



JÖNKÖPING INTERNATIONAL BUSINESS SCHOOL
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Immigrant Entrepreneurship

A case study of immigrant entrepreneurs' challenges in the Jönköping Municipality

Bachelor thesis in Business Administration: Entrepreneurship

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Jönköping December 2009

Acknowledgments

First of all, we would like to thank professor Leona Achtenhagen, who inspired us to research within the topic of this thesis and at the same time helped us during the beginning phase with her remarks on our thesis. We would also like to thank other professors such as Björn Kjellander, Mona Ericsson and Ethel Brundin (all professors at Jönköping International Business School) who helped us with their suggestions about our thesis.

We would also like to show our gratitude to Ms. Siv Lindén working at the resource center in Jönköping who gave us really good insights about the business owned by immigrant entrepreneurs and provided us with the information and contacts of some female immigrant entrepreneurs that we later included in our interviews.

In the end, we would like to thank the eight entrepreneurs that were really enthusiastic to share their experiences with us and therefore participated actively and without hesitation in our interviews and made this study possible. Finally, this thesis would not be as promising as it is, if we would not have the assistance of our respectful supervisor Mr. Bengt Johansson. We found his thoughts and suggestions really helpful and he was ready to help us in anytime. We are proud of being a team writing the bachelor thesis under his supervision.

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December, 2009

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Title:	Immigrant entrepreneurship: A case study of immigrant entrepreneurs' challenges in the Jönköping Municipality
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Date:	2009-12-09
Subject terms:	Immigrant entrepreneurs, ethnic entrepreneurs, challenges, strategies, context, medium-sized town, Jönköping, Sweden

Abstract

Background & Problem discussion: Recently, there has been an increased interest in topics such as immigrant entrepreneurship. Considering that most of the research until now is done in America with American examples, it would be beneficial if such results are verified or refuted in other countries as well, such as Sweden (Brundin, Bögenhold and Sundin, 2001). Overall, businesses ran by immigrant entrepreneurs are creating job opportunities and encouraging Europe's economy, even though exposed to limited immigration policies and unpleasant public opinion (Halkias et al., 2007). Immigrant entrepreneurs are not a new phenomenon in Sweden and according to Hammarstedt (2004) immigrant self-employment compared to native small-businesses has increased throughout the years, and therefore an important role in the integration of immigrants was made possible by the self-employment sector as a source of employment.

Rather than that, most of the research done in this topic by many researchers has been focused in factors triggering immigrant entrepreneurs to start a business, but less researchers were focused in understanding the challenges they face and strategies they adopt in order to survive.

Purpose: The purpose of this thesis is to *identify* challenges that immigrant entrepreneurs face while starting and running their businesses and *analyze* how they are interrelated and how do immigrant entrepreneurs *cope* with them in the setting of a medium-sized town in Sweden. Jönköping as a medium sized town in Sweden is our context.

Theoretical framework: The literature used in this study covers studies conducted in different context such as: American, European and Swedish. The conducted studies involve case studies in different context done with immigrant entrepreneurs are mainly about the challenges they face and the strategies they adopt as solutions to those challenges. Such theory helped us identify common challenges among immigrant entrepreneurs. Nevertheless, considering that the existing literature does not explicitly discuss the role of the context (metropolitan, large city, medium-sized town, small (rural town), local community etc), we have to inquire especially into that and use our own data to build a supplementary theory.

Method: The method used in this study is a qualitative approach but also with some minor elements of a quantitative approach (the use of the questionnaire during the interviews asked from the respondents to rank the challenges and therefore helped to find out the most significant challenge among them). Considering that generally our study followed a

qualitative approach, we have conducted 'face-to-face' interviews. There were eight semi-structured interviews. All of the interviews were tape recorded.

Conclusion: The findings of this study showed that challenges faced by our respondents were: start-up finance, finance for growth, access to markets, lack of language skills, lack of marketing/sales skills, lack of management skills, access to technology, lack of education, lack of visitors to Jönköping, maintaining customers, Swede's negative views on immigrant businesses, awareness of food among customers, and competition. However, the four most significant challenges among them were: access to markets, start-up finance, lack of language skills and finance for growth.

Besides that the findings show that the strategies that are adopted by immigrant entrepreneurs that we interviewed include the following: use of personal savings, use of personal networks, bank loan, enter low market barriers, scanning the market beforehand, asking help from their customers about language barriers or taking a language course before starting, among others.

The findings showed that the context is important to a great extent but besides context, in order for the immigrant venture to occur it matters to a great extent, who the individual entrepreneur is and what business idea he/she develops. In addition, they are key factors contributing not only to the immigrant venture occurrence, but also to the success of the business.

Table of Contents

1	Introduction	1
1.1	Background discussion	1
1.2	Problem discussion	2
1.3	Research questions	3
1.4	Purpose	3
1.5	Delimitations.....	3
1.6	Definitions.....	4
1.7	Outline.....	5
2	Theoretical framework.....	6
2.1	Introduction.....	6
2.2	Challenges faced by immigrant entrepreneurs and their interrelation based on the American context.....	6
2.2.1	The impact of American Context	8
2.3	Challenges faced by immigrant entrepreneurs and their interrelation based on the European context.....	9
2.3.1	The impact of European context.....	10
2.4	Challenges faced by immigrant entrepreneurs and their interrelation based on the Swedish context.....	11
2.4.1	The impact of the Swedish context	13
2.5	Common challenges and strategies based on the different contexts.....	13
2.6	Interrelation of challenges	15
2.7	The Model.....	15
3	Method.....	17
3.1	Research Approach	17
3.2	Research strategy	17
3.3	Qualitative versus Quantitative Research	18
3.4	Case study.....	19
3.5	Time horizons	19
3.6	Primary Data Collection.....	20
3.6.1	Choice of sample	20
3.6.2	Data collection methods	20
3.7	Interviews.....	21
3.7.1	Types of interviews	21
3.7.2	Interviewing procedure	21
3.7.3	Interviewing preparation	22
3.7.4	Interviewing evaluation.....	23
3.8	Data analysis and interpretation.....	24
3.9	Trustworthiness	24
3.9.1	Credibility	24
3.9.2	Transferability	24
3.9.3	Dependability	25
3.9.4	Confirmability	25

4	Empirical findings and Analysis	25
4.1	Interview number 1	25
4.1.1	Analysis Case 1	27
4.2	Interview number 2	28
4.2.1	Analysis Case 2	30
4.3	Interview number 3	31
4.3.1	Analysis Case 3	33
4.4	Interview number 4	34
4.4.1	Analysis Case 4	35
4.5	Interview number 5	37
4.5.1	Analysis Case 5	38
4.6	Interview number 6	39
4.6.1	Analysis Case 6	40
4.7	Interview number 7	41
4.7.1	Analysis Case 7	42
4.8	Interview number 8	43
4.8.1	Analysis Case 8	45
4.9	General analysis	46
4.9.1	Business idea developed by the individual entrepreneur	46
4.9.2	Challenges faced and strategies adopted based on the context	46
4.9.2.1	Challenges	46
4.9.2.2	Adopted strategies	47
4.9.3	The importance of context	48
5	Conclusion	48
6	Discussion	49
6.1	Our contribution and exposed areas that were not covered in the study	49
6.2	Research constraints and further research suggestions	50
7	References	51
8	Appendix	54
8.1	Interview questions	54
8.2	Questionnaire	55

1 Introduction

This section introduces the reader to the background and the problem discussion. Moreover, it emphasizes the importance of researching in this field and it concludes with the purpose of this thesis and the main research questions.

1.1 Background discussion

Recently, research has progressed into a set of different matters, including ethnic and immigrant entrepreneurship as one of them. The majority of existing research within ethnic and immigrant entrepreneurship has been conducted in America with American examples. Therefore, it would be beneficial if the results could be verified or refuted in other countries as well, and that way we could better understand the theoretical framework of the issue (Brundin, Bögenhold and Sundin, 2001).

Immigrant entrepreneurs are creating job opportunities and encouraging Europe's economy, even though exposed to limited immigration policies and unpleasant public opinion. In Western Europe, 16 million legal immigrants earned more than \$460 billion during year 2000. Also, since 2000 until 2007, the number of immigrant entrepreneurs in the E.U. has increased by almost 20% (Halkias, Harkiolakis, Abadir, Thurman Akrivos and Caracatsanis, 2007).

According to Barrett, Jones and McEvoy (1996: cited in Pécoud, 2004), many of the self-employed immigrants that appeared in Western Europe in the 1970s were initially recruited for their labor but eventually started to open their own businesses. The presence of ethnic minorities in Western countries became an essential aspect of ethnic entrepreneurship. The process developed into an important movement which is still crucial for migrants' descendants of the second and third generation, even though the phenomenon used to be considered as an unpredicted and insignificant consequence of immigration.

The current situation compared to the one of few decades ago has changed. The majority of the theoretical models that have been involved to explain ethnic entrepreneurship need to be reconsidered in accordance with the recent developments and changes since the previous ones refer to the situation that existed in the nineteen eighties (Pécoud, 2004).

Entrepreneurial immigrants are not a new phenomenon in Sweden. A fact recognized in the Swedish history is that immigrants, both capitalists and entrepreneurs, assisted in parts of the Swedish industrialization and modernization (Gårdlund 1942, Heckscher 1936: cited in Brundin et al, 2001). However, the power possessed by immigrants sometimes was considered so high that "ordinary inhabitants" and dominant groups in society attempted to restrict their activities through various rules, laws and regulations (Nordlund, 1989: cited in Brundin et al., 2001).

The foreign born individuals were about 1 percent of the total population during the 1940 in Sweden and the percentage of foreign born individuals had increased about 7% in 1970. During the 1950s to 1960s, the immigration to Sweden was primarily labor force migration where most immigrants came exclusively from Nordic Country and Southern Europe. (Hammarstedt, 2004)

Immigrant self-employment compared to native small-businesses has increased throughout the years, and therefore an important role in the integration of immigrants was made possible by the self-employment sector as a source of employment (Hammarstedt, 2004).

1.2 Problem discussion

There are many reasons encouraging us to research in the topic of ethnic entrepreneurship. First of all, ethnic entrepreneurship nowadays is rapidly obtaining increased interest from many researchers worldwide. Even though the interest has increased lately worldwide including Sweden, there is not much done in this area. Furthermore, the research done until now gave priority to the determinant factors in the creation and successful performance of ethnic businesses. Not many researchers were interested in investigating the challenges of immigrant entrepreneurs while starting and running their businesses, or the nature and changing features of the problems faced by ethnic businesses based on the context. Immigrant entrepreneurs have a great contribution in the economic growth of the host country and this is another important reason to research in this topic.

There are certain reasons why immigrants decide to start their businesses. Immigrants, incapable in finding work in the general labor market, or reluctant in accepting work alternatives offered by the general labor market, or simply unwilling to merge with foreigners; choose to be employed or self-employed in the ethnic economy of their assembly (Light, 2004). Further on, according to several researchers other factors also drive immigrant entrepreneurs into self-employment and they include: identification of a market opportunity, previous experience in business ownership, desire for independence, financial prosperity, family and friends (Basu, 1998; Ram, 1994; Curran & Blackburn, 1993).

According to Light (2004), major causes of disadvantage related to immigrants are racial, ethnic and religious discrimination, but not excluding language skill difficulties and unaccredited human capital.

On the other hand, Tseng & Zhou (2001: cited in Light, 2004) argue that banks effectively distribute services to the mainstream, but outside the mainstream they have failed to distribute comparable savings and credit. Low-income customers, inner cities, slums, small business, non-whites and immigrants have always been ignored by banks.

The question arising here is: Do the immigrant entrepreneurs in Jönköping face similar challenges such as lack of start up finance, lack of access to markets, lack of management skills, lack of finance for growth, language barriers, or lack of education while starting and running their own businesses? And, what is the role/impact of the context when facing such challenges?

Furthermore, when facing challenges such as the ones mentioned above, according to Light (2004), in ethnic ownership economies about two-thirds of personnel are owners or unpaid family members, not employees. Moreover, in order to overcome the avoidance of banks, usually most of the immigrant owners use personal networks in order to assure the capital to run their businesses (Light, 2004).

Another question arising here is: Do the immigrant entrepreneurs in Jönköping adopt the same or similar strategies as a solution to these challenges? And, what opportunities/restrictions exist in the context when adopting such strategies?

This thesis will be focused generally on immigrant entrepreneurs coming from developing countries. There are several reasons for being focused on immigrant entrepreneurs coming

from developing countries. One of the major reasons, might be because immigrant entrepreneurs coming from those countries might have more lack of resources compared to other immigrant entrepreneurs coming from developed countries.

Since our research will be conducted in the municipality of Jönköping, our focus will be placed mainly on this type of context, more specifically, medium-sized towns. The majority of immigrant entrepreneurs are located in metropolitan areas and majority of theories are concentrated in that context. Therefore, it is interesting to investigate the challenges faced by immigrant entrepreneurs in a medium-sized town such as Jönköping where lack of different resources (especially the social capital) are emphasized to a greater extent and analyze how are these challenges interrelated and how do the immigrant entrepreneurs cope with them based on this context.

1.3 Research questions

1. What challenges do the immigrant entrepreneurs face while starting and running their businesses and why?
2. How challenges are interrelated based on the context?
3. Which of the challenges are considered as major challenges for immigrant entrepreneurs?
4. How do the immigrant entrepreneurs cope with challenges in the setting of a medium-sized town in Sweden?
5. Besides context (Jönköping), what is the importance of the business idea developed by the individual entrepreneur in terms of immigrant entrepreneurship occurrence?

1.4 Purpose

The purpose of this thesis is to *identify* challenges that immigrant entrepreneurs face while starting and running their businesses and *analyze* how they are interrelated and how do immigrant entrepreneurs *cope* with them in the setting of a medium-sized town in Sweden. Jönköping as a medium sized town in Sweden is our context.

1.5 Delimitations

Because of restricted resources accessible and the time available, this research is only focused in the Jönköping municipality, and therefore is not able to cover all immigrant entrepreneurs in Sweden. Generally, we have decided to be focused mainly in foreign born citizens who initially come from developing countries. Further on, in this thesis we are not focusing on factors motivating immigrant entrepreneurs to get into self-employment but instead the focus is on challenges they face and strategies they adopt as a solution to those challenges.

1.6 Definitions

Immigrant

In line with the definitions of Swedish authorities, immigrants are defined as individuals who themselves, or whose mothers/fathers are born in a country other than Sweden (NUTEK, 2001).

Immigrant entrepreneurs

Immigrant entrepreneurs refer people who start their own business just after their arrivals using of their individual connection with former immigrants and non-immigrants with a common origin (Butler and Greene, 1997).

Immigrant businesses

Certain characteristics of the business that is connected to immigrants describes the term of immigrant business and meanwhile, such connection means immigrant ownership of businesses (Li, 2007).

