants in Taiwan, a prominent but underrepresented migrant population in the country. Lastly, the

study emphasizes the significance of socio-economic and cultural perspectives in understanding the limitations faced by migrant entrepreneurs, as well as the diverse strategies employed to overcome these challenges within different host country contexts.

Based on qualitative research, this study aims to analyze the problems of Indonesian migrant entrepreneurs in Taiwan and strategies to cope with them. This study began with a literature study on migrant entrepreneurs in Taiwan and their profiles, and how they established their businesses in Taiwan. Then, it was followed by field research. The data were obtained through interviews with informants from different professions. The interviews were all recorded, transcribed, and then analyzed. In total, between March to July 2022, there were 18 informants interviewed through the snowball sampling technique. Due to the COVID-19 pandemic, some interviews were conducted with a second layer of informants from East Java, family members of the entrepreneurs and academicians. Then it was followed by field research in Taipei and its surroundings. Online and offline interviews were conducted with Indonesian entrepreneurs residing in Taiwan. The informants consisted of migrant entrepreneurs (12), Non-Government Organizations (NGOs) representatives (2), a government representative (1), a member of the Indonesia-Taiwan entrepreneur association (1), and professionals (2). To analyze the data, socio-economics approaches were used.

This paper is organized as follows: Part 1 introduces the background, significance, purpose, and study method. Part 2 is about migrant entrepreneurship in Taiwan. It discusses the pros and cons of developing business migrants in Taiwan. Part 3 is about Indonesian entrepreneurs in Taiwan. It discusses who the Indonesian migrant entrepreneurs are, their business characteristics, and how they established their businesses. Part 4 is about the barriers to Indonesian entrepreneurs in Taiwan as a minority. Part 5 is about how they cope with the barriers, and finally part 6 is the conclusion.

## **II . Migrant Entrepreneurship in Taiwan**

Some research topics that have been covered in the study of migrant entrepreneurship in Taiwan are as follows: the entrepreneurship mobility of professional western migrants in Taiwan (Tzeng 2012); the Indonesian community and migrant entrepreneurship in Taiwan (Koike 2014; Yuniarto 2015); a study of an Indonesian eating house beside a train station in Taoyuan County (Huang 2009); a study by Chen (2008) on the factors contributing to the politics of location in Indonesian entrepreneurship; the economic constraints of Vietnamese female spouses at eateries in Taiwan (D. Huang, Ching-lung and H. H Hsiao 2012); migrant shops and public spaces for migrant workers in Little Taipei (L. Huang and Douglass 2008); spatial migrant enclaves as public spaces for migrants (K.-H. Chen 2014); and the enclave economy's creation of a social network for migrant workers in Taichung (Nga 2010). These studies on migrant entrepreneurship in Taiwan show that entrepreneurial migrants spread ideas about identities, politics, memories, ethnic solidarity, gender, and transnational space. Under these circumstances, immigrant entrepreneurship not only focuses on ethnic products and ethnic food, but also on immigrant lifestyles, economic disadvantages, and sociocultural connectedness.

Other dimensions, such as identity and memories, involve the values and meaning of migration and entrepreneurship have also been studied. For example, Chi and Jackson (2011) study Thai food in Taiwan and discuss hybridity, authenticity, and transnational products in culinary traditions that affect relationships between people and food. The personal experience of migration and distant memories of travel and tourism form tangible connections to a particular “hometown” cuisine that become imaginative connections between people and places (Chi and Jackson 2011). Similarly, Yuen (2014) discusses how the sale and consumption of Vietnamese cuisine recalls memories that remind migrants of their collective identity as Vietnamese. Their identity as a member of the family and community is negotiated and constructed through cooking, eating, and opening a restaurant.

The development of migrant entrepreneurship is derived from the transnational migrant identity in the host country. Several studies offer examples. Wu (2003) studies how migrant Filipinos

form a community space in Taipei, and L. Huang and Douglass (2008) explore how foreign workers create places for community life, describe the role of entrepreneurship (ethnic shops), and serve to illustrate how migrants re-territorialize the space. Thanks to entrepreneurs, this space not only satisfies the migrant workers' transnational life needs in Taiwan, but also provides a place for the labor community's leisure, consumption, and use as a cultural center. K.-H. Chen (2014) conducts research on "migrant consumption space" in Kaohsiung and Tainan City, showing that migrants and their mode of entrepreneurship influence and change the culture and space; this is referred to as the "result" of a "transnational space" or "divided space." The connection between migrant entrepreneurship and migrant activities affects local lifestyles and changes a shop's mode of operation because of the presence of different cultural groups. Similarly, H.-Y. Chen (2008) identifies a dimension of identity politics in an ethnic enclave economy in the way a migrant economy faces exclusion/inclusion and (de)territorialisation, because it is located far from Taiwan's bustling centre, neighborhoods, and state development. H. Huang (2009) focuses on the way a patriarchal structural system affects the migrant enclave economy and leaves it with only one choice: a "demarcating-the-border operation" rather than a "crossing-the-border operation." A marked difference in flavor makes it very difficult for Taiwanese and migrant food to blend, which has also prevented migrant eatery operators from crossing the ethnic border.

