Immigrant and Small Business Research in Sweden - An Overview

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Immigrant and Small Business Research in Sweden.

An Overview

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An Overview

ABSTRACT: The aim of the paper is to examine the current state of immigrant and small business research (ISBR) in Sweden. The ISBR field is relatively new and undeveloped in Sweden, so most research in this field concerns issues that are crucial in establishing this as a field of study. Apart from a historical overview of immigrant entrepreneurship and definitions of the concept of ethnic or immigrant business, many of the texts concern the distribution of immigrant businesses in Sweden. The second important feature of ISBR in Sweden is that it has allowed itself, deliberately or not, to be guided by the optimistic vision and expectations in relation to ISB that also inform the official political agenda. It has done this instead of trying to develop its own research agenda based on scientific priorities, and secondarily, on results of international ISBR. Another relevant characteristic of ISBR in Sweden is the fact that only a few scholars have been able to deal with these issues systematically, while the majority have simply written papers during ad hoc forays into the field of study. The final important feature of ISBR in Sweden is the lack of communication between ISBR and mainstream small business research and other relevant research fields.

Introduction

Over the last couple of decades we have witnessed a surge of political, economic and – partially connected with this – even scientific interest in small business in Sweden. The political argument that underlies this interest is well summarised in SOU 1996:55, “Getting started in small business” (På väg mot egenföretagande):

The Swedish economy has undergone huge changes over the past two decades. Processes of internationalisation have deepened. Certain heavy industries have lost their importance, while service and knowledge-based enterprises have increased in number and importance. Takeovers have also increased in number, and large organisational changes have occurred. During this process, small businesses have assumed a more important role in Sweden. (SOU 1996:55, p. 7. Author’s translation)

Politicians have apparently become aware of the kind of risk that Bo Persson (1997:1) outlined in the following way:

Swedish wealth (prosperity) depends on how successful some twenty export-oriented, large active firms are, and on the investment decisions made by the leaders of these firms. To spread the risk that goes hand in

1 The first two official government reports on small business were issued in 1977 (SOU 1977/78:40) and 1981 (SOU 1981/82:118).
hand with such heavy concentration, the economy needs to be differentiated. This means that effective measures are needed to encourage the establishment and development of small business. (Author’s translation)

It is important to remember the context in which this argument has gained ground. Sweden has traditionally been dominated by the public sector and by large companies. With globalisation and all that it implies, for example, the need for quicker and more flexible adaptation to global market conditions, both of these sectors appear increasingly slow, rigid and insufficiently adaptive. Consequently, they have become less generous employers than they used to be (Persson 1997), their adaptation measures have tended toward rationalisation and increased efficiency, resulting in more efficient use of existing labour and fewer jobs. This has led to a growing consensus, based on the above argument, that the ideological focus must shift from large corporations and the public sector to the small business sector, which due to the great adaptiveness of small firms, is considered capable of enhancing the flexibility of the whole system. A number of political decisions and programmes have arisen during this period, all aiming to generate favourable conditions for small and medium-sized businesses. The idea has been not only to increase the flexibility of the system by increasing differentiation, but also to promote the recovery of social welfare. This sector will accomplish this by reducing unemployment and increasing growth and prosperity, thanks to the spirit of innovation regarded as inherent in small-scale entrepreneurship. Immigrants’ small businesses have been expected both to reduce unemployment among immigrants and to help integrate immigrants into Swedish society in general.

This view of the role that small businesses, including immigrants’ small businesses, should play is more or less taken for granted in most research on immigrant businesses in Sweden, and most of the texts appear to accept it implicitly. In other words, the official ‘reformist’ position is accepted as being basically correct and justified. In this perspective, the job of social science is to indicate the possible obstacles to political change, so that politicians can define political measures to remove these obstacles. From these general background observations, we can now turn to a more detailed examination of ISBR in Sweden.