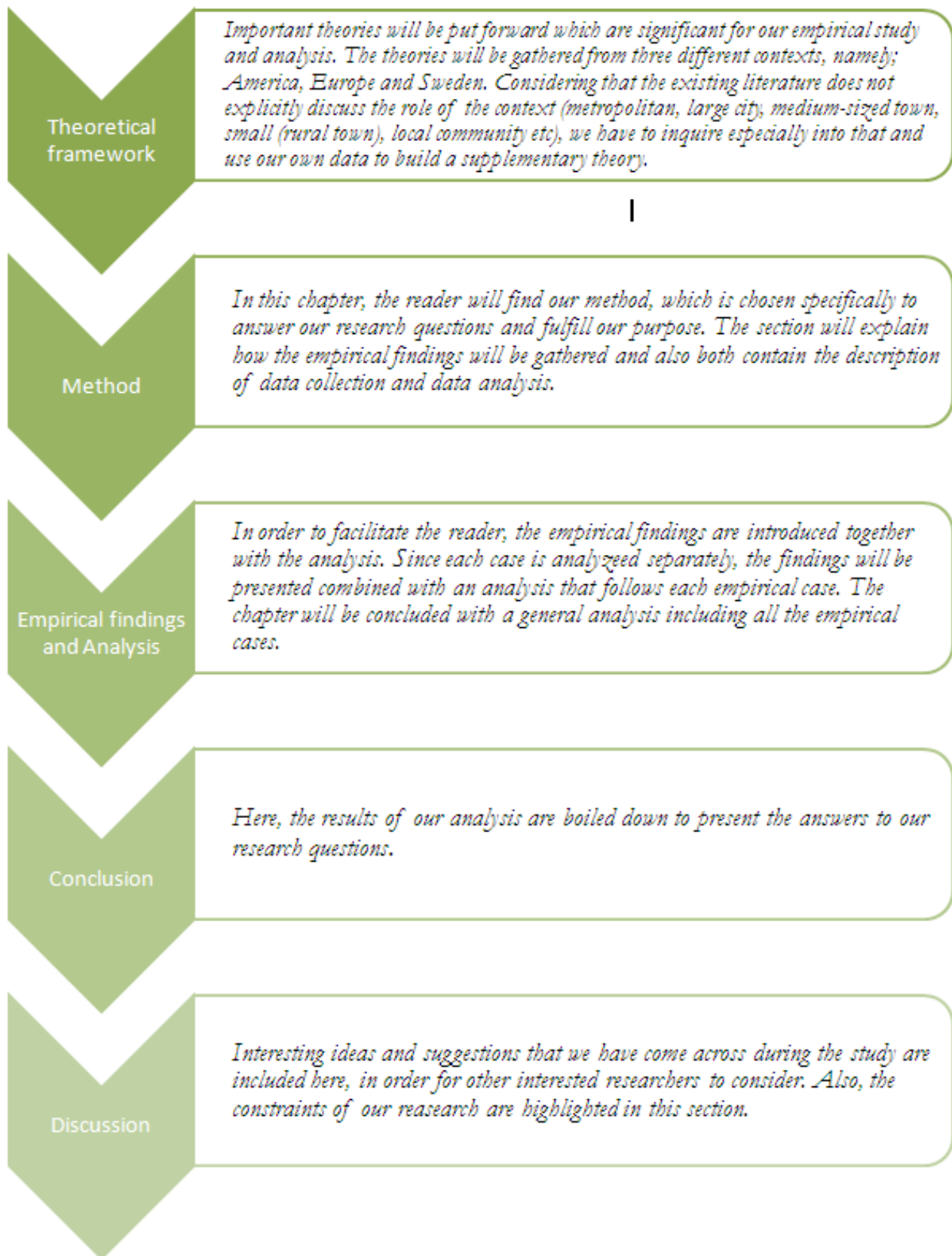
Ethnic entrepreneurs

Ethnic entrepreneurs create “a set of connections and regular patterns of interaction among people sharing common national background or migration experiences” (Wal-dinger et al., 1990).

Developing countries

Developing country is a term generally used to describe a nation with a low level of material well being. There is no single internationally-recognized definition of developed country, and the levels of development may vary widely within so-called developing countries, with some developing countries having high average standards of living (Sullivan & Steven, 2003).

1.7 Outline



2 Theoretical framework

2.1 Introduction

As it has been stated earlier, there has been an increased interest from many researchers to write about the topic of ethnic entrepreneurship, and this was more highlighted in Western countries. Most of the research done in this field consists mainly of qualitative scenery, which most of the time are based on in-depth interviews with different groups of ethnic entrepreneurs.

When reviewing the different sources of literature within immigrant entrepreneurs, we found out that the majority of them consist mainly with American cases. Further on, significant part of researchers were concentrated in analyzing immigrant entrepreneurs operating their businesses in metropolitan areas and less researchers placed their interest in medium-sized towns.

Challenges that immigrant entrepreneurs face and adopted strategies as a solution to those challenges have been studied to some extent by different researchers around the world. Mainly what different research shows is the identification of similar challenges and strategies encountered by immigrant entrepreneurs with an exception of some variations which are caused mainly by the context in which such immigrant entrepreneurs start or run their businesses. Such variations that are caused by the context will serve as an opportunity for better understanding during the analysis stage.

We have been considering previous research done in this area as a theoretical framework and a source of facts. The previous research includes three different contexts, namely, American, European and the Swedish context. Through this research as mentioned above, we found that all three of them identify common challenges and strategies. Therefore, we came up with the idea of constructing a model which would categorize these common challenges and their interrelation. One should bear in mind that the intention of constructing this model is mainly to help the reader understand the phenomenon better and explain the different challenges and strategies that are encountered by immigrant entrepreneurs and will probably contribute to the academic theory.

The coming sections will identify challenges faced by immigrant entrepreneurs in the three different context, and meanwhile, the interrelation of these challenges and the strategies adopted as a solution to these challenges. Mainly, most of the researches that will be shown below are conducted in metropolitan settings but not leaving behind the medium-sized towns. And therefore, by combining the findings of research conducted in these two different contexts we will find common challenges and strategies encountered by immigrant entrepreneurs.

2.2 Challenges faced by immigrant entrepreneurs and their interrelation based on the American context

After launching the large-scale immigration renewal policy in 1965 in United States, self-employment had accounted for an extensive share of employment among the immigrants who moved into United States by 1980s. The four main urban areas in United States- New York, Los Angeles, Miami, and San Francisco have become the centre for immigrant entrepreneurs in starting and operating businesses (Waldinger, Aldrich and Ward, 2000). While in Canada, the establishment of small businesses among immigrants is in sizeable

rates during the 1970s and the majority of the immigrants in Canada are situated in the urban areas, mainly in Toronto and Vancouver (Kloosterman & Rath, 2003).

Fawcett and Gardner (1994) paper on immigrant entrepreneurs among Asians (Korean and Filipino) is based on a survey of 3911 small businesses in United States. According to the study, lack of human capital particularly in language skills and education had become the major problems for immigrant entrepreneurs. For instance, Korean immigrant entrepreneurs are having disadvantages in the labor market due to the low proficiency in English while the Filipino immigrant entrepreneurs are generally viewed as having comparative advantage in this area.

Further on, the data shows that both Korean and Filipino who are self-employed in businesses have more advanced education than other Korean and Filipino immigrants. Nearly half of the immigrant entrepreneurs have completed college, and only a group of immigrant with primary level education is suffering in the salaried labor market. Nevertheless, lack of human capital (lack of education and language skills) might affect the immigrant entrepreneurs in the salaried labor market.

Due to the heavily influenced of ethnic connections among Korean entrepreneurs in the business environment, such as having Korean as suppliers, advertising mainly in the Korean media, having mostly Korean as customers and operating almost the same businesses, had lead to an increase in competition among Korean businesses. For instance, retail food sales, garment manufacture, food product processing and printing are the common businesses that Korean entrepreneurs are operating (Bates, 1994).

From this research, we found that lack of language skills may affect immigrant entrepreneurs in starting businesses. Also, according to Menzies, Brenner and Fillion (2003), immigrant entrepreneurs are hiring co-ethnic employees and family as workers and targeting co-ethnics markets as customers and suppliers to overcome the language barriers.

Apart from the problem of lack of education and language skills, lack of capital would be another barrier to get into self-employment. According to Fawcett & Gardner (1994) findings, the Filipinos often mentioned that the need for capital as one of the leading barriers in starting businesses. Due to the lack of capital, majority of Filipinos claimed that they do not have intention to start and run their own businesses. To overcome this barrier, the Filipinos generally make use of loans from banks, relatives or family members.

In another case study on Fillion, Menzies, Ramangalahy and Brenner (2002), the authors had survey questionnaire with 422 entrepreneurs in the urban centers of Montreal, Toronto and Vancouver from three of Canada's ethnic minorities: Chinese, Italian and Sikh. Their findings were financing (lack of capital) and marketing had become the major problems in starting businesses. The problems encountered by immigrant entrepreneurs in Canada were mainly related to human resources, strategic management, the institutional environment and production. It is also stated that due to the lower level of social and economic integration, the Chinese entrepreneurs were facing problems associated with marketing, human resources, the institutional environment and social environment. Therefore, the Chinese entrepreneurs prefer selling products primarily to their own ethnic group and purchasing products from the ethnic groups and in the country of origin.

In addition, Fillion at al. (2002) suggested that the existing support programs which are similar to those commonly offered to small businesses should be applied to immigrant entrepreneurs in order to overcome those barriers.

2.2.1 The impact of American Context

In the research by Hiebert (2002) in Canada, he stated that the relationship between self-employment and labor market segmentation is comparatively apparent. When looking into the labor market segmentation and self-employed index, immigrant with European-origin are generally well distributed across employment, and at the same time they have the highest rate of self-employment. In the opposite scale, the Jewish origins are segmented into specific part of the labor market and have the lowest level of self-employment.

Moreover, there is also a large distinction in rates among the South Asians and Afro-Caribbeans who had less than average rates of self-employment whereas immigrants from Middle East, East Asia and Greece are more entrepreneurial. From this research, we can conclude that there is a substantial reflection on each ethnic group in Canada; particularly in ethnic resources they possess leading them to self-employment. Hiebert (2002), also points out that the general patterns are repeating in Canada when investigating the relationship between labor market segmentation and self-employment.

Legal and political restrictions have an influence in the position of ethnic groups, meaning that some immigrants are hardly tolerated while others are welcomed. In this aspect, legal-political restrictions on immigrants are minimal in the business environment offered by the United States. (Blaschke, Boissevain, Gortenbreg, Joseph, Morokvasic & Ward, 1990)

In the research on ethnicity and entrepreneurship by Aldrich (1990), he mentioned that the impact of government policies on the ethnic entrepreneurship in United States is indirect. As the other study made by Blaschke et al., 1990 argued about legal-political restrictions in U.S., also Aldrich (1990) argues that there is an increasing number on immigrant entrepreneurs in starting up businesses in United States since there are no formal barriers imposed to them.

Further on, business competitions are weak and apprenticeship is not strictly controlled. Therefore, many immigrant entrepreneurs can be easily relocated into a more supportive market. Also, during the 1960s, special minority enterprise investment programs were generated because of proposed minority set-aside programs into the government contracting policy. This action provided an important symbol to the minority businesses where many of the immigrant entrepreneurs could overcome the financial barriers and get into self-employment.

On the other hand, the study conducted by Derickson & Ross (2007) in Main Street at Worcester, middle sized city of New England, United States, and argues about the reasons for Asians to integrate in small businesses in Worcester. They argue that the rise of inequality in the United States labor market caused significant difficulties to start businesses among immigrants in Worcester. As a solution to this challenge, the establishment of Southeast Asian Outreach Center in collaboration with Main South Community Development Corporation during year 2002 was created to provide education, job training, social as well as cultural support to immigrants who intend to start businesses. In addition, they found that there are no apparent deviations of class between Asian immigrant entrepreneurs and the major immigrant entrepreneur (the Hispanics of Puerto Rico and Central America). Generally, the immigrant entrepreneurs in Worcester face small deviation of class compare to other larger cities like Los Angeles and New York (Derickson et al, 2007).

2.3 Challenges faced by immigrant entrepreneurs and their interrelation based on the European context

In this section we will try to explain the different challenges that immigrant entrepreneurs face and their interrelation based on the European context. The focus of this section is to observe the importance of the context and its impact in ethnic entrepreneurship. Therefore, in order to illustrate it better, we have critically reviewed the different sources of literature, and have chosen different case studies about ethnic entrepreneurship done in The Netherlands.

The population of immigrants in the Netherlands is increasing and in terms of countries of origin, socio-economic position and length of stay is quickly becoming more diverse. Moreover, according to Kloosterman and Rath (2003), immigrant entrepreneurship is mainly apparent in the Netherlands' four largest cities: Amsterdam, Rotterdam, The Hague and Utrecht. Furthermore, these cities are being affected by these immigrant entrepreneurs in various ways as, for instance, by stimulating shopping streets that have been formerly abandoned, by introducing new marketing strategies and new products (Kloosterman, Van der Leun and Rath, 1999).

In their case study with Turkish and Moroccan entrepreneurs, Kloosterman et al., 1999, argue that, this group of immigrant entrepreneurs face different challenges when it comes to starting and running their businesses. The study shows that, *lack of financial capital* and *lack of human capital* (educational credentials) are some of the main barriers they face. As a result, not surprisingly, these immigrant entrepreneurs decide to open their businesses in markets where barriers to enter are low in terms of capital expenditure and necessary educational credentials (Kloosterman et al., 1999).

Moreover, opening their businesses in markets with low barriers of entry is only one element of surviving, meaning that there is large *competition* in such markets too and these immigrant entrepreneurs have to survive somehow, knowing that surviving could be very difficult due to profits being very low, and sometimes, even non-existent. In order to survive, several sets of preferences of these immigrant entrepreneurs are rooted in the sending countries and they permit for long hours and low pay (Waldinger, 1996: cited in Kloosterman et al., 1999). However, this is not the only way to survive from competition. Another way of surviving is made possible due to the fact of such entrepreneurs being embedded in certain social networks, enabling the reduction of their transaction costs in both, formal and informal ways (Portes, 1995a: cited in Kloosterman et al., 1999).

Furthermore, in another case study made with immigrant entrepreneurs, Levent, Masurel and Nijkamp (2003), argue that lack of financial capital and lack of human capital are not the only challenges that immigrant entrepreneurs in the Netherlands face. In their study, they identified other problems such as: *language barriers*, *lack of management skills* and *limited access to formal business networks* (Levent et al., 2003).

A case study made by CEEDR (2000), argues that one of the problems which ethnic entrepreneurs face is the *lack of marketing skills*. Not many of the case study respondents identified marketing as the main problem they face during the start-up or while running their businesses. This might be because other problems such as financing are considered as major to them and not because ethnic entrepreneurs do not have marketing weaknesses. Still the nature of the marketing problems faced by ethnic entrepreneurs can be affected by the location of the business or the nature of the business activity. Therefore, CEEDR (2000), explains that, in order to overcome such barriers, in areas such as The Netherlands, niche

markets within concentrations of ethnic population are an advantage from which ethnic entrepreneurs can benefit, mainly for demanded products and services by co-ethnic entrepreneurs. As a result, selling is made possible by word of mouth, even though potential development may be very limited for such businesses. Other major problems as stated by CEEDR (2000) is also finance for growth and they found out that once more, the strategies used by ethnic entrepreneurs to overcome this problem is by relying on self financing and/or informal sources of finance from family and friends. Further on, the study shows that ethnic entrepreneurs also face problems with technology-related issues or said differently lack of access to technology. Seeking external help and advice solely through informal channels from friends is one of the strategies that ethnic entrepreneurs adopt as a solution to this problem (CEEDR, 2000).

2.3.1 The impact of European context

Mainly, all the case studies above clearly show what challenges and strategies immigrant entrepreneurs in The Netherlands' major cities face and how are they interrelated. Still, it is really important to know, what impact the Dutch context has on ethnic entrepreneurship.

In this aspect, Rekers and Van Kempen (2000), demonstrate how the urban context can affect the emergence of ethnic entrepreneurship. They explain that when researching about ethnic entrepreneurs, one should not ignore factors operating within the urban context. If we lose sight of this context important relations cannot be clarified. For instance, it's not possible to explain why in Amsterdam there are more Turkish enterprises than in Rotterdam, although Turkish population is larger in Rotterdam. This could be clarified by saying that Amsterdam has a different economy and different population characteristics. Moreover, concentration in local context indicates that policies to encourage businesses can be made on the basis of opportunities that local context offers (Rekers & Van Kempen, 2000).

For instance, in the case study with Turkish and Moroccan butchers, Kloosterman et al., 1999, state that "Dutch authorities somewhat turn a blind eye to this kind of informal economic production by immigrant entrepreneurs". According to the Trading Association of Butchers, large numbers of these immigrant butchers do not have the adequate professional qualifications and many of them 'forget' to apply for an exemption. By doing so their enterprise is observed as informal. Therefore, the Chamber of Commerce does not have the authorization to close their shop, and on the other hand, Economic Control Service does not take firm actions and focuses on other important matters (Kloosterman et al., 1999).

The above paragraph is an example of the passive local policies. The passive local policy mainly is the non-enforcement of control just like in the above example, and this policy can attract even more immigrant entrepreneurs to open their shops easily without authorities controlling them. Local policy's intentions could also be to actively encourage ethnic entrepreneurs, such as, providing constructive credit services or information supplied to potential starters in their own language by the authorities (Rekers & Van Kempen, 2000).

Mainly, what Rekers & Van Kempen (2000) show with their spatial context is that developments such as: economic developments, population changes and the urban environment differ across spatial contexts, resulting in opportunities spatially managed for ethnic entrepreneurs, or said in other words, location matters.

Besides the case in the Netherlands, more specifically about medium-sized towns talks a study of foreign entrepreneurs in France. Since our case study will be conducted in Jönköping, and since our purpose is to identify challenges and their interrelation based on the context, it is important to compare with the study of immigrant entrepreneurs in medium-sized towns of France, which also represent a European context.