Geographical advantages and traffic convenience, city parks, enclave economies, and train stations are all important factors in forming places for migrant workers to gather and socialize. A study by Nga (2010) on maintaining Vietnamese ethnic networks in the city shows that these relationships and gatherings form a cultural space for the Vietnamese in Taiwan. Location as a factor offers the best opportunity for creating a new social network built on an old social network, thereby contributing to the creation of best conditions for building and forming a Vietnamese community in Taiwan (Nga 2010). One concern regarding migrant entrepreneurship in Taiwan is the presence of female entrepreneurs. D. Huang and Tsay (2012) explore the situation of Vietnamese spouses in Taiwan

and explain the role of gender in migrant entrepreneurship. This study shows that their husbands' families fall mostly into low-income groups in Taiwan. Some husbands are unemployed. Often, female migrant entrepreneurs have to earn enough to support their own families as well as their families in the homeland.

In the multicultural subject area, positive developments have occurred with regard to economic activities and the demand for religious goods/attributes. In writing about Muslims in Taiwan, Widyowati (2014) mentions nine religious activities and ceremonies of Islam: weddings, death processions, Friday prayers, the Ramadan/month of fasting, the celebration of Islamic holidays, Tabligh Akbar, Islamic education, Islamic exhibitions and seminars, and Hajj. These events are very significant to the new market (of business and religion). By providing a strong foundation for Indonesian Muslim entrepreneurs to exploit, they have given rise to very important new business opportunities, especially in Muslim-oriented markets. This situation is related to structural opportunities and migrant enclaves. Such an enclave (niche) provides a very useful and specific catalogue of the types and aspects of ethnic/group businesses, such as the initial help that entrepreneurs give to newcomers, thereby providing a sense of belonging because of shared experiences in their business places, facilitating help in response to discrimination and alienation, or providing a place where religious rituals can be conducted (Nga 2010; Wang 2007).

### III. Indonesian Migrant Entrepreneurship in Taiwan

The early 2000s was a critical time when Indonesian migrant entrepreneurship started to develop massively in Taiwan. From 2000 to 2005, Indonesian migrant workers began to scatter throughout many major cities of Taiwan such as Taichung, Kaohsiung, and other port cities. Every Sunday or holiday, the migrants gathered around Taiwan shops or foreign restaurants, and formed queues to enjoy South-East Asian foods. The enthusiasm of the Indonesian workers for food and the difficulties of getting Indonesian products

encouraged the emergence of new Indonesian entrepreneurs in the business. From 2005 to 2008, more Indonesian migrant businesses were set up in the northern region locations of Taipei City, Danshui, Keelung, or Yilan, and then spread to various places in central and southern Taiwan as well. Estimations by the head of the Indonesian Entrepreneurs Association in Taiwan (*Asosiasi Pengusaha Toko Indonesia di Taiwan, APIT*) show that from 2007 to 2015, the number of Indonesian migrant workers in Taiwan increased, and about 500 mini markets and restaurants were opened. Overall, Indonesian entrepreneurs in Taiwan employ approximately 800-2000 staff, with 2-5 staff each. The current development has undergone a diversification of Indonesian migrant business activities, and it can be categorized into certain types: 1) A halal food, small restaurants and grocery (stalls) combined with simple karaoke facilities; 2) “calling card,” electronic items, and “migrants” magazines; 3) services (shipping goods and call-order commodities); 4) women's products (clothing, cosmetics, pharmaceuticals, and others).

Among the informants interviewed, there were 12 migrant entrepreneurs, four of whom were male, and the rest female. Indonesian migrant entrepreneurs in Taiwan came from different backgrounds, namely 1) students who took Mandarin courses, 2) degree students, 3) professionals, 4) migrant workers, and 5) women married to Taiwanese spouses (Table 1). Taking a look into the visa status, some of the entrepreneurs interviewed cannot be categorized as entrepreneurs or have illegal status as entrepreneurs. The Ministry of Economic Affairs and Overseas Chinese and Foreign Investment Commission identify migrant entrepreneurs as foreign investors who invest in Taiwan ([https://www.moeaic.gov.tw/businessPub.view?lang=en&op\\_id\\_one=1&tab=1#horizontalTab](https://www.moeaic.gov.tw/businessPub.view?lang=en&op_id_one=1&tab=1#horizontalTab)). According to the Indonesian government official data,<sup>1</sup> there are 12,000 Indonesians holding business visas. Indonesian entrepreneurs have to hold a business visa to establish a company. This requirement does not apply to those who are married to Taiwanese residents. They can utilize the status of their spouse as Taiwanese to open the business. As local people, they do not need to fulfil any specific requirements to establish a business. Based on our research