Short review of publications
The ISBR field in Sweden is relatively new and undeveloped, so most research in this field concerns issues that are crucial in establishing this as a field of study. The first such step is always to map out the landscape; Ali Najib, who has continuously and systematically been involved in ISBR since the late eighties, has done most of this work. His first comprehensive report (Najib 1994) provided basic empirical data about ISB in Uppsala. The study concerned three important questions: Why do so many immigrants try to establish and run small businesses? What factors are conducive for establishing and running operating small businesses? What factors make small firms successful? In later studies (1997, 1999a, 2001), Najib examined data referring to all of Sweden to attempt to answer the following questions: How many immigrant small firms exist in Sweden? Why have they increased in number? How does interest in establishing small businesses vary among different immigrant groups? How are small, immigrant firms distributed through various economic sectors? What is the role of immigrant small business in the Swedish economy?

The most important aspect of Najib’s work is his comparison of immigrant small businesses and Swedish small businesses in general (Najib 1999c, 2001). The results of these studies allowed Najib to challenge a dominant assumption about ISB, namely, that immigrants’ business methods are characterised by a particular business culture that distinguishes their businesses from those of native Swedes. Such assumptions, according to Najib, have given rise to various myths about ISB, such

2 An interim Swedish version of this report was published in 1992 (Najib 1992).
as: that immigrants are exclusively pizzeria owners, or that ISB is an exclusively male affair, not involving women. Revealing the inaccuracy of such cultural generalisations concerning ISB, Najib shows that immigrants run not only pizzerias, but also other enterprises – essentially all economic sectors except agriculture. He also shows that the average immigrant entrepreneur is better educated, but younger and with somewhat less specific professional experience than his or her native Swedish counterpart. Many immigrant entrepreneurs have business backgrounds, are ambitious, and want to develop as well as educate themselves. They often have broad social networks with their compatriots, but not as broad as the business networks that native-born Swedes have. In general, there are no major differences between immigrant’s and native Swedes’ businesses (Najib 1999c:79).

Certain other relevant publications in this area aim to anchor and stabilise this field of study. Mauricio Rojas’ study from 1993 describes Iranian, Latin-American and Polish small businesses in Malmö between 1989 and 1992. Variables that are included are: variation in the populations of these three groups during this period; number of start-ups; distribution of firms according to business sector, size, origin of owners, etc. In their 1997 book, Bevelander, Karlson and Rojas discuss various aspects of being an immigrant in Sweden. One of these is immigrant entrepreneurship (Bevelander et al. 1997:66–69). Statistics on the variation in the number of immigrant-owned firms in Malmö, Gothenburg and Stockholm are presented, including data on the participation of female-owned firms, distribution of firms according to origin of owners, etc. Oskar Pripp (1994) writes about Assyrian and Syrian small businesses in Botkyrka and Södertälje, as well as about the strategies of these businesses toward the authorities and customers. Nordlund (1990a) provides a historical overview of immigrant entrepreneurship: the medieval period up to the eighteenth-century entrepreneurship in a multiethnic Sweden; immigrant business during the growing economic nationalism of the eighteenth century and later; and immigrant entrepreneurs and entrepreneurship after the Second World War. Both Nordlund (1999b) and Najib (1999b) analyse and discuss ways of using the concepts of ethnic or immigrant business, entrepreneurship and small business, respectively. According to Nordlund, there is a clear cultural bias in this respect, with ISB being perceived as an isolated category, resulting in immigrant entrepreneurs being increasingly perceived and perceiving themselves as different. Oskar Pripp’s dissertation (2001), the first doctoral dissertation in this field in Sweden, makes another important contribution to the criticism of such categorisation. The study highlights the individual strategies of immigrant entrepreneurs to remove the various obstacles produced by structural conditions – such as cultural bias towards and categorisation of these people and their ways of running business.