According to Gildas (1990), there has been an increased movement of foreign entrepreneurs throughout the French urban network, mainly in the medium-sized towns in the western half of France. According to the study, there were fewer than 30 foreign self-employed in the year 1975. Moreover, the number in 1990 increased to 110 from which 2/3 are found in the urban district of Poitiers, a middle-sized town located in southwestern France with 140 000 inhabitants. Dominant businesses by such immigrant entrepreneurs were mainly 'exotic' restaurants and shops, and therefore in a city where there is no strong community regrouping such specialization is logical. People operating such businesses were mainly young people from foreign families installed in the Poitiers area or even tradesmen who didn't succeed in metropolitan areas such as in Paris region. Such businesses are mainly concentrated in the town center but also there is a lot of concentration especially by Portuguese artisans towards areas where peri-urbanization grants them with satisfactorily large work-yards. (Gildas, 1990)

In conclusion, it is obvious throughout the whole section that immigrant entrepreneurs in an European context (The Netherlands) face different challenges and adopt different strategies as a solution to those challenges. The different economic developments, population changes and the urban environment (availability of premises; local policies) affect to a major extent ethnic entrepreneurship, in terms of allowing the space for it to emerge, placing strict policies to start or run a business or simply have passive policies (non-enforcement of control) which actively encourages the emergence of ethnic entrepreneurship. Moreover, such passive policies not only motivate ethnic entrepreneurs to start their business, but they also face fewer problems when starting or running their businesses.

2.4 Challenges faced by immigrant entrepreneurs and their interrelation based on the Swedish context

Despite the comparatively small size of population, Sweden is within the industrialized world one of the most immigrant dense countries. According to Ljungar (2002), in the beginning of the 1990s, 22 000 immigrants ran businesses in Sweden, however in 1998, the number had increased to a total of 65 000 immigrant entrepreneurs. The development was massive and depended mainly on two factors, one involving difficulties faced by immigrants in getting employed in the Swedish labor market and the second factor involved the opportunities that emerged to take over certain industries in the market that were originally driven by native own businesses (Ljungar, 2002).

Further on, Ljungar (2002), states that in 1998, 16% of the Swedish immigrants (those born outside Europe) were self-employed, while on the other hand, only 8% of the native Swedes were self-employed. However, many researches claim that it is difficult for immigrants to become successful in Sweden because of the widespread preconceptions about immigrants and the lack of language skills among immigrants.

In 2000, The Swedish government conducted a research to investigate if there is a need to offer extra measures for immigrants that do not have the same opportunities as natives to start a business. According to the study, immigrants are not well informed regarding e.g.

Sweden as a country and its existing system of regulations, which is necessary to be able to run a business on the same conditions as the majority of the population (Stein, P. 2000).

The study also found that the challenges immigrants face originate from the existing ignorance amongst many immigrants considering the Swedish laws, establishing contacts with the Swedish banks and the existing lack of social values and rules. These challenges eventually lead to major difficulties for immigrants to obtain contact with authorities, banks and institutions. However, ignorance also exists within the native population amongst the native lenders, property owners and other business people that immigrant entrepreneurs meet since they usually lack the social values of the immigrant entrepreneur. Ignorance may bring communication related problems and the consequences can lead to bad business results for both parties (Stein, P. 2000).

Pripp (2001), a researcher at Södertörns University in Södertälje, Sweden, conducted a study about Assyrian and Syrian entrepreneurs in Södertälje. The study discusses ethnicity, strategies and resources amongst these immigrant entrepreneurs.

According to Pripp (2001), it is easier for native entrepreneurs compared to immigrant entrepreneurs to obtain the confidence of people within the business environment. A reason for this is because the business environment is sensitive to *linguistic errors* and strong foreign accents. One of the interviewees in the study claimed that people with language problems are considered as belonging to the lower class of the society which automatically leads to a restriction or limit of opportunities for immigrants. Bearing in mind this fact, many of the immigrants adopted the language as a strategy for success. Pripp (2001), argued that particularly the prosperous entrepreneurs systematically adopted tones and hidden meanings of Swedish in different social contexts, in order to become socially accepted in the mainstream business environment. According to another interviewee, in his restaurant they changed their recruitment policies, and employed only Swedish waiters. The interviewee explained this by arguing that customers prefer to be served by Swedish waiters (Pripp, 2001). By making the business more attractive to customers, this strategy also helps the business to gain *access to new markets*.

Since it is very hard for the business owners to acquire enough *start-up capital* to start the business, the majority of immigrant businesses in Sweden tend to be very small in size. As a consequence, a big part of the immigrant businesses are within the service sector. Common examples include grocery stores, restaurants and taxi companies (Ljungar, 2002). It is also confirmed by other studies in this area that immigrant entrepreneurs have peculiar difficulties to acquire financing capital both for the start-up and growth of a company's operations.

Levin & Weström, (2001) conducted a nationwide study concerning financing difficulties for growth of businesses in Sweden. The results from this study showed that there exists certain differences between immigrant entrepreneurs and native entrepreneurs which are possible reasons for why immigrants find *financing difficulties as a barrier for growth*. They found that the differences depend on the fact that individuals with foreign background usually do not have the same possibilities to present proper historical financial statements, also, they are not able to provide as good references as native Swedes are. Furthermore, because of language inadequacies it is more difficult to present a business idea and future business prospects in a convincing manner (Levin & Weström, 2001).

The issues concerning acquiring capital are discussed by Ljungar (2002) in his case study on Kurdish entrepreneurs in Sweden. He argues that several of the Kurdish entrepreneurs

have access to large networks of Kurds in Sweden. Because of difficulties in getting loans from the bank, it is very common that business start-ups are financed by loans from relatives and friends within this Kurdish network Ljungar (2002). Using this strategy the Kurdish entrepreneurs create a possibility to help each other become self-employed, this is however not common for all immigrant groups. What is particular for the Kurdish people is their background from rural areas where unity among the people is very strong.

2.4.1 The impact of the Swedish context

What is particular about Sweden's immigrant businesses is that some industries, such as pizzerias and cleaning services are almost only dominated by the immigrants. Especially according to research made by Ljungar (2002), where he states that the rapid increase in immigrant self employment between the years 1987-2002 occurred without any active political measures to encourage immigrants to become self-employed. In fact, it is not until recently that the authorities started to realize self-employment of immigrants as a helpful solution to the integration of immigrants to the Swedish society. This includes Start-up benefits together with other economical support measures which have been developed to facilitate potential entrepreneurs (Ljungar, 2002). Even though no active political measures were taken by the responsible authorities, other studies have focused on the labor market regulations which might be extensive for immigrants to be able to enter the labor market.

In a study conducted by Hjerm (2004), he argues that the level of regulations existing in the Swedish labor market is crucial, especially for new immigrants, considering how the process of integration will progress. Since the labor market in Sweden includes a wide range of regulations and is combined with a strong welfare state, it increases the risk of immigrants not accessing the labor market, but on the other hand, it decreases the risk of immigrants to become economically deprived through redistribution of income (Hjerm, 2004)

In conclusion, it is clear that immigrants will face different problems depending on the type of welfare state that is implemented in the country of arrival.

2.5 Common challenges and strategies based on the different contexts

Based on the literature we reviewed previously about the different contexts (American, European, Swedish), we found that immigrant entrepreneurs in most of the contexts face similar challenges and adopt similar strategies as a solution to the challenges. Even though there are differences in terms of their cultural and economic backgrounds, related adaptations have arisen in different contexts. Therefore, considering that the research identifies that immigrant entrepreneurs in different contexts face similar challenges and strategies, it is logical to believe that they are suitable for fulfilling our purpose and constructing our model. Management skills and access to technology were not considered as challenges faced by immigrant entrepreneurs in all three contexts with the exception of the European context, but we still consider that it is important to categorize them with other common challenges. We also consider that they are two of the problems that are closely interrelated with other problems. Below we will present the challenges by dividing them into three categories, namely; Human capital (HC), financial capital (FC) and social capital (SC).

Mincer (1974: cited in Davidsson and Honig, 2003) argue that '*Human capital* theory maintains that knowledge provides individuals with increases in their cognitive abilities, leading to more productive and efficient potential activity'. Individuals with higher quality of hu-

man capital are better at perceiving profitable opportunities if new economic activities exist. On the other hand, such individuals find it easier to exploit several opportunities when they are involved in the entrepreneurial process (Davidsson and Honig, 2003).

Porters (1998: cited in Davidsson and Honig, 2003) state that ‘*Social capital* theory refers to the ability of actors to extract benefits from their social structures, networks and memberships’. Furthermore, according to Coleman (1998: cited in Davidsson and Honig, 2003), social networks made possible by organizational relationships, community-based or extended family supplement the effects of experience, education and financial capital.

Lastly, *financial capital* consists of monetary and physical assets that are owned by family members, together or individually. Financial assets can be cash or readily converted into cash. They might include saved money of the entrepreneur, money from the extended family or funds from financial institutions (Danes, Stafford, Haynes and Amarapurkar, 2009)

The challenges and strategies adopted as a solution to challenges identified by the different contexts are:

Challenges	Strategies
(HC) Marketing/sales skills	Employing native employees Benefits from the niche markets Selling made possible by word of mouth
(HC) Management skills	Management opportunities/ management styles and enterprise structures
(HC) Lack of language skills	Enter markets with low barriers of entry Employ co-ethnic employees
(HC) Lack of education	Enter markets with low barriers of entry
(HC/SC) Access to technology	Seek help/advice through informal channel from family members, relatives or friends
(SC) Access to markets	Identifying existent special ethnic market
(FC) Start-up finance (lack of financial capital)	Start/run businesses in markets with low barriers of entry Personal savings, bank loans, personal networks
(FC) Finance for growth (lack of finance for growth)	Reliance on self financing and/or informal sources of finance from family and friends

2.6 Interrelation of challenges

Lack of language skills & Lack of education - An immigrant entrepreneur with lack of language skills and lack of a proper education, would probably not be knowledgeable on how to approach different financial institutions which could provide him/her with a certain amount of the capital to start the business or he/she would have difficulties in approaching them in the host country especially because of the language barriers. One should bear in mind that lack of language skills is also closely interrelated with lack of education.

Start-up finance & Finance for growth – In order to acquire the start-up capital one should have appropriate level of education and suitable language skills, so that he/she could easily approach different financial institutions. In order to have access to different markets advertisement is essential. In this respect, advertisements (or marketing issues in general) require large amounts of capital, which in this case is interrelated to the finance for growth challenge.

Access to markets & Access to technology - An immigrant entrepreneur with lack of language skills or lack of education would have many difficulties especially when trying to have access to markets populated by natives. Therefore, an immigrant entrepreneur facing language barriers would find it easier to access markets populated by co-ethnics, but this once again would prevent him to access other markets. If many immigrants use similar strategies, competition may arise among them. An immigrant entrepreneur willing to have access to certain markets should have some marketing skills; skills that would help him/her find the strategies to do so. Moreover, possessing management skills is also a very important aspect for ethnic entrepreneurs when it comes to accessing the markets. On the other hand, e-marketing is related to access to technology for instance, using computer for accounting and other purposes (advertising programs etc) requires knowledge. Therefore, knowledge and information about technology-based issues is related to education. In addition, investing on computer or machinery requires more capital (Finance for growth).

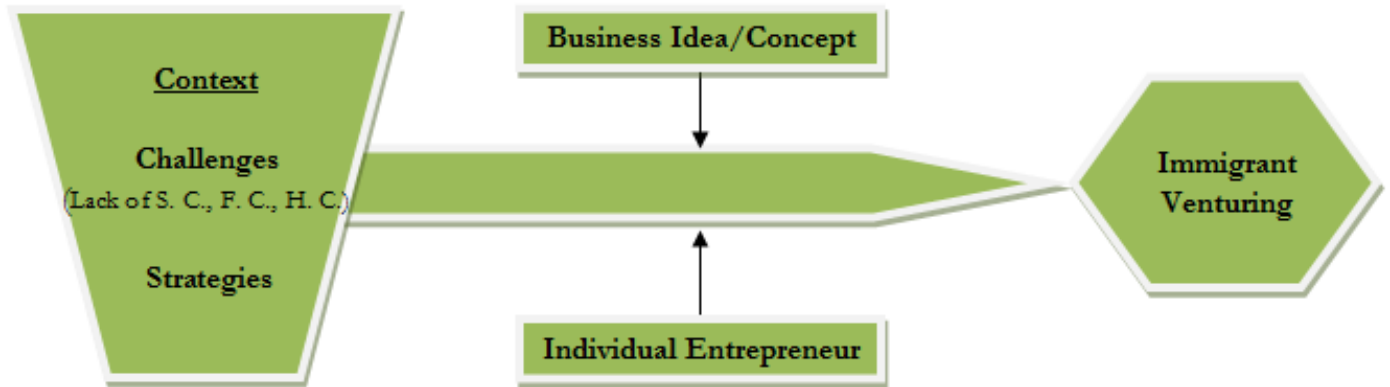
Marketing/sales skills & Management skills – Both challenges are closely interrelated to education. An immigrant entrepreneur with an educational background on marketing or management would probably find it easier to access the markets, advertise its business or generally manage its business in an appropriate way. Further on, possessing skills about technology-based issues would help the entrepreneur deal well with marketing/sales issues.

2.7 The Model

We thought that constructing a model where we categorize challenges and strategies encountered by immigrant entrepreneurs would help us fulfill our purpose. Bearing in mind that context is an important element in our purpose we reviewed three different contexts (America, Europe, Sweden). Since all three contexts identified generally similar challenges and strategies we decided to construct our model based on that. By categorizing the challenges we can also fulfill one of our research questions; to find out which of the challenges is most significant among immigrant entrepreneurs in Jönköping. In addition, by constructing this model the reader will have a better view on how these challenges are interrelated.

The model as described above is based on the similar challenges and strategies identified in three different contexts. The model explains that the challenges immigrant entrepreneur face depends on what **context** the entrepreneur is operating in. The possibility to create a venture depends on the level of **social, financial and human capital** the entrepreneur possesses. Furthermore, within the context, the entrepreneur either exploits an existing

business idea or a successful/unique **business concept** which exists in the home country. Also, because of the traits and characters that the **individual entrepreneur possesses**, he/she may explore previously unexploited opportunities in order to start a business. In addition, in order to differentiate the idea from their competitors, offer to customers something they value and something that competitors do not have is a beneficial strategy for immigrant entrepreneurs (MacMillan & McGrath, 1997).



3 Method

In this section, the reader will find our method, which is chosen specifically to answer our research questions and fulfill our purpose. The section will explain how the empirical findings will be gathered and both contain the description of data collection and data analysis.

3.1 Research Approach

Method acts as an instrument to fulfill a research objectives or more precisely, the purpose of a study. It also gives explanation to the choice of method that will be used in this section. It is crucial for readers and researchers to clarify clearly that method will form a guideline for readers and will demonstrate the validity and reliability of the research (Saunders, Lewis & Thornhill, 2007).

Two categories of research approaches are suggested, specifically inductive and deductive approaches (Saunders et al., 2007).

In deductive approach, hypotheses and theories are developed and *tested* through empirical observation. Further on, deduction approach aims to explain the causal relationships between variables (Saunders et al., 2007). It also requires a set of techniques to apply into theories and review their validity (Lancaster, 2005).

As for inductive approach, it is a reverse process of deductive approach. A new theory is formulated and hypotheses/theories are developed to *explain* the empirical observations and are based on several factors such as personal experiences (Saunders et al. 2007 & Lancaster 2005). Generally, theories are formulated to describe the observed data and information gathered. Therefore, all types of data and information can be applied in theoretical framework in inductive research. Moreover, inductive approach is employed when there is a purpose of generating insights of a new phenomenon (Lancaster 2005). Thus, in line with the purpose of our study, we are able to advance our understanding and knowledge about the immigrant entrepreneurs' phenomena in Jönköping municipality. Rather than that, an inductive approach is suitable for our study given that the existing literature does not explicitly discuss the role of the context (metropolitan, large city, medium-sized town, small (rural town), local community etc), therefore we have to inquire especially into that and use our own data to build a supplementary theory.

Bryman and Bell (2007) indicate that inductive approach is generally correlated with qualitative research approach while deductive approach is correlated with quantitative research approach.

Given that the purpose of our thesis is to *identify* challenges that immigrant entrepreneurs face while starting and running their businesses and *analyze* how they are interrelated and how do immigrant entrepreneurs cope with them based on the context, and as stated in the theoretical section, we have developed a model based on the observation of different contexts. In view of that, inductive approach tends to fulfill our purpose and therefore, inductive research is more appropriate to be used in our thesis.

3.2 Research strategy

Yin (1994: cited in Gummesson, 2000) differentiates three types of case study research, specifically exploratory, descriptive and explanatory studies. However, according to Gum-

messon (2000), researchers in business-related fields of study, they often limit the case study to exploratory approach. As for exploratory approach, it can be described as a foundation for creating more precise questions or experimental hypotheses.

