Business ownership as a solution to unemployment
A case study of self-employed immigrants in Jönköping municipality

Bachelor’s thesis in Business Administration: Entrepreneurship
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Abstract

The issue of unemployment among immigrants in Sweden started from 1980s when a large amount of immigrants had no access to the labour market (Sördersten, 2004). Many foreign born citizens who could not find any jobs have to live on social welfare. Some of them have found a way to solve their unemployment by becoming self-employed. In 2003, Swedish Integration Board reported that the proportion of self-employment in Sweden was 7.4 percent. This proportion was higher among foreign-born (8.8 percent) compared to native Swedes (7.3 percent).

It is of great academic interest for our group to conduct research on immigrant’s business entry decisions. This thesis specifically focuses on identifying and understanding the factors that influence immigrants’ decision to start up their business. This research was conducted in Jönköping municipality by doing a case study on nine ethnic entrepreneurs who come from Non-EU countries, namely: China, Iraq, Iran, Lebanon, Nigeria, Sri Lanka, Uganda and Vietnam.

Many studies have been carried out on the topic of ethnic entrepreneurship by researchers such as Waldinger et al. (1990), Basu (1998), Curran and Blackburn (1993), Najib (1999) and Ram (1994). Previous studies will be treated in this thesis as a source of evidence and theoretical framework.

Qualitative method was used in this thesis. Case study is particularly chosen as the most appropriate tool in qualitative method to conduct this specific research. In order to obtain information for this case study, semi-structured interview with guideline questions was used. Nine cases including: five restaurants, one clothing store, one cosmetic shop, one assembling company and one carpet shop were selected in this study.

The results of this study showed that, the factors that motivated ethnic entrepreneurs’ decision to start their own business were: selective immigration, entrepreneurial traits, blocked mobility, opportunity recognition, level of education, desire for independence and autonomy, financial betterment, business background and previous business experience, business culture values, interests and hobbies.

However, opportunity recognition, level of education, desire for independence and autonomy and financial betterment were the factors that played a significant role in immigrant business decision making process.
The result also shows that positive (pull) factors outweighed negative (push) factors in immigrants’ decision to enter self-employment.

One alternative to unemployment is to become self-employed. It is highly possible that self-employment will lead to lower unemployment among immigrants (Hammarstedt, 2001). It should be in interest of the Swedish government to support self-employment since it will contribute to the growth of the Swedish economy.

This thesis may be of interest to Jönköping municipality and other governmental organizations as well as policy makers. It might help them to improve the integration level of immigrants into Swedish society, unemployment level or encourage self-employment by understanding the factors affecting immigrants to start up their own businesses.
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1 Introduction

1.1 Background

1.1.1 Unemployment among immigrants in Sweden

The issue of unemployment among immigrants in Sweden dates back a few decades. There has been a rapid trend of migration to Sweden during the last 50 years (Hammarstedt, 2001). After the Second World War, from 1950 to 1970, immigrants coming to Sweden as a labour force were mostly from Nordic countries. However, after 1970, migration reasons changed from labour demand to family ties and refugees. This second wave of immigrants provided an excessive supply to Swedish labour market (Sördersten, 2004).

The employment situation in Sweden was in good condition until 1970s: both native Swedes and immigrants enjoyed full employment (Sördersten, 2004). Wadenşjö (1972), Ohlsson (1975) and Ekberg (1983) all mentioned that during that period, the employment level among immigrants was even higher than among native born (Hammarstedt, 2001). Unfortunately, starting from 1980s, a large amount of immigrants could not get access to the labour market in Sweden (Sördersten, 2004).

1.1.2 Integration policies of labour market in Sweden

Institutional changes towards integration policies were made in 1980, as the adapted solution for new wave of immigrants coming to Sweden from mid 1970s and onwards (Sördersten, 2004).

The immigration board practiced the integration policy, which allowed refugees to enroll in specific training program before entering the labour market. As a negative impact from the new rule, the training program increased the waiting period for refugees to enter the labour market. Even though studies showed that it was of great importance for immigrants to get job contacts as soon as possible, Sweden did not act accordingly (Sördersten, 2004).

Another integration method was demographic allocation, which was to spread the refugees over the country to different locations. The objective of this policy was to integrate immigrants more into the Swedish society and give them a better chance to learn Swedish language. The result of this policy had bad impacts on job opportunities for immigrants since they were placed based on the availability of accommodation rather than their employment perspective (Lemaître, 2007).

During this time, other labour market policy programs were carried out. Even though these programs encouraged immigrant integration into the labour market - they did not focus on the appropriate immigrant groups. ‘As an example, immigrants from the Middle East, who experienced great difficulty in finding work, were rarely included in the active labour market programmes provided. However, Bosnian immigrants were to a larger extent, given access to these programmes.’ (Sördersten, 2004, p. 207)

Many integration policies were practiced, nevertheless, the tunnel of employment among immigrants in Sweden is still dark and the situation now seems to be
even worse than it was before. ‘Immigrants in Sweden at the start of the twenty first century experience a very high unemployment rate.’ (Sördersten, 2004, p.210). As a result of this, ‘the present cost of poor labour market integration of immigrants is at least SEK 30 billion per year.’ (Sördersten, 2004, p.209)

In present time, there is still ‘a very low employment and very high unemployment, especially for immigrants born outside Europe.’ (Sördersten, 2004, p.200)

One alternative to unemployment is to become self-employed. It is highly possible that self-employment will lead to lower unemployment among immigrants (Hammarstedt, 2001). The statistics report issued by Swedish Integration Board in 2004 showed a growing trend of self-employment among unemployed immigrants in Sweden. According to Swedish Integration Board, there is a strong link between unemployment and self-employment in Sweden. Further on, Ekberg (1997) discovered that the self-employment rates of many groups were higher than those of native Swedes (Hammarstedt, 2001). Therefore, it would be valuable to understand the philosophy of immigrants’ entrepreneurial business entry decision in Sweden.

1.2 Problem discussion

Recently, many academic researchers and journalists became interested in the phenomenon of small business ownership among immigrants in Sweden. ‘The proportion of people running their own business was 7.4 percent in 2003. The proportion was higher among foreign-born compared to natives – 8.8 percent respectively 7.3 percent (The Swedish Integration Board, 2004, p.61). This phenomenon intrigues us to investigate which sets of motivational factors triggers immigrants’ decision to become self-employed. In this thesis we will merely focus on foreign born immigrants.

The topic of ethnic entrepreneurship has been researched for many decades. Motivational factors influencing immigrants’ decision to become self-employed have been one of the central topics of interest among researchers in United States of America, United Kingdom, Germany and France. Self-employment among immigrants is a frequent phenomenon in those countries due to a high number of foreign born citizens. It is of great excitement to see how this phenomenon, under the point of view of entrepreneurial entry decision, is specifically characterized in Sweden. Moreover, ‘the self-employed sector is an important source of employment and may play an important role in the assimilation of immigrants’ (Hammarstedt, 2001, p. 157) as well as highly contribute to income generation for Swedish economy as the whole.

‘The motivation for business entry has been analyzed by several previous studies of ethnic minority businesses and small businesses in general. A distinction is usually drawn between negative or “push” factors which force people to opt for self-employment, and “pull” factors or positive motives which attract people into business.’ (Basu & Goswami, 1999)

Negative/Push factors:

- Blocked mobility (includes discrimination, unemployment, age, unfamiliar language)
- Level of education
• Income among immigrants

Positive/ Pull factors:

• Business culture values
• Desire for independence and autonomy
• Financial betterment
• Business background and previous business experience
• Selective immigration
• Entrepreneurial personality traits

1.2.1 Why is the research conducted in Jönköping?

Inspired by the entrepreneurial spirit of Jönköping and the special demographic characteristics of population, this research is conducted in Jönköping. Jönköping is described as one of the most industrialized regions in Sweden. The entrepreneurial spirit of Gnosjö as well as Jönköping has earned the privilege to be in the focus of many studies.