Regarding categorisation, it is useful to examine how the concept of immigrant is used and understood within ISBR. Three approaches are discernable; Ali Najib provides the best example of the first. He does not focus on the ethnic identity of immigrants, their cultural background, but rather on the mere fact that someone is an immigrant or not, or sometimes even on broader geographic origins (e.g., whether immigrants are from Scandinavia, outside of Scandinavia, outside of Europe, etc.). In fact, even though his texts sometimes compare different ethnic groups within the ISB context, these comparisons are only descriptive and not essential elements of his treatment of ISB. A second relevant approach is illustrated by the works of Pripp (1994, 2001) and Abbasian (2000). Both focus on specific ethnic groups, not in order to examine what is specifically ethnic in their businesses, but rather so as to draw conclusions relevant for ISB in general. Finally, there are studies which focus on the specifically ‘ethnic resources’ of various ethnic groups, as well as on how immigrant entrepreneurs make use of these resources. In this fashion, Rojas (1993, 2001) compares different immigrant groups with regard to their capacity to employ their own ethnic resources in order to achieve economic and social advancement in their new society.

We shall now continue our survey of relevant ISB publications in Sweden by examining two official government reports (SOU), one from 1996 and one from 1999. The purpose of SOU 1996:55, “Getting started in small business” (På väg mot egenföretagande), was: first, to map out the range
of businesses owned and run by immigrants; second, to identify obstacles to establishing new immigrant businesses; and third, to investigate if there is justification for special political measures to encourage immigrant entrepreneurship (p. 11).

The purpose of SOU 1999:49, ‘Entrepreneurship for people of foreign background’ (Invandrare som företagare) was to identify and map out particular obstacles for immigrants who are starting and running their own businesses. The report focused on three questions: first, to investigate “… the procurement of capital by immigrants and their opportunities for obtaining loans...” (p. 183); second, to identify and map out those obstacles to obtaining capital that are actually characteristics of the immigrants themselves (e.g., poor language skills, lack of professional experience, poor knowledge of Swedish laws); and third, to investigate the differences between immigrant businesses which have been affected by these obstacles and those that have succeeded.

Ali Najib made fundamental contributions to the 1996 report, while the 1999 report was the joint product of a number of authors, most of whom published their texts as special appendices to the report. Thus Hedi Bel Habib (1999) attempts to identify and analyse the obstacles for immigrant business from a growth perspective. Transition from the traditional integration policy to a regional policy for growth focussing on small businesses based on regional networks and social capital (besides financial capital) has been suggested. Thomas Gür’s text (1999) deals with the obstacles that make it more difficult for potential immigrant entrepreneurs to obtain bank loans or to accumulate their own capital by saving. Johan Wiklund (1999) deals with the general characteristics of fast-growing small businesses. Oscar Pripp (1999) asks whether it is meaningful to identify and categorise certain small businesses as ‘immigrant businesses,’ since the specific obstacles they face do not differ basically from those faced by small firms in general. On the other hand, the above-mentioned categorisation itself may become a specific obstacle particularly affecting immigrant small businesses. Finally Sven Nordlund, apart from his contribution to the history of ISBs in Sweden (1999a), in his second contribution to the volume (1999b) attempts to answer questions such as: What difficulties do people of foreign background face when they try to establish businesses? Are there sectors or types of business that are especially suitable for immigrant entrepreneurs? What kind of state or local government support is needed to encourage the establishment of immigrant small businesses?

From the preceding proceeding survey, we conclude that most of these studies were financed by various state agencies, which also published the majority of them. The obvious problem encountered by the social scientist in such a situation is that his or her scientific priorities have to be harmonised with the imperative that research results be ‘practically applicable.’ This is best illustrated by the following quotation from Pripp’s dissertation (2001:15):

> The disadvantage was that the first years of my doctoral studies were overly characterised by commissioned research as well as by its orientation toward producing practically applicable knowledge. I devoted myself to sketching the model of causal relations instead of trying to approach the field in a more unbiased way. I also adopted the government’s perspective, more or less, by assuming that my dissertation would offer guidance for skill-development measures and education of would-be entrepreneurs. It was only much later that I began examining how the entrepreneurs in question were treated by their social and institutional surroundings. (Author’s translation)

