SMALL IS BEAUTIFUL: HOW IMMIGRANTS START THEIR BUSINESSES IN SWEDEN
A case study conducted in Linköping and Mjölby in Sweden

Thesis in
Business Administration – Culture and Strategy

Ekonomiska Institutionen
Linköpings Universitet

Bhim Narayan Pradhan
Patrik Andersson
Autumn Semester 2004
Title: Small is Beautiful: How Immigrants Start Their Business in Sweden

A Case Study Conducted in Linköping and Mjölby in Sweden

Author(s) Bhim Narayan Pradhan and Patrik Andersson

Supervisor: Jörgen Ljung

Abstract: Background: The inflow of immigrants in Sweden is not a new phenomenon. Over the years this country has harbored hundreds and thousands of immigrants/refugees/asylum seekers on its soil. However, due to economical problems faced by Sweden during the last decade, the labor market is not unable to produce adequate jobs. Due to this amongst other consequences, immigrants in Sweden have started establishing their own small businesses which they are handling quite successfully till date.

Problem discussion: In this thesis we are trying to unveil some of the situations and obstacles of immigrants’ businesses particularly in Sweden. We felt that there are not many studies done today in connection to immigrant business in Sweden though it could be one of the most burning topics in the research field. There is plenty of literature covering the international situation of immigrant business but it is difficult to find in Swedish contexts. The objectives are to know why they perform, how they perform and what they perform, and also to find out if there is sufficient support available to them from local to central level and from ethnic to private institutions.

Purpose: The purpose of this thesis is to explore and explain why immigrants start their own small business in Sweden.

Method: To perform this study and to gather appropriate information pertaining to immigrant small business, we have conducted 14 interviews, out of which 8 were immigrants (4 new and 4 old immigrants business houses) and 6 were from different organizations (both represented by government and private organizations). They help immigrants to start their business in Sweden. Finally, we have prepared a model based on immigrants’ business network and the situation.

Results: The results of our findings show that the main reason for immigrants starting their own business is because of scarcity of specific jobs (matching their qualification and experiences) in the Swedish labor market and immigrants being ambitious to making money and wanting to be self sufficient and not to stay un-employed for longer period of time. The network connected to the immigrants is very important in order to start their own business, both for success and establishment. Again, support from friends, family and relatives are the critical point of departure for their business establishment.

Keywords: Immigrants, Network, Small Business, Labor market, Entrepreneurs
January 2005

ACKNOWLEDGEMENT

Many individuals have contributed vital information for this thesis and we would like to give our gratitude to Ms. Marianne Hellman (Företagscentrum), Mr. Anders Hättström (Handelsbanken), Mr. Åke Nyberg (Handelsbanken), Ms. Catherine Szabo (Regional Development Council), Ms. Olga Krouchinskaia (IFS) and Mr. Niklas Sjösten (Employment service labor exchange) for giving us their valued time for interview.

Of course we would also like to give our sincere thanks to Mr. Falla Miran, Ms. Lora Kajami, Mr. Johan Dag, Mr. Abdullah Moosavi, Ms. Julie Isaksson, Mr. Yung Lee and Mr. Ayman Karar (small business owners) who have spared their time for us to make this thesis alive.

Finally we wish to acknowledge our tutor/supervisor Professor Jörgen Ljung, for guidance and support during our thesis work.
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUTEK</td>
<td>Swedish National Board for Industrial and Technical Development (English version)</td>
</tr>
<tr>
<td>EIS</td>
<td>Enterprise Investment Scheme</td>
</tr>
<tr>
<td>IFS</td>
<td>Internationella Företagarföreningen i Sverige (Association of International Companies in Sweden)</td>
</tr>
<tr>
<td>SMART</td>
<td>Special Merit Award for Research and Technology (SMART)</td>
</tr>
<tr>
<td>LGS</td>
<td>Loan Guarantee Scheme</td>
</tr>
<tr>
<td>BES</td>
<td>Business Expansion Scheme</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SBA</td>
<td>Small Business Administration</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
</tr>
<tr>
<td>AMS</td>
<td>Employment Service Labor Exchange</td>
</tr>
</tbody>
</table>
# Table of Contents

## 1 Introduction

1.1 Background
1.2 Problem Discussion
1.3 Purpose
1.4 Research Questions
1.5 Aim / Target group
1.6 Delimitations
1.7 Thesis Disposition

## 2 Methodology

2.1 Investigation in Scientific Way
2.2 Positivism and Hermeneutics Paradigms
  2.2.1 Qualitative & Quantitative Methods
  2.2.2 Our Approach
2.3 Different Types of Investigations
  2.3.1 Our Approach
2.4 Induction, Deduction and Abduction
  2.4.1 Our Approach
2.5 Sources of Information
2.6 The Method Used for Conducting Interviews
2.7 Interview Types
2.8 Compiling the Interview Material
2.9 Criticizing Own Approach
2.10 Validity and Reliability

## 3 Theoretical Framework

3.1 Defining Small Business
3.2 Small Businesses, A Historical Background
3.3 Starting Up A Small Businesses
3.4 Characteristics of Small Business
  3.4.1 Characteristics of Immigrants Businesses
3.5 Entrepreneurship
  3.5.1 Immigrant as Entrepreneurs
3.6 Networks of Small Businesses
3.7 Financing Small Business
3.8 Theoretical Conclusion

3.9 Network Model

4 Empirical Findings

4.1 Background

4.2 Factors Driving Immigrants to Start Their Own Business

4.3 The Characteristics Feature of Immigrant’s Small Business

4.4 Support Available for Immigrant Small Business
   4.4.1 Internationella Företagarföreningen i Sverige (IFS)
   4.4.2 Employment Service Labor Exchange (Arbetsförmedlingen)
   4.4.3 Business Centre (Företagscentrum)
   4.4.4 Regional Development Council (Östsam)
   4.4.5 Handelsbanken

4.5 Support They Look for From Government and Local Authority

4.6 Criteria They Consider Before Starting Business

4.7 Financing the Business

4.8 Networks and Connections

4.9 Immigrants’ Advice to New Immigrants

5 Analysis

5.1 Tendency Towards Small Business And Self Employment

5.2 Typical Features of Immigrants Business

5.3 Support from Local Authority & Institutions

5.4 What Support Immigrants Small Businesses Look For

5.5 Immigrant’s Business Accessories

5.6 How They Finance Their Business

5.7 Sojourning, Earning Money and Return Home

5.8 Discriminated and Little Career Opportunities

5.9 Falling To the Bottom Of The Economic Ladder

5.10 Low Liquidity/Barriers to Entry And Exit Point

5.11 Co-ethnic as Customers And Employees

5.12 Networking and Its Impact On Immigrant Business And Social Life

6 Conclusion, Final Model and Future Research Suggestions

6.1 Conclusion

6.2 Final Network Model

6.3 Future Research Suggestions

7 References

7.1 Books
Appendixes

Questions to Organizations

Questions to Bank

Interviews with Organizations

Figures

2.1 Hermeneutic Spiral

3.1 Self-Employment Rate in the OECD Countries

3.2 Firm Size and Different age Employees in US Small Business

3.3 Educational Attainments of Employees

3.4 Added Values of SMEs

3.5 Differences between true entrepreneur and small business

3.6 Network model of Immigrants Small Business

5.1 Network Model of Immigrants

5.2 Three layers of immigrant’s network

6.1 Final Network model of Immigrants Small Business

Tables

3.1 Private Enterprises and Number of Employees

3.2 Distribution of Immigrant Businesses by Sector of Activity

3.3 Entrepreneurs as a Percentage of Total People in Work

3.4 Small Firm Networks
1 Introduction

In this chapter of our thesis, we would like to give a short introduction to our chosen topic followed by a brief problem discussion and a purpose statement. The chapter will further discuss the limitations of the thesis and close at disposition of following chapters.

1.1 Background

The inflow of immigrants in Sweden is quite inevitable due to its liberal political policy as well as its mutual agreement with the United Nations and European Union. In 2003, Sweden took in 6,460 refugees under different quotas and according to statistics of migration board, the country has been home to 290,062 refugees from 1980 to 2003 (http://www.migrationsverket.se/english.html). Sweden is becoming a popular society as immigrants come both from European and non-European countries. Due to economic growth and newly upgraded skills, Sweden has been in need of immigrants in order to replace the native workers from tedious kind of jobs (such as dairy jobs and work at unsociable hours where Swedes were not willing to work). The arrivals of family members of earlier migrants and increasing number of refugees have also contributed to the increased number of immigrants (Najib 1994).

Sweden has also been paradise to highly skilled and valued technical and professional immigrants even if these groups of immigrants consisted of a small minority. Another factor contributing to the immigrant inflow was the shortage of labor caused by a post-war economic boom, which lead Sweden to recruit migrant workers from Southern Europe and elsewhere, mainly to work in the manufacturing industries. As such, it is quite noticeable that immigrants are now part and parcel of the Swedish society as it contributes one fifth of the Swedish population (source: Bureau of European and Eurasian Affairs, October 2004 http://www.state.gov/p/eur/ November 27, 2004).
Immigrants occupy the lower level of the socio-economic distribution spectrum in Swedish society because of the limited job opportunities in the Swedish labor market as well as the regressing tendency of the Swedish economy in the past few years. No matter whether the immigrants work in manufacturing labor, as a waiter or cleaner in any part of Sweden, their advancement and career progression were generally poor. Even though there was variance in immigrants’ occupational patterns, there was much in common in immigrant work?. The work was generally low in status, poorly paid, and needed language competence (Najib, 1994). Further, immigrants were generally poor and lacked the wealth stock of the indigenous population, which forced them to depend on the employment as a source of income rather than spending time on further education. Many immigrants have also remained unemployed for long periods of time.

Due to adaptations of dynamic industrial patterns, higher technological manufacturing and advanced business methods in Sweden, the demand of highly technical proficiency and advanced linguistic skill were required in the labor market. The immigrants’ lack of these qualities hindered their employment opportunities and career prospects. Not only did the situation provoke further problems to newcomers but the large number of refugees and immigrants has also been acknowledged by Sweden as an explanation for the unemployment problem between 1970 and 2000. Because of these reasons immigrants started to search for new alternatives to overcome their socio-economic problems. One of remedy for them was to start their own small business

Traditionally, Swedes used to run small businesses (some of them still do) such as restaurants, grocers, pizza houses, barbershops, car workshops and bike repairing shops. But they used these businesses more as a source of extra income rather than as a full time occupation, which meant that most of them were only opened during the weekends. Immigrants have gradually been taking over these small firms and unlike the Swedes; immigrants are taking businesses as a full time occupation and use them to support their families. Therefore they devote almost all of their time on it (source: general conversation with Swedish natives). Of the newly started businesses in 2003, immigrants owned 23 percent, which is one percent more than 2002. The biggest branch for immigrants business is distribution and communication with 36 percent and on second place come grocers, hotel and restaurants with 29 percent (Olofsson, 2004). The reason why so many immigrants start
their own business is that they want to secure their employment and work independently. According to statistics, over 50 percent of the small business owners in Sweden give these explanations for starting their own business (Olofsson, 2004).

1.2 Problem Discussion

Human migration is a natural phenomenon. All countries have taken care of harbored migrants in one or another way throughout history. As such, it is human behavior to move towards the most superfluous land. Further, as immigrants interact with the new environment, new activities emerge and if these new activities are collectively accepted by the society they become socialistic pattern of society.

We understand that the new activities created by immigrants (e.g. small businesses) in the Swedish society are well accepted by the community. Even though research pertaining small businesses is limited there is still a lot of work to be done in this sector. Collecting and merging the wide spread knowledge and idea of immigrants business in Sweden could bring fruitful results for both society and immigrants’ small businesses.

There is a lot of literature on small business prospects and in the context of small businesses owned by immigrants internationally. For instance, in United States, research about immigrants business has been done in almost every state. This type of research is also very common in the United Kingdom (Butler and Greene, 1999). Therefore, there is plenty of data available in these countries if someone wants to perform a study in this field. But there is a shortage of literature written in small business done by immigrants in Sweden that contributes towards the better understanding of their business strategy.

Businesses that are owned by people with immigrant backgrounds are very important for the Swedish society and its economy, as 70,000 companies are owned by immigrants. This is the reason for the integration politics in Sweden, as it is important to integrate the immigrants in the society (Daléus, 2003) but there is a lack of sufficient data pertaining to immigrants business that could be helpful for integration.
The politics in Sweden can be summarized like this:

- Give support for the individual earnings and be a participant of the society.
- Frame fundamental democratic values and work for women’s and men’s equal rights and opportunities.
- Prevent and work against discrimination, hatred of foreigners and racism.

(Daléus, 2003)

If 70,000 Swedish companies are owned by immigrants, it means that one out of 8 companies in total is owned by immigrants in Sweden (Rosing, 2003). There are statistics that show that immigrants start more companies than the average Swede today. One reason for this is that a lot of immigrants have a background of a stronger business culture than the Swedes. The problems the immigrants confront are the comprehensive rules and regulations for business in Sweden and also the public administration, which can confuse individuals that are not familiar with them. These dilemmas are even bigger issues for immigrants who have problems to handle the Swedish language. Therefore it is difficult for immigrants to be accepted and there is some skepticism from the loan institute (Daleús, 1998). This creates problems such as finance, contract agreement and rising insurance. These are problems for immigrants but also for the society due to the scale and importance of this group (Rosing 2003).
1.3 Purpose

The purpose of this thesis is to explore and explain why immigrants start their own small business in Sweden.

1.4 Research Questions

To fulfill the aforesaid purpose and to contribute with new knowledge within this area of small business and immigrants, three main research questions have been formulated:

- What forces drive immigrants to start their own business?
- What criteria do they look into before starting their business?
- Are there any types of support available for them in the society?

1.5 Aim /Target group

The aim of this thesis is to create a network model of immigrant businesses based on small business theories and to find out exactly how immigrants’ small businesses look in practice.

1.6 Delimitations

Although immigrants’ small businesses are scattered all over Sweden, our study is limited to investigate the situation in Linköping and Mjölby. Furthermore, the term ‘immigrants’ in Sweden accounts not only for foreigners but also Swedish citizens born abroad and also children with at least one immigrant parent (Najib, 1994). In this study only non-European foreign-born refugees and migrants who came to Sweden in immigrant status, for instance Iraqis, Sudanese, Gambian, Iranian, and Indonesian have been investigated.
1.7 Thesis Disposition

The next chapter covers the methodology and approach that have been used for the study and why this specific methodology has been considered. The chapter after methodology describes the intention to develop the theoretical model in the theoretical framework. In this chapter the different theories described by authors, relevant to our study and purpose will be presented and analyzed. Finally the chapter ends by concluding the theoretical model, developed in this thesis.

In the following chapter the actual case study will be presented through empirical data or findings. Later, the theoretical framework used for the empirical findings of the chapter will be analyzed. Last but not least, a general model based on the analysis chapter will be created. The conclusion chapter concludes the findings and the applicability of the model.
2 Methodology

This chapter is about methodology and is dedicated to describe the scientific approaches adopted in the thesis and the methods used for carrying out the study. The chapter starts with an explanation of different approaches and the perspectives adopted thereafter and at the final stage of the chapter criticism of approaches and the perspectives adopted will be discussed.

2.1 Investigation in Scientific Way

Today’s science has brought many different approaches of scientific investigation. Everybody has their own way of perceiving the world and that differentiates ones work from others and the researchers have adopted the approach that fits most appropriately to the relevant study. Further, while conducting scientific studies, it is important for the researchers to be aware of where they start and where they are going, what type of assumptions they make and so on, as this influence the entire validity of the work.

The aim of the study is to investigate and thereafter interpret on a social phenomenon. In this case the investigation consists of the subjective views and perceptions of reality of a group of people in a certain situation. Since this phenomenon is investigated, and later on interpreted, it has been presumed that the frame of conceptions will influence the researchers understanding. As such, it is important to begin the study by explaining the approach to knowledge and science.