The Doctoral dissertation written by Caroline Wigren at Jönköping International Business School in 2003 named as “The Spirit of Gnosjö-The Grand Narrative and Beyond” gave us another strong evidence to choose Jönköping municipality for our case study.

The characteristic of population in Jönköping region as well as some statistical facts is another reason for doing our research here. Out of 121,229 inhabitants in Jönköping, 4,254 are immigrants (Appendix, table 1). According to statistics presented by Institutet för Tillväxtpolitiska studier, during the last ten years (1995-2005) the number of new enterprises and business set ups has increased from 868 to 1121 (Appendix, table 2). These businesses vary from restaurants, pubs to consulting firms. Among these businesses, a large number of them are owned by immigrants. One out of five newly established businesses is owned by a person with a foreign background (Appendix, table 3).

Evidently, business tradition of Jönköping region as well as the foundation of leading transport, logistics and communication hub has encouraged more entrepreneurial activities in this tenth largest city in Sweden.

1.3 Purpose

The purpose of this paper is to identify and understand the factors that influence immigrant entrepreneur decision to start up their own business.
1.4 Research Questions

- What factors influence immigrant's decision to start-up their own business and why?
- Which of those factors are most significant to immigrant decisions making to start their own business?
- Is it negative or positive factors that are of significance in immigrants' decision to be self employed?

1.5 Delimitations

In this research we confine ourselves to a case study of immigrant entrepreneurs within Sweden. The scope of this paper does not cover Sweden, but focuses only on the Jönköping municipality. This is due to the limited resources available to us and also the time constraint. Moreover, we are only interested in foreign born citizens who originally come from Non-European countries. Further on, the findings of this thesis shall not be used to generalize for the whole immigrant society nor different minority groups in Sweden.

1.6 Definitions

Immigrant businesses ‘May thus be defined as firms owned by immigrants, whether or not they are run entirely as the majority owned ones or in a different way, while ethnic businesses may be defined as immigrant businesses with an ethnic dimension, i.e., as a sub-class of immigrant businesses.’ (Torben & Rezaei, 2001, p. 5)

Immigrant Entrepreneurs ‘Individuals who, as recent arrivals in the country, start a business as a means of economic survival. This group may involve a migration network linking migrants, former migrants, and non-migrants with a common origin and destinations.’ (Butler and Greene 1997a) (Chaganti & Greene, 2002, p. 128)

Ethnic Entrepreneurs ‘A set of connections and regular patterns of interaction among people sharing common national background or migration experience (Waldinger, Aldrich & Ward, 1990, p3).’ (Chaganti & Greene, 2002, p. 128)

Foreign born ‘A person who is registered in the population register in Sweden but who was born in another country’ (The Swedish Integration Board, 2006, p. 8)
<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrant</td>
<td>‘A person who moves from one country to another to reside there for a longer period of time, at least a year according to the population register in Sweden’ (The Swedish Integration Board, 2006, p. 8)</td>
<td></td>
</tr>
<tr>
<td>Refugee</td>
<td>‘According to the Geneva Convention, refugees are people who have well-founded reasons to fear persecution because of their race, nationality, because they belong to a certain social group, have certain religious or political views’ (The Swedish Integration Board, 2006, p. 8)</td>
<td></td>
</tr>
<tr>
<td>Push factors</td>
<td>‘Factors which force some people to opt for self-employment.’ (Basu &amp; Goswami, 1999, p. 257)</td>
<td></td>
</tr>
<tr>
<td>Pull factors</td>
<td>‘Positive motives which attract people into business.’ (Basu &amp; Goswami, 1999, p. 257)</td>
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2 Theoretical framework

2.1 Introduction to theoretical framework

One of the most discussed topics within ethnic entrepreneurship research concerns the decision to become self-employed. An increasing number of ethnic entrepreneurs have drawn the attention of many researchers, which resulted in a variety of explanations for this phenomenon. Studies conducted in the field are mostly of qualitative nature. The majority of studies are based on in-depth interviews with entrepreneurs who belong to different minority groups.

The trend of business ownership among immigrants has recently emerged in countries with high migrant rate: Great Britain, United States of America, France and Germany (Waldinger, Aldrich & Ward, 1990). It is therefore not surprising that most researches on ethnic entrepreneurship originate from the nations mentioned above.

‘The motivation for business entry has been analyzed by several previous studies of ethnic minority businesses and small businesses in general. A distinction is usually drawn between negative or “push” factors which force some people to opt for self-employment, and “pull” factors or positive motives which attract people into business’ (Basu & Goswami, 1999, p. 257). Consequently, the centre of attention in this thesis is to apply the factors that are commonly mentioned in previous studies on a sample of ethnic entrepreneur group in Sweden, particularly those located in Jönköping.

Therefore, previous research is treated here as both: a source of evidence and theoretical framework. This is mainly because most studies consider relatively similar factors that motivate immigrants for business ownership. Even though findings of some studies are rather conflicting, considering those differences provides an opportunity for deeper insights during the analysis stage. Moreover, it gives readers the background view for opinion building, and general, as well as broader understanding of the phenomenon.

Finally, to avoid misinterpretations and confusion, a model was constructed (see section 2.5.1). It was agreed, that constructing a model for this particular study is appropriate, given that it would include the majority of factors considered in previous studies. Additionally, it would exclude factors which were not considered in this study.

However, we would like to notify, that by constructing this model we do not aspire to contribute to academic theory. The purpose of the model is to ease the understanding process for the reader and clarify the motivational factors that this study will focus on.

2.2 Previous Research

Curran and Blackburn (1993) had in-depth interviews with 76 ethnic owned small businesses from three of Britain’s main ethnic minorities: Greek Cypriots, Africa Caribbean and Bangladeshis. The authors notified that positive/pull factors such as a need for independence and autonomy are significant in immigrant decision
to start-up a business. Surprisingly, they assert that interviewees rarely mentioned negative/push factors as their motive for starting-up a business.

Basu’s (1998) paper on entrepreneurial behaviour among Asians (Indians, Bangladeshis and Pakistanis) in Britain was based on a survey of 78 small Asian-owned businesses in South East England. His findings were rather supportive of those of Curran and Blackburn (1993). The majority of respondents said that they were motivated by the desire for independence and financial prosperity both of which are pull factors, rather than by push factors like redundancy or inability to get salaried employment. Further on, it came to understanding that respondents were motivated by economic as well as non-economic factors. Even though Basu and Goswamis (1999) study on factors influencing South Asian (Bangladeshis, Indian, East African and Pakistani) entrepreneurial expansion in Great Britain completely supports the findings of Basu (1998) study, they notify that such results may be due to the nature of their sample, which consisted of successful businessmen.

Najib Ali B, a professor at Uppsala’s University has mainly focused in his research on ethnic entrepreneurship in a small business and self-employment context. Najib is often mentioned in researches done on ethnic entrepreneurship in Sweden (Najib, 1999). His findings on immigrant decision making to start up a business are somehow opposing from the findings of Curran and Blackburn (1993). Najib (1999) argues that there are three motivational factor groups that can affect immigrant decision to start a business: cultural, structural and a mixture of the two. Cultural factors include immigrant lifestyle, attitudes and values, while structural factors consist of marginalization and discrimination. In addition, Najib (1999) argues that structural or negative/push factors play an important role in immigrant decision making for business start-up. Further on, the author states that it is of great importance to take into account both structural and cultural factors when explaining the business start-up decision making process.

Research findings obtained by Ram (1994) strengthen Najibs (1999) research to a large extent. Rams (1994) study was based on in-depth interviews with 50 Asian entrepreneurs in West Midlands, in England. Respondents confirmed the importance of unfavourable opportunity structure (push factor) affecting their decision to start-up a business. Another important factor for business start-up regarded by respondents was following the family (pull factor). However, it appeared that the family business was “almost a last resort” for a job. According to Ram (1994), utilisation of ethnic resources or networks might be a particular feature of minority enterprise; they need to be considered against the context of racism in wider society. On the other hand, Ram (1994) argues that this context might be changing, since particular ethnic groups, notably African Asians, Indians and Chinese are showing the upward mobility in the labour market. Then again others: African-Caribbeean, Pakistanis and Bangladeshis remains dire.