One important consequence of such a situation is that many of the studies mentioned here support our thesis from the preceding section. In other words, the system is essentially good. The only thing

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3 State institutions, organisations or authorities has been sponsoring 30 out of 43 publications; Scientific or academic institutions 8 out of 43; Scientific journals 1 out of 43; Publishers 3 out of 43; Newspapers 1 out of 43
that should be done is to identify and remove certain occasional insufficiencies, which would defi-
nitely assure further development of immigrant businesses. While still working within the same discourse (that is, accepting the need for economic differentia-
tion and the increasing importance of small business), some authors from the opposite side of the
ideological spectrum criticise the actual political strategies for improving the conditions for immi-
grant small business in Sweden. Stein (2000) feels that political action should not tend towards ‘po-
sitive discrimination’ favouring immigrant small businesses. Political action and corresponding
policies should instead aim to improve the general social climate so as to benefit and stimulate all
small businesses – including immigrant small businesses. More radical in his critique is Mauricio
Rojas (2001). Based on analyses of American literature on immigrant business, he implicitly criti-
cises Swedish integration politics, claiming that they tend to reduce the ethnic resources of immi-
grant groups. Such a political strategy prevents immigrants from organising themselves, and using
their own cultural, social and material resources to improve their social and economic status.
Apart from these texts, which are part of the consensus, other research questions the very assump-
tions of the prevalent discourse. Abbasian’s thesis (2000) deals with housing patterns, small busi-
nesses and integration processes among Iranian, Turkish and Chilean immigrants in Gothenburg.
One of his conclusions is that ‘…entrepreneurship does not imply any positive change of existing
labour market segmentation and segregation….’ This calls into question the political assumption,
which is taken for granted, that immigrant small business contributes to the better integration of
immigrants in Swedish society.
Hedi Bel Habib (2001) criticises the romanticised picture of the immigrant entrepreneur as a hero
of a Swedish multicultural economy. This romantic perception hides, according to Habib, the sad
social reality of discrimination in the labour market that forces immigrants to start their own busi-
nesses as the only alternative. As a result, we are witnessing the emergence of an impoverished
class of immigrant entrepreneurs who in fact earn much less then those immigrants who have regu-
lar jobs. Khosravi’s studies of Iranian entrepreneurs in Stockholm (1995, 1999) found that high
unemployment and discrimination in the labour market pushes many immigrants to seek self-
employment. At the same time, however, many of them also start their own businesses to seek
freedom, independence and the chance to provide improve their income and maintain their dignity.
The author shows how self-employment helps these people to maintain their status, by ‘reconver-
ting’ economic into cultural capital within their own group at the margins of the host society. But
their own group – and that may be our conclusion – remains at the margins of the host society, in-
stead of being integrated into it, as suggested by the dominant discourse about ISB.

Is it really an ideological shift?
Now we can return to the ideological aspects of the political treatment of small businesses in Swe-
den. The central question is whether the system has actually shifted its ideological focus and the
focus of its strategic practical functioning, from the traditional welfare (de-commodified) values
and its reliance on the public sector and large corporations, toward a general acceptance of tougher
(more commodified) values and reliance on economically more flexible small and medium-sized
firms. In my view, answering this question requires a shift in our conception of this complex social
reality, and the following section offers an alternative interpretation of this reality.
Our focus is on relations between the ‘de-commodified’ sector on the one hand (large corporations
and the public sector), and the ‘commodified’ sector (small businesses) on the other. These rela-
tions can be understood within the following framework: over the past two decades Swedes have
become aware that their welfare system can no longer resist market forces, at least not in the tradi-
tional way. One reaction to this development is to eliminate some or all of the values of the tradi-
tional welfare (de-commodified) system, and adjust the general value system to the new historical
circumstances – or to what are regarded as the new historical circumstances. This means accepting
the market as the most important social regulator.
Instead of such general economical, political, social and cultural adjustment, the Swedish welfare state seems to have chosen another way: illegitimately using part of its economy – the small business sector – and part of the active workforce to save the established system. People running small businesses and their employees are apparently to be more exposed to market pressures than the rest of the population is. This means that they are also denied some of the basic privileges of the de-commodified life that are guaranteed to the rest of population. As a result of working under tougher conditions of more work and less job security, they can produce cheaper products. When these smaller businesses are contractors to large companies, these companies can increase their elasticity without changing their traditional relations with the welfare state.