2.2 Positivism and Hermeneutics Paradigms

The theory of knowledge dealing with the issue of human knowledge falls under the area of theoretical philosophy. Accordingly, this theory contains two main paradigms, which are known as positivism and hermeneutics (Ibid, pp.43 and Thuren T, 1991). The positivism asserts that something is real if it can be perceived, whereas hermeneutics states that something is real if it is meaningful. Positivism is the gift of natural science and hermeneutics is strongly referred to humanistic thoughts (Thuren T, 1991).
The positivism paradigm argues that the only phenomenon that one can possibly observe should be regarded as objects of science. It says that the goal of science is to explain causes and effects of certain phenomena and to depict the reality as it is. Therefore scientific approaches are only possible by observing data, which are distinguished between facts and values and once something is scientifically proved it is regarded as true. According to this positivism, there is only one scientific method that can be used to explain both physical and social phenomenon (Lundahl & Skärvad, 1999). The main theme of positivism is “to be is to be perceived”.

With regard to the hermeneutic paradigm, the theme says “to be is to be meaningful” and its epistemology is the coherence theory of truth (Taylor 1985). In the late nineteenth century the hermeneutic paradigm emerged as a different philosophical understanding of reality. Hermeneutic social theory is based on understanding relations between individuals in a social context, which means that the human is of critical importance in the hermeneutic social theory. As such, the hermeneutic scientific theory considers only meaningful events as real. The main purpose of hermeneutic science is to interpret and understand social phenomenon. If this interpretation is considered, it should also be accepted that the human world is not a world on its own, but rather an experience world, when human beings are the basis of how they interpret in a given situation. Hence, in a hermeneutic viewpoint, the primary research object is individuals and groups lived experience of their reality (Sandberg, 1995).

Hermeneutic approach can be further illustrated through a hermeneutic spiral. This illustration describes how the researcher is influenced by his or her presumption about the phenomenon that is to be studied. From the presumption, the researcher then draws a hypothesis and later enters into a dialogue with the phenomenon that is studied. This is known as a two way process where the researcher is always influenced by their answers throughout the research process. The answers are interpreted by the researcher and lead to the interpretation of the phenomenon studied. That again leads to new questions and ideas and with this process a new dialogue is performed. This process is repeated again and again in the hermeneutical spiral (Eriksson & Wiedersheim-Paul, 1997).
2.2.1 Qualitative & Quantitative Methods

The purpose of a quantitative method is to measure the relationship between different phenomena as such they fall under the positivism paradigm. On the contrary, the qualitative method falls under hermeneutic paradigm and the study focuses on interpretation and analysis of social phenomenon. It helps the understanding of how human beings perceive themselves and their situation (Lundahl & Skärvad, 1999). The quantitative studies that involve an explanation of the social phenomenon, often involve in simplification and generalizations in order to make classifications, which in turn can provide certain help as background material for qualitative studies.
2.2.2 Our Approach

After a vivid discussion above on two paradigms namely positivism and hermeneutics, we have drawn a conclusion that our scientific approach for this study is mainly of hermeneutic nature because our research is basically based on social phenomenon. Our study is to bring the light on how humans behave when they are put into a certain situation.

In order to understand the reason why immigrants start their own businesses, we believe that we have to understand their situation, the context and their own interpretation of the situation they are in. Due to this we do not believe that positivist paradigm will fulfill our study approach because positivism is mainly focused on objective view of study. Again, before conducting our study, we tried to collect an inside view of immigrants’ small businesses and small businesses in general in the wide spread articles, literature and our own observations. As such, when we were interviewing and collecting empirical data, we already knew what we were going to observe which is in accordance to hermeneutic approach and hermeneutic spiral. According to hermeneutic spiral, researchers have a pre-understanding of the phenomenon that they are going to observe and from the presumption, they draw hypothesis. Later they enter a dialogue with the phenomenon being studied and come up with a new understanding (Eriksson & Wiedersheim-Paul, 1997).

We also would like to state that we have taken a qualitative method to conduct our study and the reason for thesis because we are aiming to understand and interpret a social phenomenon. The argument made by Bogdan and Taylor states that a qualitative method enables us to explore the things that are lost in other research approaches. In qualitative methods “the concepts of beauty, pain, suffering, frustration, hope and love can be studied as they are defined and experienced by real people in their everyday lives” (Bogdan & Taylor).
2.3 Different Types of Investigations

In our opinion, from the purpose and type of studies, one can determine what type of investigation approach he/she should undertake. Again, the nature of the study and the time consideration are other factors that need to be considered. The success of a study depends to a great extent on the type of methods and investigations that the researchers follow.

There are different types of investigations, all theoretically presented in books and articles. Before deciding on what approach suits the study the best, it is important to first discuss them all briefly. **Descriptive Investigation** is used to obtain information concerning the current status of phenomena to describe: "What exists" with respect to variables or conditions in a situation. The method can involve surveys, which describe the status quo; the correlation study, which investigates the relationship between variables, and developmental studies which seek to determine changes over time (Lundahl & Skärvad, 1999). **Explorative Investigation** first tries to find out the basic knowledge of the issue that is investigated and after that prepares the investigator to investigate the issue. The central theme of this type of investigation is to get an accurate result from the investigation that is about to conduct (Lundahl & Skärvad, 1999). **Explanatory Investigation** is used to identify the factor that causes a certain phenomenon. This investigation is used to statistically test the validity of hypotheses (Lundahl & Skärvad, 1999). **Diagnostic Investigation** applies when a certain problem occurs and needs a solution. However, if an investigation is not able to give a proper solution to the problem investigated then the investigation is said to be a failure (Ibid, p. 47-49). **Evaluative Investigation** is carried out to find out the impact of a new organizational structure or a new working method adopted by an organization (Ibid, pp. 47-49). **Interpretative Investigation** regards the behavior of individuals as being dependent on how they interpret certain situations. According to this approach, the more accurately and realistically one can interpret the basic meaning structure of individuals experiences, the more understanding about the nature of individuals and groups action and activities within the business can be deepened.

According to the Yin case study “an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 1994). Yin (1994) proclaims this as an explanatory case study because it
explains the questions ‘how and why’. Exploratory and descriptive case studies are two complementary types of studies he had recognized (Ibid, p.1). According to him any of these case studies can be used for ‘what’ questions that are of an exploratory nature, and for all ‘how and why’ questions.

2.3.1 Our Approach

After comparing different types of investigations, we concluded that our approach should be of an explorative, interpretative and partly descriptive nature because our purpose is to study already existing theories pertaining to immigrants’ small business and then explore and explain the new findings through empirical observations. Our motto is also to investigate how and why immigrants start their own business? What support is available for them to start their own business? What criteria do they look into to start their business?

We believe that our study also has a partly descriptive nature because in our observation, we are considering four new and four old businesses created by immigrants in order to see if there were any differences in these two categorical business undertakings. Our aim is not to statistically test the hypothesis, or to set a diagnosis to find out why the phenomenon occurs or to evaluate certain effects of action. As according to Yin’s (1994) argument above when research follows mainly questions like how, why and what, the research is of aforesaid nature.

2.4 Induction, Deduction and Abduction

To deal with the relationship between theory and empirical observations we understand that there are two main approaches available in the research world “induction and deduction”. Induction comes in use when researchers search for some pattern in reality and try to draw a conclusion from these, whereas in case of deduction, researchers start from theory and imply the phenomenon in reality (Paulsson, 1999).

While conducting research of a qualitative nature, induction is the best approach as the purpose is to describe, analyze and understand the behavior of individuals and/or groups of people from the perspective of the one being
studied (Lundahl & Skärvad, 1999). It is also important to know that a conclusion based on induction should never be regarded as the absolute truth since it is based on empirical data as such data seldom covering all aspects (Thuren, 1991).

Abduction approach is the mixed form of the two approaches induction and deduction. During the process of the investigation, the object of the empirical study evolves and the theory applied is adjusted and refined. In abduction approach, already existing theories and current empirical studies are alternated and they are interpreted and reinterpreted simultaneously. This approach is often used by medical science but it is used also in case of hermeneutic standpoints in order to interpret the investigation (Alvesson & Sköldberg, 1994).

### 2.4.1 Our Approach

After discussing the above three approaches, it is difficult to claim precisely which approach we should use for our study. We believe though that abduction approach best matches the kind of study that we are undertaking the best. As such, we would like to say that our approach is abduction type because we are trying to alternate the already existing theories with our findings in this study. We could however claim that our study also has a deductive approach, as we simultaneously gather the empirical information and study existing theories. However, in the empirical material, we will try to find patterns, which we relate to theories and models and from which we draw the conclusions.

### 2.5 Sources of Information

As far as we know, there are two types of information sources available for our research: primary and secondary sources. The primary is the one collected in the form of empirical materials by the researcher, whereas the secondary information describes theories that are in nature collected by others (Eriksson & Wiedersheim-Paul, 1997). We will base our thesis on both sources. The primary source will consist of interviews conducted with immigrants and organizations that help immigrants in developing and starting their businesses. The secondary sources will be documents and other materials that we will collect from different organizations and from their
web sites. The data that we collect will help us to describe our case study and act as a means for enhancing our understanding of immigrants' businesses and their structure.

We have interviewed eight immigrants and six organizations to conduct this study. Our target was to divide the immigrants into two groups, newly started businesses and older businesses. Therefore four of the interviewees have had their business for a while and are quite experienced in the field and another four are new starters, six months to two years old. We wanted to take this approach because this will help us to know if there have been any recent changes in Swedish society and in the case of local authority in the course of time when these two different immigrants (established and new starters) started their business. We would also like to see if there is any difference between new and old starters among immigrants’ small businesses. Due to time constraints, the choice of immigrant business houses was done very randomly, in fact by approaching them directly and requesting them for interview. We have also used channels such as our own acquaintances and other networks to find immigrants businesses. As far as organizations was concerned, we sent letters as per appropriation like Confederation of Swedish Enterprise, The Chamber of Commerce of East Sweden, National Institute for Working Life, IFS, Nutek, Statistic Sweden, Handelsbanken and Employment Service Labor Exchange. Within two hours we got six positive answers and almost all the organizations were willing to help us. Based on evaluation from the suggestions that we received from the persons and organizations in contact, we agreed to take six organizations to best fulfill our purpose.

According to Jacobsson (2002), the selection of interviewees depends on what kind of information you are looking at. In this case, we have selected organizations and respondents with a broad knowledge of the topic. To ensure that the respondents were suitable and to decide if they were the right persons to talk to, we spoke to them over the phone for a couple of minutes before the interviews. Jacobson (2002) also states that when you do a selection like this, it is very important to know if the interviewees are good sources. From the mail we sent and the positive responses we received, we draw the conclusion that the persons who were recommended more than once possibly should be a good source.
2.6 The Method Used for Conducting Interviews

In total we conducted fourteen interviews, out of which eight were carried out with immigrants (four old starters who were already in the business for more than five years and the other four were new starters who started their business recently, e.g. two years, or so). We did this in order to see if we could find any difference in their business approaches. The rest of the interviews (six in total) were carried out with the organizations that helps immigrants to establish their business in various ways including two interviews at a bank in two different branches (Linköping and Mjölby). The bank was chosen as they provide loans to the immigrants to help them to start their business. Initially, we tried to get interviews with two different banks. However, one of them did not respond to our request to be interviewed and thus we chose two branches of one bank as an alternative.

As our target was to see the various aspects of small businesses run by immigrants in Sweden (excluding immigrants from European Union and Scandinavian countries), we interviewed two Iraqi Kurdish, two Turkish, one Iranian, one Indonesian, one Chinese and one Sudanese respondents. The types of businesses they run are restaurants, take away food shops and bike repairing shops. The interviews with immigrants have been carried out in Linköping and the interviews with organization were done in Linköping and Mjölby.

All the interviews lasted from 25 to 55 minutes and we asked the respondents’ permission to use the data in our report. All the interviews were tape-recorded and conducted in the owner’s shops or offices. The interviews with immigrants were chosen randomly and no formal letter was sent in advance. We approached the interviewees in person, presenting ourselves and got their confirmation for participating in the interview on the spot. We handed them the questionnaires before conducting the interview as we wanted them to be informed of what type of questions we were going to ask. In one or two cases the interviews were conducted without giving the questionnaires because the interviewees did not have any problems to participate.

With regard to organizations, formal telephone calls and email were used to contact and arrange the meeting with them. Unlike with the immigrants, handing over the questionnaires to organizations beforehand was not
necessary. Most of the interviews were conducted in Swedish but all of the interviews with immigrants were conducted in English.

2.7 Interview Types

An interview is the most common way of collecting data while conducting case studies in quantitative research. This is because case studies mostly seek to investigate social phenomenon and to reach understanding (Lundahl & Skärvad 1999, p 115). There are three types of interviews present for researchers to conduct the research; these are standardized, non-standardized and semi-standardized. In standardized interviews the questions are pre-arranged before conducting the interview to the interviewees.

Non-standardized interviews are opposite to standardized interviews, they are more flexible and the questions vary from interviewee to interviewee. The semi-standardized interview is a mix between standardized and non-standardized interviews. Like standardized interviews, the questions are pre-arranged but the pattern of conducting the interview is different; in fact the questions will be adjusted according to the need and the situation of the interviewee. It is not necessary to ask all the questions to all the interviewees even though some questions are supposed to be asked to some specific interviewees (Lundahl & Skärvad, 1999 p. 115).

Our interviews are both standardized and semi-standardized. We asked standardized questions to immigrants and semi-standardized questions to organizations. The reason for asking semi standardized questions to organizations is because the topic is often sensitive, so the organizations had to carefully consider what information they gave us.

2.8 Compiling the Interview Material

As already mentioned, we took interviews individually and later we interpreted our individual interviews individually in order to save time. The interpreted part has been exchanged between us to check the language and some other arguments. We listened to the recorded materials several times and interpreted them to make sure that nothing important had been left out. We used most of the statements that the immigrants and the organizations
gave to us in our empirical findings to make the findings more obvious. There were problems with language at times as none of the interviewees had English as a mother tongue. The interviews in Swedish had to be translated in English. Due to this we translated some of the language in the interviews, especially for quotations but without changing the meaning of the sentences.

2.9 Criticizing Own Approach

In our opinion, while conducting a scientific investigation, the question “what reality is”, should be raised. Therefore, it is good to criticize the approach, as this shows the weaknesses of the investigation to the reader. As our study is based on hermeneutic platform, which is further based largely on the information that we have gathered from the interviews, we felt that it is appropriate to bring-up this issue to our readers.

We think that reality can be regarded as a socially constructed phenomenon and it is completely different from person to person because it is a relative concept. As such, we request our readers to keep in mind that this report is based on subjective views and interpretations of the interviews, as well as our own interpretations of the empirical findings. We choose to take a hermeneutic approach because it helps to interpret and understand the social phenomenon from different perspective. Our objective is not to find out a universal truth but rather to collect the perceptions of the individual immigrants on a situation, in order to bring our own conclusions.

The report is mainly based on the information collected from the interviews we conducted among the organizations and the immigrants. As already mentioned in the chapter 2.6 “how we have conducted our interviews” we have conducted the interviews individually and later interpreted them individually. Bhim Narayan who has an Asian background has done the final interpretation of the findings, and this could have a positive outcome on the result. Further, all the interviews of the organizations were conducted in Swedish and later translated into English by Patrik Andersson who has a Swedish background and this may have influenced the interpretation.

All interviews with immigrants were conducted in English. Since, none of the immigrants or the researchers were native English speakers; this may have adversely influenced the interviews as people often express themselves
best in their own mother tongue. Being aware of that limitation we carefully compared and elaborated each interview.