Waldinger et al. (1990) research focuses on small immigrant business in United States of America. The authors have taken a broader perspective by presenting an interactive model of ethnic business development in which they argue that ethnic enterprise is an outcome of the interplay of opportunity structures, group characteristics and strategies for adapting to the environment. Their research findings have contributed to valuable insights on immigrant decision to start a business.

2.2.1 Factors commonly considered in previous researches

From a literature review on immigrant decision to self-employment, one could detect similarities among researches made on this topic. Majority of researchers mention analogous factors that might affect immigrant decision to enter a business. Among frequently mentioned factors are: blocked mobility, opportunity recognition, level of education, income among immigrants, desire for independence and autonomy, financial betterment, business background and previous business experience.

Selective immigration is less frequently mentioned factor but still it is an important one to consider. It implies that a person, who made a decision to leave his /her country and start up life in a new one, tends to be more able, better prepared and more inclined towards risk than those who stay home (Waldinger et al., 1990). ‘The fact that they left their home country and were then able to establish businesses in a competitive foreign environment illustrates their risk taking temperament and entrepreneurship.’ (Basu, 1998, p. 313). Therefore it is important to consider personality traits of entrepreneur as well.

There are many different versions of which personality traits entrepreneurs usually possess. Yet, among most frequently mentioned are: risk-taking (McKelvie, 2004; Wickham, 2004; Deakins & Freel, 2003; Meredith, 1982), need for autonomy and independence (Deakins & Freel, 2003; McKelvie & Larsson, 2004; Meredith, 1982; Wickham, 2004), need for achievement (McKelvie, 2004; McKelvie & Larsson, 2004; Deakins & Freel, 2003; Meredith, 1982) and seeing and acting on opportunities (McKelvie, 2004).

The theory on entrepreneurial traits will strengthen our reasoning of why some immigrants enter self-employment. Further on, it will help us to see whether certain respondents possessed entrepreneur traits.

2.3 Theories on Negative Factors

2.3.1 Blocked mobility

Due to a blocked mobility, immigrants are encouraged to start a business activity. They encounter several barriers in the labour market, such as unfamiliar language, inappropriate or inadequate skills, age and discrimination. Immigrants’ limited range of job and income generating activities also urges them to acquire business skills (Waldinger et al., 1990).

Further on Najib (1999) claims that there is a strong correlation between unemployment and ethnic entrepreneurship as well as discrimination and ethnic entrepreneurship. He stresses that ethnic entrepreneurship is indeed a consequence of unemployment, discrimination and absence of alternatives for work.
Ram (1994) argues further, that in order to explain ethnic entrepreneurship one has to consider the impact that racial discrimination in all its forms may have on the development of ethnic groupings.

In contrast, researches conducted by Curran and Blackburn (1993) as well as Basu (1998) have shown that the absence of ‘negative’ reasons among ethnic entrepreneurs for entry into small business ownership was the case. Curran and Blackburn (1993) notified that unemployment or racial discrimination issues were mentioned infrequently during interviews and in questionnaires. Basu (1998) stresses further that desire for independence and financial prosperity were motivational factors that were mentioned by a large proportion of respondents.

However, Curran and Blackburn (1993) also enlighten that this may well be a result of respondents stressing positive factors and underestimating negative factors. Other reason for the absence of ‘negative’ reasons might be that it is not the unemployed who are entering self-employment but those in employments who feel that they are not having their talents and abilities recognized and who opt for small business ownership as an alternative (Curran & Blackburn, 1993). Researchers sample choice itself can give a large bias. Choosing successful businessmen to interview tend to produce more ‘positive’ results.

2.3.2 Level of education, job opportunities and income among immigrants

Swedish as well as international studies show that ethnic entrepreneurs, in certain extend, have higher education than general public and non-entrepreneur immigrants. Further on, ethnic entrepreneurs in Sweden are better educated than native entrepreneurs. In comparison with ethnic entrepreneurs, fewer native entrepreneurs had university education or education of other kind (Najib, 1999).

Najib (1999) states that just a small number of immigrants in Sweden have succeeded to find a job that suit their education or profession and therefore they have to take underprivileged jobs that were less attractive and often low paid. As alternative, immigrants often start a business on their own and in that way solve unemployment problem for themselves and their families.

Curran and Blackburn’s (1993) study have shown that the Greek-Cypriots were best qualified academically with just over a third having a degree for example, whereas Bangladeshis were least qualified and not only in formal education but also other forms of training. Basu and Goswami (1999) found out that educational attainment of their sample was very high overall: 60 per cent of the respondents had a bachelor’s degree or higher qualification.

Dissimilarly, among US immigrants there appears to be a weak correlation between education and self-employment. It is not the immigrants with the highest or most developed general skills that flock to business; rather it is those whose general skills are not quite appropriate to the new context. Relatively fewer immigrants arrive with skills that are specific to the business fields they enter (Waldinger et al., 1990).

Even if educational qualifications are not directly relevant to the business they enter, they might contribute in other ways, such as better communication skills with banks, analytical and managerial abilities to define strategy and introduction of planning and control systems (Basu & Goswami, 1999; Basu, 1998).
Moreover, the level of education differs among minority groups (Basu, 1998) as well as employment patterns (Ram, 1994). The study of Curran and Blackburn (1993) has shown that one of the groups of interest – Afro-Caribbean’s suffer from higher levels of job discrimination and therefore they were more inclined to enter business ownership as an alternative. It is argued that discrimination denies access to many job opportunities, particularly to better pay and higher status jobs. Going into small business ownership is one alternative to the frustrations of those who feel discriminated against, though it is recognized that this will vary between ethnic groups and in different macro-economic conditions (Curran & Blackburn, 1993).

2.4 Theories on Positive factors

2.4.1 Business culture values, desires for independence, autonomy, opportunity recognition and financial betterment

There are psychological components to the entry of immigrants into small business. Much of the sociological literature has characterized the small business owner as an anachronistic type driven by a need for autonomy and independence (Waldinger et al., 1990; Curran & Blackburn, 1993; Basu, 1998). Further on, according to Curran and Blackburn’s (1993) study, other two common reasons for starting a business activity are: seeing a market opportunity and money. However, money was the least important of the three in this study. Nevertheless the study also shows that priorities differ among different ethnic groups.

‘Financial prosperity’ was one of the two most frequently mentioned factors in Basu’s (1998) study. Yet, Curran and Blackburn (1993) elaborated further on financial motivation by saying that expectations of financial rewards from small business ownership may be voiced more frequently by those whose previous jobs have been poorly paid. (Some of minority groups mention term ‘money’ more often than other).

Waldinger et al. (1990) noted that autonomy and independence assumes that entrepreneurship reflects the decisions of isolated individuals and thus ignores the issue of why certain minority groups disproportionally channel new recruits into small business.

One explanation of a remarkable amount of business ownerships among some of the minority groups could be the fact that business ownership in certain cultures is considered to be of an important value. However, cultural factors are only valid in some cases, while they are not applicable for reasoning of why ethnic entrepreneurs choose to start up businesses (Najib, 1999).

Due to increased unemployment during 1990s, in Sweden, number of business ownership has increased among ethnic entrepreneurs. On the other hand, number of business ownerships has increased just among some minority groups, while again; others did not react to unemployment by starting up a business (Najib, 1999).
2.4.2 Business background and previous business experience

Curran and Blackburn (1993) argue that there is a strong inter-generational effect in small business ownership. Those who come from small business owning backgrounds are much more likely to go into business than those from other backgrounds and this also appears to hold for ethnic minorities. Their study has shown that it was particularly evident amongst Greek-Cypriot owners, where two thirds had parents who ran a business. In contrast, only one Bangladeshi had a parent who ran a business reflecting the lack of a small business owning tradition among this minority: these were very much first generation business owners.