The welfare state itself benefits from small businesses in several ways. First, unemployment is lower, meaning higher tax income and lower welfare compensation expenditures. Second, there are even benefits in terms of legitimacy, since the actual political and economical crisis of the Swedish welfare system becomes less visible and thus less politically problematic. At the same time, small business is not allowed truly to prosper, because this would undermine the system.

To recapitulate, we can say that the established system exploits small business in two ways. First, most of the material and ideological benefits of small-business success are used to help de-commodified sectors to prosper. In other words, small business helps to ensure its economic and political sustainability based on old ideological premises, but by using methods that conflict with these premises. As a result we have a growing polarisation between two segments of the population: those who benefit from the welfare system and are protected from market pressures, and those who lack this level of protection. Second, the old system uses small business to reduce the negative effects of its own crises, or make these effects less perceptible.

This leads to the following questions: What is the position of immigrant small business vis à vis these changes? What is the position of female entrepreneurs? What results will political investment in immigrant small businesses produce? Will this lead to inclusion on equal terms, or simply add new facets to discrimination and segregation? To this should be added the matter of the ‘informal economy,’ which is largely an issue of new forms of small entrepreneurship and, in particular, of small ethnic entrepreneurship. Is the growing problem of the informal economy a property of the functioning or malfunctioning of the system, or a problem to be located among the individuals who take part in it?

The relationship between Immigrant Small Business Research and other relevant research fields

Another interesting question relates to immigrant small business research in Sweden, and that is the relationship between ISBR and SBR (Small Business Research) in general. In 1997, 147 researchers were occupied with SBR (Aronsson, 1997), 46% or 65 of whom were senior researchers. These researchers came from ten tertiary academic institutions; six researchers came from the college in Växjö, and 21 came from institutions in Stockholm. In the 1959–1997 period, 80 Ph.D. or licentiate dissertations within this field of study were defended. In the 1986–1997 period alone, 51 dissertations were produced, and during the 1996–1997 period, 17 dissertations. Landström and Johannisson (1998) studied 35 doctoral theses that were defended during the same period at Swedish universities. These two studies (Aronsson 1997; Landström and Johannison 1998) lead to a number of relevant conclusions which pertain to the sociology of science.

First, the ISBR research community is quantitatively much weaker than the SBR community – which is reasonable, given that the number of immigrant small businesses is also smaller. As well, the ISBR research community consists primarily of researchers who either operate outside any organised research team or just occasionally examine this field of study. Researchers active in SBR are generally part of a more stable research community, with more or less stable finances. Moreover, most SBR researchers are active in institutions of economics or business administration, while
the majority of ISBR researchers are active in institutions of cultural geography, economic history or political science, etc.

Second, none of the 35 dissertations mentioned in Landström and Johannisson’s report deals with immigrant small business. This is interesting because of the fact that between 1990 and 1997 (1990–1995 saw 15 small business dissertations defended) the number of immigrant enterprises increased from 22,000 to as many as 65,000 (SOU 1999:49), or approximately 14% of all small firms in Sweden. It is thus somewhat puzzling that mainstream small business research pays so little attention to immigrant small business: ignoring particular features relating to 14% of their research object severely limits the value of their observations and conclusions. At the same time, among the ISBR texts I have studied, only a couple quote any of the 35 dissertations mentioned by Landström and Johannisson. So just as the observations and conclusions of Swedish SBR in general in Sweden are generally devalued by their neglect of immigrant small businesses, the credibility of ISBR is severely compromised by its neglect of Swedish small business research in general.