To make the interpretation more appropriate, it is good that two people listen and interpret the same material and then bring the conclusions. In that way, the interpretation can be done differently and the result could be better. Nevertheless, due to time constrains and the situation demanded; we had to take interviews individually. Organizations were more willing to give interviews in Swedish rather than English, as they felt that it was timesaving.

2.10 Validity and Reliability

The term validity refers to what extent a study measure the things it should. Validity is the most important factor when assessing the quality of an investigation. The term reliability is based on the extent other researchers would get the same result that the author, using the same method. (Trost, 1997; Widerberg, 2002).

We are aware of the fact that the selections of the respondents, the interviews and our own interpretation have an impact on the validity and reliability of the investigation. Therefore we clarified the problem and the standpoints we had from the beginning. To maximize reliability we tried to use the theories that include our choice of topic, e.g. immigrants as small business owners. We also tried to have a good level of interaction with the respondents and made sure that they understood the questions in the same way as we did. Reliability and validity are very complex terms, so it is often difficult to achieve it to one hundred percent. Indeed, according to Trost (1997) and Widerberg, (2002) qualitative studies are very dependent on different situations. Hence, even though if the studies deal with the same problem area, the result might differ.


3 Theoretical Framework

In this chapter we will articulate theories, literature and researchers about small business concept. This will later help us to draw a theoretical network model to fulfill our proposal statement.

3.1 Defining Small Business

No universal definition of small business has been outlined yet among different organizations in different countries. However the definition is usually based on the number of employees and or turnover. The Small Business Act states that a small business concern is “one that is independently owned and operated and which is not dominant in its field of operation” (http://www.sba.gov/). The law of small business also states that when determining what constitutes a small business will vary from industry to industry in order to reflect industry differences accurately.

A small business is also defined as a business smaller than a given size as measured by its employment, business receipts, or business assets. In an EU context small and medium sized businesses are frequently defined as enterprises fewer than 500 employees, who are not involved in agriculture and forestry (NUTEK 1994). The assets of the enterprises should not exceed more than Euro 75 million and not more than a third of the shares held by another large enterprise. The definition of EU for small enterprise (business) is an enterprise with no more than 50 employees and either an annual turnover not exceeding more than Euro 5 million or total assets of no more than Euro 2 million. The categories EU tends to apply for different small and medium size enterprises follows under:
0-9 employees: micro enterprises
10-99 employees: small enterprises (may be divided into 10-49 and 50-99)
100-499 employees: medium size enterprises (may be divided into 10-199 and 200-499)
More than 500 employees: large enterprises

Source: NUTEK, Swedish National Board for Industrial and Technical Development

In the case of our study, we choose to define small businesses as firms having 0-99 employees. In the following topic we are discussing the historical background of small businesses in order to emphasize why small businesses are important and how our topic is relevant in today’s society.

3.2 Small Businesses, A Historical Background

To balance the general failure of traditional macro-economic management strategies in creating sufficient jobs, governments in different countries started taking initiatives to selectively target policies for growth. The most prominent and secured promise to develop more jobs was to encourage new and small businesses (Olson 1982; Piore and Sabel 1984). Governments have expanded public assistance to new and small businesses numerical evidence and the belief that it was the most appropriate way of handling the unemployment chaos. However they did more than generous interpretation of the findings when small businesses are the best way to overcome from country’s unemployment chaos (Storey and Johnson, 1985).

Until the 1940s, very few economists wrote about small businesses (Steindl, 1945). This trend started to change in the 1970s when twin oil shocks triggered an unforeseen reassessment of the role and importance of small and medium size enterprises. The findings of the studies were very surprising and revealed that small business and entrepreneurship play a more important role in economic growth of a country than had been acknowledged by the economists before (Admiraal, 1996).

Many scholars and readers were interested in documenting the role of small firms in the 1970s but few facts were available at that time. It has been witnessed that for years, the small business sector remained ignored and
poorly understood although there was a considerable number of employment in small businesses. Due to revolutionary computer innovation where they could store large sized data, researchers had begun to get a far better understanding of economic role of small business. Brock and Evans (1986) first examined the change of small business over time. According to data collected from Small Business Administration (http://www.sba.gov/), between 1958 and 1980, the number of businesses in the US economy increased but the relative economic importance of small businesses in the overall economy declined. The decline in small business share of value added was due to their share of value added within the industries. In fact firms were getting bigger; consequently the share of small businesses was being reduced.

In the early 1970s, underlying evidence began to suggest that small businesses in several countries were outperforming their larger counterparts (Zoltan, 1999). Zoltan J. Acs gave the example of the US steel industry where new firms entered in the form of “mini-mills” (Nucor for example). The employment in these “mini-mills” firms expended while the large companies shut down their plants and reduced their employment in different countries of the world. Similar evidence has been seen in industries like electronic and software where small firms were outperformed.

Piore and Sabel (1984) stated that the economic crisis of the 1970s was due to the inability of policymakers and firms to maintain the conditions necessary to preserve mass production and the stability of the markets. “As we move toward the twenty-first century, the emerging conventional wisdom seems to suggest that small firms and entrepreneurship are both necessary for macroeconomic prosperity” (OECD, 1996).

The figure below shows the growing potential of self-employment in OECD countries through small business. This trend shows what an important place small business has taken in recent years.

---

1 Name of an organization
In the discussion above we saw how important small businesses are in nation building and the trend is that countries adopt small businesses as a permanent job boomer. Below, we will discuss the criteria that are needed to start-up a small businesses.

### 3.3 Starting Up A Small Businesses

Bridge et al (1998) stated that cultural aspects and the surrounding conditions in the form of the society are important for a business to start and grow. Bridge (1998) explains further in terms of other influences a part from culture.

When a new business starts, the decisions are dependent on influences like:

- Family and religious background
- Educational background
- Experiences/knowledge of small businesses and the industry
- Location
- Motivation
- Attitudes towards small business start up
- Accessibility to customers, suppliers and other supporting services
- Financial opportunity
Starting a new business is not an easy task. First of all it requires good preparation in the form of identifying the opportunities with planning and locating the networks that are willing to help. The start up process is often very long and does not end until the business has the potential to continue (Najib 1994).

The phrase “It’s not what you know, but who you know” (Bridge et al, 1998, p. 114) is often a characteristic of small businesses and of their success. Personal contacts are very important and according to Bridge et al (1998) they are fundamental to the credibility of small business owners. In our opinion, friends, relatives or previous employers are often the first customers, those prepared to lend money with no security. Family and friends are not only a line of connections, but also a kind of emotional support. Family members and friends can be a part of necessary resources, such as being the access to networks and higher credibility. The critical needs for a new business are capital, the connections to the family, customers, suppliers, premises/fixed assets, company formation, infrastructure and confidence (Najib 1994).

In a research called “Don’t Call Me Small” Butler & Greene, (1999) figured out five dimensions explaining why certain immigrant groups engage in business activity to a greater extend than other groups. They are as follows:

1. A group of immigrants goes to a new country or area in which its members are recognizable as a minority, often with the intention of sojourning, earning money, and then returning to their homeland.
2. The group members are discriminated against in the labor force and are prevented from securing jobs with reasonable wages, benefits and career opportunities.
3. In order to avoid falling to the bottom of the economic ladder group members create their own economic activities through self-employment and business creation.
4. Low liquidity and low barriers to entry and exit characterize the businesses created.
5. The business may or may not be geographically bounded in an ethnic community, serving co-ethnics as customers and hiring co-ethnics as employees.
In connection to the above findings, we argue that those theoretical findings are true in their own way but we will scrutinize them in our empirical findings later on, to see how relevant they are in connection to our empirical work.

3.4 Characteristics of Small Business

In our opinion, every country has its own characteristics regarding small businesses. Small businesses in general contribute to the economy of a country and to their society as they hire individuals that may otherwise be unemployed. Small businesses hire a greater proportion of part-time employees, employees with lower educational attainment, and individuals that receive public assistance compared to large businesses (Glover, Jere W. 1997). Without a doubt, small businesses also employ a greater share of younger and older workers as well as offers opportunities to their owners. Women, minorities, young and old people as well as the people in their prime working years benefit by small businesses opportunity of ownership (Glover & Jere W. 1997).

However, it is important to note that small businesses offer fewer benefits, opportunities and smaller wages compared to large firms. This could be because small businesses are more likely to be new in their business field and not yet profitable; therefore they are unable to increase costs by offering benefits (Glover & Jere W. 1997). Policies and initiatives are necessary to level the benefit in some extent to reduce the burden on small firms offering employee benefits.

The two figures below show the importance of small businesses for the employment of different age groups and the potential of employment for the low educated personnel. According to figure 3.2, small businesses that have less than ten employees, employ most of the young and old people and figure 3.3 shows the employment of lower educational attainment of people in businesses with less than ten employees.

Small business firms with fewer than ten employees are the sector where the main concentration of our study lies, which is a sector gaining an importance even in the most developed countries like USA.
Figure 3.2, Firm Size and Different age Employees in US Small Business
Source: Small Business Administration, USA,

Figure 3.3 Educational Attainments of Employees in Firms with Fewer than 10 Employees
Source: Small Business Administration, USA,
According to a study conducted by NUTEK (Swedish National Board for Industrial and Technical Development, report 1994), about half of the employees in Sweden were employed in the private sector and 40 percent in public sector and the remaining ten percent were self employed. The record also showed that the proportion of employees in the public sector was higher than in most of the EU countries. There were 420,000 enterprises in Sweden in the year 1992 excluding agricultural and forestry enterprises. Among those enterprises 419,000 were small and medium size enterprises, most of them having fewer than 20 employees. 60 percent of them were part time employees (NUTEK 1994).

Though small in size, small business had contributed its large share in Swedish economy by bringing most of the employment opportunities (1,377,468 employments compared to 781,438 employment opportunities generated by large enterprises, table 3.1). The NUTEK study (Table: 3.1) further states that in 1992 only 1,000 enterprises had more than 200 employees, which corresponds to 0.2 percent of the total enterprises (figures in the second last row of the table). Almost all the SMEs ranging from “No employees to 1-9” in the table had limited liability and every fourth enterprise was run by a single owner and/or on a partnership basis. Of all micro enterprises (0-9 employees, see paragraph 3.1 for our distinct enterprises separation), those with no employees other than the owner him/herself (first row of the table), 40 percent were run as private firms. It has been witnessed that the limited liability companies increased sharply with the number of employees (which means companies from first and second row in the table have increased the employment), although 70 percent of firms with only 1-4 employees were continued to be recognized as limited liability companies. Out of employment made in small and medium size businesses, one third was in wholesale, retail and restaurant trade. The table below shows SME employment in Sweden in 1992.
When the study was made in 1994, the value added by the SME’s in Swedish context was also calculated (value added is the measure that shows the sales price minus the cost of input goods). Surprisingly, the wholesale, retail and the restaurant trades corresponded to a considerable part of the total added value. Large enterprises generated 55 percent of their added value in the manufacturing sector by comparison and the retail outlet and the restaurant business contributed with 25 percent of the large enterprises. The value generated by the enterprises with more than 500 employees was one third of the total value added and the enterprises with 0-9 and 20-99 employees generated 20 percent each on their part of total added value. Enterprises with 200-499 employees accounted only for 10 percent of the total.

Table: 3.1 Source: NUTEK 1994, “Small Businesses in Sweden”, Swedish National Board for Industrial and Technical Development
3.4.1 Characteristics of Immigrants Businesses

A study conducted by Najib (1994) in Uppsala stated that immigrants’ small businesses are highly concentrated in retail food shops, groceries, restaurants/cafes, take away food, news agencies, tobacconists/video hiring plus related activities and clothes shops. The largest category of all small businesses performed by immigrants in Upp sala was grocers and related businesses which constitutes 38.7 percent of immigrant retailing businesses, mainly serving immigrant customers. Apart from this, food or grocery shops cater for both Swedish and immigrant customers. Najib further states that small grocery shops do not require highly expert skills and neither require fluently spoken Swedish. Restaurants, cafes and related businesses were the second largest category of immigrant business that covered 31 percent of the total business of the sample (N=36).

Two fifths of immigrant businesses in the sub category of restaurants and cafes are fast food shops such as hot dog and sandwich shops. Immigrants do not enter the food service business because they have particular advantages in it, but often because they are disadvantaged in other occupations. These small businesses are labor intensive, which require small capital, long hours and hard work rather than expert skills. This is the reason why immigrants are specialized in small food business rather than any other type of businesses (Najib 1994).
3.5 Entrepreneurship

What is an entrepreneur?
The concept entrepreneurship can be traced back to an Irish economist, Francis Cantillon who lived in France. The word entrepreneur means, “to undertake” and Mr. Cantillon introduced it in the mid eighteenth century. The concept of entrepreneurship is broad, but is based on a person who operates “in conditions when costs may be known but rewards are uncertain” (Bridge et al, 1998. p. 23)

The well-known Austrian economist Joseph Schumpeter (1883-1950) said that an entrepreneur is a person that believes in innovation to create a new product or service. In that way the entrepreneur could create new demands and the outcome would be good wealth. When the entrepreneurs establish new successful companies they create better wealth for themselves and the employment (Bridge et al, 1998).

According to Wickham, (1998 p. 5-6) “the entrepreneur is, first and foremost, an individual who lives and functions within the society. Entrepreneurs are characterized not by every action they take, but by a particular set of actions aimed at the creation of new wealth. Entrepreneurship is about value generation. Entrepreneurship is a particular approach to wealth-generating activity.”

---

Table 3.2 Distribution of Immigrant Businesses by Sector of Activity
Source: Naijb 1994, Uppsala University

<table>
<thead>
<tr>
<th>Sector of activity</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food shops and groceries</td>
<td>12</td>
<td>33.3</td>
</tr>
<tr>
<td>Restaurants, cafés and take-aways</td>
<td>11</td>
<td>30.6</td>
</tr>
<tr>
<td>News-agencies, tobacconists/video-hire, etc.</td>
<td>7</td>
<td>19.5</td>
</tr>
<tr>
<td>Clothes and related articles</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td>Wholesalers (mainly food articles)</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
Classifying an entrepreneur is not easy because the term defines many things and has different meanings to different people. Frederick Webster (In Wickham, 1998) states that entrepreneurs can be divided into four categories. The first is the Cantillon entrepreneur that brings the necessary resources together to create a new organization. This is the classical view of an entrepreneur who is a person with innovative force. The second category is the industry maker. The industry maker creates new products and technology. That is to say that this type of entrepreneur goes beyond the creation of an organization but also focuses on the whole industry. The third group of entrepreneurs is also called intrapreneurs, due to their ability to create value within the organization where they are employed. Intrapreneurs are often leaders and involved in the innovation process. The fourth group of entrepreneurs is called the small business owners and is people who take responsibility for running their own businesses. The business might be small because it is in early stages of growth, or the business owner does not want to expand because the business already provides security and good wealth.

The classifications of a small business owner and entrepreneur are not the same one because they often serve different economic functions. The line between small business owner and entrepreneur is very thin and often a matter of personal opinion. Even though this is a dilemma, Wickham (1998) managed to distinguish the entrepreneurial venture and the small businesses with three characteristics.

- **Innovation:** The entrepreneur is significantly innovative and can offer a totally new product, improved technology, or new ways of producing. Innovation is also about handling the distribution and relationships between organizations to be most effective. Small businesses, on the other hand are not often that innovative and just delivering goods, not new ways of thinking. In that sense small businesses can be innovative on a local level, for example lower price and higher service, but not on a global level.

- **Potential for growth:** The size matters, if you are entrepreneur, or not. This is also dependent upon the industry sector that the businesses are in. The potential of an entrepreneur is to expand and to constantly grow and attempt to find new industry sectors to operate in. The small businesses on the other hand work within an established and well-known sector; the uniqueness is probably the location. Small businesses have their own
customers and markets, while entrepreneurs continuously try to create new markets.