For instance, when there is “what” question in research questions, an exploratory study is essential. (Gronhaug & Ghauri, 2005)

The second type of case study approach- descriptive study is believed to be the simplest form of study by Sen in *Description as Choice*. He argues that the descriptive study is basically a matter of simple observing, describing, interpreting and summarizing the others reports. Besides, in order to know if the descriptive statement is adequate and correct, researches can simply resolve it through observing (Gummersson, 2000).

The third type of case study approach- explanatory study, according to Gummesson (2000), is more practical to study the company’s processes as well as for explanatory purposes. Kjellen and Söderman (cited in Gummesson, 2000) indicate that researchers should have a basic knowledge of an organization background and have the capability to analyze and develop suitable concepts to specific cases. Also, researchers should focus on processes which will probably lead to better understanding.

In the case concerning immigrant entrepreneurs, a descriptive study would better explain challenges faced by immigrant entrepreneurs from different contexts: American, European and Swedish. According to Saunders et al., (2007), it is essential to have a clear image of the particular phenomena before exploring into the subject. In exploratory study, it can be applied for new or underexploited purpose. Also, through reviewing literature, meeting with experts in the field, and conducting interview are the principal means to carry out an exploratory research (Saunders et al., 2007).

As Dul & Hak (2008) mention, an exploratory study is appropriate for developing a new theory. To apply this in our study, we have developed a model regarding the common challenges faced by immigrant entrepreneurs as well as observed the interrelation of challenges based on the context. In addition, as stated above, an exploratory study is necessary when there is “what” question in the research question of a study. Therefore, we have chosen exploratory study as the most appropriate approach in our study.

3.3 Qualitative versus Quantitative Research

Two types of data collection, qualitative and quantitative research methods are often applied in thesis and dissertations. Thomas (2003) indicates that in qualitative method, characteristics of people and actions are described without comparing to any measurement or quantity. Quantitative method, on the other hand, focuses on measurement and quantity of the characteristics of people and actions in researchers’ studies.

Denzin and Lincoln (1994) state that in qualitative research, researchers study the subjects surrounding them, and try to make sense out of it or try to understand the fact or information that people bring to them. Moreover, Gillham (2000) point out that qualitative research method concentrates mainly on the kind of evidence such as what do people do and what do they tell to make one understand the situation of what is going on. In our research field, we would like to know the challenges faced by immigrant entrepreneurs in Jönköping and through interviewing those entrepreneurs; we would have better understanding of the situation in our context, which is Jönköping as a medium-sized town.

In addition, a collection of a variety of empirical data such as interview, case study and personal experience are involved in qualitative research method. Denzin et al. (1994) also state that when inductive approach and exploratory study are employed in a study, qualitative research would appear to be more appropriate. Thus, since we opt to apply inductive and exploratory research in our research method, and as mentioned above in 3.3.1 that inductive approach is generally correlated with qualitative research method, qualitative research seems to be more suitable in fulfilling our purpose. In addition, our research study will have some minor parts of a quantitative approach, considering the use of the questionnaire.

3.4 Case study

Case study is applied in our thesis to investigate, understand and most significantly, to answer the specific research questions. Besides, by using case study, we can get a variety of different sort of evidence, which has to be conceptual and collated to obtain the best possible answer for our research questions (Gillham, 2000). Data collection such as personal interviews and written reports are often involved in case study research. While to apply case study in our thesis, sufficient information will be collected through personal interview and the characteristics that are common in various cases will be identified. In addition, case study has the possibility to make us understand better the research phenomenon (Marschan & Welch, 2004).

The case study strategy helps to generate answer for the questions of ‘why’, ‘what’ and ‘how’ (Saunders et al. 2007) and (Gronhaug & Ghauri, 2005) also suggested that when ‘how’ and ‘why’ questions are asked in research questions, case study research method appears to be one of the commonly used research strategies.

Dul & Hak (2008) claimed that a) when a subject is regarded as broad and complex b) when there is limited theory available and c) when “context” is considered as essential, case study research might be considered as one of the main research strategies. As stated in our problem discussion and the purpose of study, we considered “context” as the most significant issue and since there is less research done in this field, the theory regarding this topic is also limited. Therefore, case study appears to be the most suitable research strategy in our study.

3.5 Time horizons

Saunders et al. (2007) indicate time horizon as a significant issue when planning a research as research may take only a particular time (cross-sectional) or take over a period of time (longitudinal). A Longitudinal study aims to examine or research on changes or developments of a particular phenomenon while a cross-sectional study aims to examine or research on a particular phenomenon at a particular time.

Since our case of research is time constrained to three and a half months, we will conduct interviews in a short period of time, where a cross-sectional study will take place. Due to the time constraint, our research does not allow us to conduct a longitudinal study as we do not have sufficient time to do further research. In addition, our purpose will not examine changes or developments of the phenomenon. Also, our research is sort of a “snapshot” where we will observe and analyze the situation in Jönköping during this particular time (three and a half month period).

Additionally, according to Bryman et al. (2007), cross-sectional study is preferred when employing unstructured interviewing or semi-structure interviewing in qualitative research. Since we will use also face to face interview which is consider as semi-structured interview, cross-sectional study will be more appropriate in our study.

3.6 Primary Data Collection

3.6.1 Choice of sample

Due to restrictions of time, money and often access, for many research questions and objectives it is impossible for the researcher to collect or analyze all the available data to him/her (Saunders et al., 2003). Therefore, in order to reduce the amount of data, by considering only a subgroup data rather than all possible cases or elements, one makes use of *sampling* techniques. *Population* is the full set of cases from which a sample is taken (Saunders et al., 2003).

For participation in the case study, non-random sample of eight entrepreneurs from developing countries were chosen. Deciding the number of cases (immigrant entrepreneurs) that need to be interviewed is an act of balance among depth and breadth (Nordqvist, 2005). Thus, in order to perform a detailed analysis of all cases one by one and to understand the phenomenon better, eight cases seem to be an appropriate number for us.

We have decided that these eight immigrant entrepreneurs should be mainly from developing countries. Further on, the interviews will be quite diverse since we have decided to non-randomly pick immigrant entrepreneurs from *different* developing countries. Moreover, such approach might help us later on in the analysis stage to investigate if challenges faced by such immigrant entrepreneurs are based only on the context where they operate or probably the country of origin or other aspects matters too.

Deciding to non-randomly pick immigrant owned businesses guaranteed that the chance to take part in the case study was given to diverse types of businesses. Immigrant owned businesses that were non-randomly chosen were: three restaurants, two barbers, one cosmetic surgery clinic, one yoga business and one cosmetic shop.

3.6.2 Data collection methods

There are several methods to collect data, and each one of them has its advantages and disadvantages. Consequently, Sekaran (2003) argues that for different kinds of research and research purposes there are different methods of collecting data, since some of them might be more useful and some of them less useful.

According to Sekaran (2003), several ways of collection data include: interviews, questionnaires, observation of individuals and events and other motivational techniques such as projective tests.

In order to decide about the data collection method that best suits our thesis we have been considering the purpose and objective of our study.

First of all, since we have been stating earlier that our thesis will have an exploratory approach, it is suitable that we will include qualitative research interviews in our approach (Cooper and Schindler, 1998: cited in Saunders et al., 2003). Further on, since the aim of our case study is also to analyze what decisions or actions do the immigrant entrepreneurs

take in order to overcome the challenges they face, it will be necessary for us to perform qualitative interviews (Saunders et al., 2003). Moreover, interviews provide detailed and rich answers that permit to study and understand the phenomenon better (Bryman & Bell, 2007). As a result, interviews will be the main method of collecting data in our study.

Another important way of collecting data and that is suitable when we are conducting interviews is observation. In interview studies, with the help of observation methods the researcher notes the body language of the interviewee and affects in addition to his/her words (Marshall & Rosmann, 1999).

3.7 Interviews

3.7.1 Types of interviews

Interviews are divided in three categories: *structured interviews*, *semi-structured interviews* and *unstructured interviews* (Saunders et al., 2003). According to Saunders et al (2003), *structured interviews* mainly use questionnaires based on an identical or standardized set of questions. On the other hand, *semi-structured interviews* are having a list of themes and questions to be covered. *Unstructured* interviews are referred to as in-depth interviews, and they are used when one wants to explore in depth a general area in which he/she is interested. Both, *semi-structured* and *in-depth interviews* are frequently used in qualitative research (Saunders et al., 2003).

As stated above, according to Saunders et al. (2003), a type of interviewing is also structured interviews which basically use questionnaires based on an identical set of questions. In this respect, since one of our research questions tries to identify which challenges are most significant among immigrants, we have decided that while conducting the interviews, to provide the interviewees with a questionnaire where we use the method of ranking questions asking the respondent to place challenges in rank order (Saunders et al., 2003).

Moreover, since the nature of our research approach is qualitative, we have decided that the most appropriate type of interviews to be used in our case study is *semi-structured, face-to face interviews*.

As mentioned earlier, in *semi-structured interviews*, the researcher has a list of questions that need to be discussed which might differ depending on the situations of different interviews (Saunders et al., 2003). According to Bryman and Bell (2007), it is suitable using semi-structured interviews when the researcher begins the exploration with a clear focus.

Since the use of *structured interviews* (questionnaire including ranking questions) will help us identify the significant challenges faced by each respondent, alternatively, the use of *semi-structured interviews* will help us explore and explain subjects that have appeared from the use of questionnaire (Wass and Wells, 1994; cited in Saunders et al., 2003).

3.7.2 Interviewing procedure

We will conduct face-to-face interviews. Before each interview, we will define the situation or the research field to the respondents and briefly explain to them the interview's main purpose, the use of the tape recorder, and also ask the respondents if there are any questions that need to be addressed to us before the interview (Kvale, 1996).

Kvale (1996) argues that the first minutes of an interview are very important. Before the respondents start expressing themselves freely, and exposing their experiences and feelings to a stranger, they need to have a grasp of the interviewer (Kvale, 1996). In this respect, during our interviews in order to decrease the level of stress among respondents and to make the interviews a conversation without any barrier, we will ask general questions to the respondents which will be mainly not so related to the purpose of the case study.

Since as explained above we are using semi-structured interviews, and therefore during the interviews we will use the method of note-taking, and also tape-recording the conversation (Saunders et al., 2003). The reason of using both, and especially note taking, will be in case the tape-recording does not work. Moreover if some problems will occur with the tape-recorder, it can be replaced with note taking, or simply note taking will just complement the material recorded. Further on, in addition to this thought, taking notes even while using tape recording help the interviewer maintain his/her focus and concentration (Ghauri and Gronhaug, 2002: cited in Saunders et al., 2003). It is important to mention that we will ask the respondents beforehand if tape-recording can be used throughout the interview since respondents sometimes might want to be anonymous.

According to Saunders et al. (2003), there are many advantages when it comes to tape recording such as; allowing the interviewer to focus on listening and questioning, the researcher can re-listen the interview, it provides with unbiased and accurate record and also permits for direct quotes to be used. Disadvantages of tape recording are; it might have a negative impact on the relationship between the interviewer and the interviewee (chance to be concentrated on the recorder, or the chance of a technical problem (Saunders et al., 2003). We believe that these disadvantages will not be apparent during our interviews since all interviewees will be asked before the interview starts if they have any problem with the use of the tape recorder, and in addition as a solution to any possible technical problem we will also take notes.

Lastly, in the end of the interview, we will mention some of the main points learned during the whole interview, and after doing so we will ask for any feedback from the respondent. Then the one interviewing will finish the interview by saying, for instance, "I have no other questions. Is there anything else that you want to bring up, or ask about, before the interview is finished?" This question allows the respondent to deal with any issue that he/she has been worrying throughout the interview process (Kvale, 1996).

3.7.3 Interviewing preparation

Making sure that the interview will be in accordance to the thesis purpose and other research questions will be the first aspect that we will take into account. After doing so, we will have clearer thoughts on what to include within the interview. After that a set of different questions will be chosen in order to help us achieve our predetermined goals. It will be crucial that based on the model constructed during the theoretical framework part, to decide on the questions that correspond to each part of the model (the context, the individual entrepreneur and the business idea/concept). Therefore, we decided that the majority of questions should be focused in the context part, since this part mainly includes the different challenges that certain immigrant entrepreneurs might face based on the context. After that some questions will also be added in relation to individual entrepreneurs and the business idea/concept. To this preparation technique, Kvale (1996), refers to as the designing interview guide, which helps the researcher not to lose track throughout the interview.

As mentioned above, semi-structured interviews allow for flexibility meaning that the questions might vary depending on different interviews. Based on this, even though there will be a list of questions which will be asked to all the respondents, there will be additional questions in situations when needed to do so in order to clarify some answers which will not be clear or in order to get extra information in certain issues.

The structured questions in the form of a questionnaire will be given in the end of the interview where the interviewee will be asked to place challenges in rank order. As mentioned earlier, this short questionnaire helped us identify which challenges were most significant among respondents. The question will be formulated as follows: “Please number each of the challenges listed below in order of significance to you (challenges faced while operating your business). Number the most significant 1, the next 2 and so on. After doing so for the eight challenges, in the ‘*other*’ section add two challenges that you might have encountered but which are not included in here.” Therefore, mainly the questionnaire will consist of eight challenges which need to be ranked by the respondents and two extra places where the respondent can write any two challenges that have been encountered by him/her but that have not been included in the questionnaire.

The entire interviews will be conducted in English language since two of us are not familiar with Swedish language; therefore we will mainly be interested in interviewing respondents with good skills of English language. If there will be cases when some of the respondents will have difficulties in expressing themselves in English, we have thought that as a solution to this problem will be allowing the respondent to answer in Swedish language and the third author who knows Swedish fluently will help us in such situations. Meanwhile, we are aware that even though one of the authors will help us in cases when respondents might answer in Swedish, still we consider those interviews that might be conducted in Swedish as a limitation for us since the interpretation of them might be more difficult.

The interviews will be conducted in the locations where the respondents operate their businesses, and we will ask from all respondents for a quiet location so there will not be any misinterpretation of interviews afterwards. During the entire interviews, in the room will be one respondent and three interviewers, but which in most cases only one interviewer will be the one to ask questions, the others will be taking notes or taking care of the tape-recorder.

3.7.4 Interviewing evaluation

After each interview is finished we will gather, summarize the material from the tape-recorder and at the same time we will check the note-taking if anything has been missed while changing the tapes or if any technical problem occurred. After summarizing the whole interview from both sources (tape-recording and note-taking) we will allocate the answers to each question first, and then all of them to the parts of the model. This way, it will also be easier for us to decide for later on what is appropriate from such answers to be allocated in the empirical findings part or used in the analysis part. This will be done, since in most cases there might be parts of respondent’s answers which will not be relevant to the research field and therefore categorization will be a really helpful way of evaluating the interviews.

3.8 Data analysis and interpretation

Considering that there are several strategies to deal with collected data, there are also different qualitative research approaches or traditions (Tesch, 1990: cited in Saunders et al., 2007). In order to deal with our collected data effectively we have decided to use the categories suggested by Tesch (1990: cited in Saunders et al., 2007): understanding the characteristics of language, discovering regularities, comprehending the meaning of text or action and reflection.

Furthermore, in order to analyze our data in the best way possible, we have chosen categorization as a procedure to be followed. According to Saunders et al. (2007), theoretical framework or the data could help the researcher to classify those data into meaningful categories. Moreover, this categorization of data will contribute to a more effective and efficient structure appropriate for our research project which will help us to further analyze and organize our data (Saunders et al., 2007).

More significantly, the categorization of our data will be conducted based on the purpose of our research through our research objectives and questions (Saunders et al., 2007).

3.9 Trustworthiness

Trustworthiness implies methodological validity and suitability in research. It is important since qualitative studies should be criticized or assessed according to somewhat different criteria from what is used in quantitative research (Bryman et al., 2007). The purpose of including this part to the thesis is to increase the reliability of the qualitative study. Assuring trustworthiness involves four criteria, namely; credibility, transferability, dependability and confirmability.

3.9.1 Credibility

Credibility means both ensuring that the research is performed accurately and that the research findings are presented to the members of the concerned social world in the study. This is done in order to confirm that the researcher has in a correct manner understood that social world (Bryman et al., 2007). In our thesis, we have compared our interpretations to the perception of the interviewed entrepreneurs to make sure that the information we collected is correct. When interviewing we used a tape-recorder which made it possible to compare the empirical data in our study to the information gathered during the interviews.