Another important fact – quite puzzling from the perspective of the sociology of science – is that most researchers involved in SBR are native Swedes, while most researchers involved in ISBR are immigrants. We seem to be dealing with an issue akin to the ‘insiders doctrine’ as related by Merton (1973). In other words, it appears to be assumed that immigrants are better placed to understand and explain the phenomenon of immigrant small business, while only native Swedes can deal with small business in general, as dominated by native entrepreneurs. Second, it may even be that insofar as immigrant business is of lower status in the small business sector, ISBR and researchers in this field have lower status in the research community. The findings presented at the beginning of this section may support such a conclusion.

Finally, even though there is no study of small business research on women (SBRW) similar to that of Landström and Johannisson, there is the same lack of communication between ISBR and SBRW as between SBR and ISBR. This is unfortunate, since the results of SBRW would be useful for ISBR and vice versa. Bear in mind that any simplification of attempts to examine similarities between these two research fields may lead to further categorisation of a sort already criticised in this article. Salminnen-Karlsson and Sundin (2001) explicitly warn of this:

> After a couple of decades of active work to improve equality among various social categories, attention has increasingly been paid to other groups, apart from women, which are disadvantaged or treated as problematic by institutions: for example, immigrants, various age groups, the disabled or homosexuals. .... There is an increasing demand from different levels of society to realise the goal of ‘increased diversity,’ which would make possible to find solutions for the problems and needs of different groups simultaneously. By introducing the notion of ‘diversity,’ equality between the sexes has become just another issue among other similar issues. (Author’s translation)

Such simplification characterises, according to Salminnen-Karlsson and Sundin, both contemporary political debate and the discourse within the research community. Especially with ISBR and WSBR, there is a certain research field that can be perceived as common ground – particularly research focusing on power relations that disadvantage women with respect to men and immigrants with respect to the native population. But making any further forced similarities in attempting to better understand these social processes or design political measures to help disadvantaged groups will produce just the opposite results. By oversimplifying essentially complex social phenomena, 4

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4 The only study of immigrant women’s entrepreneurship that I have found (Danilda 2000) does not have scientific ambitions as its first priority, but rather the practical ambition of helping immigrant women in the Botkyrka municipality to establish their own businesses. The first scientific attempt in this research field is to be presented during the 2002, when Suzanne Mason will defend her doctoral dissertation at the University of Umeå.
we can neither understand and explain them properly, nor politically tackle them in an effective way. The reasons for this, according to Salminnen-Karlsson and Sundin, lie in the fact that relations between Swedish women and men, compared to relations between immigrants and native Swedes, occur and develop in different social arenas and are based on completely different premises. The conditions and positions of disadvantaged groups – in this case women and immigrants – are entirely different, so the successful equalising of power relations between women and men need not affect relations between immigrants and native Swedes.

Signs of a new trends

The above text is part of an anthology (Marginalisering eller integration – invandrarers företagande i svensk retorik och praktik, 2001, NUTEK, Stockholm) that was published when I was finishing this text. Its inclusion here was a given, not only because it belongs to the field this article describes, but also because it reflects new trends in Swedish ISBR. As stated in the introduction to the anthology, it is basically an attempt to bring together two different research fields, integration studies with its focus on ethnicity and migration on the one hand, and entrepreneurship and small business research on the other hand. But it also has the important function of bringing together Swedish ISBR and international ISBR. The articles are organised in four main sections: Broad Descriptions, Groups in Focus, Policy and Comparative Perspectives.