Following the family and friends was regarded as an important factor in immigrant motivation for starting their own business in Ram’s (1994) study as well. However, further analysis has shown that the family business was almost a last resort for employment.

Previous involvement in business ownership may well be related to wider interests in business ownership (Curran & Blackburn, 1993).

2.4.3 Selective immigration

Immigration itself is a social pressure that conditions groups and individuals for small business activity. A process of willing to leave ones home country and starting up the life in a new one is selective and therefore workers who enter immigration stream tend to be more able, better prepared and more inclined towards risk than those who stay home. Those same characteristics give immigrants the advantage in competition with native groups in the low-wage labour market, against whom they compare favourably in terms of motivation, risk propensity, and an ability to adjust to change (Waldinger et al., 1990).

Immigrants are also more satisfied than native-born workers with low profits from small business because of wage differences between their origin and destination countries (Waldinger et al., 1990).

Immigrants perceive their jobs status, as well as economic rewards in terms of the much different job hierarchies of their home societies. Differently from a native born worker, taking over a petty proprietorship for newcomer is likely to be a positive alternative to working for someone else, as well as the best chance of getting ahead. Immigrants in general and sojourners in particular are more concerned with economic mobility than with social status (Waldinger et al., 1990).

2.4.4 Entrepreneurial personality traits

The idea that only certain people take the great step into entrepreneurship makes many researchers want to identify certain traits that are common to entrepreneurs. According to Wickham (2001), although there does not seem to be a single entrepreneurial type there is a great deal of consistency in the way in which entrepreneurs approach their task. Entrepreneurs exhibit certain personality traits and some of these characteristics are discussed below:

Risk taking: ‘An entrepreneur will accept the risk of launching a new venture, if it is believed that the venture will minimize long term risks (e.g. being unemployed and not having a satisfactory income’. (McKelvie & Larsson, 2004, p. 80)
*Desire for autonomy:* ‘Entrepreneurs value individualism and freedom (i.e. the possibility to make a difference for oneself) more than do general public. This desire to manage one’s own business is a central feature of entrepreneurship, but it is difficult to explain the causal order. Desire for autonomy can result in venture creation, but can also be a result of having created a business’. (McKelvie & Larsson, 2004, p. 80)

*Need for achievement:* ‘It is the prospect of achievement satisfaction, not money, which drives the entrepreneur. Money is important primarily as a measure of how well one is doing in business’. (McKelvie & Larsson, 2004, p. 80). ‘Entrepreneurs set for themselves clear and challenging goals. They measure their achievements against these personal goals.’ (Wickham, 2001, p. 53)

*Seeing and acting on opportunities:* Good entrepreneurs are always constantly searching for new opportunities. This means that entrepreneurs are never satisfied with the way things are any moment in time (Wickham, 2001).

Entrepreneurs have other personality traits. To mention a few: creativity (Wickham, 2004), desire to show leadership qualities (Wickham, 2004), self confidence (McKelvie, 2004), commitment and determination (McKelvie, 2004), over-optimism (McKelvie & Larsson, 2004) and so on.

### 2.5 Arguments for the chosen theories and the constructed model

#### 2.5.1 The model

As mentioned above, the majority of researchers use very similar factors to explain immigrant motivation to enter self-employment. Due to this fact it is reasonable to assume that these motivational factors are appropriate for considering in this thesis and will help to fulfil its purpose. The motivational factors considered in this thesis are as follows:

Negative/Push factors:

- Blocked mobility (includes discrimination, unemployment, age, unfamiliar language)
- Level of education
- Income among immigrants

Positive/Pull factors:

- Business culture values
- Desire for independence and autonomy
- Financial betterment
- Opportunity recognition
- Business background and previous business experience
- Selective immigration
- Entrepreneurial personality traits
The factors that were considered in the model can be looked upon from many different angles. Therefore, the table below will specify the angle from which this research looks upon those factors.

<table>
<thead>
<tr>
<th>Positive/Pull</th>
<th>Negative/Push</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Business culture values</strong></td>
<td><strong>8. Blocked mobility</strong></td>
</tr>
<tr>
<td>• Higher social status: having business in the country of origin is linked to financial prosperity</td>
<td>• Discrimination: racism and nationalism</td>
</tr>
<tr>
<td><strong>2. Desire for independence and autonomy</strong></td>
<td>• Unemployment</td>
</tr>
<tr>
<td>• Desire for independence: great personal control and freedom</td>
<td>• Age: no job opportunities due to the old age</td>
</tr>
<tr>
<td><strong>3. Financial betterment</strong></td>
<td>• Unfamiliar language: creates barriers for job opportunities</td>
</tr>
<tr>
<td>• Money as a driving force</td>
<td><strong>9. Level of education</strong></td>
</tr>
<tr>
<td><strong>4. Opportunity recognition</strong></td>
<td>• High/low level of education: jobs that do not suit level of education might lead to self-employment</td>
</tr>
<tr>
<td>• Market research showing high growth potential</td>
<td>• Inadequate or inappropriate skills: skills from country of origin might not be suitable in a new country</td>
</tr>
<tr>
<td>• Niche market identification</td>
<td><strong>10. Income among immigrants</strong></td>
</tr>
<tr>
<td><strong>5. Business background and previous business experience</strong></td>
<td>• Low or unsatisfactory pay in the previous job</td>
</tr>
<tr>
<td>• Previous experience in business ownership</td>
<td><strong>6. Selective immigration</strong></td>
</tr>
<tr>
<td>• Role model: business ownership as a family tradition</td>
<td><strong>7. Entrepreneurial traits</strong></td>
</tr>
<tr>
<td><strong>6. Selective immigration</strong></td>
<td>• Characteristics that entrepreneurs inhibit</td>
</tr>
<tr>
<td>• A person leaves his country on his own will</td>
<td><strong>9. Level of education</strong></td>
</tr>
<tr>
<td><strong>7. Entrepreneurial traits</strong></td>
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<td>• Characteristics that entrepreneurs inhibit</td>
<td>• Inadequate or inappropriate skills: skills from country of origin might not be suitable in a new country</td>
</tr>
</tbody>
</table>

2.5.2 Arguments for a constructed model

By choosing to construct a model of our own, we do not neglect the genius of already existing models that are frequently referred to in myriad number of studies on ethnic entrepreneurship.
One of such models is an interactive model of ethnic business development presented by Waldinger et al. (1990). The model includes four groups of factors that affect immigrant decision to start a business. Those are: predisposing factors, effect of market conditions, resource mobilisation and access to ownership.

We strongly agree that with the help this model readers can view the phenomenon from a much broader perspective. However, it requires a larger interviewee sample. Subsequently, that necessitates more time. Moreover, topics addressed to respondents would have to involve the financing of a start-up company as well as its clientele. In addition to that, areas such as a labour market condition at the time of business start-up and effects of governmental policies have to be analysed. Consequently, the model is unfeasible for this particular study and the scope of it reaches beyond the capacity of this thesis.

Another author that is frequently referred to when discussing ethnic entrepreneurship is Jenkins (1984) with his three basic explanatory models: ‘economic opportunity’, ‘culture’ and ‘reaction’ model. Basu (1998) also, distinguishes three types of explanations for ethnic entrepreneurship in Auster and Aldrich (1884): discrimination in labour market, cultural motives and the importance of historical and social context. Najib (1999) divides motivational factors into structural, cultural and a mix of the two, while Basu and Goswami (1999) simply addresses to them as ‘push’ and ‘pull’.

These are just a few examples of how different researchers categorise factors affecting immigrant decision to become self-employed. It is evident that there are a number of angles from which one can look upon the phenomenon. Despite that, the focal interest of practically every study seems to be on whether motivational factors of interest belong to a “push” or a “pull” category.