3.9.2 Transferability

According to Bryman et al. (2007), transferability implies that qualitative research conducted in one context can be transferred and applied in situations with similar characteristics in other contexts. Meaning, the results of a study carried out in one country, may be essential for a similar study conducted in another country (Bryman et al., 2007). Transferability makes it possible for researchers to take advantage of concepts and frameworks initially developed for other cases. Since we have included previous research regarding immigrant and ethnic entrepreneurship, which at first were developed in America and Europe, this criterion is important in our research. The majority of theories included in our theoretical framework originate from previous studies concerning immigrant entrepreneurship carried out in America and Europe.

3.9.3 Dependability

Dependability, according to Bryman et al. (2007), means that researchers should “adopt an auditing approach“, which concerns the researchers to keep complete records for all stages of the research for other parties to audit in order to make sure that a suitable course of action has been taken or is undertaken. However, despite the significance of dependability, due to lack of resources and, above all, the time restrictions to conduct this research, we decided not to consider this criterion.

3.9.4 Confirmability

Bryman et al. (2007), argues that it is not possible to conduct business research with complete objectivity. Confirmability means to make sure that the researcher has tried to set-aside personal desires for theories or personal values in order to impact the findings and conclusions of the study (Bryman et al., 2007). This is crucial since the quality of the research depends on the way the results of the thesis are derived to fulfill the purpose, which should not be biased by the researcher’s previous notions and opinions. In order to establish confirmability the readers of this thesis have been provided with references which guides them to find the basis of data used in all parts of this study. Including references in the study makes it possible for the reader to clearly understand and verify how the researcher was able to discover the findings and make conclusions.

4 Empirical findings and Analysis

In this section we will present the findings that we gathered from eight interviews. Findings will include relevant information collected from the interviews and will be categorized in four parts, specifically: short introduction or general background in the beginning, relevant information about the business idea, challenges and adopted strategies and also context. In order to give a clearer idea to the reader we have decided that each finding will be followed by an analysis, considering that we will analyze case by case. Each case analysis will correspond to each finding and therefore, analysis parts will be categorized in three parts, specifically: business idea developed by the individual entrepreneur, interrelation of challenges based on the context and the importance of the context. The end of this section is followed up by an overall kind of integrative analysis.

4.1 Interview number 1

Name of the entrepreneur: Kent Ly

Country of origin: China

Type of the business: Restaurant

Kent was raised in an entrepreneurial family, considering that his grandfather used to be a well-known businessman during 1960s, and his father also had experience about business issues. He started the business seven years ago in 2002 while at the same time he was pursuing his education at the Jönköping University with major in business. Kent decided to start the business given that he considered that there is a gap in the market that needs to be filled when it comes to Thai/Asian food.

Business Idea

Kent thinks that society perceives Thai or Asian food as a take away or simply cheap food. Therefore, he considers that even such type of food is still acceptable, since it is cheap and fast, but in his restaurant he wanted to offer something more than that. He decided to prepare the food in a more artistic way and place the importance in the quality of food rather than pricing. Variety of the Thai food is especially offered during the evening time. Significant factors contributing to the uniqueness of his business idea are the decoration of the restaurant in an artistic way and hiring professional chefs and staff. Kent argues that recruitment is essentially based on quality meaning that everyone working there should have some kind of education regarding the restaurant issues. He concludes by saying 'I don't want to provide food for you just to be full'.

Kent's challenges and adopted strategies

In the beginning it was quite difficult for Kent, as he mentions that he had to go through many procedures. Kent says that 'it is not just about having a business plan or idea in your mind, but the difficult task is to prove that the business idea works, and put it all in paper'. Further on, he mentions that it was necessary to put many working hours (15 hours) in order to break-even. Another significant challenge during the start-up phase identified by Kent was also lack of start-up finance. Therefore, getting loans from the bank, using his personal savings and borrowing from personal networks were the strategies adopted by him. Accessing the market was also a challenge for Kent. He claims that in order to understand the market better, before opening his business he did market scanning. Moreover, after doing so he could identify a market for him to enter, but in the meantime he observed that he had to deal with a lot of competitors. A strategy adopted by him in order to become a market leader was by offering a reasonable price which was considered neither cheap nor expensive.

According to Kent, a major challenge at the moment is the financial crisis, since people are more concerned about the prices. Marketing is also one of the challenges he has to deal with in his business. Kent believes in order to present the business in the best way possible, one needs to provide good food and good experience to his/her customers. Therefore, after customers have experienced it, they would spread the information about his restaurants to others. Based on the questionnaire, Kent ranked 'lack of visitors to Jönköping' as the most significant challenge he has to deal with.

Kent believes that hardworking and critical thinking were traits that he possessed throughout the time in order to survive. He does not think that being a male is an advantage over a female. But being a male with an immigrant background definitely plays a major role. He defends this thought by arguing that in some areas in the Swedish society there are still prejudices about immigrants, but which exist under the surface and cannot be seen or touched. He believes that such prejudices 'make people even stronger', or strength that helps them to prove other people that they are wrong.

Context

For Kent there are several reasons for having his business located in Jönköping. The economic growth of Jönköping nowadays and the increasing number of population are some of the reasons. Generally, he describes Jönköping as a town of opportunities being offered to everyone equally no matter the differences. Kent would have liked to have his business especially in Stockholm, because there is higher competition compared to Jönköping. In this respect, he states that competition is a positive thing that pushes people to work even

more. The problem with Jönköping as a medium sized town is that the population within this town possesses behaviors of a small town, meaning that compared to larger cities such as Stockholm they spend much less. Kent considers that Swedish policies are equal to everyone, even to a foreign student who has just graduated. So the thing is that the opportunity is out there, it is just a matter of the entrepreneur if he/she knows to grab it or not.

4.1.1 Analysis Case 1

Business idea developed by the individual entrepreneur

As mentioned in the empirical findings part, Kent is an individual who was raised in an entrepreneurial family but at the same time possessed an adequate education to start his business. An important issue to analyze is Kent's decision to come up with an idea within the restaurant industry. Having in mind that Kent identified a gap in the market in terms of Thai/Asian food, describes his own abilities for opportunity recognition. In this respect, according to Curran and Blackburn (1993), one of the motives to start a business could be the identification of a market opportunity.

In addition, Kent was aware from the beginning that entering in the restaurant industry could be quite competitive due to large number of competitors in this industry, but in order to differentiate himself from others he decided to come up with an innovative and creative idea. Therefore, after having scanned the market and observed its weaknesses and advantages, Kent decided to open a restaurant with emphasis on its decoration of the restaurant in an artistic way, quality of food rather than pricing, and recruitment of professional chefs and staff.

In this case we can assume that belonging to an entrepreneurial family and possessing a suitable education background were factors that highly contributed to the success of his business. Moreover, it appears logical to conclude that being an analytical, innovative and creative individual such as Kent, are more significant factors contributing to the success of the business and differentiation from its competitors.

Interrelation of challenges based on the context

The empirical findings show that Kent's challenges differed between the start-up phase and challenges faced at the moment. Initially, Kent identified acquiring the start-up capital as one of the challenges during the start-up phase. Therefore, even though a challenge, Kent overcame it easily, since he took advantage of bank loans, his personal networks and his personal savings. Such strategies used by Kent to acquire the start-up capital correspond with the statement given in the theoretical part by Fawcett & Gardner (1994), who argue that one of the leading barriers during the start-up phase is the need for capital, and to overcome this barrier, immigrant entrepreneurs make use of bank loans or personal networks.

Considering the facts provided in the theoretical framework, because of lack of human capital (lack of language skills or lack of education) immigrant entrepreneurs decide to open their businesses in low barrier markets in terms of capital expenditure and necessary educational credentials. Nevertheless, this is not the case with Kent's business. As mentioned earlier, deciding to enter the restaurant industry was not due to lower barriers of entry, but because of opportunity recognition. Moreover, lack of language skills or lack of education was not a challenge for Kent at all, since he spoke Swedish fluently and he possessed a relevant education.

Additionally, scanning the market before entering it helped Kent to overcome a barrier such as access to markets. So, beforehand he knew in which market to enter and how to enter. Considering that large number of immigrant entrepreneurs interviewed did not use a method such as market scanning, it is understandable to make an assumption that educational background plays a major role when facing this challenge.

On the other hand, at the moment challenges appear being too different from those of the start-up phase. According to Kent, financial crises are a significant challenge at the moment in terms of customers spending less. Therefore, it is rational to believe that time context is a significant factor in terms of challenges faced by immigrant entrepreneurs. Moreover, Kent believes that 'word of mouth' is one of the efficient strategies to overcome a barrier such as marketing, especially when operating his business in a place where most of the people know each other. Regarding this, also the case study done in the European context by CEEDR (2000) identified 'word of mouth' as one of the strategies most often used by immigrant entrepreneurs to make selling possible or customers aware of their business.

It is also rational for us to assume that possession of good language skills and an appropriate education, made it easier for Kent to overcome his challenges, given that especially lack of human capital is closely interrelated with other challenges such as start-up capital or access to market. Furthermore, personality traits helped Kent a lot in facing several challenges but also operating his business in a medium-sized town which allowed for better connections was an advantage.

Importance of the context

For Kent, location of the business has a great importance for many reasons. First of all, even though he believes that Jönköping is a city which allows for equal opportunities to everyone, conversely, lacks in competition and a city with citizens spending less. Therefore, the behavior of the population, opportunities provided and existing competition make Kent believe that his business would have been more successful in larger cities such as Stockholm. Such statements correspond quite well to the theory explaining that the nature of challenges faced by immigrant entrepreneurs can be affected by the location of the business (CEEDR, 2000).

It is really important to mention that in the questionnaire Kent ranked 'lack of visitors to Jönköping' as the most significant challenge he deals with.

The important thing is that 'lack of visitors to Jönköping' was not considered one of the common challenges that we have identified, therefore this makes us believe that this is specific to the context, or more specifically Jönköping. In other words, location matters.

4.2 Interview number 2

Name of the entrepreneur: James Mikhail

Country of origin: Iraq

Type of the business: Barber shop

James Mikhail came to Sweden in 1993 as a political refugee. He attended the high school in Jönköping, and after that pursued a professional school for hairdressers and that is where he got real skills about this business. Nevertheless, he had some skills about this business also before coming to Sweden because he used to work in his mother's barber shop back in Iraq. He started his business in 2000, and the reasons were mainly to increase

his income, since he found the social benefits given by the local government not satisfactory. Moreover, opening his own business was the most suitable way since he already had the skills necessary to open a barber shop.

Business Idea

As mentioned above, his mother had this business back in Iraq, but he states that there was a difference, given that barber shops in Iraq were divided into those for males and females. Therefore, James argues that the uniqueness of his business compared to most of other barber shops is the diversity of customers (including both males and females) and at the same time offering other services such as manicure and pedicure and other treatments.

James's challenges and adopted strategies

At the start-up phase James identifies start-up capital, lack of language skills and marketing issues. In order to overcome such challenges, James adopted different strategies. As mentioned earlier he attended the high school in Jönköping in the Swedish language which helped him improve the language skills. Further on, he borrowed money from his cousin in order to have the start-up capital. Lastly, in order to make the customers aware of his business and maintain them he advertised his business in magazines or newspapers as well as offered nice haircuts or other services to them, and they were the ones who spread the word to other people.

Alternatively, James argues that at the moment challenges are different and more significant than they used to be. Finance for growth is one of them since expanding his business required different equipments which were quite expensive. Meanwhile, he finds it difficult to expand in other branches because of difficulties to find adequate personnel who would run those branches. He used his personal savings in order to purchase the equipments and also expand his business. Access to technology is another challenge but which seems to be passed easily since there are a lot of companies which frequent their shops and inform about different types of new equipments, but meanwhile they get informed about this from the large network of barbers existing in Jönköping. Another challenge identified is the seasonal effect, meaning that depending on different seasons he has different profits. Based on the questionnaire, James ranked 'maintaining customers' as the most significant challenge he has to deal with.

According to him there are other bigger factors that might cause the challenges rather than gender issues such as time context, meaning that as time changes challenges are also different. What could have been perceived as a challenge yesterday might not be a challenge today and vice versa. He argues that Swedish society tries to integrate everyone and he does not think that being an immigrant might have been a reason for having such challenges.

Context

James decided to have his business in Jönköping because his relatives have been living here for longer time, and also because Jönköping was smaller in size and it was easier to create networks. Moreover, at that time when he came to Jönköping there were only a few barber shops so in a way James recognized the opportunity to open one too. Furthermore, according to him it was not hard to follow Swedish policies to start a business but he identified that if you want to be successful and face less difficulties then you have to be integrated within Swedish society and mainly with Swedish people.

According to James having business in larger cities such as Gothenburg or Stockholm would have increased business costs. Smaller cities as mentioned earlier allow for more connections and this makes it easier for someone who wants to open their own business. He concludes by saying ‘in small cities you can do everything’.

4.2.1 Analysis Case 2

Business idea developed by the individual entrepreneur

James’s idea to open a barber shop has its roots in many elements. First of all, James’s decision to have his own business was because of his financial betterment. According to Curran and Blackburn (1993), making money is one of the reasons why immigrant entrepreneurs start their business activity. Therefore, in this case, unsatisfied with social benefits given by the local government and willing to increase his income James decided to have his own business. Furthermore, having observed that during the time when he started this business there were not many barber shops and meanwhile having practiced this business for some time, James thought that entering in this market was the most appropriate decision to take.

On the other hand, while operating in an industry with large competition, James had to come up with something that will make his idea unique and meanwhile differentiate his business from other competitors. James considered the disadvantages back in Iraq of having separate shops of males and females and decided to make his business diverse, including both males and females. Further on, he thought a good idea could be to offer his customers other services or treatments such as manicure and pedicure, rather than just a haircut.

Logical assumptions to be made in this case are the recognized opportunity by James and at the same time previous experience in this field. Previous experience not only helped James to offer good services in his business, but also helped him learn from the past mistakes and come up with innovative ideas. Innovative ideas such as making his shop as diverse as possible differentiated James from other competitors and resulted in a great success of his business.

Interrelation of challenges based on the context

In the theoretical framework, Kloosterman et al., (June 1999) argued that lack of financial capital and lack of human capital appear being some of the main challenges that Turkish and Moroccan entrepreneurs face and therefore they decide to enter in markets where barriers to enter are considered low. James’s case corresponds quite a lot to this statement since he identifies start-up capital and lack of language skills as challenges he had to deal with during the start-up phase. James relied on his cousin, and borrowed from him the capital to start the business. But if James entered this market because of low market barriers we cannot make a right judgment. Similar to case 1, James advertised his business by using the strategy ‘word of mouth’.

Alternatively, at the moment James identifies finance for growth as one of significant challenges he has to deal with, meaning that expensive equipments need to be purchased in order to expand the business, and if willing to have more shops, professional personnel is required. According to CEEDR (2000) strategies adopted by ethnic entrepreneurs as a solution to lack of finance for growth involve reliance on self financing and/or informal sources of finance from family and friends. We found out that James did use exactly the

same strategy, and therefore bought the equipments and expanded his business using his personal savings.

Based on the findings in terms of the interrelation of challenges based on the context, there are other analyses to be made in this case. We can certainly assume in this case that lack of language skills lead to difficulties in acquiring capital to start. As a result, these two challenges in James's case are closely related with one another. Conversely, financing the growth of his business entirely by his own personal savings makes us believe that James's business so far has been successful and has resulted in great profits for him.

Importance of the context

The statement by James, that 'in small cities you can do everything' explains that according to him, smaller cities allow for more opportunities due to better connections and smaller business costs. Nevertheless, he also mentions the disadvantages of such cities related to high competition especially in the barber shop industry and smaller population compared to larger cities.

We have been stating earlier on in the theoretical framework that according to the study conducted by Kloosterman et al., (1999), the authorities somewhat turn a blind eye to informal activities by immigrant entrepreneurs. According to James, Swedish authorities have equal policies for everyone and therefore everyone should obey them no matter the differences. But the difference in here is that besides policies, in order to be successful one should know how to be integrated within the Swedish society. This factor for James seem being crucial.

Based on the ranking about the most significant challenge faced, we can once more see that operating the business in a medium sized town is more difficult and leads to different challenges rather than operating it in larger (metropolitan) areas. In this respect, James ranked 'maintaining customers' as the most significant challenge.

Lastly, ranking 'maintaining customers' as one of the most significant challenges leads us to the assumption that considering the different population characteristics and sizes, in smaller towns surviving from large competition could be difficult. This assumption is made due to many barber shops existing in Jönköping and smaller population compared to larger cities. Therefore, in order to survive and have your own group of customers and maintain them one should come up with something new.