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<sup>1</sup> SY, personal communication, July 12, 2022.



among the interviewees, their characteristics are as follows:

<Tabel 1> Characteristics of the informants

Category	Number	%
TOTAL	12	100
Gender		
Male	4	33
Female	8	67
Business Modes		
Offline	4	33
Online	2	17
offline and online	6	50
Business areas		
Montessori	1	8
Retail and Restaurant	2	17
Restaurant	2	17
Retail	3	25
MLM	1	8
Commerce and trading	1	8
Services	2	17
Previous background		
language course student	1	8
degree student	3	25
Professional worker	1	8
Mixed marriage	4	33
Indonesian couple	1	8
Indonesian worker	2	17

Source: data compilation, fieldwork 2022.

Organizationally, Indonesian migrant entrepreneurs in Taiwan are divided into two groups of formal and informal. The formal group consists of entrepreneurs who are members of *APIT*, an organization that does not only collect data about entrepreneurs in Taiwan but also helps them improve their businesses. Taiwanese authorities also recognize this group. Meanwhile, the informal group usually originates from friendships forged by people from the same area in Indonesia or studying at the same school (Mandarin school), and some groups of entrepreneurs who come from or were under the same migrant workers agency. Some of these include the “Borneo Group”; mixed-marriage Indonesian-Taiwanese Association; “Medan Group”; and “Surabaya Group.” Migrant entrepreneurs may

be any of the following: 1) of Indonesian-Chinese descent (generally from Singkawang, Surabaya, Jambi, Palembang, and Medan) who is married to a Taiwanese man; 2) Indonesian and Taiwanese joint business partnership intentionally forged because of business opportunities; 3) former factory or domestic workers who stay on to become entrepreneurs after contract work; 4) graduate students who put up businesses after learning Mandarin in university and doing part-time jobs (e.g. as translators/language teachers, waitresses at a restaurant, private tutors, office staffs, etc.).

Regarding motivation, they decided to become entrepreneurs for the following reasons: 1) to make money, 2) to take an opportunity, 3) to create activities, 4) to create something new, 5) to do da'wah, and 6) to do self-actualization. Da'wah is an Arabic term that means making conscious efforts to describe how Muslims teach others about the beliefs and practices of their Islamic faith (Huda 2018). These reasons often overlap. For example, some of the Indonesian migrant workers want to make money to survive since they cannot enter any job in the labor market. The only available job is to become an entrepreneur. In addition, some of them see entrepreneurship as part of da'wah activities. As most of the Indonesian restaurants in Taiwan are well-known for their karaoke and alcoholic drink, some of them want to create halal restaurants. Rather than building a karaoke room, they provide a prayer room for their customers.

#### **IV. Constraints of Entrepreneurship**

Constraints of migrant entrepreneurship can be divided into four categories: 1) the governing institution, 2) resource-providing institutions, 3) host country societies, and 4) competition. Governing institution refers to governmental legislation, agreements, and norms that can foster or hinder entrepreneurial activities in the host country (Hamid 2020). Indonesian migrant entrepreneurs have three categories of migrant statuses in Taiwan: Indonesian women married to Taiwanese men, Indonesian entrepreneurs as Alien Permanent Resident Certificate (APRC) holders, and Indonesian

entrepreneurs as Alien Resident Certificate (ARC) holders. Indonesian women married to Taiwanese men have almost no concerns with the governing institution because most of them register their businesses in their husband's name. Besides, many of them have changed their nationality to Taiwanese, allowing them to establish businesses lawfully in the country. Problems may emerge if they divorce their husband while still possessing Indonesian nationality. Indonesian entrepreneurs who hold an APRC may establish a business in Taiwan, subject to the conditions outlined in the chapter on the constraints of entrepreneurship. However, according to an interview with APRC holders, they still struggle to comprehend the regulations on how to set up and run a business in Taiwan due to language barriers. For example, according to DA, "Due to my language barrier, I can only utilize a few words to advertise my product. Given the number of rivals, expanding the market to Taiwanese customers is currently impossible. Because not all Taiwanese understand English, I must choose a language that can be written when deciding what product to promote. The product must therefore be advertised in Mandarin. Even when I asked my husband, he did not comprehend. So everything must be completed by myself."