One of focal points in this thesis is to see whether positive (pull) or negative (push) factors are most significant in immigrant decision process to become self-employed. Therefore, a simple model that divides the motivational factors into ‘push’ and ‘pull’ factors is appropriate.

The choice of the motivational factors for our model was based on the previous studies. As mentioned before, previous studies identified very similar factors that affected immigrant decision for a business start-up. Nevertheless, there were some variations as well. By constructing a new model, we can therefore ensure that the factors considered are appropriate for this thesis.
3 Method

3.1 Qualitative method

This research was conducted by using qualitative method - a case study in particular. Qualitative research method is appropriate for the purpose of this study. ‘Qualitative methods generally have been gaining acceptance in the small business and entrepreneurship research (SBER) community.’ (Perren & Ram, 2004, p. 83). It is a mean for an in-depth understanding of the case. Further on, qualitative methods are particularly well suited to pilot studies (Alasuutari, 1995). Since we are interested in why immigrants enter self-employment qualitative methods, and case studies in particular, are of most appropriate.

Three kinds of data collection were used in this case study: in-depth, open-ended interviews; direct observation; and written documents. The data that are gathered from interview consist of direct quotations from people about their experiences, opinions, feelings and knowledge (Patton, 1990). The data that are collected from observations consist of detailed descriptions of people activities, behaviours, actions, and the full range of interpersonal interactions and organisational processes that are part of observable human experience. Document analysis in qualitative investigation yields excerpts, quotations, or entire passages from organizational, clinical, or program records; memoranda and correspondence; official publications and reports; personal diaries; and open-ended written responses to questionnaires and surveys (Patton, 1990).

3.2 Case study

Case study has been a common research strategy in psychology, sociology, political science, social work, business and community planning. Case study method allows investigators to retain the holistic and meaningful characteristics of real life events (Yin, 2003). According to Morris and Wood (1991), case study helps to gain rich understanding of the context of the research (cited in Saunders, Lewis & Thornhill, 2007, p. 93). Further on, ‘the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.’ (Yin, 2003). ‘The case study strategy also has considerable ability to generate answers to the question ‘why?’, as well as the ‘what?’ and ‘how?’ questions.’ (Saunders et al., 2007, p.93)

This thesis will only investigate the ‘what’ and ‘why’ part, as of: why immigrants enter self-employment or what are the factors that affect their decision to start up a business. Findings of previous studies by authors such as Curran & Blackburn (1993) and Najib (1999) have shown that the phenomenon of self-employed immigrants is the outcome of multiple processes that require deeper knowledge and analysis. Hence, case study is appropriate for the study.

3.3 Choice of Sample

Non-random sample of nine ethnic entrepreneurs was selected for participation in this study. According to Nordqvist (2005), deciding the number of cases is the result of the interaction between breadth and depth. Nine cases is a compatible
number for us to conduct a detailed analysis of each case and to look into the dynamics of the phenomenon.

Three of the participants in the study belong to the African ethnic group, other three to the Middle Eastern ethnic group and finally the last three belong to the Asian ethnic minority group. According to statistics report 2004 from the Swedish Integration Board, the largest involvement in self-employment is among people having Asian background (that includes people from Middle East, South Asia and South East Asia) and the lowest is among people with African background. Those groups having highest and lowest rate of self-employment are of academic interest to us.

The purpose of choosing three participants in each group is to see whether motivation factors to enter business ownership will differ not only between different minority groups but also among individuals that belong to the same minority group.

Selecting immigrant owned companies non-randomly ensured that different types of businesses had a chance to participate in this study. Therefore, nine businesses of various types were selected: five restaurants, one cosmetic shop, one clothing store, assembling company and one oriental mat shop.

### 3.4 Trustworthiness

Trustworthiness means methodological soundness and adequacy. Judgements of trustworthiness can be made through developing dependability, credibility, transferability and confirmability. Credibility here is of greatest importance (Holloway & Wheeler, 2002).

#### 3.4.1 Credibility

Credibility is when the participants recognise the meaning that they give to a situation or condition and the truth of the findings in their social context. Here, the researcher’s findings are at least, compatible with the perceptions of the people under study (Holloway & Wheeler, 2002). In this research, our findings were compared to the perceptions of the participants in order to find out whether it is well-matched. The information we obtained from interviewees during the interview helped us to achieve the purpose of this research. The transcript of the empirical data from this study matched the information received from the interviewees.

#### 3.4.2 Transferability

Transferability means that, the findings in one context can be transferred to similar situations. The knowledge that has been acquired in one context will be relevant in another, and those that carry out the research in another context will be able to apply certain concepts originally developed (Holloway & Wheeler, 2002). The issue of transferability is relevant for our research. Certain concepts that have originally been developed from the previous researches have been applied in our study. Theoretical framework in this study was derived from previous studies on ethnic entrepreneurship that were conducted by authors such as Waldinger et al. (1990), Basu (1998), Curran and Blackburn (1993), Najib (1999) and Ram (1994).
3.4.3 Confirmability

Lincoln and Guba demand confirmability as the research is judged by the way in which the findings and conclusions achieve their aim, and are not the result of the researcher’s prior assumptions and preconceptions (Holloway & Wheeler, 2002). This needs an audit or decision trail where readers can trace the data to their sources. References have been provided to help readers retrieve the source of the data that have been used in our research. Readers can follow the path of the researcher and the way he or she arrived at the constructs, themes and their interpretation. Since this research is about immigrants’ decision to enter self-employment - relevant data on this issue was collected through interviews with immigrant entrepreneurs. These data was analysed in order to achieve the purpose of this study.

3.5 Strategies for ensuring trustworthiness

3.5.1 Triangulation

Triangulation is a strategy that uses different types and sources of data, which provides a broader picture of the phenomenon (Rossman & Rallis, 2003). Course books, articles, archival records, interviews with experts from the field, interviews with nine participants are used to sketch a broader picture of the immigrant owned businesses in Jönköping municipality. The evidential facts for this study were obtained from different sources, which enhance the level of trustworthiness in it.

Most commonly used sources of evidence in doing case studies are: documentation, archival records, interviews, direct observations, participant observation and physical artefacts. The various sources are highly complementary and a good case study should therefore use as many sources as possible (Yin, 2003). In this study all sources of evidence have been used.

3.5.1.1 Administrative documents

We used some administrative documents in a form of internal data, which have been provided to us by Bo Jansson and Lena Willstrand – the experts in the field of interest, who were purposively chosen for participation in the study.

3.5.1.2 Archival Records

Archival records used in the study, were also granted by Bo Jansson and Lena Willstrand. Mr. Jansson is one of the leaders for a program called ‘Starta eget’. This program is financed by the Swedish government. The purpose of it is to assist people with a foreign background in starting their own business. Mr. Jansson could endow us with the service records showing the number of immigrants participating in the program over a period of one year. Service records show the number of clients served over a given period of time (Yin, 2003). Ms. Willstrand has provided us with a catalogue that included a list of all names of the companies that are registered in Jönköping municipality. Name list and other relevant items belong to a category of archival records (Yin, 2003). Survey data, such as
census records or data previously collected (Yin, 2003), was also used in the study.

3.5.1.3 Interviews with participants

One of the most important sources of information in case study is the interview (Yin, 2003). In this study, nine ethnic entrepreneurs have been interviewed. Interviews were conducted in a focused manner. Focused interview usually takes a shorter period of time. The interviews may still remain open-ended and assume a conversational manner, but the researchers are more likely to be following a certain set of questions delivered from the case study protocol (Yin, 2003). Since we have chosen to interview nine ethnic entrepreneurs we decided to use an interview guide (‘case study protocol’) during all interviews.