- **Strategic objectives:** Objectives are important for most firms and it is regardless of whether they are formal or informal. The type of objectives can however differ, but all firms often have some kind of financial objectives, which can be compared to the outcome and stakeholders. The difference between small businesses and entrepreneurial ventures is that the entrepreneur often goes beyond the organizational objectives and thinks in a more strategic way to increase sales, marketing campaigns for growth and obtain more market shares.

![Diagram showing the relationship between strategic objectives, small business, entrepreneurial venture, and innovation.](image)

**Figure: 3.5, Differences between true entrepreneur and small business**

Source: (Wickham, 1998 p. 20)

Naturally these three distinguishing facts are not necessarily true because small businesses are all different and every entrepreneurial organization has a clear innovation process. On the contrary this shows that a business that improves and makes changes in the society is entrepreneurial. The model above illustrates the small businesses and way to achieve entrepreneurial venture (Wickham, 1998).
3.5.1 Immigrant as Entrepreneurs

In Sweden, non-Swedish origin also represents major potential for the entrepreneurship and new business because many immigrants come to Sweden with a widespread background in entrepreneurship. They are successful because of hard work and low expectations in terms of income (NUTEK 1994).

The important motivation for immigrants to enter in an entrepreneurship is to work independently and make money (Najib, 1992 in NUTEK, 1994). Risks of unemployment, jobs not matching their qualifications, difficult to pursue a career in open market are the other facts that drive them in entrepreneurship. Some of the immigrants are high-risk takers, as they do not start their entrepreneurship from scratch but prefer to acquire Swedish firms that are in blink of closer. Immigrants are active in the areas where there are high competition and low margin (Najib 1992). They however establish themselves against all odds and finally contributes to the development of the Swedish economy. Moreover, many of the immigrants also have contacts back in their homeland that help them to promote import and export of the goods and services from Sweden (Najib 1992).

Starting business is a difficult task, particularly financing the business, which generally is even more difficult for immigrants than Swedes. This is indeed immigrants often have poor collateral, are less accustomed in discussing financial issues with banks and further lack the required language skills. As such, they have to relay on their own assets and savings to a greater extent. Another obstacle for them is to understand the rules and regulations of the country in question pertaining to private firms. They also find it difficult to know where to go to seek for the help and lastly they are poor in market knowledge (NUTEK 1994).
Table 3.3 Entrepreneurs as a Percentage of Total People in Work (Sweden)
Source: NUTEK (1994)

3.6 Networks of Small Businesses

A network is a social framework of relationships and is shaped of the cultural context. It can include the relations between buyers - suppliers and information exchange. It is necessary that the networks have the same cultural background and that a feeling of collectivism exists (Najib 1994).

Wickham (1998) stated that individuals and organizations are a part of a network and one firm is not isolated. Some of the connections are on a daily basis, but most of them are long-term relations. The organizations are located within a network of relations with organizations, friends, family and customers. The business system is dependent on social networks and has a propensity to view them as residual phenomenon. This assumes the importance in the context of which institutional trust is underdeveloped or unavailable to certain groups, (Lever-Tracy, 1992 in Perry, 1999).

The linkages of business generally build on the degree of prior association and shared understanding, which results in the creation of an everlasting sense of obligation. Individual enterprises build ties that creates dynamic and multiple business relationship according to preferences and demand. Business networks are involved in general systems of interaction associated with a particular locality, industry or category of business linkages that generate obligations and enduring interaction according to repeated patterns of behavior (Perry, 1999). The structure of network may be created through for example trading ties, personal connections and ties to collective
institutions. Trust is an adequate identifier of the existing of a network relation (Perry, 1999).

It is common to differentiate network relations on the ground that they involve trust rather than adversarial behavior. This can overlook the variety of forms of trust that can be utilized for the purposes of securing cooperation (Perry 1999). Network may arise because of established business pressure and opportunities combined with cultural inheritance and institutional influence (Storper & Harrison 1991), which means that network function within specific time and specific economies, thus network must be considered prior to any claim about the desirability or feasibility of transferring the organizational form beyond its region of origin (Perry, 1999). Based on the relationship through which it is sustained, network can be divided into four categories.

<table>
<thead>
<tr>
<th>Network type</th>
<th>Linkage characteristics</th>
<th>Examples</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family and ethnic</td>
<td>Ties based on family and personal contacts, embedded in close-knit communities</td>
<td>Overseas Chinese, ethnic minority enterprise, family business</td>
<td>Dependence on ethnic resources, enclave economies, impacts of racism</td>
</tr>
<tr>
<td>Place</td>
<td>Geographical proximity and shared commitment derived from common values and goals</td>
<td>Third Italy, Silicon Valley, Japan’s <em>jiba sangyo</em></td>
<td>Sustainability, variation between industrial districts, origins as a barrier to replication</td>
</tr>
<tr>
<td>Organisational</td>
<td>Investment or ownership ties or membership of industry associations</td>
<td>Business groups, joint ventures, chambers of commerce, industry bodies</td>
<td>Small firm status in horizontal and vertical groups, influences on industry cooperation</td>
</tr>
<tr>
<td>Buyer–supplier</td>
<td>Interaction to enhance role of suppliers and subcontractors</td>
<td>Relational subcontracting</td>
<td>Extent of change in subcontracting, use of vendor rating, impact of global manufacturing</td>
</tr>
</tbody>
</table>

Table: 3.4, Small Firm Networks
Source: Perry (1999), “Small Firms and Networks Economies”

- Personal and Ethnic
- Community based
- Organizational
- Buyers and suppliers
**Personal and Ethnic Network:** Normally networks for small businesses are constructed through social interactions created by family, friends, and acquaintances. In small business context, the principal and the firm’s employees can form these interactions; although one of the characteristic features of family business is that staffs have relatively low status and influence (Redding, 1990 in Perry, 1999). Accordingly, the social network is influenced by two forces, which is firstly the personal network of relations with specific individuals and the business activities in which they are in. Secondly, in the wider cultural dimension in which the individual functions, transfer values, attitudes and the behavior to shape the relationship matters, (Szarka, 1990 in Perry, 1999). As such, some small businesses utilize their personal network and family ties to some extend, where in some small business networks priority is given to a particular type of connections.

**Community based Network:** This type of network is created within a specialized industrial district. The components of the community-based network are the social network and family business. The network is reinforced by integration through intermediary organizations that share the strong affinity to the particular locality. The network is influenced by a combination associated with familial, legislative, political, historical and reputation forces. These factors encourage a commitment to the place, the accumulation of knowledge and have the capacity of a higher degree of industrial specialization Perry (1999).

**Organizational Network:** The network is formed through relations of ownership, investment or shared membership. Extend of integration and cooperation in these networks varies. There is potential that the cooperation may even be extended to the parent and subsidiary relationship (Sayer and Walker, 1992 in Perry, 1999).

**Buyer and Supplier Network:** This network is based on mutual development of two or more firms. This relationship normally forms through relational contract or ongoing relations of exchange. The network can be stronger than the link connected through normal transactions. This is because the network involves a degree of commitment to mutual development and a willingness to accept some degree of involvement by one firm in the operation of another. One of the characteristic ways in which the buyer and supplier relationships have changed in this network context is the increasing management of inter firm linkages through formalized
agreements. This includes evaluation of program, just in time delivery schedules, supplier partnerships and technology development agreement (Angel, 1994).

3.7 Financing Small Business

The issues of financing small businesses differ widely from country to country. This is because of the economic situation of a country. For example the development of banking system, taxation and the rate of interest differ from country to country. In countries with high inflation, the results have been that the banking system has not been used.

Bridge et al (1998) explains that in almost every country there are problems of getting financial support. This dilemma is even bigger for small businesses, which obviously is a disadvantage and financing might be the most frequent complain from new business owners. But why is it like this?

According to Bridge et al (1998) there are five main reasons why this dilemma is so common.

- Small businesses are risky to lend money to, and often do not give enough in return. This is often a financial return, but it can also be interest. The government, on the other hand benefits from small business thanks to development, job creation and economic benefits. Often when different financial institutes lend money, they want some kind of assurance that the money will return, which can be difficult for small businesses. The statistics shows that a lot of new businesses actually fail soon after they have started. This is the reason why small businesses are more vulnerable than bigger companies. Therefore small businesses actively have to work to get financial support and show evidence that the company will not fail.

- The history of the company is important for financiers, but new companies do not have any, which often makes the investors critical. The investors must have an assurance that they will get the money back with the return they are seeking.

- Many financial institutes argue that there is poor effectiveness in lending small amount of money because costs for the administrative work to check the loan and take care of pay off is often higher than the outcome from the loan.
The new business owner can be averse to share equity to others and therefore the ownership. In that case the investors can lose the money. Grants are often used because small businesses need financial help to be able to develop. Therefore grants are important as they assist small businesses to grow and fill in the funding gaps. Even though, grants are not completely without risk because it can be drawn in.

The general source of finance in the early stage of a business is often the savings of the business owner or his family and friends, (Najib 1994). Financing new businesses is a problem not only in developing or under-developed countries, but also for the well-developed countries like the UK and US. This is strange because small businesses have a big influence to the economic situation in any country. The Wilson committee UK report 1979, (in Alan Hughes and David J. Storey, 1994) argued that SMEs are relatively risky because they face higher interest charges and the security conditions are worse than in large firms. However they concluded that excessive bank caution led to smaller firms, because the SMEs have been rationed in the market for loans and bank finance. They also pointed out that there was a shortage of start-up capital and of equity development capital for fully geared established businesses wishing to expand.

To tackle this hindrance for small and medium size businesses, governments from different countries introduced different financial policies like the British government’s 1980s Loan Guarantee Scheme (LGS) and Business Expansion Scheme (BES). These two schemes were designed to tackle the debt and equity sites of the SME financing problems. In the 1990s again the government introduced Enterprise Investment Scheme (EIS) and other very diverse schemes such as Special Merit Award for Research and Technology (SMART). There was also a substantial increase in the availability of venture capital funding, Hughes 1992 (in Alan Hughes and David J. Storey, 1994). Moreover, the introduction of contemporary government’s fiscal policy has generally cut corporate and personal tax to encourage an enterprise culture, which has added some livelihood to the disadvantage of UK SMEs, (HMSO, 1991:17 in Alan Hughes and David J. Storey, 1994).

### 3.8 Theoretical Conclusion

In this report eight key factors pertaining to small businesses done by immigrants have been considered. These factors are not only important for
the immigrants to start and grow their small businesses but are also important for the success of their businesses. These eight factors have been adapted from Bridge et al. (1998) and are in our opinion very important for the establishment of small businesses. The eight factors are summarized below and described more in detail in chapter 3.3 “Starting up small businesses” (p. 21).

- Family and religious background
- Educational background
- Experiences/knowledge of small businesses and the industry
- Location
- Motivation
- Attitudes towards small business start up
- Accessibility to customers, suppliers and other supporting services
- Financial opportunity

As far as immigrant’s small businesses are concerned, we found five dimensional reasons for immigrants to start their own businesses. We summarized these reasons as we have studied and compared a number of different sources in the books and articles. The five dimensions were adapted from a Butler & Green (1999) and are discussed in detail in chapter 3.3 “Starting up Small businesses” (p. 22). In the analysis chapter these theoretical findings will be compared with our empirical ones to give a real picture.

Butler & Green’s five dimensions are as follow:

1. A group of immigrants, which are recognizable as a minority in their new country or area often intend to sojourning, earning money, and then return to their homeland.
2. Group members are discriminated in the labor force and are prevented from securing jobs with reasonable wages, benefits and career opportunities.
3. In order to avoid falling to the bottom of the economic ladder group members create their own economic activities through self-employment and business creation.
4. Low liquidity and low barriers to entry and exit characterize the businesses created.
5. The business may or may not be geographically bounded in an ethnic community, serving co-ethnics as customers and hiring co-ethnics as employees.

3.9 Network Model

As already mentioned in our methodology chapter (heading 1.5) the aim is to create a network model of immigrants’ small business from our own understanding of their businesses and the environment they are in. Here, we have drawn a network model that we think the immigrants keep with them before and after starting their own businesses. This work is according to our pre-understanding of immigrants own businesses. As per our pre-understanding, there are two layers in immigrant network that they keep with them in connection to their business. The first layer consists of very close friends, relatives and source networks - these are essential for the immigrants in building up their business and strategy. We named this network core network of immigrants business because it has a direct impact on the development of their businesses. The second layer consists of the help that is available for immigrants in the society while starting their own business. According to our understanding, this second layer has little impact on immigrants’ businesses because it is indirectly involved in the development of their businesses. However, we will examine this model practically in actual immigrants business and analyze it along with the above five reasons pertaining to immigrants starting their own businesses.
Figure: 3.6, Network model of Immigrants Small Business
Source: Our own
4 Empirical Findings

This chapter will bring up our case studies. Our information here is primarily based on interviews that we have taken to both organizations and the immigrants and certainly we will be using some complementary secondary data too that we have collected from recent newspapers and other sources. But we want to make it clear to our readers that if the source is not mentioned then it is our interpretation from the interview.

4.1 Background

Julie came to Sweden from Indonesia in the summer of 1989 looking for a safe, prosperous country to live and work in. At the moment she runs a restaurant business in one of the shopping centers of Linköping city. Educationally, she has a Bachelor of Arts in Hotel and Tourism Management. Additionally she also has a couple of years of work experience in her field from her home country. While talking to us, she has to think back about her first years in Sweden.

In an anticipation to utilize her educational qualification and expertise in her field, she started seeking jobs in hotels and restaurants in Stockholm, Gothenburg and Linköping. Julie claims that it is very difficult to get a job in Sweden for foreigners. Below she describes her time of desperately hunting for a job in the Swedish labor market:

“………………so for the first time when I looked for a job, I looked into every kind of hotels in Linköping, in Gothenburg and in Stockholm. Only because when they come to know that I am not a Swedish, they said that a-ha, maybe she is suitable or maybe not. Later, I have found a job in a hotel but they asked me if I have a driving license and when I said I do not have a Swedish driving license but I have Indonesian driving license they said no no driving license from Indonesia does not valid here …………I felt like they reject me all the time. Then I took another way, I called a hotel and tourism university in Gothenburg and told them that I want to study and also told them about my educational qualification and I sent my documents. But in response they asked me why I want to study again, though I already have the qualification? I told them maybe if I will educate myself in Sweden and have a Swedish degree then probably it will be possible for me to get a job. I am a foreigner and that is too from Asia, you know it is difficult even if we are very qualified. Here, they look at your certificate, a-ha not Swedish
Julie was lucky and was later employed by McDonald’s, but had to convince the owner that her education did not mean anything to her. The only thing that mattered to her was to get the job. When she was asked the question, ‘if she could work in low payment and in a status that is lower than her qualification?’ she did not hesitate, and took the job without giving it a second thought. This was because it was difficult to get a job, and she wanted to improve her Swedish language skills and also wanted to mingle with Swedish work culture.

“……………and I got the job, the owner told me, but maybe after one month or so you will say good bye to us ………… and I told her, we will see!” (Julie)

Julie worked at McDonald’s for 2½ years and later she felt that it was upon time for her to do something else. This was because by then she already had three children and was 35 years old and furthermore most of her friends in her home country already had top positions in their respective fields. Julie had always been ambitious; she used to dream about having her own restaurant, cafeteria or motel though not a big hotel because she knew that it was not possible for her. She told us that this ambition was the first and foremost motivating factor for her to start her own business and further she wanted to be independent. Moreover, she got help from her husband (she is married to a Swedish citizen) and his family to start her small business. Her husband and her father in law stood as guarantors for a loan from the bank that she needed to generate money for her small business.