Another issue is the intricacy of evaluating their business and producing reports under Taiwanese government regulations; they hire a public consultant to address this issue. The last is Indonesian entrepreneurs who are ARC holders; these individuals could be migrant workers or students from Indonesia. Students and migrant workers who hold an ARC are not permitted to have more than one job in addition to the one specified on their visa. A violation of this policy may result in the imposition of fines and even deportation to Indonesia. In order to prevent this, it is feasible to shift the ARC status to APRC, as Taiwan allows eligible migrant workers to switch between ARC and APRC statuses. However, a result of an interview with the Global Worker Organization (GWO) shows that the APRC status of migrant workers differs significantly compared to professional workers or former students. Migrant workers' holding of APRC may prevent them from conducting business in Taiwan. For students, if they have graduated and completed the requirements to

register for the APRC, they can change their status. However, it takes time to change the status from ARC to APRC, despite the fact that students are conducting business in Taiwan primarily to survive during their studies due to limited or no scholarships. Consequently, many of them conduct business secretly. LE, one of the students who manages a photography business in Taipei, states that he frequently refused requests from Taiwanese customers. This is his means of prevention, as he is concerned that local Taiwanese may report him, consequently terminating his endeavors. Therefore, he restricts Taiwanese from purchasing his products and services. In the beginning many Taiwanese curious of his product and services, but later, someone who disliked his business reported him to the police. Since then, Taiwanese have not been involved in his business. A similar case happened to NT, a student in Taichung. She prefers to limit her market to Indonesian and some Filipino workers. She also gains the backing of her professor and a local Taiwanese acquaintance to preserve her business indirectly.

Resource-providing institutions in this regard refer to funding, employee, and protection from unions. Migrant entrepreneurs usually have limited access to funding and resources due to their status as non-citizens. Such is the case of JH who runs an online shop. He mentions that obtaining financing from financial institutions such as banks and supporting agencies is difficult for Indonesian migrant entrepreneurs. When he decided to grow his business by seeking a larger warehouse, he discovered that obtaining a giro and cheque from the bank as a condition to rent a larger warehouse is troublesome. The support he could access is only from family and friends, and by reinvesting all of the earnings he has made thus far. These strategies also apply to the other types of Indonesian migrant entrepreneurs. Indonesians married to Taiwanese take advantage of the "Entrepreneurship Accelerator for Immigrant Women" program established in 2016. Private foundations, government subsidies, and regional immigrant service centers support the initiative. Operating for one year based on the notion of an "accelerator," the program provides immigrant women professional training and start-up capital entrepreneurship courses encompassing finance, operation management, marketing strategy,

and customer management. Participants are encouraged to submit company proposals, compete in entrepreneurial competitions, receive mentoring, and win awards ((LEAP 2019), However, none of the interviewees joined the program due to limited information from and network with immigration officers; the businesses were also not attractive.

In finance, another strategy that may be utilized is acquiring financial support from other Indonesian migrant entrepreneurs. HA, a senior businesswoman in Taiwan with multiple business units in the form of an Indonesian shop, Indonesian catering, and Indonesian snack products, frequently lends money to new entrepreneurs. HA gives financial assistance to several entrepreneurs who want to establish an Indonesian shop or catering to develop the halal food sector in Taiwan. Unfortunately, this financial assistance initiative did not work as planned since establishing and maintaining business continuity are not simple. The Indonesian shops for which HA had provided financial assistance collapsed one by one and could no longer operate.

Another issue for resource-providing institutions is the difficulty in finding employees. Taiwanese law makes it difficult for Indonesian employers to hire workers to support their businesses. LK, an Indonesian student working as a part-timer in a Indonesian restaurant states that Mrs. HA was overwhelmed and had difficulties finding employees back and forth. Indonesians are qualified staff to work at her company; however, it is difficult to employ them due to Taiwan's regulations on hiring migrant workers.

Most Indonesian entrepreneurs are not qualified to bring their own staff from Indonesia. Only Indonesian entrepreneurs with APRCs are able to employ Taiwanese or Indonesian workers for their businesses. This type of migrant entrepreneurs can also provide visas to their workers. However, in order to hire staff, a minimum yearly income of 10 million NT dollars is required. For Indonesian entrepreneurs married to Taiwanese, they may employ a deception strategy to hire Indonesian migrant workers for their business. Those who have an elderly and sick father or mother-in-law will appeal to the government to recruit Indonesian

migrant workers. In the end, Indonesian migrant entrepreneurs appear to have hired migrant workers to care for their parents. Still, they are actually deployed in an Indonesian restaurant. In practice, these migrant workers work in their businesses rather than as caregivers for the elderly. One of the most effortless alternatives to the employee shortage is to hire part-time Indonesian migrant workers or students. In some cases, entrepreneurs invite family members to study in Taiwan and to assist with the business during their free time.