Interview guide which is a written list of questions and topics that need to be covered in a particular order is used during semi-structured interviewing (Bernard, 2002). ‘In situations where you won’t get more than one chance to interview someone, semi-structured interviewing is best (Bernard, 2002, p. 207). We had only one chance to conduct an interview with each respondent; therefore semi-structured, face-to-face interviews were conducted with each of the nine participants.

Interview guide was structured in a way that it would help us steer conversation in a logical manner and it also included pre-determined questions that had to be covered: ‘In semi-structured interviews the researcher will have a list of themes and questions to be covered.’ (Saunders et al., 2007, p. 246). That helped us to assure that we get similar information, which in turn assures the comparability of data. According to Bernard (2002), one has to build a guide and follow it if one wants a reliable and comparable qualitative data.

Moreover, we were three interviewers during all of the interviews. Having three people interviewing one respondent can be very problematic. It is very important that all interviewers are consistent with their questions and steer the conversation towards the same aim, therefore formal, written guides are necessary, if several interviewers get involved in collecting the data (Bernard, 2002).

Several questions written in our interview guide had a number of alternative answers. However, during the interviews, respondents were not provided with those alternatives. Alternative answers were purely for us. They kept us aware that, there were other possible answers to the same question. And this was useful in a situation as this:

When one of the respondents was asked the question: “What were your main reasons for starting the firm?” He answered – “I wanted independence and control”. ‘Independence’ is one of the alternative answers for such question (see appendix, table 6). However, when asked another question: “Is earning more money of any importance to you?”. Respondent answered: “It is the most important thing for me, that is why I opened my own firm.” Note from table 6, that money is another alternative answer to the question: “What were your main reasons for starting the firm?”

Consequently, checking the importance of each and every alternative answer to the question: “What were your main reasons for starting the firm?”, was crucial in
some cases. In the case exemplified above, one of the two things could have happened:

- The respondent was not conscious of the fact that money was of greatest influence in his decision to start a firm.

or

- The fact that he started a firm for money was so self-evident to him, that he failed to mention it.

The follow-up questions and manner of interviews

The method of asking follow-up questions is called probing. By using probing during interviews, researcher can gain more information from respondent (Bernard, 2002). The alternatives helped to bring up the tacit knowledge of the interviewees and gave us the chance to take a glimpse into the profound of the phenomena.

Some of the open questions had the follow-up questions. Since the case study is most likely to be appropriate for ‘how’ and ‘why’ questions (Yin, 2003), the close-ended question such as: “What were your main reasons for starting the firm?”, had the follow up questions. For instance, if the answer to the above stated question was: “Because I was unemployed”, then the follow-up question was: “Were you unemployed for a long time? or “Why were you unemployed?” The type of the follow-up questions depended on the manner in which conversation was proceeding.

Quite often during the interviews, respondents were discussing things that were unrelated to our topic. For instance, some of the restaurant owners often enjoyed talking about food. In general, respondents talked extensively about their country of origin and shared their memories and experiences from the time when they first arrived to Sweden. We did not disturb the natural flow of conversation and when asked - shared our own experiences as well. The fact that respondents talked about enjoyable things often turned the conversation around, from being a formal and strict obligation to an informal and friendly chat. That in turn positively affected respondents’ willingness to share other type of information as well.

The fact that all of us have foreign background helped us a great deal. Respondents seemed to relate themselves to us and often mentioned that we probably also understood what it meant to live in a different country: “You know then that it is hard to find a job for an immigrant”. Further on, in most cases respondents seemed to feel rather comfortable talking about sensitive issues, such as discrimination or racism.

Since a large part of the questions, that were used during interviews were taken from the research conducted by Curran and Blackburn (1993), the findings of this study will be referable to the previous studies.

Interview questions were conducted in English language only. Eight out of nine interviewees could speak English. One of the interviewees, a Vietnamese participant, could not speak English and therefore was interviewed in his mother tongue. He felt comfortable speaking in his native language. When asking questions during this particular interview as well as during all the interviews, we tried
to avoid academic language and complicated vocabulary. We used basic and in-
formal English language.

**Tape recorder**

It was considered that making constant notifications on the paper during the in-
terview would be too distracting for the interviewee and disturb the flow of the
conversation. Thus, we decided to use tape recorder during interviews: Bernard
(2002) says that memory is not to rely on during an important interview and tape
recorders should be used in all structured and semi-structured interviews.

All respondents were asked for permission to use tape recorder in the beginning
of each interview. Three of the respondents did not want us to record their inter-
views. In these cases, one of us interviewed the respondent while other two
were making notes on paper.

**3.5.1.4 Interviews with Experts in the field**

Two experts in the area were contacted and interviewed: Bo Jansson and Lena
Willstrand. Bo Jansson works in employment office in Jönköping and is one of
the people responsible of a program called ‘Starta eget’. The program is directed
to immigrants that are unemployed and are interested in starting their own busi-
ness. Bo Jansson has contributed to the study with information about immigrant
interest to start up a business. Further on, Mr. Jansson has granted this study
some important statistical information on immigrant education and immigrant
employment.

Lena Willstrand works at Jönköping City house and her main duties are: relation-
ship building with companies within Jönköping municipality, as well as coopera-
tion with start-up companies and competence building. Lena Willstrand was of
assistance in getting information on all registered businesses owned by ethnic en-
trepreneurs in Jönköping municipality. She also provided statistical information
comparing the income of ethnic and native entrepreneurs.

Both Bo Jansson and Lena Willstrand provided to us access to the information
that was relevant to our study. Statistical facts on immigrant education, employ-
ment and income were used in previous studies for understanding immigrant de-
cision to enter self-employment. As we are considering similar factors in our
study, this information is of great value for us.

Apart from the help to access valuable information, both Bo Jansson and Lena
Willstrand gave their expert opinions of why they think immigrants become self-
employed. ‘If you want to understand a process, then you want people who can
offer expert explanations and are able in answering the ‘why’ questions and not
only ‘what’ or ‘how many’. Expert opinion or so called cultural data requires non-
probability sampling.’ (Bernard, 2002, p.215)

Webb et al. (1996) asserted that the method of triangulation would be difficult to
conduct but it would be worth doing since it makes the data believable. Different
sources and methods will make the data more trustworthy and credible.
3.5.2 Being there

A direct observation is another source of evidence in a case study. By making a field visit in case study one can create opportunity for direct observations. Some relevant behaviours or environmental conditions will be available for observation (Yin, 2002). Each of the nine interviews has taken place in the ‘field’. We could observe each of the participants in their working settings. It helped us to get a feel of their attitudes towards their own business by observing their behaviour at work and the environment that they are working in.

By being there and talking to the participants face to face, we could perceive their reactions to certain questions. Further on, we could see when they tried to manipulate the conversation or steer it towards a different direction. We could detect when they were anxious to answer certain questions or try to avoid them. Two of the interviewees felt uncomfortable talking about discrimination issue because of individual reasons. There would be other facts or problems behind that hesitation. Participants’ reactions, facial expressions and voice intonations often revealed their feelings and thoughts towards the subject of discussion and therefore provided us a ground for a deeper analysis.

3.5.3 Participant validation

**Participant validation** is also known as ‘member check’ (Rossman & Rallis, 2003, p.69). Member check is one of the strategies for achieving trustworthiness of a research. The specific purposes of member checking are:

- To find out whether the reality of the participants is presented
- To provide opportunities for them to change mistakes which they feel they might have made
- To assess the researcher’s understanding and interpretation of the data
- To give the participants the opportunity to challenge the ideas of the researcher

Each participant in our study will have a chance to review his or her interview transcript during the research. By doing this, the empirical data in this research will be more reliable.

3.6 Generalization

In this study we do not wish to generalize the findings for the whole immigrant society in Sweden. We would like to analyze each case in detail and fully understand the reasons behind business ownership of each of the case participants in this study. Maxwell proposes that ‘a useful theory is one that tells an enlightening story about some phenomenon, one that gives you new insights and broadens your understanding of that phenomenon’ (Nordqvist, 2005, p.89)
4 Empirical Data

Nine interviews with ethnic entrepreneurs are presented below. A large proportion of the interviewees requested anonymity for their personal names and the names of their companies. Therefore, real names of companies presented below and the names of their owners will not appear in this thesis.