But everybody is not as lucky as Julie. Muhammad (name changed on interviewee’s request) came to Sweden in the year 1999 from Kurdistan. Like Julie, he was also looking for a safe place to live and work in and arrived to Sweden with his wife and young son. Professionally electronic engineer, Muhammad could not get a job in his profession in Sweden and therefore had to reluctantly accept a job offer he had from the labor market. Muhammad and his wife worked for several years in simple assembly line in a company that was based in different cities of Sweden. As the condition of work was not favorable and the family situation was a big issue for him (especially wife working in adverse situation and young son at home) he decided to start his own business.
Muhammad thought of starting his own business, as he did not know where to go to gather the support and what to do. Muhammad experienced a lack of information about organizations that help immigrants to start their own small business. To secure a loan from the bank or from other financial institutions was beyond his imagination (the institutions and banks look for collateral or guarantor or some sort of security before they lend money). Therefore he had to use savings that he and his wife had made from their previous job to open his barbershop in one of the corners of Linköping city centre. He is not quite sure about his fate as he thinks that he could do better if he had the opportunity to work as per his profession (electronic engineer). If the barbershop does not yield him his living then Muhammad would consider pursuing further studies in his own field (electrical engineering). This is because a Swedish degree would give him more credibility as, like Julie said; his education from his home country did not pave any positive path to his credibility in Sweden.

While conducting our research, we have come across several similar stories about how immigrants have started small businesses in Sweden (mostly quite successful).

4.2 Factors Driving Immigrants to Start Their Own Business

The question is too complex to be explained by a unanimous factor as to why immigrants start their own business. There is not only one reason, as every immigrant that we have interviewed has given us different reasons and stories. The factors that they have described are both negative and positive. Negative in the sense that there is scarcity of jobs in the Swedish labor market and on top of that there are many disadvantages for immigrants when applying for jobs. Most of the immigrants we have interviewed were qualified and had work experience in their respective fields.

When they entered the Swedish labor market their qualifications and certificates from their home countries did not count for much. Therefore unwillingly they had to accept the jobs that they were offered. This means that they do not want to stick to a job if they accumulated sufficient resources to start their own business. Further, some of them had to leave their countries hastily (for instance Iraqi Kurds) and therefore could not
bring their required documents to prove their educational qualifications and work experiences. As a result they could not venture into the Swedish job market and the only option remaining for them was to start their own business.

“………..when my parents came to Sweden, my mother’s brothers already had their businesses here in Linköping. In the beginning they work together helping each other. Because my parents were Iraqi Kurdish, they did not had right to stay in Iraq neither they had right to take their passport or educational papers with them, they were just thrown out. This was the reason my parents did not had any paper to prove their educational qualification and experiences, so the only easier way to survive was to start our own business, because they had some savings with them” (Lora)

Other negative factors consisted in language problems, both English and Swedish. Some immigrants even revealed that they were too old to do some jobs as the jobs that were available for immigrants in Swedish labor market were physically challenging and therefore only young people who have no other option would prefer to take them.

“………..because I am too old and I have less English and Swedish language proficiency, further they do not give importance to the education that we had previously. To equivalent to Swedish educational system, we have to study another two or three years this is what Swedish system says and I do not have time to study again” (Falla)

We also received some positive responses. Positive in the sense that the immigrants want to be independent, that they think that having their own business is better than a job, as a privately owned business yields more money than a job. We have also found that the immigrants are too ambitious towards their career. They did not want to work inside four walls, but prefer to meet different people and have more flexibility when it came to working hours which is possible by running their own business.

“…………I had job before but I felt business is better than job and I had interest in videos and having my own parallel …………..” (Abdullah)

“…………this business is quite and I have to work for few hours, I have to take care of my two children when they comes back from school, I though this is very nice time to work with. Further, I enjoy meeting people and talk to them rather than working inside four wall and do not see anybody” (Johan)

Immigrants with high qualifications from their respective countries stayed unemployed and just helped their family and relatives or were employed in
lower jobs in Sweden for long periods of time. These people have professional experiences and are academically qualified but utilization of their strength is vain. Therefore the labor market is essentially wasting a pool of talent found in the immigrant communities.

“..........you see for almost every immigrant, it is difficult to find the job, so if they do not open their own small businesses (pizzeria, barber shop, groceries, restaurant etc.) it is difficult for them to survive. I will give you an example; I had two friends when I was learning Swedish language 15 years ago, these two friends I had were doctor, one was hart specialist and another was plastic surgeon, one of them was from Ecuador and I do not remember another one. It really surprised me why they did not get the job, in my opinion doctors are the same whether they are from any part of the world ..........” (Julie).

The major factor for the immigrant’s propensity to venture their own business is their inability to find adequate and satisfactory occupation that matches their professional and academic qualification. The labor market discrepancy could be another factor that drives them towards starting their own businesses rather then depending on the job market. They know that they have a disadvantage in the Swedish labor market and they also know that by keeping small business they can achieve economic mobility because these businesses are labor intensive and they are prepared to work hard, long and in unsociable hours.

We have also sensed that for some immigrants dignity is one of the factors that drive them to start their own business. This is because they do not want to take advantage of Swedish social security and be dependent of social security funds. As it is difficult to get a qualified job immigrants feel that starting their own business is a way to be helpful in the society.

“..........I do not have to leave my life as society’s unwanted elements, I mean I do not want to depend myself on social security, social help you know. I want to show the government and even to the Swedes that I am worth it; I am worth for your society. You know not everybody, not every Swedish but some Swedish thinks that the immigrants comes here just for social security and takes advantage of social help, depends on it. I want to give this message to every immigrant that we can do it, we do not have to depend on the social help. Immigrants are not only for the social security but they can do something for the country and for the society” (Julie).
4.3 The Characteristics Feature of Immigrant's Small Business

In Linköping and Mjölby, where the research has been conducted, immigrant business is highly concentrated operations such as grocery shops, retail food shops, cafeterias, take away food shops, restaurants, video stores, pizza restaurants, retail clothing shops and other similar operations. Some immigrant business is representing Posten (Swedish postal service) as part of their business. However, we could not interview any type of manufacturing, medium or large businesses owned by immigrants.

When asked the questions; “What other type of businesses would you be willing to start up (aside from the one you are currently operating)?”, “What are the reasons for your choice?”, and “In your opinion what type of businesses should immigrants normally look for to start with?” The respondents gave the following answers:

“...............if I have to consider some other business than this then I will go for a cafeteria business because it is easy to handle and less capital investment. As far as immigrant’s business concern, they can go for any type of private business for instance grocery, restaurant ........... To do business is depending on one’s ability, his/her qualification and experiences and the amount of capital he/she will be able to invest in. Big and manufacturing business costs a lot of financial burden, risk involves, not sure to success, but for this type of business there are no high risk and amount of success is quite high” (Falla).

“...............yes, we can think about many businesses, I know my mom would like to have flower shop or gift shop if she has to choose another business besides this grocery shop and also she sometimes talks about having clothing business too. Immigrants normally goes for pizzeria shop that the most common business that is taking place here these days and other than that is oriental grocery shops like we have” (Lora).

Immigrants’ businesses are run either in partnerships, individually or together in the family. The partnership business can be defined as a business set up with close friends and colleagues. Often, partnership businesses are between persons that might have worked together previously. A strong motive in choosing a partner is that the individuals have faith in one another. The family and relatives grouped together in planning and motivating each other.
In family run business it is either the mother or father who has the executive power unless the business is divided. Primarily, the business is run in a motive to self-employment for oneself and for family members. If more staff is required relatives and close friends always have first priority. A family run business has particular niches in the market, for instance restaurant, grocery shop and barbershop. Almost all the immigrant businesses are service oriented and are retail shops. However, we have not come across wholesale, export or import businesses within our respondents.

Following our observations and interviews with the immigrants we came to know that in partnership business, both partners devote their time in their business, either working simultaneously or according to their understanding. The opening hours of the immigrant’s businesses are often longer than normal and they are often opened in holidays as well (Saturday, Sunday and public holidays). Therefore the partners decide when and how to work and synchronize their schedules accordingly. Normally, it is found that the partners’ family members also are actively involved in the business.

The businesses are mainly family concern rather then individual concern immaterial of whether the business is run in partnership, family, individual or run by a group of people. Normally, family members work towards the establishment of the firms and quite often this type of work is not compensated. There are no clear or set rules for family members on how to devote their time in the establishment. The timing is instead arranged according to ones availability and the job is either part time or full time. Men own almost 95% of the businesses and women involvement in the businesses are quite rare. Out of eight interviewees only two were women and only one said she was the owner of the business.

According to Najib (1994), the basic characteristics featured in marketing strategy of immigrant business can be summarized into three different parts. The first marketing strategy for immigrant businesses is businesses that focus on their ethnic community. This is done in the initial stage of their business and it continues until the business is in the position to expand further. The second marketing strategy is to serve beyond their ethnic community, more often very flexible and reach to all type of customers, including their own community of origin. Here they intend to reach a broader spectrum of consumer demand providing them varieties of products and services.
We have come to understand that immigrants try to bring new features in their product line and try to maintain a balance between general and specific products; they keep track of the products required by the customers of ethnic origin and closely follow customers’ demand in the open market. For example Indonesian and Chinese restaurants provide specialized cuisine of their cultural and ethnic origin but at the same time they provide some Swedish cuisines too. Another example could be Halal meat (special type of meat for Muslim community) and some exotic products in a grocery shop serving the ethnic community and at the same time stocking an array of products for general customers.

The third marketing strategy is to actively participate directly in a common and open market where the competition is high because it already exists of native business in the particular sector. Here they utilize their own knowledge in the varieties and range of products they are dealing with. This marketing strategy does not rely on any specific ethnic customers.

4.4 Support Available for Immigrant Small Business

According to our understanding, until the late 1970s and early 1980s, the tendency of immigrants’ small business was rare in the different market places in Sweden. But this has changed and now, immigrants’ businesses grow fast in many sectors, which have opened the eyes of different private and public sector organizations as well as local authorities that now participate actively to strengthen and motivate these ethnic businesses. Most of the organizations that are involved in helping immigrants to start their own business are charity in nature, as they do not charge immigrants for counseling and helping them in building networks and contacts. When asked the questions: “In what way did you look for information when you wanted to start your business? Do you think government or local authorities one or the other way helps to establish immigrant’s small business in Sweden?” the respondents replied as below:

“…………yes, there are many organizations like Arbetsförmedlingen, economy centre and so on; they help any one who wanted to start their own business. Only thing one has to have is legal permanent resident status in Sweden or similar” (Falla).

“…………Of course I went to the place they call in Swedish Nyföretagare (foreigner starting new business) for help. I went to their office and I told them that I am not
Swedish but I have permanent resident status and I want to start my own business. They showed me many papers and advised me to do this and that, they also advised me on how to fund my business (getting loan and so on)” (Julie).

The respondents’ statements show that the government and the local authorities are very much indulged in promoting immigrants business. Therefore we have investigated some of the organizations that are behind the scene for immigrants’ small business development.

4.4.1 Internationella Företagarföreningen i Sverige (IFS)

Internationella Företagarföreningen i Sverige (International Association of Employer in Sweden) was established in the year 1996 in Stockholm. The main purpose of the organization is to help immigrants in establishing their new businesses. IFS has changed its name and is now known as IFS counseling center. The services provided by IFS for immigrants are totally free and include the following areas:

- Counsels the immigrants on preparing their business plans, formulate business idea.
- Let the immigrants know norms/rules and regulations on conducting business in Sweden.
- Help the immigrants in building social networks and also help them to get the business partners.
- Establishing contacts with other important organizations like financial institutions and banks.

Today there are approximately 18 IFS offices located all over Sweden. Most of the employees (around 30 per organization) have foreign background and together they can handle over 20 different languages which is suppose to be an immense help for immigrants when starting their business because their language ability will serve the barrier of immigrants’ language problem and as a consequence immigrants can present and describe their vision and mission in their own language.

“............the reason why IFS was formed is when the immigrants felt that they didn’t have the same possibilities and accessibility to establish their own business as had the Swedes. On top of that immigrants had language problem and lack of knowledge/information about Swedish society and how to start a business. Who should they talk to and show their business plans, how to materialize their ideas their mission and vision and......... so on? These were the major dilemma for authority to step in to
resolve the problem. Also contacts are very important and there can be problems when you do not know who to contact.” (Olga Krouchinskaia, one of the counselors in IFS)

IFS were established in 1996 and is financed by different organizations and authorities, for instance IFS gets 17% fund from NUTEK. Therefore IFS has very close collaboration with others, for example there are mentorship projects with different Swedish companies. The immigrants who have started a business have the opportunity to get advice from businessmen and successful companies that help immigrants to get more integrated in the society.

IFS has a broad network of partners, for example collaborations with ALMI business partner, the Employment Service Labor Exchange in Sweden (for start-up-grant), County Administrative Board (for financing), research institutes and of course taxation authority. IFS are willing to elaborate the network with partners as long as it gives positive results for the immigrants and not just consists of meetings and discussions. A problem though is that most immigrants do not have a cultural background of being part of a union. There are also smaller collaborations with the schools and the universities that have the skills necessary to educate the immigrants in a deeper understanding of the Swedish society.

Because the immigrants cultural and educational background varies the sort of business the immigrants start are broad. It is hard to start an advanced business for immigrants but there are certain types of businesses, which do not require any kind of educational level.

There are huge differences in the formation of the law between immigrants’ own countries and Sweden. This is one of the issues where IFS help immigrants to act correctly and follow the Swedish regulation. In Sweden a company must pay different taxes and payrolls, income taxes and so on for social security. All the income generated by the business cannot be used in the business purpose because the business has to pay different form of tax to the government. This is some of IFS issues, that is to make immigrants understand the taxes and regulations.
Assam (Regional Development Council), Euro future\textsuperscript{2} and Nortek have done three different investigations/opinion polls on IFS in the past three years and all have had a positive outcome. The trend in society according to IFS is that at the times of economic recession the immigrants tend to start more businesses because they do not want to be unemployed but self-sufficient. IFS is a dependent organization and is very much dependant upon the integration politics of government. When the government keeps the immigrants on focus, IFS gets good share of the national budget to conduct their program. If the government would spend the budget on something else, then IFS would probably not exist.

4.4.2 Employment Service Labor Exchange (Arbetsförmedlingen)

Arbetsförmedlingen, which is the Swedish version of “Employment Service Labor Exchange” and in short known as AMS, was established in 1940. The formation of this organization was mainly to secure employment during the Second World War. AMS helps employers to find competent people to hire. They also help the unemployed individuals to find work as soon as possible. These are the two main aims of the organization even though they receive some other goals directed by the government every year.

AMS does not help already existing business much, but what they can do is to find the right staff for the employer. This organization expertise is in helping people who want to start their own business. AMS offers free counseling, market research, market planning and education. The immigrants brings their business proposal to AMS and if AMS finds the proposal feasible for his/her self-employment then the person gets a start-up grant for the first 6 month, which is equivalent to his/her salary. This grant is further extendable up to one year depending on the situation of the business that the immigrant is undertaking. This practice is applicable to both Swedes and immigrants. The motive for this is to support the newly started businesses because quite often newly started businesses have shorter terms of delivery and have financial problems, which means that the chances of profit and expansion are quite low.

AMS work in a collaborative network with municipalities and with the person responsible for economic life of the people. Apart from this AMS

\textsuperscript{2} Investigation institute
also works in collaboration with Företagscentrum (Business centre). The organization always welcome new partners with whom they can work for the fulfillment of their common goals.

The percentage of immigrant business growth is according to AMS approximately 10-15% every year and it seems that the businesses are quite stable. Integrating political policies are very important for AMS that is why the organization works very closely with migration board. Actually the migration board informs AMS when there are immigrants with higher education and professional skills and AMS integrates these persons in the society very effectively. The integration policies are focused and the immigrants are a prioritized group. This is because many immigrants in Sweden have knowledge and skill and if used effectively can benefit the nation.