Regarding union protection, most informants state that there are no Indonesian trade unions in Taiwan. APIT is an organization that unites Indonesian entrepreneurs in Taiwan; however, it simply serves as a point of social gathering and not a trade union. Consequently, if they encounter a business problem or obstacle, they attempt to resolve it independently or seek advice from a known senior entrepreneur. Occasionally, they seek assistance from Taiwanese acquaintances familiar with similar obstacles. EA, an Indonesian entrepreneur in the food industry in Zhong Li states that she recognizes the existence of APIT but has no plans to join. EA mentions that the exclusive nature of APIT discourages new entrepreneurs from joining them. Similarly, JH, a young Indonesian entrepreneur, shares EA's view. Though JH often seeks advice from some members of APIT, he has found that the organization is unsuitable for some of the business issues he has faced. He mentions that Indonesian entrepreneurs lack a sense of community in Taiwan. The age difference is relatively significant; thus, the conversation is somewhat out of sync.

The third is the host country's society. It refers to the opportunity for Indonesian entrepreneurs to access the more lucrative local market during business expansion. Attracting local markets is challenging for most Indonesian migrant entrepreneurs in Taiwan. The first obstacle is that most Indonesian migrant entrepreneurs specialize in the food industry. Indonesian food is famous for its mouth-watering flavor and abundance of spices and ingredients. On the other hand, Taiwanese food is frequently bland and prepared differently from Indonesian food. It is challenging for the seller to attract Indonesian buyers if they decrease the flavor to

suit the Taiwanese taste. However, if they stick with Indonesian flavors, the Taiwanese will find it unpalatable. Additionally, Indonesian cuisine is generally more expensive than Taiwanese food, discouraging Taiwanese consumers from purchasing it. Customers from Indonesia purchase Indonesian food to suit their cravings. Most Indonesian customers, especially migrant workers, are not concerned with high costs or poor food quality. On the other side, there are about 300,000 Indonesians residing in Taiwan, which is a substantial number. This situation leads many Indonesian migrant entrepreneurs to believe that expanding their target market to Taiwanese is unnecessary. It is sufficient to target the Indonesian population in Taiwan.

However, EA who sells Indonesian meatballs plans to expand her market to Taiwanese. She thinks that many Taiwanese do not consume beef because they respect cows in their culture. Additionally, Taiwanese beef noodles are popular and Indonesian meatballs could not easily compete. As a result, she introduced Indonesian chicken noodles to diversify her product. When introducing Indonesian chicken noodles, EA understands that Taiwan is popular with its beef noodles. When Taiwanese are introduced to Indonesian meatballs, they say it is excellent, but beef noodles are considerably tastier. Additionally, many Taiwanese are non-beef eaters, so she redirected them to chicken noodles. Many Taiwanese enjoy chicken noodles because the noodles are similar to ramen. She also gives away samples of her products for free to local Taiwanese who come to Longkang Mosque every Friday. With these strategies, local Taiwanese customers started using apps like Ubereats and Food Panda to order her food.

DA who sells Montessori toys does not intend to market her products to local Taiwanese. DA's target markets are Indonesians in Taiwan, particularly Indonesians married to Taiwanese. As a foreign bride, DA has problems obtaining an appropriate instructional medium for her children; therefore, she began importing educational toys from Indonesia. Not all available toys suit her and her children needs particularly in learning Mandarin. She designed educational materials required to learn Mandarin with the assistance of Indonesian craftspeople. Surprisingly, her toys are in high demand

among Taiwanese, with clients from Hong Kong also purchasing her products. She emphasized that Montessori toys have not yet been marketed in Taiwan, nor are they popular there. However, they are abundant in Indonesia. She posts in a Taiwanese mother's group on Facebook every time she purchased Montessori toys from Indonesia. Many Facebook group members became interested in her posts and inquired where to buy the toys. Due to the high demand from the group, she started to sell toys such as playing boards and wooden toys, including Indonesian toy products. The experience of EA and DA demonstrates that product innovation and diversity can be used as strategies to increase the market, including expanding to the local Taiwanese market.

The next constraint is competition with local Taiwanese or Indonesian migrant entrepreneurs. The competition with local entrepreneurs or fellow Indonesian migrant entrepreneurs varies depending on the business types, like YB, an Indonesian migrant entrepreneur based in Hsinchu. YB is currently operating an Indonesian store. His business activities include offering everything Indonesians need in Taiwan, from food and cooking spices to daily necessities like soap, cosmetics, shampoo, etc. His shop also handles deliveries from Taiwan to Indonesia and vice versa. It also offers remittance services from Taiwan to Indonesia and vice versa. However, because of the intensive competition from other similar Indonesian businesses, he expanded his business by offering a selection of halal frozen meats that can be delivered throughout Taiwan. Furthermore, he intends to import goods directly from Indonesia by collaborating with Indonesian migrant entrepreneurs who have established similar enterprises in Japan. However, according to his observation, this strategy is quite tricky since he must compete directly with the local Taiwanese entrepreneurs who are experienced competitors.