4.1 Interview number 1

Name of the owner: Entrepreneur 1
Country of origin: Nigeria
Type of the firm: Clothing shop

Selective immigration

Entrepreneur 1 first came to Sweden in 1993. Back home in Nigeria he had a good quality life. Entrepreneur 1 migrated to Sweden because he wanted to “try out new things” and “find an even better life”.

Business background

According to Entrepreneur 1, entrepreneurship runs in his family – it is a tradition. He also points out that he first learned about trade from his mother. Entrepreneur 1’s mother was in clothing and jewellery business and he used to help her by running different kind of errands for her. Entrepreneur 1 has three brothers. All of them live in Nigeria and two of them run successful businesses.

Business culture values

Entrepreneur 1 notified that being self-employed is an ordinary occurrence back home in Nigeria. Self-employment is a way for people to better their life and achieve economic mobility; therefore business ownership is often linked with personal financial prosperity. “People in Nigeria like to impress others. They wear expensive clothes and drive expensive cars,” said Entrepreneur 1. There are different social classes in Nigerian society: wealthy people in upper class, poor people in lower class and the rest belong to middle class.

Blocked Mobility

Entrepreneur 1 came to Sweden in 1993. Soon after that, he applied for a cleaning job. The job was perfect for him at that time: it was an evening job; it did not require any special skills and did not involve any direct contact with people. Even though Entrepreneur 1 has an advanced level in English, his Swedish language skills were poor at that time. According to Entrepreneur 1, employer did not even consider him for the job and his argument for not hiring Entrepreneur 1 was poor Swedish language skills and absence of ‘specific’ education. Entrepreneur 1 found those arguments absurd: “it was hard to understand, what kind of education and language skills cleaning job requires and for what purpose”.

After a while, Entrepreneur 1 was offered an internship position at a clothing store named ‘Kapphal’. He worked in a men’s wear department and was very good at his job. Unfortunately, by the end of the internship he was denied employment and therefore felt disappointed. According to Entrepreneur 1, such ex-
periences arose a feeling of frustration which also was as a driving force for him to start-up his own business.

**Level of education**

Entrepreneur 1 is a university graduate. Even though Entrepreneur 1 was searching for some jobs, he never truly wanted to take any working position that did match his personality and/or education. Entrepreneur 1 elaborated further on by saying that he never liked taking orders from others.

**Previous business experience and opportunity recognition**

Entrepreneur 1’s first business idea was related to his dream to become a DJ. The initiative was to start a night-club. He rented a locale in the centre of Jönköping city. However, difficulties in getting a licence to sell alcohol ended the development of the plan permanently. The follow up idea was to open a youth club instead. Sadly, it was not realized either. Finally, in 1996, Entrepreneur 1 set up a coffee shop. However, he was unfamiliar with this type of business and therefore experienced difficulties in managing it. Consequently, the coffee shop generated little profit and was sold in 1999.

"The idea of clothing business just came, there were no clothing shops that sold hip-hop style cloths". The first hip-hop style clothing shop was born and proved to be a success.

When asked the question about risks involved in business start-up, Entrepreneur 1 answered: “If you do not take a risk you do not win”. Then he added: “I try to focus on the positive side of things rather than the negative”.

**Desires for independence, autonomy and financial betterment**

Entrepreneur 1 emphasized that the main motivation for starting up the business was his desire for independence. He sought after being in charge and despised following orders coming from somebody else. Further on, he mentioned that money was not important for him: “I am not in this for the money, money comes later”.

### 4.2 Interview number 2

Name of the owner: Entrepreneur 2  
Country of origin: Uganda  
Type of firm: Cosmetics

**Selective immigration**

Entrepreneur 2 came to Sweden in 1991 as a refugee. It was not his choice to emigrate from Uganda - rather it was an inevitable necessity. Entrepreneur 2 had to leave his country due to political reasons: to be safe from the political unrest.

**Business background and previous business experience**

Entrepreneur 2 never had a business on his own back home in Uganda, neither did his family. On the other hand, he has been working as an investment banker
for a long period of time and after that he was involved in politics. Both occupations had prerequisite for higher education.

**Level of education and blocked mobility**

Entrepreneur 2 is a university graduate back home in Uganda. When he first came to Sweden in 1991, he found difficulties in getting jobs. All he could find were cleaning jobs, which was not appropriate with his education as an investment banker. Entrepreneur 2 specified that difficulties to find a job were related to the language barrier that he experienced: “language is the key that opens most doors”. His unfamiliarity with the Swedish language prevented him from getting his desired job. Entrepreneur 2 mentioned that at his age it is even harder to learn the language. In spite of the difficulty, he learned the language and also graduated from a theology school in Sweden. Sadly, he was not able to find a job even after he obtained Swedish education.

**Income among immigrants**

Since he did not want to take any job that did not match his education, he decided to establish his own business: a cosmetic shop. The shop was not established for independence nor was it the fulfilment of some dream of his. Simply, it was as an alternative to provide for his family: “I started it for survival only and to avoid unemployment also”. The shop is run by family: his wife and him. His daughter also helps whenever she is free.

### 4.3 Interview number 3

Name of the owner: Entrepreneur 3  
Country of origin: Vietnam  
Type of the firm: Restaurant

**Selective immigration**

Entrepreneur 3 first came to Sweden in 1995. He left Vietnam because he did not like the politic system in Vietnam. He decided to migrate and search for a better life elsewhere: “It is because of better life and more freedom”.

**Level of education**

Upon the completion of high school graduation, Entrepreneur 3 continued his education in a vocational school with the major in electronics in Vietnam.

**Blocked Mobility**

According to him, his educational background is electronics but what he studied in Vietnam is unsuitable in Sweden. When he came to Sweden, he spent the first two years studying Swedish language. At that time he did not have any job and lived on social welfare. Entrepreneur 3 felt that it was difficult to find a job when he tried to apply for some. When asked about whether he ever experienced discrimination in the labour market: “Have you ever felt discriminated in the labour
Entrepreneur 3 hesitated to answer: “I do not want to answer this question, it might destroy my business”. He felt reluctant to talk about discrimination since he felt it could damage his business reputation.

Previous business experience and positive business background

Finally, in 1997, he started to work as chef assistant in a restaurant owned by a person with Asian background. Later on, Entrepreneur 3 became a chef himself and continued to work for different restaurants for 10 more years until he bought his own business in 2006. Entrepreneur 3 elaborated further by saying that he had experience within restaurant business before: back home in Vietnam, his mother owned a small restaurant selling different noodle dishes. Entrepreneur 3 often helped her to prepare the food.

Desires for independence, autonomy and financial betterment

Entrepreneur 3 says that the main reasons for starting his own business were: independence, freedom, higher income and his working experience in food industry. “I am a risk taker”, he says. He likes to be the one who makes decisions. He feels that being his own boss maximizes his personal freedom. It was not the case when he worked for other people: he could not make his own choices and he had to do what he was told. Entrepreneur 3 felt that it restricted his freedom and independence.

4.4 Interview number 4

Name of the owner: Entrepreneur 4
Country of origin: Iraq
Type of the firm: Restaurant

Selective immigration

After high school graduation back home in Iraq, Entrepreneur 4 moved to India to obtain a higher education. His parents did not support his decision, however, he decided to do so. It turned out to be one of the best decisions that he ever made. Three months after he left to study in India, a war started in Iraq and everyone in his age was asked to join the military.

Level of education

Since 1978 Entrepreneur 4 studied Agricultural engineering in India for five years. During his studies in India, he learned Hindi language. Apart from Hindi language he speaks Babylon, Arabic, English, Danish, and Swedish languages.