“…………the financial institutes and the taxation authority have made a big difference for the immigrants. For immigrant understanding Swedish tax system is very difficult and the financial institutions are often not willing to invest money on them until they think the business proposal presented by the immigrants are safe and feasible and involve low risk. This is the main reason why immigrants often finance their business with the help of friends and family, precisely an internal loan” (Mr. Niklas Sjösten).

4.4.3 Business Centre (Företagscentrum)

Business Centre (Företagscentrum) is a local non-profit organization in Mjölby. It has 125 members ranging from individual business to business with thousands of employees like BT and Väderstadverken. The organization was established in 1998 by different companies in order to make the companies function effectively. Today Business centre is working with the existing members/companies and helps them in different situations, for example with counseling, contacting with the municipality, answer questions about corporation, seminars, educational possibilities and common purchasing, which can lower costs for the companies.

The business centre helps the new companies to establish themselves by free counseling and also by bringing them into their networks. There are different stages of counseling, to the new starter from the early stages of discussion, planning, and developing ideas, to the registration of the firm’s name and finally the establishment of the firm. 30% of the firm’s time is owned by the municipality of Mjölby, so when a person comes to this organization seeking
counsel the counseling time comes under that 30% time owned by the municipality.

After getting counseling and help to establish the business, the business personnel can choose if they want to be a member of the organization or be independent. It should be pointed out that Företagscentrum backs the firms even if they are not members in the organization. Företagscentrum has a broad network and collaborate with almost everybody, so called “company friends” or alumni business partner.

“...............Sometimes the network gives you a feeling that it is the combination of too many actors involved like in a big jungle” (Marianne Hellman)

4.4.4 Regional Development Council (Östsam)

The Regional Development Council, (Also referred to as East Sweden) in Linköping is a regional co-operation institution, which is owned by the municipalities in Östergötland (13), which means that East Sweden is a member owned organization. There are also similar organizations in different places in Sweden on a province level. East Sweden was formed on January 2002 with a non-profit motive in collaboration between the municipalities. The organization today coordinates and initiates questions that interest the regional level, such as economic, social and cultural development to give the citizens good wealth (East Sweden, 2004). The members must show solidarity, because if just one municipality wants to quit the organization, the whole concept will break.

Today East Sweden is working in four action fields:

- **Lifetime learning and education**
- **IT and communication which include the infrastructure in the society and the information technology in form of IT-support, for example broadband**
- **Culture and nature for example music and theatre**
- **Economic life and health with development work**

Apart from these four, the fifth action field for East Sweden is international collaboration. East Sweden collaborates on an international level with other European regions as a natural part of the daily work, which hopefully improves the quality on the regional level (East Sweden, 2004). The main reason why East Sweden was formed was that there were a lot of areas that
were better to collaborate with for the municipalities to bring out the most effective work. There were also areas that would benefit of being driven and coordinated on a regional level.

“East Sweden is a good forum together and there are a lot of networks within East Sweden. Involvement of East Sweden in many networks brings flexibility, for instance when it is a question about economic life and starting your own business, East Sweden help you by collaboration with its other co-organizations like Nyföretagarcentrum (New business center), ALMI” (Catherine Szabo, Project Manager).

According to Catherine Szabo, introduction policy of immigration in different organization is very important. Therefore East Sweden’s main topic in recent years has been to introduce immigrants into its own and partner organizations. The integration process is taking place at local level at present and it is up to each municipality if they want immigrants as members or not. Municipalities that have integrated immigrants are responsible to support the immigrants to learn the Swedish language, inform about the Swedish society and introduce them to the labor market to be self-sufficient.

4.4.5 Handelsbanken

Handelsbanken was formed in 1876 and today it has offices in the Nordic countries, Europe, Asia and USA. The bank has 453 offices only in Sweden and follows a decentralized management system, as their motto is to stay in touch with their customers in order to make their customers feel they have a close relationship to the bank (Handelsbanken report, 2004). Handelsbanken works very closely with large and small businesses in Linköping municipality. The bank helps the business houses in the entire range of banking issues. When it comes to financing and lending money to the business people Mr. Nyberg (head of business and marketing) stated; “We sit down with our clients and discuss the matter very closely together. For us it is very important to have a clear picture of the client’s idea and thoughts about the business that he/she want to perform. A clear vision makes us believe in financing our client’s business even if the client does not have satisfactory collateral”.

Regarding financing of immigrant owned businesses, Handelsbanken has given its continuous support to immigrants and are always ready to finance their business as long as they have a good business proposal and are visionary. Mr. Nyberg claims that they do not differentiate between Swedish and immigrant businessmen and businesses operated by women in Sweden and neither is there any difference in the bank’s rules and regulation for
these two categories. When we asked the question, “It has been witnessed that most immigrants can not produce any type of collateral or guarantor to get the bank loan. Is there any way out for this?” He stated that a collateral is not a big problem in gathering the loan from the bank for immigrants business, as his experience is that immigrants work pretty hard and collect the money for their own business investment.

Banks need some kind of reference/security/guarantor, to stay on a safer site. Therefore, it is necessary for immigrants to own investment and of course a good business proposal before Handelsbanken can lend money to them. Handelsbanken in Linköping works in collaboration with Nyföretagarcentrum and IFS. These organizations help immigrants in solving most of their business problems and also in generating information pertaining to bank finance.

4.5 Support They Look for From Government and Local Authority

These days there is a lot of help and support available for immigrants who want to start their own business in Sweden. The support could come from the community (local authority) or a higher level (government). According to respondents, the government and local authority have opened many doors for people who want to engage in establishing their own business. They also pointed out that high self-esteem is necessary for anyone who wants to start their own business.

Immigrants claim that they have to do too much paper work, which they feel is unnecessary. According to them, Swedes feel the same way as they do, but they are also helpless because it is the system that requires paper formalities. Immigrants think that it is good to have paper work in but there should be some limitation.

“…………here in Sweden everything is in paper, for example this is a little restaurant but there is a lot of paper work to do. For every single drink I have to prepare different paper, for preparing food from putting into the fridge to taking out of fridge and until I cook, I have to write the procedure in paper. How can I be so productive when I have to write at the same time look after all my customers who are waiting for the food outside?” (Julie).
“...........lot of paper work to do in the small take away food business like mine, top quality hygiene have to maintain in the paper form and lot of formalities, do like this and like that. Like you have to register everything, if you buy something frozen, register, put it in the frizzer register, take it out register and prepare food out of it, register. You have to register stating that how you have handled it from the time you have bought it until you prepared it” (Johan).

Immigrants also regard the Swedish tax system as a problem. They say that the tax rules even for small businesses (grocery shops, restaurants…) like them are the same as for the big businesses, which they think is unrealistic. Therefore they argue that the government should reduce the taxes slightly for small businesses.

“............I think they complicate too much, because they do not take into consideration to the size of the business and sort of business that we run, they think that the business is business whether it is big or small the rules are the same which will make harder for the small business like us. ............and definitely the tax, I think the taxes for small business are very high not only for the small business, the tax is high for the big business too because sometime we feel that we have to pay more than we earn” (Lora).

Through our interviews immigrants openly criticized the Swedish tax system but they also prized the social security system. They suggest that the government should come-up with some other alternatives because this way they may loose the upcoming businesses too. There are a lot of companies that are moving out of Sweden because they cannot cope with the tax system here. It seems that tax forms are barriers to employ someone and also affects which business they choose. For instance, respondents told us that if they want to employ someone, they have to pay additional 31% in social tax on behalf of the employee. In the restaurant business the price the customers have to pay is influenced if they are eating in the restaurant or take away the food because of the taxes. The value added tax (VAT) for take away is 12%, eating in the restaurant is 25%, which obviously not only influences the price but also changes the consumer behavior and preferences.

4.6 Criteria They Consider Before Starting Business

Most of our respondents regarded the location as the topmost priority when starting a business. They first figure out the location and then decide what type of business that is feasible in that location. Then they consider the issues such as; what type of businesses already exist there, what could be the next alternative to those businesses, will there be more competitors in the
future in the business they want to pursue? Is there any exiting competitor, if so what type of threat is there for their business? For example, if there already exists a pizza restaurant in their chosen location and they are interested in the restaurant business, they are likely to serve multiple cuisines excluding pizza.

Financing is obviously another top priority but they say that if the location of the business is not centrally located in a city or town then what’s the use of a big investment? Most of the immigrants want to locate their businesses in the shopping centers where there is a good flow of customers all the time. Their second priority is the suppliers, and according to immigrants, they get both door-to-door suppliers and suppliers in the market places (wholesalers). When asked, ‘Why they had chosen to set up particular businesses?’ ‘What motivated them?’ and, ‘What are the things that they had considered before starting the business?’, their answers were fairly simple; they wanted to have the only business of its kind in the whole area. This was because that would mean less competition, a possibility of growth, less financial burden and so on. Almost all the respondents told us that there is scarcity in area where they are doing their business now. They want to expand because over the year their volume of business has increased and on top of that they want to introduce more products verities to attract more customers.

“…………for me the location attracted much, this place is centrally located and there are very good flow of the customers here. No one had and still has the bike repairing and retailing business here in this centre. I felt that the business will certainly flourish. I hope, my business will grow bigger and bigger but there is no space to expand my business here, if I could have space to expand the area of my shop then it would have been better for me” (Falla).

“…………the most motivating factor while entering in a particular business is the interest of ones own for instance opening flower shop for my mom because she was very much fond of flowers that motivated her to learn more about it visit different places like Amsterdam and Stockholm where big flower festival take place. She brought the idea and implemented here in her shop. We have this place in perfect location to start the business. Furthermore, there was opportunity for the shop like ours because there were no other shops of our kind. We are thinking that hopefully we will expand a little bit and specialize more in flowers and gifts. Basically, there are lot to learn about more specialize items” (Lora).
4.7 Financing the Business

As far as financing the business is concerned, our studies showed that almost all of our respondents had taken loans from banks. To get a bank loan, they told us that they had to submit their business’ financial proposal (budget) as well as some kind of guarantee.

From the interview with Handelsbanken in Linköping & Mjölby, we came to realize that the banks really motivate the entrepreneurs but at the same time they want to know if the entrepreneur’s business-proposals are realistic. The bank makes a valuation of the default risk connected to the project and sets the interest rate accordingly. Generally, banks do not give away 100% business loans; they want individuals to contribute 20% to 30% of the total investment of their own.

“…………we want from our customers a clear vision of their business they want to undertake because our mission is to give loan and do business. The new business owner must have a good business plan and have good arguments before he/she visits the bank and from their plan and arguments the bank makes an evaluation of the individual’s capability to repay the loan taken. We also consider the market and earlier experiences of the individuals and the groups, before we give away a loan”. (Anders Hättström, Handelsbanken, Mjölby).

Besides taking loans from the bank to conduct their business, immigrants normally prefer using their own savings and borrowing capital from friends, family and relatives to set up the company. This is because by doing so they do not have to pay interest to the bank. If they pay any interest to a friend or relative then this is usually done at a very moderate rate. This propensity helps the immigrants to escape the financial burden to some extent. But mostly there is a tendency of immigrants to take loans from commercial banks. This is probably because most immigrants have the same low status in the society as such they cannot support each other financially.

“…………a a yes we have taken the loan from the bank for our business but before doing that you have to have your own money too then only you get the loan from the bank. We have not use our other network for financing our business, we had few savings of our own and rest we have taken loan” (Lora).

“…………there are financial institutions and banks that help in providing the fund to start the business but mostly you should have some of your own funds too to show your own motivation towards your business and it could range from 20 to 50%. I think this is
how formality works; I have never tried because I have funded the business of my own” (Johan).

However, some immigrants stated that they had difficulties to obtain loans from the bank. The main reasons stated for this was the bank’s lack of confidence in their business, their personnel proposal, their ability to repay the borrowed money and that they were new in the business and did not have any previous experiences in running a business. Banks further look for a good credit position of the person or group and property or other forms of security for mortgage.

On this issue, immigrants argue that since most of them escaped from their home countries they could not bring their possessions with them. On top of that, getting desirable job and earn a good credit position is difficult in Sweden. Some of the immigrants do not have family, friends or other types of networks from where they could gather support. In such a situation it is difficult to produce the requirements that the bank demands. They wanted to be independent and self employed rather than be dependant on the Swedish labor market which they had found so disadvantageous and unfavorable.

Nevertheless, respondents told us that once they had established their business there was no problem to get a loan from the bank as their established business served as collateral. They usually take up loans even after the establishment of the business for further expansion and improvement of their existing business. They would also want to strengthen the financial position of the business and cover costs for the normal running of the business in special circumstances or in downturn were other reasons given for taking loans after establishment.

Our own perception in this particular issue (financing immigrant business) was quite different, as we used to think that immigrants generally started their businesses either by their own fund or fund from their family and friends. But our research shows that almost 80% of our respondents financed their businesses by taking up bank loans one way or another.

Another very important and impressive fact is that to finance their own business, immigrants save their own money received from low paid and adverse jobs. This shows how motivated and committed these people are towards their own business and self-employment prospective.
4.8 Networks and Connections

According to our findings, networking is one of the most important factors for immigrants to fully integrate themselves in Sweden. From migrating to settling down in Sweden and, from job searching to their business career, they use various network connections. Our finding shows that every immigrant uses their own network and connections for information and other sorts of requirements before and after starting their business. Relatives, family and friends are their main source for gathering information. It has been seen that they use these connections for financing themselves in starting-up their business, to make partnerships and form groups to conduct large business if necessary.

We believe that these ethnic minorities in Sweden mostly live in joint families and a huge network can be expected around a family. We have found that every family member for instance father, son, daughter and mother have their own social and professional networks. Relatives of parents, including their personal network, come under this family’s network. Moreover when a son or daughter of this family get married, the family network is further extended to include their newly acquired in-laws own network of friends etc. As such, a small family can be in possession of a huge network from social, cultural and professional and political networks. In fact their ethnic network plays a critical role in the formation and maintenance of immigrants’ small business where the owner normally achieves the entire range of assistance. The people in this network could be their first customers, suppliers, location providers, financers, legal advisors and so on upon whom the immigrants count on in the beginning of their business. When asked the question “Is it important to have connections and networks when you want to start your business? How”? We got the following responses.

“…………yes very important, in the beginning when my parents came to Sweden, my mother’s brother (maternal uncle) already started opening different businesses here in Linköping and my parents start working with him, they help each other and my parents learnt many things from him and also in the meantime acquainted themselves in his networks which later helped them to start their own business based on these networks. Actually, we took over the business from our uncle later on because by then we had specialized ourselves in flower and other range of products and also we managed to influence different network through my uncle which made us easy to carry on with this business. That is why I think the network is very important fact that one should build/have before starting business” (Lora).
“…………my wife had her brother here already before we came to this city. Before starting this business, I had gathered the information from my friend about the availability of shop here for business. Without him it would have not possible for me to get this shop. For me net work is very important in establishing the business” (Falla).

“…………very very important, building network is very important for business like ours. But building network within the cultural and ethnic people is not sufficient, immigrants comes to Sweden and quite often they stays with their ethnic network, but in my opinion it is important to expand ones network beyond their own ethnic and social culture” (Julie).

“…………my partner had the connection with different people and with the help of which it became quite easy for us to establish this business; actually he did everything through his different connection and well integrated network. Information came to us about the availability of this business through one of his friend” (Johan).

Looking at their statements, we can conclude that the family size and structure of the family plays a distinct role in the establishment and success of the immigrant’s business. A large network is particularly influential at the beginning of the establishment, as in this stage of business they want to find a niche market. Later on, in the course of time they will expand their network beyond their ethnic expansion and they will compete with native people.

4.9 Immigrants’ Advice to New Immigrants

Finally in our empirical findings, we have collected some advice for those immigrants who want to start their own business in the future. All this advice is stipulated by our respondents who in most cases have been quite successful in the business that they are undertaking. Through their own experience they have extracted this advice but it has been difficult to distinguish what was most important. However, we have included the most common ones, which all immigrant businessmen and women advised and tried to put them in chronological order.