The first section includes four articles that use quantitative methods to provide a more general picture of contemporary ISB in Sweden. Levin and Weström (2001) try to answer the question of why immigrants, even if there is no significant difference between them and Swedes in their desire to grow, see financing difficulties as a bigger problem then other entrepreneurs. Roger Andersson (2001) points out that, considering the geographic concentration of ethnic entrepreneurs and their businesses, the situation in Sweden is in stark contrast with that of USA, where ethnic business strongly correlates with the geographical concentration of particular ethnic groups and where this fact has a positive impact on the income of these firms. There is nothing that seems to indicate that the ethnic concentration in some particular urban areas in Sweden has as a consequence either an increasing concentration of ethnic businesses in these areas or better possibilities for ethnic firms to make higher income. Moreover, there are fewer ethnic entrepreneurs than their native Swedish counterparts who live and work in the same area. Why is this so? The answer to this question, according to Andersson, is not possible to provide without further research. The chapter that follows (Brundin, Bögenhold and Sundin, 2001) compares immigrant’s small businesses and those run by Swedes. The results question some common perceptions of ISB – for instance, that unemployment is the main reason why immigrants start their own businesses. The study shows that independence is a more important motivation, while the opportunity to realise one’s own ideas is almost as important in inspiring immigrants to establish their own businesses. Also, again in contrast with conventional wisdom, the study shows that immigrant entrepreneurs have higher levels of formal education than their Swedish counterparts. The concluding chapter of this section (Michael Hjerm, 2001), critically discusses official expectations in relation to immigrant small businesses. According to these expectations, ISB is a way to improve immigrants’ economical well-being and social integration. However, according to Hjerm, the reality of ISB is much more gloomy. Immigrants who run their own businesses have lower incomes than immigrants who are employed, and this difference is not related to changes in business conditions. A number of contributions in the anthology point out the complex nature of the social phenomenon in question. At the same time there is a strong tendency among politicians, policy makers, the general public and even members of the research community, to oversimplify the phenomenon of ISB. These simplistic approaches are broadly criticised by three articles in the second section of the book, entitled ‘Groups in Focus.’ Oscar Pripp (2001) describes strategies that Assyrian and Syrian entrepreneurs develop in order to respond to the stereotypes about them and their businesses: they are treated as a homogenous group and defined almost exclusively in ethnic terms by authorities,
the media and the most of their customers. At the same time, the entrepreneurs themselves rarely describe their family and ethnically based business networks in ethnic terms. ‘Common ethnicity, however, was not sufficient to enable potential entrepreneurs to borrow money from their relatives, friends or acquaintances. More important was the lenders’ perception of the person’s personal qualities.’ (Pripp 2001, p. 107). Shahram Khosravi (2001), based on his study of Iranian entrepreneurs in Stockholm, criticises a simplistic view of the role of ISB in relation to social integration of immigrants, where immigrants are considered as a homogenous group regardless of their background, differences between them as well as reasons for emigration. Zoran Slavnic (2001) points out the problematic status that the notion of informal economy has within the research community, where it is almost exclusively related to the small businesses – first and foremost to immigrant small businesses. At the same time the business activities of large companies, as well as of various state institutions, is conceptually treated a priori as free of ‘informality.’

Four chapters of the book deal with policies related to immigrant small business. Lois Stevenson’s (2001) article offers an overview of current research related to entrepreneurship policies and practices in several European and non-European countries. This article focuses on measures undertaken in these countries to identify the specific needs of immigrant entrepreneurs, obstacles they face when establishing and running their firms, and official supportive measures and strategies. Kloosterman and Rath (2001) present objectives, milestones and relevant theoretical, methodological and practical issues related to the international network programme, ‘Working on the Fringes,’ which was established in 1997 to facilitate the exchange of knowledge and experience among researchers, as well as to provide a comparative perspective on issues such as immigrant entrepreneurship and informal economic activities. Mats Hammerstedt’s (2001) study, which covers all entrepreneurs who applied for start-up assistance (starta-eget-bidrag) between July 1 and September 30, 1996, and follows them until January 7, 2000, examines how the risk of relapsing into unemployment is distributed between immigrants and native Swedes. One of his conclusions is that entrepreneurs from different immigrant groups are unequally exposed to this risk, which implies that it is wrong to treat all immigrant entrepreneurs as a homogenous group. A similar criticism is put forward by Agneta Flygt (2001) in her study of the pilot project ‘Future entrepreneurs’ (Framtidens Företagare), designed for more highly educated Africans. Her point is that investments in support programs for immigrant entrepreneurs, without comprehensive research about the basic prerequisites of different immigrant groups in relation to local economic, social and political contexts, may easily lead to quite opposite results, i.e., to further exclusion and segregation, instead of integration. The three chapters that conclude the anthology have the common title ‘Comparative Perspectives.’ One of them (Salminen-Karlsson & Sundin, 2001) has already been presented here. Sven Nordlund’s paper (2001) deals with the history of immigrant entrepreneurship in Sweden, focussing on its role on the economic, cultural and social prosperity of Swedish society, making an effort at the same time to put contemporary immigrant entrepreneurship in some kind of historical context. The anthology concludes with Bengt Johannisson’s text, which aims to to reflect on the anthology in general, and on the theoretical, practical and political issues that it raises.