Another example, JH who operates a similar business to YB, states that business competition in Taiwan is undoubtedly challenging. Moreover, many Taiwanese entrepreneurs are currently attempting to penetrate the Indonesian market in Taiwan. Together with students and migrant workers who also do the culinary business in Taiwan JH collaborated with Taiwanese entrepreneurs



by purchasing supplies from a Taiwanese entrepreneur. To compete with other Indonesian migrant entrepreneurs, JH uses an online store and social media to target the Indonesian market. This strategy is quite helpful because many Indonesian migrant entrepreneurs focus on offline shops. This strategy boosted JH's business during the COVID-19 pandemic. JS also encourages migrant workers and students to become resellers of his products to lessen the competition.

Selling high-quality products at competitive prices is one of YI's strategies for growing her new restaurant business. As a new player, YI realizes that her products must be distinct from the other competing products that have existed in the market for a long time. YI employs the "fusion strategy" to create products acceptable to Indonesian and Taiwanese tastes by combining Indonesian and Taiwanese styles, spices, and cooking processes. Several competitors have attempted to imitate YI's strategy, but she is sure that the strategy she is using is difficult to duplicate. It is because in the process of creating her products, YI tries numerous times and improves by taking cooking classes and learning first-hand from Taiwanese chefs. A different story comes from FA. According to her, many Taiwanese and Indonesian competitors have attempted to ruin her business. One of their methods is to report certain business activities in her Indonesian shops to be illegal. FA confesses that she lacks the knowledge about Taiwanese business rules; consequently, when a competitor reported it to the police, she explained it to them. FA was disposed to pay the fine since she perceived it as the cost of gaining information and expertise in running a business in Taiwan. She was reported 14 times but had to pay fines only a few times. The police also gave her many directions and information so she would not make the same mistakes again. FA also hired a local Taiwanese consultant to assist her when the report or cases were severe. So far, this technique has shown to be reasonably effective in defending FA's business from competitors' attacks.

LE who owns a photography business employs several strategies to confront his competitors. The first strategy was offering affordable photography services to his core target market, the Indonesian migrant workers. The second strategy is offering other

countries' national costumes to customers. He bought South Korean, Chinese, and Indian traditional costumes in his photography businesses. LE purposefully brought Korean, Chinese, and Indian clothing from their respective countries to enhance the photographs. In addition to making his business difficult to copy, this strategy also distinguishes his established photography business. Unfortunately, LE's business strategy frequently finds barriers particularly from competitors. Many competitors advertise using images of his work. And some competitors are displeased with LE's photographic business and threaten him. He said many Indonesian migrant workers verbally threatened him because he offered inexpensive photography services. They attacked him verbally over Facebook Messenger. They alleged that he charges unfairly. He tried to explain that he is not a professional photographer. His main business is renting costumes. However, some customers request his services to photograph them.

These findings demonstrate that immigrant entrepreneurs from Indonesia confront numerous obstacles and constraints in Taiwan while establishing and expanding their businesses. Several strategies were employed to overcome the barriers and limitations, depending on the types of problems they encountered and their business form. Typically, they attempt to solve the problem independently or seek assistance from friends and family. Some obtained assistance from local public consultants or agencies to deal with more complex cases. Some others relied on the support of the networks from Indonesians or Taiwanese in Taiwan. The support from both the Indonesian and Taiwanese governments is very little.

## **V. Confronting and Overcoming Difficulties**

Most of the Indonesian migrant entrepreneurs in Taiwan started from below. They did not have much money. Just like their co-migrant workers, they struggled to adapt, to make a living, and to do business in Taiwan. One of the strategies to develop business in Taiwan is by maintaining resident status. Indonesian entrepreneurs changed their visa status through marriage or business to continue

staying in Taiwan. As mentioned above, marrying Taiwanese or Indonesian men/women with Taiwanese citizenship to obtain business license is one option for migrant entrepreneurs to regularize their status and realize their business aspirations in Taiwan. According to RA, a female hair salon entrepreneur, marrying a Taiwanese is often done by foreign immigrants who come from low-level economic backgrounds and lack higher education. With this, migrant entrepreneurs can change their visa status from working (business) status to foreign bride status, and thus they can keep running a business and continue staying without a visa status barrier. Indonesian entrepreneurs use this rule to regularize their personal visa business status in Taiwan. On the other hand, according to SS, a female grocer with 20 years of experience working in Taipei, Indonesians who marry Taiwanese also use the marriage as a “ticket” to enter a business, to get financial assistance, and a cheap or free business place, as well as to help the spouse change their status from that of a foreign business person to a resident.