The main points to ponder for the immigrants who want to establish their own business according to our respondents are first and foremost they have to learn the Swedish language (read, write and speak). This is because without it, it is not possible to serve the general public and to some extent
one will limit the business to the ethnic minority groups. Secondly, one should build a good network that goes beyond friends and family. Thirdly, one should at least be able to finance part of the business with private funds, as this helps when applying for a loan from the bank. It is also important to be patient in what they are doing. Let us see what the respondents said in their own words when we asked them this question “If you are asked to advise new immigrants who want to start their own business today, what are the three best pieces of advice you can give them”? And how would you explain the business environment in Sweden for immigrants?

“…………if they want to do a private business, they must learn Swedish language at first because without the language, how they could deal with the local customers. Secondly, they must choose the good location for their business because location is one of factors that brings the success in the small business like ours. And thirdly one must have some finance with them to begin the business or should have good contacts with the authorities in order to get help. It is also important to be very motivated towards what they are doing and how they are doing. I think doing business here is quite difficult; it depends on what type of business one is looking for. Immigrants normally can not do big businesses; they intensely go for cafeteria, restaurants, pizzeria and so on which are quite easy and have potential to grow. Swedish people always search for new and natural things, it could be natural vegetables, any kind of food stuffs or any thing. Swedes supports it” (Yung).

“…………first of all you have to know the luggage very well and second of all you have to know about your business very well. You should start your business from a certain point and then improve yourself but may be not like we did because if we have started our business in the point we are now then we would have been much advanced by now. Thirdly, it is not only important to know the business that you are in but you should know the other business as well. For instance, if you are interested in cloth business then do not go and put all the money on it and open a clothing shop but rather learn about it, try to work in different places and see the market how it is working and then get yourself into it. It is very important to have contacts, so learn about the people who are already in to this business. For the small business like our, the business environment is pretty good but tax structure is the main hindrance for the business in Sweden. If you are well educated, it is better to fine a job rather than doing business because taxes are really bad” (Lora)

“…………in my opinion to run ones own business, one has to know good Swedish language at first. Trying new and unique things will always pays off; as such I suggest the new starter to come-up with new idea in the business arena because there are already too many competitions in the market on already existing business like those business that immigrants are doing in Sweden. Swedish people are very much fund of food, so there is still demand for good food restaurants” (Ayman)
“.............you should have a well structured business plan and you should have faith on what you are doing how you are doing. Today business is getting tougher day by day as such you have to be devoted in your business. To gain customers faith and attract them towards your business you should keep the costs low in the beginning of you business. If you have a good business plan and you have faith on what you are doing then getting finance from the bank should be no problem because the collateral asked by the bank is secondary thing, primary and most importing thing that the bank consider is how firm is your business future” (Åke Nyberg, head of business & marketing department, Handelsbanken, Linköping)
5 Analysis

In this chapter we will analyze our investigation and findings and we also compare our theoretical model that we have build from our theoretical findings and try to bring light in this report.

5.1 Tendency Towards Small Business And Self Employment

It is quite difficult to give a specific reason why immigrants in Sweden prefer to perform their own small business and engage in self-employment instead of searching for jobs in the open Swedish labor market. According to our respondents, there are many reasons behind the tendency towards self-employment. If we put them chronologically in positive and negative aspects then the first one is a shortage of jobs and the disadvantageous Swedish labor market (negative). In most cases, we have found our respondents highly educated and having professional skills (business, managerial, engineering and so on) but the jobs available for them in the Swedish labor market are adverse to their qualifications and experiences.

Again, the adoption of advanced technology by Sweden in every working field and the need for professional language skills in both Swedish and English has made it very difficult for immigrants to find a job. Obviously most immigrants lack these skills and therefore fail to compete on the labor market. They even know that if they are given an opportunity they will not be able to fulfill the organization’s expectations. These are the major reasons for immigrants’ tendency towards small business.

Apart from this, the positive aspects of the tendency towards small business start-ups is due to their high ambition, desire to make money, willingness to be independent or to be their own boss as well as having previous business experience from their home country. Out of our eight respondents, four were employed in different organizations before they started their own business and when asked why they did not continue their job, the answers were the aforesaid reasons (ambition, independence and personal business experience). They do not want to go back to their previous jobs not even if
they were given the chance to work with a job connected to their educational qualification and experiences because they are happy to be their own master.

5.2 Typical Features of Immigrants Business

An immigrant’s business consists of a small entrepreneurship and basically they employ themselves and their family. Apart from operating the business individually and with the help from the family, the businesses are also carried on in partnerships. The choice of partner is based on close friends, relatives and colleagues where the understanding between the partners is built long before starting up the business. Since the business is centered on family, friends, relatives and colleagues, first employment opportunities are given to the people within their network and community. As such, the employment opportunities for the people outside their network and community are rare.

Immigrants’ business is highly concentrated on grocery shops, retail food shops, cafeterias, take away food shops, restaurants, video parallels, pizza restaurants, retail clothing shops, vehicle/bike repair/maintenance shops, barbershops and businesses of similar operations. These types of businesses require a small capital investment, which means a lower risk and a higher possibility of success. On the other hand they are very labor intensive; service oriented and long hours of work. To perform manufacturing, medium and large size businesses require more capital and people with more specialized skills. Even having such skills and being financially sound does not guarantee success, as there are other factors that hinder the performance of these type of businesses for example, there are hurdles such as; financial burdens, higher risks, management capability. Possibly these are the main reasons why immigrants in Sweden do not perform such businesses. Instead their businesses are very simple and concise and do not require advanced skills or a high educational level nor language proficiency.
5.3 Support from Local Authority & Institutions

A lot of support is available for immigrants who start their own business in Sweden. Our study shows that both local authorities and governments including private institutions are taking initiatives in helping immigrants to establish their businesses. Local authorities and municipalities are joining hands with private institutions (for instance Mjölby municipality and Business Centre/Företagscentrum in Mjölby) to give all type of support to immigrants. The establishment of Internationella Företagarföreningen i Sverige in 1996 (IFS, p.47) is one of many good examples of the Swedish government’s initiative towards immigrants small businesses. In most cases the services provided by these organizations are free and the range of services available for the immigrants are as follows.

- Counsels the immigrants on preparing their business plans, formulate business idea.
- Let the immigrants know norms/rules and regulations on conducting business in Sweden.
- Help the immigrants in building social networks and also help them to get business partners.
- Establishing contacts with other important organizations like financial institutions and banks.
- Registration of the firm and introduce the firm in their business network and business alumni partners.
- Possible education and training, conducting seminars, common purchasing, build contacts with local municipality and other networks, finding competent employee if needed.

Immigrant can get continuous counseling even after the establishment of their business. In some organizations it is possible to register as a member for future benefits, which only costs a small membership fee. Organization like Employment Service Labor Exchange (Arbetsförmedlingen) helps immigrants by subsidizing monthly salary at the initial stage of their business (6 months to 1 year). The idea is to support immigrants in the early stages of their businesses, as in this stage the transactions are very low but the financial constrains are high.
5.4 What Support Immigrants Small Businesses Look For

The Swedish tax system and paper work formalities are the two main concerns of immigrants businesses. Our respondents argue that small take away food shops, restaurants and pizza restaurants have to do a lot of paper work, which is time consuming. Since these businesses are all customer and service oriented, they have to be very productive at peak business hours. In a restaurant and take away food shop, the time between the purchasing of food until it is a finished product has to be registered, which annoys the respondents. Other businesses also have to deal with a great deal of paper, especially prior to starting the business when issues such as registration, loans, rent and other facilities have to be sorted.

Immigrant business owners claim that the taxes in Sweden are high for the small businesses. Actually they do not see any difference in the rules and regulation related to taxes between small and big business, which makes it difficult for small businesses to survive because the volume of their sale and profit is not as big as in bigger companies. Government and local authorities should consider this issue and try to find a solution for the small businesses, as this could mean that more immigrants started small businesses.

5.5 Immigrant’s Business Accessories

There are many accessories that are necessary for a smooth implication of business, for instance location, type of business, buyer/supplier accessibility, financial implications and competition within the area of business. When these accessories in immigrant’s business were analyzed, it was found that immigrants consider location as the first priority for their business because a good location brings more customers. This is natural as most of the businesses run by immigrants are service oriented which requires a large influx of customers.

The second issue they consider is the type of business. What type of business opportunities are there in the available facilities? What sorts of competitors already exist in the surroundings? What could be an alternative business? For example if a pizza place already exists in the area a newcomer is likely to choose another niche and start up a different restaurant.
specializing in other foreign cuisine. This would avoid direct competition and probably be more successful as the newcomer has the only restaurant in the area. Implementing finance is not a big issue for immigrants who want to establish their own business as the location and the customer inflow are regarded as more important.

5.6 How They Finance Their Business

The main source of financing for businesses owned and operated by immigrants in Sweden are commercial banks and private savings. To start the business, immigrants normally fund their businesses by combining their own savings (20 to 50%) plus bank loan (50 to 80%). It has also been witnessed that some of the immigrants do not borrow any money but instead only use their own savings. Immigrants also borrow capital from their family, friends and relatives, which is a lucrative solution, as the lenders often do not want any interest.

Almost all the respondents borrowed capital from a commercial bank when starting their business (sometime the borrowed capital even covered 100% of the total investment). The first thing a bank considers when someone applies for a loan is the business proposal and the feasibility of the business, even though they also need some kind of collateral or guarantor. If the bank finds that the proposal is good, the feasibility of the business is appropriate and the applicant is motivated and trustworthy then the bank can give away a loan without a guarantor and collateral. However, we have not come across any private financial institutions or private money lenders (non market source) that are common for immigrant and ethnic small business in the US and UK.

5.7 Sojourning, Earning Money and Return Home

A group of immigrants in a new country or area in which its members are recognizable as a minority, often with the intention of sojourning, earning money, and then returning to their home land. (Theoretical Conclusion No. 1, Butler & Green (1999) p. 37)

Mostly immigrants belong to minority groups in Sweden and many of them are engaged in small businesses but they are not performing the business on a temporary or sojourning basis, as their businesses are long term and
committed. To prove this we can take the example of immigrants starting their own business through their own savings from minor works with low wages. In this study we have found that in case of some minority, immigrant groups have very good business skills, which they have developed, in their home country. This could be one of the reasons why they want to engage themselves in the same profession and capitalize their skills rather than being employed. To be ambitious and wanting to earn money are other reasons for immigrants to start their own small business.

Most of the respondents did not intend to return to their homeland after earning money in Sweden. Even though quite a few respondents mentioned that they wanted to go home and spend their life following retirement in their home country. The reason that most respondents did not intend to go back could be that they already had Swedish citizen status or were in the process of getting it. Another possible reason could be that Sweden is one of the safest and most socially secure countries in the world and therefore immigrants are likely to feel more secure in Sweden than they would in their home country.

5.8 Discriminated and Little Career Opportunities

*Group members are discriminated in the labor force and are prevented from securing jobs with reasonable wages, benefits and career opportunities.*

*(Theoretical Conclusion No. 2, Butler & Green (1999) p. 37)*

We believe that it is obvious everywhere in the world that immigrants are not treated on an equal footing as the citizens of the country because the latter fall into the first priority ladder. Some immigrants take such phenomenon as obvious and perceive it as natural but others feel isolated or discriminated. In our opinion demand of workforce in the Swedish labor market had started to decline because of its economical downturn from the mid 90s and onward. This made it difficult even for Swedes to get jobs in the labor market and this may be the reason why immigrants are not able to secure good jobs.

However, as far as labor force discrimination, barrier to career opportunities and securing reasonable wage jobs are concerned; there is not a big difference between Swedes and immigrants in Sweden. It is the matter of a decline in labor force demand in the labor market as such priorities are given to citizens. On the other hand there are no barriers or obstacles for
immigrants to perform independent work, for instance immigrants can perform any kind of business in Sweden as long as they have the required skills and talents. There are no separate rules and regulations for immigrants business or if there is any difference in the tax system that discriminates immigrants from Swedes. Immigrants are not prohibited from entering the labor market, owning property or operating independent business. In this way, even though there is a shortage of employment opportunities for immigrants because of decline in Swedish economy and demand of labor force, there is a wide range of opportunities in the self-employment sector.

5.9 Falling To the Bottom Of The Economic Ladder

In order to avoid falling to the bottom of the economic ladder, group members create their own economic activities through self-employment and business creation. (Theoretical Conclusion No. 3, Butler & Green (1999) p.37)

As discussed above because of certain circumstances, getting a job in Sweden is quite difficult and it is one of the reasons for immigrants starting up their own business. In this way they help themselves in the social and economic mobility. Due to immigrants’ contacts with their native countries and with preexisting network, information about the economic opportunities are passed-on to the people who are willing to immigrate to that region or nation. Therefore, recently immigrated people have often made a decision on what type of economic activities they should perform even before they arrive in Sweden. This best economic activity may be to start a business, even if they have recently arrived.

New immigrants follow the same root and footpath of the immigrants who previously have immigrated to that country. For instance they follow the same immigration pattern, choose the same city for settlement and even carry on the same type of economic activities to sustain themselves in their newly found country. The family member or the member of the ethnic network (ethnic pioneers) plays their role in providing guidance, accommodation, job search, business ideas and so on in order to activate them in the host society. In this way they are reunited with their brotherhood and possibly end up in the same kind of occupation and line of business. Inside their ethnic business and community, they trust each other and there is a tendency to support each other. Thus by helping each other morally and economically, immigrants prevent themselves from falling to the bottom of
the economic ladder of the country. The process of people’s immigration is deeply embedded and so are their economic activities. This helps immigrants to predetermine what they can do after immigration and the idea of self employment and creation of different business are likely to emerge already at this stage, which in turn help them in their economic mobility.

5.10 Low Liquidity/Barriers to Entry And Exit Point

Low liquidity and low barriers to entry and exit characterize the businesses created. (Theoretical Conclusion No. 4, Butler & Green (1999) p.37)

Our empirical findings state that immigrants start their business either from their own savings or own savings combined with borrowed capital from banks, friends, families, relatives and others. Further, the businesses they operate are often individual, family or partnership oriented. They are not mass production in nature nor are they big companies. Instead the businesses are very simple and require low capital investment and are characterized by low risk, flexibility in entry and exit, high possibility of success and finally low financial burden. On the other hand their businesses are labor intensive; require hard and long working hours. Even working during holidays is usual as the immigrants are committed to making their business a success.

It is likely that immigrants do not want to be involved in large ventures or manufacturing businesses because of factors such as; capital requirement, management and financial burden, high competition, low probability of success. This does not mean that the immigrants should not perform big businesses. If they are financially sound and have very refined entrepreneurial skills they may do so. We were not able to interview any immigrants owning larger businesses such as wholesale, import and export but we have come across immigrants performing such businesses in Sweden. However, in general, the majority of business performed by immigrants in Sweden can be characterized by low capital input and fewer barriers to entry and exit.
5.11 Co-ethnic as Customers And Employees

The business may or may not be geographically bounded in an ethnic community, serving co-ethnics as customers and hiring co-ethnics as employees. (Theoretical Conclusion No. 5, Butler & Green (1999) p.37)

In the early stages of immigrants businesses, the customers are often relatives, friends and people from the same ethnic origin. In fact, these are the only targeted groups of people upon whom immigrant business rely in the initial stage of the startup, although clients of all kinds are served. When the business gradually expands, emphasis is given to all type of customers, even though there are some immigrants’ businesses particularly targeting people of its ethnic origin, for instance restaurants serving meat that is specially prepared for some ethnic communities (halal meat). Some of these businesses are geographically bounded within their ethnic community but others are not, for example restaurants that serves special processed halal meat can be witnessed all over Sweden where Muslim community resides.