4.3 Interview number 3

Name of the entrepreneur: Agnes Letterfors

Country of origin: Hungary

Type of the business: Cosmetic surgery clinic

Agnes together with her husband Ivan came to Sweden in 1980, as political refugees. Both, Agnes and Ivan are the owners of the cosmetic surgery clinic. Even though both of them had a proper education back in Hungary they still had to complement it with extra courses that they immediately decided to attend in Sweden. She says that the advantage in Sweden was the access to adequate equipments to apply the theories they learned into practice, something that back in Hungary they did not have. Generally, Agnes states that the main reasons to start the business were because of her husband's dream to be a plastic surgeon

since he always was quite skilled about it and generally wanted to help people. They started their own business about twelve years ago.

Business Idea

First of all, since Ivan was already a surgeon back in Hungary, and as mentioned above he was quite skilled and wanted to help people, they decided that entering in this industry would be the most suitable way for them. An essential issue to elaborate in here is that plastic surgery did not exist in Sweden by that time, so according to Agnes it was something new and unique. Both of them were really lucky to meet another surgeon (surgeon of hair transplantation), who invited them to develop and run the plastic surgery department within his clinic. Therefore, by that time the business was a partnership. About twelve years ago they bought the whole clinic from the other surgeon, and were operating the business by themselves.

Agnes's challenges and adopted strategies

Being foreigners and not Swedish they had a lot of limitations in starting their business to the extent that, different institutions would have probably preferred more a native Swede to start a business within plastic surgery rather than an immigrant, since as mentioned earlier it was something completely new and unknown for Sweden. Agnes argues that being a new and unknown concept (plastic surgery), different Swedish institutions were not able to guide them in terms of rules, regulations or ways of starting this business. As a result, it is obvious that it was quite difficult for them to access this specific market, namely the plastic surgery industry. Moreover, given that both of them were employed before opening this business, start-up capital did not appear to be a significant challenge. In this respect, they financed their overall business in the beginning by using their own personal savings.

Agnes continues by saying that currently they have found quite many difficulties to expand their business. She claims that since they wanted to expand in different places in Sweden, at the moment they have five filial in Sweden. Therefore, expanding the business in personnel, capital and control of all filial required a lot of energy and money. Knowing that they have an immigrant background and faced a lot of limitations throughout the process of running this business, and operating in a market with entirely all Swedish competitors, currently they are the second largest company in this industry. Certainly, being so successful acquired a lot of work but meanwhile support from other people. The people who helped them understand the ways on how to be better integrated within the Swedish society, and also helped them with marketing issues were mainly people with Hungarian background. Based on the questionnaire, Agnes ranked access to market as the most significant challenge she had to deal with.

She believes that it would have been quite difficult to run the business within this industry since she is a female. Alternatively, she mentions that being an immigrant and being the first to open a business within this industry caused a lot of jealousy among the native population. Nevertheless, they were both strong individuals and kept moving forward without considering the jealousy they encountered.

Context

Bearing in mind that they are the second largest company in the plastic surgery industry, and have five branches all over Sweden, meant that both for Agnes and Ivan it was not enough having their business only in Jönköping. Therefore, the reasons for choosing also

larger cities to operate their business, such as Stockholm or Gothenburg, were mainly because of more opportunities such as access to larger markets with more customers, and essentially being more successful within this industry and earning more profits.

4.3.1 Analysis Case 3

Business idea developed by the individual entrepreneur

The case of Agnes and Ivan demonstrates fairly different facts which do not correspond to the theories about immigrant or ethnic entrepreneurs in general, at least the ones we have reviewed in the theoretical framework. Simultaneously, their case differs to a great extent also with the other respondents that were interviewed. This difference is based in the fact that Agnes and Ivan had the ambition and courage to enter a market which was completely new and unknown in Sweden by that time, the industry of plastic surgery. Therefore, given that in theory most of the cases with immigrant entrepreneurs show that they enter in markets with low barriers in terms of financial issues and educational credentials; this is not the case with Agnes and Ivan. It contradicts with the facts shown by the theory, because they have started their business in a market with high barriers of entry both in terms of financial issues and educational credentials.

A logical conclusion to be made in this case is that also country of origin might play a significant role but also the previous experience and education in the field. Curran and Blackburn (1993) argue that having previous experience in business ownership might be associated to wider interests in business ownership. Nevertheless, in this case we can also assume that the level of ambition among our respondents was one of the most important traits that encouraged them move forward and take the risk in entering in high barrier markets without fearing anything or anyone. Moreover, another assumption is that to some extent, besides level of ambition, previous experience and education, the support given from their surgeon friend (surgeon of hair transplantation) helped them a lot too.

Interrelation of challenges based on the context

There were several challenges that Agnes and Ivan encountered during the start-up phase. As mentioned above access to market was one of the significant challenges for them for some reasons. Initially, they believe that Swedish institutions did not like the idea of an immigrant entrepreneur being the first one to start operating in a market such as plastic surgery, given that as mentioned several times earlier it was a new and unknown concept. However, due to their hard work and level of ambition they managed to enter in such market. Interrelated to this challenge is also the amount of capital required to start the business, but given that both of them were previously employed they financed the start of their business entirely with their own capital.

Furthermore, currently expanding their business in five other locations seem to be another challenge for them, considering this did not require only capital, instead it required also large number of personnel, control over the locations and employees and a lot of energy. Once more, the only assumption to be drawn in here, considering that they financed the expansion once again entirely by themselves, is related to their hard work and level of ambition, and also confidence that they can succeed.

Importance of the context

The large expansion of their business in five different locations, both medium-sized towns and larger cities, lets us know that larger cities allowed them for access to larger markets

with more customers, and allowed them to be more successful, earn more and make their brand well-known among customers.

We also have the right to assume that the reason of operating their business in a medium-sized town such as Jönköping was also because of opportunities given in this town as well, bearing in mind the fact that the clinic is successful to a certain extent. According to Agnes, the advantage of operating the business in Jönköping was the low competition. In other words, location matters but meanwhile it matters to a great extent the level of work, ambition, effort and confidence that the individual entrepreneur has in order to succeed.

4.4 Interview number 4

Name of the entrepreneur: Charlie Younan

Country of origin: Lebanon

Type of the business: Restaurant

Charlie came to Sweden in 1986 together with his family, and the reason for leaving his country was the war. The founder of this business is his father but Charlie together with his two other brothers were also involved in the business from the beginning. Charlie pursued the education in the University of Karlskrona in the direction of 'civil ekonom' which is primarily a degree in business administration. He mentions that the restaurant was opened in 2003. Belonging to an entrepreneurial family (considering that his father used to have his own clothes shop back in Lebanon) and trying to have a better life and earn more were some of the reasons to start this business. Therefore, Charlie argues that restaurant industry seem to be the most appropriate way to achieve what they wanted.

Business Idea

Charlie considers that they choose to enter especially in the restaurant industry since most of their relatives which were in Jönköping had some knowledge about this industry, and meanwhile they found it an easier way for them to start the business. Running a business was not a really difficult task for his father since as mentioned above he was experienced in running a business but meanwhile Charlie had the chance to practice his skills gained at the university in the real life. Even though Charlie admits that there are several restaurants in Jönköping, he states that there are different elements that make their business idea unique, and such elements include: the type of food with emphasis in quality, focus in Italian kitchen but not excluding other kitchens either, and what is really important is that they update their menus quite frequently in order to meet their customer's preferences.

Charlie's challenges and adopted strategies

According to Charlie, during the start-up phase a significant challenge was the start-up capital. In this respect, getting loans from the bank and borrowing money from relatives were their adopted strategies to overcome the challenge of the start-up capital. Charlie argues that marketing was not a big challenge, but he still mentions that in order to make their business more popular it was necessary to advertise the business. Therefore, they used to advertise it through radio in the beginning, and later on in newspapers and internet.

Attracting more customers seems to be a significant challenge at the moment. Charlie claims that in order to do so the restaurant needs to have some changes. Such changes according to Charlie involve the expansion of the restaurant. Therefore, Charlie says that they

are thinking to make ‘three different restaurants under one roof’, and certainly this requires large amounts of capital. In order to overcome this challenge they will use their own capital and also have some support from the beer suppliers. Based on the questionnaire, Charlie ranked start-up finance as the most significant challenge he had to deal with.

Charlie believes that being a male in the restaurant industry is an advantage, while for females it might be more difficult. On the other hand, he claims that one could face much more difficulties while starting and running the business if he/she belongs to an immigrant background because according to him ‘we are always considered non-Swedish’. He continues by saying that the Swedish society is quite democratic and liberal but still is much easier for a Swedish entrepreneur to open a restaurant than him. Charlie considers that if in the same street there would have been an immigrant owned restaurant and another one owned by a native Swede, native customers would prefer to frequent the Swedish restaurant. He concludes by saying that these stereotypes were more apparent in the beginning but to a lesser extent nowadays.

Context

The reasons for having their business in Jönköping is essentially because they have been living in Jönköping from the beginning. Charlie argues that if their business would have been in a larger city it would have been much more successful, since according to him, in larger cities their concept would have attracted more customers. Conversely, he thinks that a medium sized town such as Jönköping does not provide with many customers, since at the moment even though smaller in size it has many restaurants but not a large population. According to Charlie, Swedish policies about starting a business are equal for everyone but sometimes can be quite difficult to overcome them, especially when alcohol is included in the business. Therefore, Charlie continues that in order to have a license about it, one need to attend a two week course and pass an examination afterwards.

4.4.1 Analysis Case 4

Business idea developed by the individual entrepreneur

As mentioned earlier, money is a significant factor that drives people toward opening their own businesses (Curran & Blackburn, 1993). Charlie together with his family are an example of people coming up with a decision (idea) to start a business in order to have a better life and generate more money. However, family background also plays a major role in here, given that Charlie’s father used to have a clothes shop back in Lebanon. Moreover, Charlie’s previous education in business administration was an advantage too.

According to MacMillan and McGrath (1997), most beneficial strategies are based on differentiation, meaning that something that is valued by customers is offered to them, something that competitors do not have. Charlie’s strategies are also based on differentiation as a key to success. An example of such differentiation includes updating their menus quite often with the intention of meeting their customer’s preferences.

Based on this case, we can suppose once more that previous experience, education and creative strategies such as differentiation, all contribute to the success of the business. So, a conclusion to be drawn in the case of Charlie, in order for business to be successful it is quite important that one considers who the individual running the business is, what traits he/she has, and how innovative is this individual in developing his/her idea and differentiating his business from others.

Interrelation of challenges based on the context

As mentioned several times, Kloosterman et al., (1999) state that the strategy to enter in markets with low barriers of entry might help certain immigrant entrepreneurs overcome challenges such as the start-up capital. In this case, Charlie argues that they decided to enter in the restaurant industry in order to earn more but at the same time they found it easier entering in this industry than other industries, also it was easier acquiring the amount of the start-up capital which appeared being a challenge for them during the start-up phase. Marketing is not considered as a major challenge by Charlie, maybe for the reason that other challenges such as lack of start-up finance was more significant. But still, an interesting issue, different from the two previous cases is that Charlie does not believe in the 'word of mouth' as a strategy to make his customers aware of his business, instead he thinks that other marketing strategies such as advertising it through radio in the beginning, and later on in newspapers and internet. So once more obviously it really depends on the individual on how the challenges are perceived and overcame by different people.

Moreover, finance for growth is another problem present at the moment, considering that the business needs some changes. In this aspect, Charlie similar to case 2 will finance the expansion of the business with the company's own capital, but also with support from some beer suppliers. Once more, this case lets us know that the business was successful until now and this proves that the owners can expand their business using their own capital. In addition, considering that individuals differ from one another, they will not finance the expansion all by themselves but also ask for support from their suppliers.

Assumptions that can be drawn in this case are, initially, that challenges differ based on the type of market that one enters. Whereas an immigrant entrepreneur entering a market with high barriers and high requirements faces significant challenges, conversely, an immigrant entrepreneur faces fewer challenges due to his entrance in low barrier market. Moreover, it matters to a great extent who is the individual dealing with the challenges and which strategies does he/she adopt as a solution to them.

The importance of the context

According to Rekers & Van Kempen (2000), developments such as economic developments, population changes and the urban environment differ across spatial contexts, resulting in opportunities spatially managed for ethnic entrepreneurs. According to Charlie, in medium-sized town such as Jönköping opportunities are smaller than in larger cities. He continues by saying that, Jönköping does not grant many customers, given that currently even though smaller in size it has many restaurants but not a large population. Moreover, Charlie also believes that Swedish policies in Jönköping are equal for everyone, but he claims that it depends on what products or services one includes in the business, such as their example about including alcohol, which required lots of procedures to follow.

In conclusion, we can assume that based on this case, a medium-sized town such as Jönköping lacks in different opportunities compared to larger cities. This is the case with this restaurant, since according to the respondent their concept in larger cities would have attracted more customers. In addition, another assumption once more is that the type of industry and products or services offered by the entrepreneur in that industry are factors which might cause that the entrepreneur will face more or less challenges.

4.5 Interview number 5

Name of the entrepreneur: Nayana Chouhan

Country of origin: India

Type of the business: Yoga business

Nayana Chouhan first came to Sweden in 1986, and mainly the reasons for coming here were because of her husband who was already living in Sweden. It is quite important to mention that before coming to Sweden she already possessed a university degree in Yoga which she completed back in India. She started her own business in the year 2000. The main reasons to do so, were because of low income in the place where she used to work as a yoga instructor, and also because of her desire to become independent and have her own business.

Business Idea

First of all, Nayana's lifestyle in India was quite related to yoga and therefore she knew everything about it. Furthermore, she grew up in a society and family that practiced yoga quite a lot, and especially her grandfather who used to be a yoga instructor in their community was a big inspiration for her. As a result, that is the reason why Nayana thought that yoga business could be the most appropriate idea to pursue. She believes that her idea is quite unique in the Jönköping area mainly because she is the only yoga instructor with Indian origin.

Nayana's challenges and adopted strategies

There have been different challenges that Nayana has gone through the start-up phase and that is going through at the moment. The challenge that she identifies during the start-up phase is the lack of language skills. The strategies she adopted as a solution to this challenge were participating in a six months Swedish language course and her customers who helped her improve her Swedish. Another challenge she had to go through was attracting more customers to her business, and mainly 'word of mouth' and delivering flyers were strategies adopted by her in order to make the customers aware of her business.

Moreover, at the moment, since Nayana has the intention to expand her business she identifies finance for growth as a significant challenge. About other challenges such as advertising the business, or acquiring capital, family members are the only strategy that she makes use of. Based on the questionnaire, Nayana ranked 'finance for growth' as the most significant challenge she has to deal with.

Nayana indicates that being a female in this type of business it have been an advantage since most of her customers are females and they feel more comfortable having female providing these kind of yoga services. On the other hand, at the first stages of her business she argues that being a female immigrant might have been a challenge, but since customers nowadays are aware that yoga originates from India they have more confidence in her and her abilities. Therefore being a female immigrant it is no longer a challenge.

Context

According to Nayana the choice of having her business in Jönköping is related to the fact that she was living together with her family in this town and in addition since she did not want to leave her family she did not started somewhere else. She thinks that both the medium sized towns and larger cities have their negative and positive sides. Nayana argues

that while in a medium sized town such as Jönköping her idea could be considered unique due to the fact that she is the only Indian yoga instructor and as a result have more customers and less competition, on the other hand, in a larger city she believes that she could have less customers due to higher competition.

4.5.1 Analysis Case 5

Business idea developed by the individual entrepreneur

Basu (1998) states that there are two factors that pushes one into self-employment: desire for independence and financial prosperity. Nayana decided to start her own business as she did not want to be dependant on others and would like to have more income rather than received only a small amount of money working as a yoga instructor. Nevertheless, the education related to yoga and her family background especially her grandfather who used to practice Yoga in India had somehow inspired her to start her own business.

Thus, in the case of Nayana, we can conclude that family background, and education might play an important role for one to success and Ram (1994) has also states that family and friends are one of the major factors that might influence one to start her/his own business.

Interrelation of challenges based on the context

Nayana identifies lack of language skills as one of the challenges that she had to face during the start up phase and Fawcett & Gardner (1994) state that lack of human capital particularly in language skills had become the major challenges for the majority of immigrant entrepreneurs. However, Nayana did not treat lack of language skills as a major problem, in fact, she tried to cope and learn the language while communicating with her customer.