Further observations

Summing up the ISBR situation in Sweden, it is possible to find many similarities between my findings and those of Kloosterman and Rath (2000) concerning the situation in Holland. Their first conclusion is that anthropologists, sociologists and people from economic geography dominate ISBR in Holland, while economists are almost totally absent from the field. This corresponds to the situation in Sweden. My findings also show some sort of ethnic division of labour exists within the small business research.

A second conclusion of Kloosterman and Rath was that ISBR focuses on the ethnic and cultural aspects of immigrant entrepreneurship. This is not the case in Sweden, even if tendencies toward such an approach are evident (especially in Mauricio Rojas’s texts). The causes for this are, in my
view, not to be found in any fundamentally different ontological or methodological preconditions in Swedish research in this field, but rather in the simple fact that this research field is less developed in Sweden than in Holland. This also means that it is more difficult to delineate a differentiated picture of its development. For example, we can take Ali Najib, who has systematically dealt with ISBR. In his texts he does not regard immigrants as members of particular ethnic groups, but primarily as immigrants or immigrant entrepreneurs as opposed to native Swedes or native Swedish entrepreneurs. Pripp and Abbasian do regard immigrants as members of concrete ethnic groups, but their study of specific ethnic groups primarily serves to point out issues relating to general social structure, rather than to explain what is culturally or ethnically specific in immigrant small businesses. The problem, however, is that the reality we are trying to understand and explain is complex. We cannot refuse to include in our analyses cultural aspects, which means that our conceptual and methodological approach to this reality has to match this complexity. More specifically, it is wrong to define ethnic entrepreneurship exclusively in ethnic or cultural terms; but it is equally wrong to neglect these factors, as was emphasised by several authors in the aforementioned anthology.

A third observation derived from the Dutch situation points to the lack of communication between ISBR in Holland and recent theoretical developments in international research in the field. This is perhaps even more true of Swedish ISBR. With the exception of Ali Najib, neither individual researchers nor research institutions have systematically dealt with these issues. At the same time, my impression is that the Swedish ISBR has allowed itself, deliberately or not, to be guided by the optimistic vision and expectations in relation to ISB that also inform the official political agenda. I do not know whether this depends on the fact that most research projects in this field have been commissioned by state agencies, but the fact is that Swedish ISBR has not yet been able to develop its research agenda in line with international ISBR, in terms of both scientific focus and objectives. Finally, Kloosterman and Rath concluded that Dutch ISBR pays little attention to the structural changes in the economy, or to the general institutional framework of the welfare state, i.e., to the general economical and political contexts within which immigrant entrepreneurs establish and operate their businesses. We have shown how this institutional framework is taken for granted in current Swedish ISBR. We have also offered an alternative theoretical concept, which, in my view, may serve as a basis for developing a different research agenda for ISBR in Sweden. The main purpose of this article has not, however, been to formulate such a research agenda; this is, of course, a matter for further scientific debate in the field.
The Most relevant titles within Swedish ISBR


diverse references
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