In this context, marriage variables play a significant role, particularly in terms of sustaining long-term entrepreneurship in Taiwan. More specifically, marriage serves as the connection between business operation and sustainability of entrepreneurship because of the migrant's foreign status and other barriers such as lack of Mandarin language. First, business ownership by one of the spouses can provide a way for family-based migrant entrepreneurs to bring in additional family members as employees or under labor contract workers. Second, married Taiwanese spouses can use their status to fulfil business administration regulations.

Taiwan's foreigner regulations to some extent prevent migrants from entering high-end migrant entrepreneurship professions. Foreigners must follow certain standard procedures in establishing a formal business in Taiwan. YB, a senior Indonesian migrant man and household goods reseller in Taipei, reveals that they must apply for a business visa and register the company's name to Taiwan Economic and Trade Office (TETO) in Jakarta. The application forms that must be fulfilled like 1) a copy of bank savings certification ranging from N.T. \$500,000 and 1,000,000 at any of Taiwan banks

(such as Cathay Bank, City Bank, or China Trust); and 2) visa business forms and interviews to get an approval letter; in 60 days TETO immigration office releases a business visa, which means that it must be used immediately to set up businesses in Taiwan. After setting up the business place, the migrants have to submit a business name while Taiwan immigration checks authenticity. Hiring auditors or public accountants check business progress each month (NT\$5,000 per two-month salary) and report it to the local government. Entrepreneurs pay taxes in the amount of NT\$35,000/NT\$2,916 per month. Eventually, they renew their visa and pay NT\$2,000 every two years. These rules are quite troublesome, especially for entrepreneurs with low saving budget.

According to WT, a female street vendor in the Taipei Main Station, some the Indonesian migrant entrepreneurs run business on the street in order to save renting money and avoid taxes. Indeed, the Taipei City Government has forbidden street vendors, and police patrols have wracked the nerves of migrant sellers. For instance, around Taipei Main Station, most of the retailers and services recently have relocated to another place and moved to the Taipei Main Station underground mall. This mall which was not successful in attracting Taiwanese shoppers used to have many empty spaces. Now it has become vibrant after the inflow of migrant-related businesses. In this case, when business activities are incorporated into the formal economy, it makes things more expensive and this place becomes less attractive to migrant workers as the main costumers.

One of the street-business-type obstacles is expulsion by the local police, especially if there is a special event around the station; this is the biggest constraint. The local police will clean up the area from street vendors and migrant workers, which automatically leaves the entrepreneurs' products unsold. This condition reduces revenue, which also means reduce profits. Regarding how to cope with police raids, street vendors share information and call others to hide. Therefore, when the police officers come to their place of business, the place has already been emptied; and when the police walk away and stop their patrol, they immediately open carts again. According to RA, if entrepreneurs are unlucky enough due to being caught by

police officers, they will be ticketed and given a fine, usually as much as NT\$500 (US\$16). No space is provided for street vendors inside of the stations, and if there are stalls available, the price is too high. The cheapest stall is around NT\$20,000 (US\$630) per month for a 2x3 meters area. Therefore, the only way to cope with this problem is through tactical thinking, understanding police behavior, and strategically adapting to other challenges.

To overcome financial barriers, Indonesian entrepreneurs in Taiwan employ various strategies, including leveraging the support of their families, collaborating with fellow businesspersons, or seeking assistance from friends. Joint business ownership and partnership also become a way for entrepreneurs who lack human resources to develop a business. Entrepreneurs who successfully develop their own businesses tend to expand sales and consumer networks. They search for someone who wants to become their business partner as a retailer of their products. For instance, DV, the owner of Indo Sari, one of the largest chains of Indonesian food shops, grocery stores, and restaurants in Taipei, has developed relationships through a partnership (collusion and nepotism) mechanism for business entrepreneurship. Every day, he provides catered food and phone cards from Indo Sari, and rides a bike to his retailer to go to Taipei Hospital and Yonghe Park near his place of residence, selling his products to Indonesians. This is how Indonesian entrepreneurs resolve financial barriers and develop businesses in Taiwan.

When it comes to employee recruitment, entrepreneurs often prioritize hiring relatives, close friends, or even taking on the responsibilities themselves. Indonesian migrant entrepreneurs in Taiwan also employ additional strategies, such as recruiting and effectively managing diligent, trustworthy, skilled, and cost-effective employees. Furthermore, collaborative partnerships often revolve around familial connections, and cultivating relationships with customers has proven crucial in demonstrating the quality of service. For instance, gaining consumer support through services like courier business remittance or organizing birthday party celebrations has been observed.