As Nayana does not own a Yoga centre and basically conducted her class in different places, it is quite difficult for her business to attract more customers. Therefore, as like the other entrepreneurs, Nayana spreads her business through “word-of-mouth” and gives out flyers to promote her business. CEEDR (2000) states that one of the major challenges faced by immigrant entrepreneurs is finance for growth and often, they will overcome this challenge by self-financing or acquire from family and friends. In the case of Nayana, expansion of her business requires a big amount of money and therefore, finance for growth has become the most significant challenge at the moment. However, with the support from her family members especially in obtaining capital allows her to continue growing her business.

Nayana does not think that being a female made her face such challenges but it seems to have advantages for being a female in operating this kind of business. At first, she mentions that it might be quite difficult to get customers due to her immigrant background, but nowadays, her background as an immigrant from India gives her even more benefits since people started to know that Yoga originates from India.

Importance of context

Nayana thinks that location plays an important role for her and in her case, larger cities does not seem to be better. Instead, having a business in a medium-sized town like Jönköping she indicates her business idea can be considered as a unique one, but if she

starts her business in bigger cities like Gothenburg and Stockholm, it might not be unique. In addition, a smaller city might bring her more customers and fewer competitors compared to larger cities.

4.6 Interview number 6

Name of the entrepreneur: Fati Ringdahl

Country of origin: Ghana

Type of the business: Afro shop

Fati came to Sweden in 1989, after getting married with a Swede. She started her business two years ago. Working independently and not being dependent on others were the main reasons to be self-employed. Furthermore, Fati comes from an entrepreneurial family, considering that her mother used to have a similar shop back in Togo, Africa.

Business Idea

As mentioned above Fati used to have the skills before given that this type of business is a family tradition. Further on, before opening this business she used to work in other jobs, such as elderly care or working in the kitchen. Since, as stated earlier she did not want to be dependent on others, but instead wanted to have her own business and a business she enjoys doing, she decided to open the afro shop.

Fati's challenges and adopted strategies

For Fati, acquiring the start-up capital was a significant challenge. Therefore, in order to overcome this challenge, she got in contact with 'nyföretagar centrum' who helped her with a loan, only after she could provide them with a business plan and prove that she had the accurate abilities to manage the business. After attending a course for one month and a half she got an amount of money that helped her start. Nevertheless, she financed part of her business by her own saving. Moreover, in the beginning phase of the business not many customers used to frequent her shop, therefore she decided to use advertisement as an appropriate strategy to make her customers aware of her business. She used to advertise her business in radio, magazines etc. Furthermore, since her business involves import, she experiences significant challenges handling the tax quotes.

Fati could identify finance for growth and competition as challenges she has to deal with at the moment. Strategies adopted by her in order to beat other competitors include being highly motivated and always do her best. Moreover, she believes that this is something that has resulted in attracting more customers than her competitors in Jönköping. Based on the questionnaire, Fati ranked start-up finance as the most significant challenge she had to deal with.

Fati is one of the rare immigrant entrepreneurs we interviewed that do not think that being a male/female or having an immigrant background could be factors that might cause her face the challenges mentioned above. She continues by arguing, that there are many immigrant entrepreneurs without higher education that are successful, due to their focus on; what is essential to offer in a store, who are the customers and how to approach the customers. Bearing in mind that she grew up in a business environment, she knows this fact very well and treats every customer in the best way possible.

Context

Before opening a business in Jönköping Fati used to have the same type of business in Växjö. The reasons for moving to Jönköping and having the same business here were because of increasing demand from her customers who were in need of an afro shop in this town. She claims that compared to Växjö, Jönköping's size allows for larger groups of customers.

4.6.1 Analysis Case 6

Business idea developed by the individual entrepreneur

The case of Fati is relatively similar to case 5 (Nayana) in the way that desire to become independent pushes her into self-employment which also proves one of the Basu (1998) statement that small business owners are primarily people with strong desires for independence. Besides coming from an entrepreneurial family, Fati previous experience working in her mother's Afro shop has helps her a lot in running her business especially in the issues regarding trade systems, ways to approach and give better services to the customers. Therefore, with the previous experience, family background and the most essential factor which is doing something that she is familiar and interested in, she comes up with the idea of opening an Afro shop.

Interrelation of challenges based on the context

According to Fawcett & Gardner (1994), one of the leading barriers in starting business is lack of start-up capital while majority of the immigrant entrepreneurs will acquire start-up capital by getting loan from financial institution or borrow from family and relatives. The statement does apply in Fati case where start-up capital appeared to be the most significant challenge during the start-up phase and she was able to overcome the challenge by getting loan from one of the financial institution, "nyföretagar centrum" and used her own savings in order to start the business.

In addition, when running businesses, immigrant entrepreneurs might face challenges associated with marketing issues (Filion et al., 2002). At the beginning when Fati started her business, there were not many customers frequenting her. In order to overcome this challenge, Fati decided to advertise her business through radio and magazines. Fati also mentioned that due to lack of education, she did not know how to use the computer two years ago when she first started her business in Växjö, which is also the reason why she did not have a webpage to advertise her business.

Opening businesses in markets with low barriers of entry might bring large competition and often, a way to deal with competition is by taking into account the individual's traits, the cultural backgrounds as well as social networks. (Waldinger, 1996: cited in Klosterman et al., 1999). In this case, the type of market which Fati operated is considered as a market with low barriers of entry. In order to deal with competition, which is one of the challenges that Fati has mentioned, she takes into consideration the experience in Togo with her mother's shop and always stays highly motivated.

Fati has only a low level of education but she does not think that education will affect the way she manages her business. Moreover, she does not think that having an immigrant background and being a female were factors that might have caused those challenges.

Based on the case of Fati, we can see that the success of her business is due to the fact that she knows clearly on what she is doing, what products she is offering to customers, and how to treat her customers in the best way possible.

Importance of the context

Fati states that location matters in accessing more customers and gaining more profit. Due to the smaller size and lower numbers of customers in Växjö, she decided to operate her business in a bigger city like Jönköping.

4.7 Interview number 7

Name of the entrepreneur: Adel Chukro

Country of origin: Syria

Type of the business: Barber shop

Adel came to Sweden in 1989 at the age 18. Before coming to Sweden, he used to work as a barber for two and a half years in Syria and that is where he developed the passion for his profession. Adel has been running his barber shop in Jönköping for twenty years now. The reason why he started his own business is because he had many difficulties to get a job as a barber in Jönköping, however, he also mentions that it was hard to get a job given that he belonged to an immigrant background.

Business Idea

As mentioned earlier, Adel's desire was to work as a barber. At the time when Adel first arrived to Jönköping, he noticed that there were not many barber shops in the city. In addition, he explained, that the prices that were being charged at that time were very high; hence he believed that the industry was in need of competition, which he could exploit by opening his own barbershop. Furthermore, Adel claims that his barber shop is unique in the sense that it is the only one in Jönköping which has no female customers.

Adel's challenges and adopted strategies

Adel remembers the start of the business as being very challenging. Acquiring capital for start-up was particularly difficult, since he could not get a loan from the bank. In order to gather the required capital, he therefore borrowed money from twenty people whom he knew personally. Other significant issues he had to deal with were the negative views and opinions that some native Swedes had. He recalls that people were often spitting on the windows of his shop and also spreading rumors about him operating his business illegally since he was charging substantially lower prices than his competitors. However, according to Adel, as the Swedes started to become more used to immigrant businesses the negative opinions decreased with time and do almost not exist today. From the first day he opened his business, he focused on offering cheap prices which brought many costumers to the shop. He also made sure that they received a high level of service in order to get recurrent customers which in turn gave the business a good reputation.

At the moment, Adel is experiencing difficulties considering the low revenue of his shop. The low prices are preventing him from providing the same standards as the competing barbers, in terms of interior of the barber shop and the products it uses. Since an increase in price would make the customers go elsewhere, he has challenges with upgrading his business in these aspects.

Based on the questionnaire, Adel ranked access to markets as the most significant challenge he has to deal with.

Adel believes that it does not matter if the one to start and run a business is a male or a female, in this industry. Conversely, as mentioned earlier possessing an immigrant background might have a significant effect on facing different challenges.

Context

Adel started his business in Jönköping mainly because that is where his relatives were living. Also, as stated earlier, he could not get employed by the barbershops existing in Jönköping at that time, which were also charging very high prices and this is something he wanted to take advantage of. According to Adel, in 1989, the price for a haircut in Jönköping was about 300 SEK, today however, he is charging 180 SEK for the same haircut. He also argued that he preferably would have started the same business in a larger city than Jönköping, because of the access to more customers. However, it is not as easy to start a barber shop today as it was at that time, since there are already many established immigrant barbers, in every city basically.

4.7.1 Analysis Case 7

Business idea developed by the individual entrepreneur

In Adel's case, the idea of starting a barber shop originated from two factors. The first factor is his background, since he enjoyed working as a barber in his home country; this is something he preferably wanted to work with in Sweden. The second factor is the opportunity, to charge substantially lower prices than the competing barber shops, which he discovered in Jönköping. However, when arriving to Jönköping, Adel was not initially planning on becoming self-employed. Since Adel first made efforts to find a job but unfortunately could not find one, he decided to search for other possibilities to pursue his profession. Therefore, one could argue that his character as an entrepreneurial individual also, to a high extent, depended on the creation of his business.

Interrelation of challenges based on the context

According to Levin & Weström (2001), when acquiring capital for the business, immigrants come across several challenges, such as lack of historical financial statements and language barriers.

Adel explained these challenges further with his difficulties of obtaining loans from the bank. Particularly since his problems are mainly derived from lack of language skills when presenting his ideas and plans for his business. Therefore, as a solution, he borrowed money from his personal network to cover the start-up costs. Because of difficulties in acquiring loans from the bank, it is very common that business start-ups are financed by loans from relatives and friends (Ljungar, 2002). The issues he experienced with the bank is, because of language barriers, also related to the discrimination he had to deal with once he started his business.

Importance of the context

For Adel's barber shop, the location mattered a lot. Despite that he started his business in Jönköping simply because it is where he together with his family was located, according to Adel, at that time; the barber industry in Jönköping was in need of competition. Currently

however, this is not the case. Today there are quite many immigrant barber shops in Jönköping, of which some even offer lower prices than he is able to. In addition, in this type of business, the size of Jönköping, particularly the population size, is a disadvantage for immigrants. Adel would prefer to have his business in a larger city than Jönköping, which could provide his business with more customers, especially customers with immigrant backgrounds.

Because of the fact that the Swedish business environment is sensitive to linguistic errors and strong foreign accents, it is difficult for immigrant entrepreneurs to obtain the confidence of people in their business environment (Pripp, 2001).

Furthermore, at the time of his start, there was not as many immigrants in Jönköping as today and the native Swedes were not used to the differences that immigrants brought to Jönköping, especially in terms of businesses. In Adel's case, one of the most significant challenges he ranked in our research was "the negative views and opinions that some native Swedes have regarding immigrant businesses" which is referred to the discrimination he initially experienced in Jönköping, in the bad manner that some natives were treating his business with. The incidents he had to experience may be explained by the size of the city. Jönköping, as a medium sized city, allows the inhabitants to exercise social control to a great extent. The behavior that some natives used toward Adel and his business is an example of the informal social control against immigrants that existed widely at that time, but according to Adel, not so much any longer.

4.8 Interview number 8

Name of the entrepreneur: Sema Kösebas

Country of origin: Turkey

Type of the business: Restaurant

Agnes came to Sweden quite early, specifically in 1963. The main reason for coming here were her parents who decided to seek for a better life. Sema is also one of the immigrant entrepreneurs which possessed previous education before starting her own business. She started her business fifteen years ago. Given that Sema used to work before as a translator and also several other jobs, she claims that she was fed up working for others, and she thought that is the right time to come up with something new, mainly something that will make her and others happy.

Business Idea

It was a coincidence for Sema to come up with the idea of the chicken mama restaurant, bearing in mind that she was thinking about giving the same idea to another person who used to be in need of an innovative idea. Since she never got the courage to let him know, mainly because she was skeptical about how he will perceive it, she decided to develop this idea by herself. Sema mentions that when she opened this business in Jönköping, she was the only one in Sweden who had only chicken meals served in the restaurant. Furthermore, she believes that the uniqueness of her business is based on four elements: customers feel home while frequenting it, it is not expensive but still provides good quality of food and is located in frequented sites.

Sema's challenges and adopted strategies

There are several challenges that Sema had to go through at the beginning. A significant challenge identified by her is acquiring start-up capital. Similar to other immigrant entrepreneurs, also Sema used to get loans from the bank, borrowed from her friends and also had few of her personal savings. Another challenge was marketing, which Sema used to pay quite a lot of attention; mainly 20% of her costs were dedicated to marketing.

Sema argues that time context plays a major role in terms of facing challenges, meaning that different challenges that she used to face in the beginning are not considered as significant or relevant currently. She continues by saying that recently because of the financial crisis is quite difficult to get loans from the bank but more importantly she claims that the food restaurant is not affected that much by such crisis. A really significant challenge at the moment especially for people considering starting their businesses or coming up with innovative ideas is the number of restaurants already existing in Jönköping, which are generally similar to one another and therefore it is hard to distinguish between them. Since according to Sema nowadays people are more aware of healthy food and the importance of it she has decided to place more emphasis on the quality of the food, the hygiene of the place where the food is cooked. Moreover, she uses to update her business constantly in her website, something she did not used to practice before. Based on the questionnaire, Sema ranked start-up finance as the most significant challenge she had to deal with.

She considers that restaurant industries are mainly dominated by male entrepreneurs; therefore it might be more difficult for females to enter in such industries. Still, this is not the case with Sema, since considering that many people were skeptical about her, she still achieved to be one of the most successful female entrepreneurs in the area. On the other hand, Sema has different views about issues related to challenges faced by a factor such as people possessing an immigrant background. In this respect, she states that it depends in which market one enters. An example of this is the restaurant industry, which appears being easier to be accepted by the society and start your business even if one belongs to an immigrant background. In addition, Sema believes that there is a limit in the Swedish society about immigrants in general. She claims that it is easier for immigrant entrepreneurs to enter in industries requiring low level of business skills. She relates her success in business to her own attitude and personality.

Context

She chooses Jönköping to start her business mainly because she used to live in this town since 1985. She claims that she believes that location does not matter that much, since it depends more the individual's abilities to succeed. Still, she explains that certainly she would have liked to have a business somewhere else, and especially in larger cities her business idea might have been even more successful, since they might have offered with even more opportunities. She was planning to expand her business, and in this respect she used to have a proposal ten years ago about expanding in Malmö and Lund, but she refused it due to her husband being skeptical about the success of the business out there. In addition, she continues by saying that maybe it would have been better to have followed her ambition. Regarding Swedish policies in terms of start-ups Sema also thinks that they are equal to everyone no matter the differences. But since most of the immigrant entrepreneurs do have challenges such as lack of education or lack of language skills, they might find it harder to accomplish and follow them. Even though possessing an immigrant background, for Sema it was not that hard to follow such policies. Lastly, she also states that in a medium-

sized town such as Jönköping it is easier to enter in different markets or overcome some of the barriers due to networks or better connections.

4.8.1 Analysis Case 8

Business idea developed by the individual entrepreneur

Since Sema was the first to establish a restaurant with only chicken on the menu, it is obvious that she came up with her business idea through her own creativity and ability to explore new feasible opportunities. Further, she also decided to become self-employed because she was willing to bear the risks of starting a business in order to develop as a person and become autonomous.

According to Pripp (2001), the prosperous immigrant entrepreneurs adopted tones and hidden meanings of the Swedish language in different social context, in order to become socially accepted in the mainstream business environment.

What is particular about Sema is that she came to Sweden in a very young age and had the opportunity to start and finish her education in Sweden. In addition, she also worked for many years in the public sector before starting her business. This combined made it possible for her to clearly understand the Swedish customs and language, which is the main reason why she is far more successful than many other immigrants from developing countries.

Interrelation of challenges based on the context

Sema made many attempts on acquiring a loan from the bank, and according to her it was not until she managed to convince a female employee that her idea would be successful that she received a loan from the bank. Nonetheless, since it was not enough, she still had to make use of her personal savings and also gather money from friends and relatives.

Contrastingly, Sema's challenges are to an extent different to the challenges that are faced by other immigrants from developing countries, and this is, again, due to the fact that she has spent most of her life in Sweden. In her case, many of her challenges concerns the changes that have occurred in the industry through time, an example of this is that she mentioned the increased health and hygiene awareness amongst the customers as a challenge her business is experiencing. However, she also mentioned that the challenges immigrants' businesses face is related to which market it is operating within. According to Ljungar (2002), what is particular about Sweden's immigrant businesses is that some industries, such as pizzerias and cleaning services are almost only dominated by the immigrants. Similarly to Ljungar (2002), Sema argued that immigrants are allowed to operate in an uncontrolled manner in only some industries in Sweden, e.g. the restaurant and taxi industry. From what Sema claims, it is possible to believe that, there exists a glass ceiling for immigrant's entrepreneurs that prevent them from becoming too successful or powerful in their business.