As we have already mentioned in this chapter and in our previous chapter (p.43) a typical feature of immigrant business is family, individual and partnership oriented and the business is deeply embedded as a family concern even if it is carried out individually or in a partnership. As such, the work force employed in their business is often family, friends and from closely knitted ethnic communities. Members of the family are normally un-paid members of the workforce and their working hours depend on their availability. Employees taken from the community are informal and generally through social networks and trusted sources.

5.12 Networking and Its Impact On Immigrant Business And Social Life

Quite often in this thesis we have emphasized the importance of immigrant networking in their social structure and business process. Immigrant businesses are not only socially embedded but also carry strong individual interests. These family-run/individual businesses are very much socially integrated which brings economic balance and prevents the immigrants from falling to the bottom of the country’s economic ladder. Information randomly passes through the network and it is common that the immigrant entrepreneurs receive information about business opportunities, mobilization
of labor and capital through their ethnic minority group within their network. They cooperate in many ways such as borrowing money amongst them, making investments and making common purchases. These kind of activities can help small businesses to reduce costs in purchases, generate low interest rates in borrowed capital and so on.

According to Najib (1994), ethnic social network plays a vital role in shaping-up immigrants’ social life and their economic activities in the immigrated country. Information about typical business/social opportunities is passed on to new immigrants through their preexisting networks of friends, family and relatives who have already immigrated to the country. This information facilitates full integration by the newcomer in to the new society and helps them to perform economic activities. Between the 1980s to mid 1990s, there were not many programs implemented to facilitate immigrant businesses by the Swedish government. During this time, the immigrants’ ethnic networks were the only source of information for newcomers. Information from the first immigrant business started by immigrant pioneers was passed on through the community. Immigrants’ social networks were often interested in doing their own business and in this way the immigrant society today are evolved in self-employment and creating different business activities. The immigrant network is not only embedded for social relationships but also in social processing, like mass and chain immigration, the settlement process, assimilation/incorporation, ethnic succession and in helping newcomers adapt to their newly ventured society.
The figure above shows that there are two layers of networks that surround immigrants in their small business field. The inner circle denotes the closest network. Immigrants always want to keep this first layer of network and in turn, this network gives immigrants benefits such as finance, moral support and help with business establishment. As this network consists of family, friends, relatives and other networks (network of family, friend, relatives and ones own), immigrants expectation on this network is always high unlike they are on other networks. As such, this network is very permanent.

The second circle in the figure denotes the second layer of the immigrant’s network. Actually, we would like to call the participants in this network social reactor because they have both a positive and a negative influence on immigrant’s small business. The impact of this layer is very high and for instance competitors, local authorities and buyers may have the capacity to force the immigrant out of business. On the other hand success of business is also dependent on these reactors.

However, from our empirical findings, we have understood that in the formation of immigrant’s small business the most important role is played
by family, friends, relatives and the commercial banks. As such, these four reactors come in the core network of the immigrant. The second layer of network consists of the reactors that have an indirect impact on the immigrant’s business. Those four reactors are local authorities, private institutions, ethnic organizations and other networks that help in promoting immigrant businesses indirectly. The last and final layer of the network consists of reactors such as competitors, buyers, suppliers and unknown reactors in the society. With this network layer, immigrants develop informal relationships while promoting their business. But overall, one should keep in mind that these entire social actors are equally important for the well being of immigrant’s small businesses even though they are categorized in three different layers.

As such, the final network model of immigrant’s business according to our finding is as below:

![Figure: 5.2, Three layers of immigrant’s network](Image)

Source: Our own
6 Conclusion, Final Model and Future Research Suggestions

In this chapter we will answer the research questions and test the theoretical model that we have developed from our theoretical framework on immigrant case study.

6.1 Conclusion

The contributions that small businesses make to society are indispensable to the economy of any country. In areas such as experimentation and innovation, small businesses play a vital and leading role in technological change, productivity and economic growth. It is a mechanism with the help of which millions of people enters in the development of a country’s economic and social mainstream. Establishment of small business brings harmony in the society, because it contributes with all types of products and services available to the society for its sustainable development. As such, to promote them in its optimum level, governments should play an active role by eliminating unwanted barriers, lowering transaction costs and minimizing rules and regulations.

In Sweden the government’s positive attitude towards promotion of immigrant’s small business from the mid 1990s has had a positive outcome. The future of immigrants’ businesses in Sweden is promising because local authorities, private institutions and the government are taking initiatives in this sector. The positive attitude of the Swedish society towards immigrant business further boosts its development.

From the case study of immigrants’ small businesses, the main lesson that we have learnt is that the government plays a critical role to promote self-employment and to create business activities. Like governments from other countries, the Swedish government could introduce some financial schemes in order to overcome financial paralyses of immigrant businesses. There is a substantial waste of talent among the immigrant communities in Sweden and a proper utilization of this could have a positive impact on a country’s economy and under utilization could result adversely. For immigrants, the
government together with their family, friends, relatives and own network stand as a backbone of their small businesses and so does the private and ethnic institutions.

6.2 Final Network Model

From the theoretical framework and our own perceptions, we have presented a network model of immigrants in our theoretical model but after our empirical findings the model has been changed. The new and improved network model is illustrated below.

![Figure: 6.1, Final Network model of Immigrants Small Business](image)

Source: Our own
6.3 Future Research Suggestions

The increasing popularity of small business among immigrant group and the evidence of their entrepreneurial success in most of the immigrant groups in Sweden should virtually bring the attention of researchers to this field of research. Again the increasing inflow of immigrants to Sweden and the contribution of their small business in the Swedish economy is a massive field for research and study.

To give a clear picture of the enormous information pertaining to immigrant’s society and their small business, a nation wide survey is needed to fulfill the multidimensional aspect of immigrants in Sweden. This survey should bring proper data for the government and private institutions to make essential policies in strengthening the immigrant’s self employment. It should also help immigrants to find the right type of business and entrepreneurial skills which is for the betterment of immigrants, society and the nation as a whole.

Other research could be a comparison between ethnic and native business undertakings. In what way are these two ethnic businesses different and similar to each other? What typical characteristic features do they carry? What type of business networks have the native population kept and in what aspects are they different from that of ethnic network?

Research on differences between ethnic groups that are successful and unsuccessful in the small business market and the reasons behind this is also lacking. Have different ethnic groups different business undertakings and if so, does it really make any difference? Do some groups have an inborn quality of entrepreneurship and others do not?
7 References

7.1 Books


7.2 Articles


Fadhel Kaboub (2001), “Positivist and Hermeneutic Paradigms: A critical Evaluation under the Structure of Scientific Practice”, KaboubF@umkc.edu


7.3 Internet

http://www.migrationsverket.se/pdffiler/statistik/tabe2.pdf as on November 16, 2004
http://www.migrationsverket.se/english.html as on November 16, 2004
Small Business Administration, USA http://www.digits.com/articles/home-business--the-history-of-the-small-business-administration.htm as on November 22, 2004
http://www.sba.gov/ADVO/stats/ch%5Femp%5Fo.html as on November 24, 2004
http://www.sba.gov/ADVO/stats/ch%5Femp%5Fo.html#2 as on November 26, 2004
Appendixes

Questions to Immigrants

1. What is your name?
2. How old are you?
3. Where are you originally from?
4. When did you come to Sweden?
5. What is your education?
6. How long have you been doing this business?
7. Why have you started your own business instead of looking for some jobs?
8. Why have you chosen this particular business, what are the reasons that motivated you to do this business?
9. What are the things that you consider before starting the business?
10. What other type of businesses are you willing to do a part from this business and why you want to do so?
11. In your opinion what type of businesses does immigrants normally look for to start with?
12. How did you search for information when you wanted to start your business?
13. Do you think government imposes too many barrier, rules and regulations to start the business like yours? Can you give some examples?
14. What are your suggestions to this barriers and rules and regulations?
15. Do you think government or local authorities one or the other way helps to establish immigrant’s small business in Sweden?
16. What type of help do you expect from the government to become more independent rather then depending on them?
17. Have you come across any type of ethnic organizations or other institutions that helps in developing immigrant small business?
18. How did you finance your business? Did you get any support? From where?
19. Why have you choose this city to start your business?
20. Is it important to have connections and networks when you want to start your business? How?
21. What kind of future do you see in this business? What are your plans?
22. If you are asked to advise the new immigrant who wants to start their own business today what 3 best advises will you give to them?
23. How would you explain the business environment in Sweden for immigrants?
24. What brings success to your business and what will be the reason for failure?
25. Would you allow us to use your and your organization’s name in our thesis?

Questions to Organizations

- Vad heter du?
  - What is your name?
- Vilka är dina arbetsuppgifter?
  - What are your duties?
- Vilken organisation företräder du?
  - Which organization do you represent?
- Beskriv kortfattat vad organisationen gör generellt.
  - Describe briefly what the organization does.
- När bildades den?
  - When did it start?
- Varför bildades organisationen?
  - Why did the organization started?
- Vad hjälper organisationen nystartade och mindre företag med?
  - How does the organization help newly started business?
- Vilka samarbetar ni med idag?
  - What kind of partners and networks do you have today?
- Skulle du vilja att samarbetena utvidgades eller att flera involverades?
  - Do you wish that the collaborate grow and that more partners get involved
- Har det gjorts några enkäter/undersökningar på er som organisation i hänseendet immigranter?
  - Has there been made any investigations/ Opinion poll about your organization and your role for immigrants?
- Har ni sett någon trend invandrare och nyföretagande de senaste åren?
  - Have you seen a trend about immigrants and new business the last years?
- Hur pass mycket styr integrationspolitiken ert arbete?
o How much is the integration politics involved in your work?
• Är det okej för er att vi använder ert och organisationens namn i vår uppsats?
• Would you allow us to use your and your organization’s name in our thesis?
• Om det är något vi missat, finns det möjlighet att höra av sig igen?
• If we have missed something, is it possible to contact you again?

Questions to Bank

• Vad heter du?
  o What is your name?
• Vilka är dina arbetsuppgifter?
  o What are your duties?
• Beskriv kortfattat vad organisationen gör generellt.
  o Please tell us briefly what your organization does.
• När bildades den?
  o When did your organization start?
• Varför bildades organisationen?
  o Why did the organization started?
• Vad hjälper organisationen nystartade och mindre företag med?
  o How does the organization help newly started business?
• Vilka är era kriterier för att låna ut pengar till nyföretagare?
  o What are the formalities or criteria you need while considering loan to new business?
• Vi har upptäckt att många invandrare inte har möjlighet med säkerhet för ett lån. Vad finns det för alternativa lösningar?
  o It has been witnessed that mostly immigrants can not produce any type of collateral or guarantor to get the bank loan is there any way out for this?
• Generellt så har invandrare språksvårigheter, både svenska och engelska. Hur hanterar ni sådana problem?
  o Immigrants in general have language problem (both Swedish and English) in this context, how your bank handles this problem?
• Banker vill se både finansiella och affärsmässiga förslag från nyföretagare. Är det något som ni som bank hjälper kunden med?
  o Banks want to see both financial and business proposal. Does the bank help the new business owner in preparing these papers for them?
• Ofta kan det vara svårigheter för invandrare att hitta information om till exempel banklån. Förrutom information direkt från banken kan man finna information om banklån någon annanstans?
  o Normally immigrants faces problem in gathering information for instance bank loans. Except bank, from where they can gather the information?
• Vilka samarbetar ni med idag?
  o What kind of partners and networks do you have today?
• Har ni sett någon trend invandrare och nyföretagande de senaste åren?
  o Have you seen a trend about immigrants and new business the last years?
• Vad skulle du rekommendera en invandare att tänka på när han/hon ska starta ett eget företag?
  o What are your suggestions to immigrants who want to start their own business?
• År det okej för er att vi använder ert och organisationens namn i vår uppsats?
  o Would you allow us to use your and your organization’s name in our thesis?
• Anser du att det är något av vikt som denna intervju inte behandlat?
  o Do think that there are more things of importance that are not brought up the surface?
• Om det är något vi missat, finns det möjlighet att höra av sig igen?
  o If we have missed something, is it possible to contact you again?
## Interviews with Organizations

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Person</th>
<th>Designation</th>
<th>Venue</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mr. Niklas Sjösten</td>
<td>Counselor</td>
<td>Mjölby</td>
<td>Nov. 15,2004</td>
<td>10:00-10:30</td>
</tr>
<tr>
<td></td>
<td>Mr. Anders Hättström</td>
<td>Assistant Office Manager</td>
<td>Mjölby</td>
<td>Nov. 22,2004</td>
<td>14:00-14:20</td>
</tr>
<tr>
<td></td>
<td>Ms. Catherine Szabo</td>
<td>Project Manager</td>
<td>Linköping</td>
<td>Nov. 29,2004</td>
<td>14:00-14:30</td>
</tr>
<tr>
<td></td>
<td>Ms. Marianne Hellman</td>
<td>Managing Director</td>
<td>Mjölby</td>
<td>Nov. 22,2004</td>
<td>10:00-10:30</td>
</tr>
<tr>
<td></td>
<td>Ms. Olga Krouchinskaia</td>
<td>Counselor</td>
<td>Linköping</td>
<td>Nov. 11,2004</td>
<td>10:00-10:45</td>
</tr>
<tr>
<td></td>
<td>Mr. Åke Nyberg</td>
<td>Head Business &amp; Marketing</td>
<td>Linköping</td>
<td>Dec. 21,2004</td>
<td>14:30-15:15</td>
</tr>
</tbody>
</table>
**Interviews with Immigrants**

<table>
<thead>
<tr>
<th>Name</th>
<th>Origin</th>
<th>Business Type</th>
<th>Years in Business</th>
<th>Interview Venue</th>
<th>Date</th>
<th>Time From</th>
<th>Time To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Falla</td>
<td>Iraqi</td>
<td>Bike Repairing</td>
<td>8 yrs</td>
<td>Linköping</td>
<td>Nov. 12, 2004</td>
<td>12:05</td>
<td>12:40</td>
</tr>
<tr>
<td>Mrs. Lora</td>
<td>Iraqi</td>
<td>Grocer</td>
<td>5 yrs</td>
<td>Linköping</td>
<td>Nov. 17, 2004</td>
<td>16:40</td>
<td>17:25</td>
</tr>
<tr>
<td>Mr. Johan</td>
<td>Turkish</td>
<td>Fast food</td>
<td>3 yrs</td>
<td>Linköping</td>
<td>Nov. 18, 2004</td>
<td>11:00</td>
<td>11:45</td>
</tr>
<tr>
<td>Mr. Abdullah</td>
<td>Iranian</td>
<td>Video Parallel</td>
<td>8 yrs</td>
<td>Linköping</td>
<td>Nov. 22, 2004</td>
<td>15:00</td>
<td>15:35</td>
</tr>
<tr>
<td>Mrs. Julie</td>
<td>Indonesian</td>
<td>Restaurant</td>
<td>8 mths</td>
<td>Linköping</td>
<td>Nov. 25, 2004</td>
<td>14:00</td>
<td>14:55</td>
</tr>
<tr>
<td>**</td>
<td></td>
<td>Barber shop</td>
<td>4 mths</td>
<td>Linköping</td>
<td>Dec. 01, 2004</td>
<td>13:00</td>
<td>13:30</td>
</tr>
<tr>
<td>Mr. Yung</td>
<td>Chinese</td>
<td>Restaurant</td>
<td>1.2 yrs</td>
<td>Linköping</td>
<td>Dec. 05, 2004</td>
<td>14:15</td>
<td>14:50</td>
</tr>
<tr>
<td>Mr. Ayman</td>
<td>Sudanese</td>
<td>Grocer</td>
<td>1.9 yrs.</td>
<td>Linköping</td>
<td>Dec. 27, 2004</td>
<td>13:00</td>
<td>14:05</td>
</tr>
</tbody>
</table>

** Interviewee requested us not to put the name and record the voice, but allowed us to use the data provided.