Entrepreneurship necessitates a broader range of skills, including adeptness in business management, acquiring knowledge about consumer culture, and securing capital investments. Market changes and emerging competitors are obstacles that are often encountered and not avoidable. Copying other businesses and replacing or occupying other businesses usually happen in businesses related to migrant entrepreneurs. Actually, business does not always go smoothly. According to KR, ex-migrant entrepreneur who was return back Indonesia, most of the entrepreneurs use new strategies by connecting with their family or friends in Indonesia to send packages of products, and then applying a direct selling system around mosques and factories, or visiting parks where migrants usually gather. Online social media such as Facebook or LINE are also commonly used for selling products. The combination of cheap gadgets and cheap internet makes selling migrant products (clothes, food, or electronics) easier. However, these alternative ways have challenged the well-established entrepreneurs resulting in the decrease in the number of customers. Thus, there are always business risks faced by the entrepreneurs.

Developing a business by investing in product innovation to make one's business as dissimilar as possible from the competitors' is not easy. This may be in the form of creating new markets and target new customers, may involve not only Indonesians but also migrants from other countries or new entrepreneurs too. This strategy seems to be less frequently done. As observed from hundreds of Indonesian restaurants, very few are well-known among Taiwanese, such as "Muslim Restaurant" in Kaohsiung or "Satay House" in Taipei. From observation, only few Indonesian business owners have tried to invest money to develop their businesses and to make them more attractive by putting in great decorations and expanding locations. However, compared to Western or other South Asian countries, Indonesian restaurants are relatively less known. According to DE, head of the Indonesian Entrepreneurs Association in Taiwan, Indonesian entrepreneurs typically prefer to open business branches in various regions in Taiwan to retain benefits as much as possible rather than make their shops to be more attractive. Many entrepreneurs thought migrant businesses may not

be marketed out of the box.

Training programs that encompass essential skills, including language courses, culinary training, financial education, and financial management, are highly sought after and necessary. Consequently, numerous entrepreneurs actively participate in these activities to enhance their expertise and capabilities. However, most of the skills and training programs set up by government institutions, trade unions, and private educational and training institutions are only dedicated to migrant workers. The purposes of these training programmes are to prepare migrant workers to do the tasks and functions as workers in the host countries, to develop communication skills with employers and local residents, to impart knowledge, and to prepare when they return to their home country for good. Regarding this matter, Indonesian migrant entrepreneurs require access to training activities that can help them develop improved business skills. However, it is important to note that such specialized skills and vocational training programs for entrepreneurs are currently limited and not extensively developed.

## VI. Conclusion

Considering the aforementioned explanation, it is evident that Indonesian migrant entrepreneurs in Taiwan encounter various challenges. Indonesian migrant entrepreneurs in Taiwan may face social and cultural challenges, including language barriers, cultural differences, discrimination, limited access to capital and resources, navigating work permits and legal regulations, and difficulties in social integration and networking. Formal constraints, among others, limited access to formal business loans and government tax credits, made inadequate personnel management practices, yielded low participation in institutionalized training programs, encouraged non-recognition of degrees and professional qualifications acquired in their home countries, provided insufficient awareness of government support programs and benefits for new ventures, gave inadequate capital, and resulted in concentration in specific locations.

In addition, our study found that entrepreneurship provides migrants with social dignity in their host country. This means that engaging in entrepreneurial activities allows migrants to gain a sense of respect, recognition, and social standing within the community they have migrated to. By becoming entrepreneurs, migrants are able to establish themselves as productive contributors to the local economy, create job opportunities, and make valuable contributions to society. This can lead to increased social acceptance, integration, and a sense of dignity, as their entrepreneurial endeavor are valued and acknowledged by the host country's society.

The research on Indonesian migrant entrepreneurs in Taiwan's multicultural society reveals the distinctiveness of their strategies, which encompass interactions with governing institutions, resource-providing institutions, host country societies, and competition. In contrast to migrant entrepreneurs from Thailand, Vietnam, or the Philippines who often adopt formal approaches, Indonesian migrant entrepreneurs in Taiwan's multicultural society exhibit a distinct tendency towards informal strategies. Economic activities of Indonesians in Taiwan tend to concentrate in specific areas and neighbourhoods closely connected to co-ethnic employees and consumers. The entrepreneurial pursuits of Indonesians are deeply embedded within a social structure comprised of families, neighbours, friends, and acquaintances. When Indonesian entrepreneurs embark on business ventures, they often rely on support from fellow Indonesians, activating their networks within their immediate circles to harness social capital. In conducting business, migrant entrepreneurs predominantly establish informal relationships with enclave firms, utilizing intricate, embedded relationships to access suppliers, clients, workers, and capital. These combined socio-cultural factors play a significant role in shaping the institutional and environmental frameworks that underlie Indonesian migrant entrepreneurship activities.



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