The importance of context

The reason why Sema started her business in Jönköping is simply because her family lives here. The fact that her business is located in Jönköping is not of significance for her success. She claims that it is her individual abilities that has accounted for her success. A larger city is preferable however, because of the possibility for more opportunities than what Jönköping offers. Regarding the existing policies, Sema believes that they are fair and equal to all businesses, but the challenges for immigrants to follow the policies depends on the lack of education and language skills to understand them. Lastly, she also states that in a

medium-sized town such as Jönköping it is easier to enter in different markets or overcome some of the barriers due to networks or better connections.

4.9 General analysis

4.9.1 Business idea developed by the individual entrepreneur

Considering the empirical findings and the analysis of each case separately we found out that the reasons to start the business differed to a certain extent among our respondents. Therefore, being autonomous and not depending on others were the main reasons that were identified by the majority of our respondents, more specifically: Kent, Agnes, Nayana, Fati and Sema. Moreover, financial betterment or simply having a better life by generating more money were reasons identified among two of our respondents, James and Charlie. Lastly, only one of our respondents claimed that unemployment was the main reason that drove him towards self-employment, and this is the case with Adel. Based on several studies conducted by many researchers all of the reasons above were identified as factors that motivated immigrant to start their own business: In addition, among the studies we included in our theoretical framework, unemployment was one of the most significant reasons. By observing the facts among our respondents we can certainly see that this is not always the case. Moreover, we can assume that reasons such as desire for independence seem to be more significant among the immigrant entrepreneurs from developing countries that we interviewed.

It is also really important to analyze how the cases differ in terms of their exploitation of opportunities. According to the facts we can observe that a major part of our respondents (Kent, Agnes, James, Adel, Sema) identified an opportunity in the market and that is the reason why they started the business. An assumption that we can make in here, considering the markets where the respondents mentioned above operate (mainly restaurants and barber shops), is that recognizing the opportunity depends to a great extent on the type of industry one enters.

Other conclusions that we can make is that recognizing the opportunity also depends on the level of education and previous experience. In this respect, among the five respondents mentioned above about recognizing the opportunity, three of them (Kent, Agnes, Sema) possessed the adequate education and two of the respondents (James, Adel) had already previous experience in the same industry. However, we should not exclude the fact that a factor such as family tradition (belonging to an entrepreneurial family) plays a major role when it comes to starting a business (Kent, James, Charlie, Fati).

4.9.2 Challenges faced and strategies adopted based on the context

4.9.2.1 Challenges

According to our findings we decided that based on the questionnaire to come up with the four major challenges among our respondents. The results show that among those four major challenges, 'access to market' has the biggest percentage, respectively 87,5%. Further on, 'start-up finance' is ranked the second with 75%, and is followed by 'finance for growth' and 'lack of language skills' sharing the same percentage, respectively 62,5%. Based on the theoretical part among different contexts reviewed earlier on, but especially the European one, *lack of financial capital* and *lack of human capital* are some of the main barriers faced by immigrant entrepreneurs (Kloosterman et al., 1999; Fawcett and Gardner, 1994). Considering the facts above, we can prove that what theory says is also true in our

case to a certain extent. But the assumption that we can make in here, considering the 'access to market' being ranked first, is that lack of social capital appear being the most significant challenge among our respondents, always considering the majority of them.

On the other hand, when analyzed the cases separately, start-up finance appeared being the most significant challenge among Sema, Fati and Charlie. Moreover, access to market was Agnes's and Adel's most significant challenge. Further on, Nayana ranked Finance for growth in the first place. An important issue is also the case of Kent and James who ranked as the most significant challenges for them, challenges that were not identified by us as common challenges, respectively lack of visitors to Jönköping (Kent's ranking) and customer retention (James's ranking). Therefore, these studies leads us to the conclusion that this specific group of respondents coming from developing countries do face similar challenges to the ones we considered as common after having reviewed different contexts. Nevertheless, the identification of the extra challenges among our two respondents (Kent, James) makes us believe that Jönköping as a medium-sized town matter to a certain extent in facing such challenges.

4.9.2.2 Adopted strategies

Placing the emphasis once more on the four major challenges among our respondents, and the strategies adopted specifically for these four, we came to the conclusion that they do correspond with the reviewed studies about adopted strategies in the theoretical framework but still there some differences existing.

Based on different cases studies conducted with immigrant entrepreneurs, the main strategies adopted as a solution to the four major challenges include the following: identifying existent special ethnic market (access to market); bank loans, own savings, personal networks (start-up finance); self-financing, or finance from family and friends (finance for growth); enter markets with low barriers of entry, employ co-ethnics (lack of language skills) (Kloosterman et al., 1999; CEEDR, 2000; Fawcett & Gardner, 1994; Filion et al., 2002).

In our findings strategies such as using bank loans, own capital, or using personal networks are also common when it comes to overcoming challenges such as start-up finance and finance for growth. The difference stands on strategies adopted for challenges such as 'access to market' and 'lack of language skills'.

Whereas according to the theory mentioned above 'identifying existent special ethnic market' and 'employ co-ethnics' were strategies adopted to overcome challenges such as 'access to market' and 'lack of language skills', in our case the respondents identified 'scanning the market beforehand' or 'entering low market barriers' as strategies for such challenges, which are obviously different from what theory says. On the other hand, strategies related to lack of language skills, correspond with theory to some extent considering that some of our respondents do enter low barrier markets to overcome challenges with language, but they also acquire their customer's help or attend language courses before starting the business (Nayana's and James's case).

Yet again, considering that our respondents started and ran their business in a medium-sized town but mainly different industries, and also all of them come from different developing countries, lets us know why there might be several differences in strategies adopted. Therefore, we consider that such differences might depend on the country of origin, the location or the individual.

4.9.3 The importance of context

There were different reasons why our respondents started and are running their business in a medium-sized town such as Jönköping. Considering the answers provided by the majority of our respondents (Kent, Agnes, Charlie, Nayana, Adel and Sema) we can see that the reasons include the fact that our respondents were living in Jönköping when the business was started and continue to live in this town. Nevertheless, these are not the only reasons that we encountered in our respondent's answers. Therefore, for Kent observing the economic developments going on in Jönköping and its increasing number of population were the main reasons to start his business in this town. In addition, James argued that the size of Jönköping being smaller than other cities allows for better connections with people ('size' was encountered as a reason also in Fati's case).

Furthermore, Agnes and Nayana identified competition being lower in this town as one of the reasons to have their business in here. Obviously, considering these facts we can conclude that location mattered for our respondents to a great extent, allowing for better connections and less competition. Additional findings encountered in some of the cases (Kent, James, Adel, Sema) lets us know that besides context the individual also plays a major role, meaning that since the opportunity is out there, it is just a matter of the entrepreneur (individual) if he/she knows to grab it or not.

5 Conclusion

The purpose of this thesis was to identify challenges that immigrant entrepreneurs face while starting and running their businesses, to analyze how they are interrelated and how do immigrant entrepreneurs cope with them in the setting of a medium-sized town in Sweden. Therefore, Jönköping as a medium-sized town in Sweden was our context.

Based on the empirical findings and analysis of each case, significant challenges that were encountered among our respondents included challenges such as: lack of start-up capital, lack of access to markets, lack of finance for growth and lack of language skills. Other challenges were also identified by our respondents but they did not face big difficulties in dealing with them. Such challenges include: lack of marketing/sales skills, lack of management skills, lack of access to technology and lack of access to technology.

The challenges were closely interrelated with one another based on the context, meaning that one challenge lead to another, and therefore all of them were considered as a chain which our respondents had to deal with very carefully. Another important fact which is related to the setting of a medium-sized town in Sweden (Jönköping) are the extra challenges identified by some of our respondents, such as: lack of visitors to Jönköping, awareness of food among customers, Swede's negative views on immigrant businesses, maintaining customers and competition. The immigrant entrepreneurs that identified these extra challenges argued that they were directly related to the medium-sized town where they operate their businesses which is Jönköping.

As elaborated in the general analysis part, with the help of the questionnaire it was found out that the most significant challenge when analyzing the cases separately was lack of start-up finance.

Further on, the strategies adopted by the respondents in this study showed that most of them adopt similar strategies as a solution to certain challenges. The adoption of such strategies corresponded quite well with the theoretical framework about challenges such as lack of start-up finance and lack of finance for growth but there were certain differences

when it comes to challenges such as access to markets or lack of language skills. Use of personal savings, personal networks or bank loans were strategies adopted as a solution to their most significant challenges which were start-up finance, and also lack of finance for growth. The difference was apparent in the strategies adopted for challenges such as access to markets and lack of language skills, which included: scanning the market beforehand or entering low market barriers (access to markets), and to overcome language barriers our respondents acquired their customer's help or attended language courses before starting the business.

The findings showed that besides context, in order for the immigrant venture to occur it matters to a great extent who the individual entrepreneur is and what business idea he/she develops. Furthermore, these two elements (individual entrepreneur and his/her business idea) are key factors contributing not only to the immigrant venture occurrence, but also to the success of the business. In addition, certain individual entrepreneurs with innovative and creative ideas can overcome the challenges more easily and can exploit easily different opportunities that certain markets offer while for others it might be more difficult.

6 Discussion

6.1 Our contribution and exposed areas that were not covered in the study

In this study, we observed that the eight immigrant entrepreneurs coming from different developing countries face more or less similar challenges to the ones identified by the theoretical framework. Alternatively, our respondents helped us understand the phenomenon better and most importantly helped us to find the differences existing in terms of challenges faced and strategies adopted. Therefore, this study can serve as a supplement to the existing theory, especially for the reasons that this study is conducted in a medium-sized town, something that the existing theory lacks to a great extent.

Considering that most of the study until now have been focused in factors motivating immigrant entrepreneurs to start their business, this study went beyond that and deeply investigated challenges that immigrant entrepreneurs face and strategies that are adopted by them in the setting of a medium-sized town in Sweden.

The empirical observations and analysis of each case has exposed areas that were not covered in this study. Considering that our focus was mainly on the challenges faced and strategies adopted in the setting of a medium-sized town, we found out that besides location where the immigrant entrepreneurs operate their business there are other factors which play a significant role. Such factors include the time context, meaning that as time changes challenges are also different. What could have been perceived as a challenge yesterday might not be a challenge today and vice versa.

Moreover, we found out that gender issues matter to some extent also, especially when it comes to the type of industry that one operates. For instance, majority of our respondents answered that in most cases it is easier to deal with the challenges when the owner is a male.

Further on, besides gender issues, the fact of belonging to an immigrant background mattered also. Many of our respondents answered that the challenges are more significant given that the background they belong to is different from the natives, and that causes most of the time many problems to them.

Lastly, we believe that this study will be of help first to the immigrant entrepreneurs themselves considering that we have planned to deliver reports including the findings of this thesis to the immigrant entrepreneurs interviewed so that they can learn in a way from other entrepreneurs who are with an immigrant background and that deal with different challenges in their businesses.

6.2 Research constraints and further research suggestions

We consider that the study overall has many strong points, including the choice of topic which we believe is quite relevant, the target group (immigrant entrepreneurs from developing countries) involved in the study, and also the focus on the importance of the context, specifically the importance of a medium-sized town in Sweden such as Jönköping.

On the other hand, we are aware of some weaknesses or constraints that characterized our study. First of all, we believe that one of the constraints was the number of interviews conducted. If there would have been more immigrant entrepreneurs interviewed the phenomenon would have been most probably understood better. Rather than that, as mentioned in the delimitations, we think that one of the research constraints was also lack of time to conduct the research. Most probably if we would have had more time available, the research could have been more productive. Still, going back to the strengths of our study, even due to lack of time, we consider that the thesis seem to be quite promising and valuable.

Besides all of this, considering that the language used in conducting the interviews was English, we believe that this was also one of the limitations we had to deal with in our research study. Therefore, due to lack of language (English) skills of some of our respondents it would have been better if all the interviews would have been conducted in Swedish, given that all the immigrant entrepreneurs we interviewed were fluent in it.

As mentioned earlier, we believe that this study will contribute to a high extent to the existing academic theory, so in a way will act as a supplementary theory. We do make such statement considering that most of the existing theory does not explicitly discuss the role of the context (metropolitan, large city, medium-sized town, etc).

Besides this, we suggest that there is a need for further research in this area in order to get even better insights about this phenomenon. We believe that other researchers which might conduct their studies in Sweden in similar settings will find our findings applicable and helpful for them. We encourage other researchers to further investigate in the topic, because it is a topic which is quite relevant nowadays and on the interest of the whole Swedish society and not only the entrepreneurs with an immigrant background operating their businesses in Sweden.

Finally, we believe that the awareness of methodological questions, strengths and weaknesses of our investigation and also our suggestions for further research will give a better picture and understanding to the reader or other interested parties about the phenomenon of immigrant entrepreneurship.

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8 Appendix

8.1 Interview questions

Questions regarding challenges/strategies based on the context

Was it hard starting your business?

What challenges did you face during the start up phase?

What challenges are you facing at the moment?

Why did you choose Jönköping as a place to operate your business in?

What actions do you take in order to overcome these challenges?

Do these challenges affect your family, and if yes, to what extent?

Do you find Swedish policies in relation to start-ups as helpful/restricting?

Are you the only one in Jönköping doing this?

Do you think this idea would have been more successful in another city rather than Jönköping?

Were you planning to have your own business elsewhere or was it Jönköping that gave you the opportunity and the will to start your own business?

Individual entrepreneur

We start with general background questions such as, age, origin,

Why did you want to start your own business?

Do you think being a female/male is a factor that might cause you to face any challenges?

Do you believe that belonging to a different background had an impact on having such challenges?

Before opening this business did you had the skills beforehand (did you exercised them elsewhere)?

Business idea/concept

How did you come up with your business idea?

Is this an existing business idea here or do you think this is unique? If so, what makes it unique?

Have your famile done this before or is it you the one coming up with this idea?

8.2 Questionnaire

Please number each of the challenges listed below in order of significance to you (challenges faced while operating your business). Number the most significant 1, the next 2 and so on. After doing so for the eight challenges, in the 'other' section add two challenges that you might have encountered but which are not included in here?

1. Kent Ly
Restaurant: Junge Thai
Country of origin: China

<i>Lack of visitors to Jonkoping</i>	1
Access to markets	2
<i>Awareness of food among customers</i>	3
Start-up finance	4
Marketing/sales skills	5
Finance for growth	6
Access to technology	7
Management skills	8
Lack of education	9
Lack of language skills	10

2. James Mikhail
Barber Shop
Country of origin: Iraq

<i>Maintaining customers</i>	1
Start-up finance	2
Lack of language skills	3
Finance for growth	4
Marketing/sales skills	5
Lack of education	6
Access to markets	7
Management skills	8
Access to technology	9

3. Agnes Letterfors
Cosmetic surgery
Country of origin: Hungary

Access to markets	1
Finance for growth	2
Marketing/sales skills	3
Start-up finance	4
Access to technology	5
Management skills	6
Lack of language skills	7
Lack of education	8

4. Charlie Younan
Restaurant: Átta glas
Country of origin: Lebanon

Start-up finance	1
Lack of language skills	2
Finance for growth	3
Access to markets	4
Management skills	5
Marketing/sales skills	6
Lack of education	7
Access to technology	8

5. Nayana Chouhan
Type of business: Yoga
Country of origin: India

Finance for growth	1
Lack of language skills	2
Access to markets	3
Access to technology	4
Management skills	5
Start-up finance	6
Marketing/sales skills	7
Lack of education	8

6. Fati Ringdahl
Type of business: Afro Shop
Country of origin: Ghana

Start-up finance	1
Access to technology	2
Lack of language skills	3
Access to markets	4
Finance for growth	5
Marketing/sales skills	6
Management skills	7
<i>Competition</i>	8
Lack of education	9

7. Adel Chukro
Barber Shop
Country of origin: Syria

Access to markets	1
<i>Swede's negative views on immigrant businesses</i>	2
Lack of language skills	3
Marketing/sales skills	4
Start-up finance	5

Access to technology	6
Lack of education	7
Finance for growth	8
Management skills	9

8. Sema Kösebas

Restaurant: Cicki Má Má & Stugan i Stadsparken

Country of origin: Turkey

Start-up finance	1
Access to markets	2
Finance for growth	3
Marketing/sales skills	4
Access to technology	5
Management skills	6
Lack of education	7
Lack of language skills	8