In 1984, he graduated from the university and received his degree in Agricultural engineering, however he could not go back Iraq, since the war was not over yet. Therefore, in 1985 he moved to Denmark.

Blocked mobility

For six and a half years, Entrepreneur 4 worked as a technician for an American company located in Denmark. He enjoyed working for the company and the job suited his education as well. When the company decided to transfer their produc-
tion base to Ireland, Entrepreneur 4 was offered the possibility to relocate. He declined the offer since most of his family including his wife lived in Sweden. In 1995 he moved to Sweden. Shortly after that, he started looking for a job as agricultural engineer. However, in order for him to be able to work within this field in Sweden he had to obtain Swedish education. He was not willing to do so, since he was already educated in this particular area. Entrepreneur 4 did not see it as a setback, and instantly started looking for any other kind of job.

Not long after, he got employed in a Swedish telecommunication company. He worked for the company for two and half years until it was relocated to Hungary. Almost instantaneously he found another job in a manufacturing company producing instruments.

Entrepreneur 4 said that he never experienced any difficulties to find a job. He was not picky either: he was happy to do any job even if it did not exactly fit his education.

**Level of education and blocked mobility for Entrepreneur 4’s wife**

On the other hand, it was much harder for Entrepreneur 4’s wife to find a job. Entrepreneur 4’s wife is an educated chef. She studied catering in Sweden for three years. After that she got a few temporary employment positions, however, she was not offered a permanent job. According to Entrepreneur 4 every time some working position was available, native born were offered it first: “Swedish people are always prioritized and it does not matter whether he/she got a proper education or not”.

Therefore after a while Entrepreneur 4 decided to buy a restaurant for his wife instead. He took one year off from his work to help her out with the business. Entrepreneur 4 said that he might not go back to his previous job but continue working with his wife instead: “I do not mind working in the restaurant, even if it has nothing to do with my education: I can work for somebody else or for myself”. On the other hand, his wife prefers to be self-employed.

**Business background**

Entrepreneur 4’s father was a businessman in Iraq: firstly he owned a laundry shop, later on worked as a translator and then had a logistics service providing company. According to Entrepreneur 4 having entrepreneurial background did not influence his decision to purchase a business.

4.5 **Interview number 5**

Name of the owner: Entrepreneur 5  
Country of origin: Lebanon  
Type of the firm: Restaurant

**Selective Immigration**

Entrepreneur 5 first came to Sweden in 1989 - he was then 21 years old. He had to migrate from Lebanon because of the war. He and his family settled down in Sweden for security purpose.

Entrepreneur 5 stated that if he had possibility and enough money he would most likely move back to Lebanon. His roots are there since he came to Sweden
when he was already a grown up. When he first came to Sweden his focus was to set on earning more money, because eventually he thought that he would return back to his home country.

**Business culture**

According to Entrepreneur 5, Lebanon has always been famous for having a business. Most of the people have their own business – it is a way of living, it is almost a tradition: “Doing business is almost as a national characteristic – Lebanese people are very famous for that”. Entrepreneur 5 pointed out that the wish of having his own business came from Lebanese culture: “I do not have any problem with working for somebody else, but mostly I prefer having my own business”.

**Level of education**

Back home in Lebanon, Entrepreneur 5 acquired post secondary education in electronics. He studied within this field for three years. However, when he came to Sweden, his education was not appropriate. Further on, for him to work within the field of electronics he had to acquire Swedish education. According to Entrepreneur 5 it would have taken him three more years and he considered it being time-consuming. Moreover, before he could start this education he had to learn the Swedish language first.

**Blocked mobility**

Entrepreneur 5 has stated that his unfamiliarity with Swedish language made it difficult for him to find a job: “When you first go to look for the job they want you to know the language first”. Entrepreneur 5 added that native born is often preferred to foreign born for employment positions. However, he felt that it was natural, since natives have already appropriate education and good language skills.

**Previous business experience**

Due to the language barrier and inadequate skills he could not find an appropriate job. As the result of this, he started working at the restaurant owned by people from the same ethnic minority group. The job did not require any kind of education. Entrepreneur 5 learned much about restaurant business while working for others.

After a while, Entrepreneur 5 found a job at Volvo manufacturer. He worked there for a year and then decided to quit the job, since he thought that he could earn more money by having his own business. Therefore he decided to open a restaurant. Entrepreneur 5 opened his first restaurant business in 1998. After a while he sold it because he had a good offer. He bought another restaurant and later on sold it as well. Entrepreneur 5 purchased another restaurant in 2005 which is his current business.

**Business background**

Before the war started, Entrepreneur 5’s father owned a construction business in Lebanon. Most of his relatives were business owners as well. However, Entrepren
neur 5 emphasized that business ownership is not a distinctive characteristic of certain families rather it is a distinctive characteristic of Lebanese people.

**Financial betterment**

According to Entrepreneur 5, earning money is truly important to him. His aspiration for a business ownership was based purely on financial grounds: “You know that you work for yourself, and not somebody else. I have a possibility to earn more from my business, and I do not have such possibility while working for someone else”.

### 4.6 Interview number 6

**Name of the owner:** Entrepreneur 6  
**Country of origin:** Nigeria  
**Type of the firm:** Assembling Company

**Selective immigration**

Entrepreneur 6 came to Sweden in 1991. He came here looking for a better life. Already back home in Nigeria Entrepreneur 6 had a dream to own a mechanic shop. He came to Sweden to realise his dream.

**Interest and hobby**

Entrepreneur 6’s mother and father are still living in Nigeria. They are farmers. When Entrepreneur 6 was 11 years old he bought a second-hand bicycle from the money that he earned himself. Every time the bicycle got broken, Entrepreneur 6 took it to the mechanic. Entrepreneur 6 used to watch the mechanic fixing his bicycle and developed a true interest in the profession. Later on, he bought the tools similar to the ones that he saw the mechanic was using in the repair shop and started fixing the bicycle himself. Gradually, the hobby grew into a passionate interest and a wish to own a mechanic shop was born.

Not always did Entrepreneur 6 wish to become a mechanic. When he was still going to school back home in Nigeria, his dream was to become a lawyer. In time he noticed that law was not his passion, but the mechanic job was. Entrepreneur 6 believed: “You have to enjoy what you do. You do not choose profession for money”.

**Previous business experience and business background**

Entrepreneur 6 said that being a company owner in his case had nothing to do with a business background or previous business experience. He stated that he just wanted to achieve more than his parents did: “Children always try to take one step further”.
Level of education and blocked mobility

Entrepreneur 6 enlightened that when he first came to Sweden he wanted to continue working with cars but could not do so due to the language barrier. Already from the very beginning Entrepreneur 6 was very interested in the way that Swedish society works. After studying the Swedish system carefully, he knew that it was very important to learn the language first. Entrepreneur 6 went to a language school and after that to professional school of mechanics. Soon after that, he applied for a job in a repair company and got the position. According to Entrepreneur 6, he has never experienced any difficulties in finding jobs: “I cannot complaint, I was very fortunate”.

He argue further by saying that one has to have some educational skills in order to become legitimate for any job: “First you have to get an education, and only after that, if you still cannot find a job – you did the best you could, it is not your problem anymore”.

Desire for independence and autonomy

According to Entrepreneur 6, having a company of your own does not make you independent or free: “Even though I am the owner of the company, I am never independent, I am not the boss – the customer is the boss”. Entrepreneur 6 argued further on by saying that “freedom” depends on how one looks upon it. He agrees that he has a freedom to engage in his hobbies during working hours, but only when there is no customer orders left to carry out. Moreover, Entrepreneur 6 does not mind having a boss or working for someone else - he sometimes wishes to have a boss. In that case he could just do his job and go home like his employees do, while he has to stay and carry on with the paper work.

Financial betterment: money is important

According to Entrepreneur 6 the fact that he can earn more money when working for himself than he would if he worked for someone else, motivates him most for business ownership: “the more I work, the more it goes to my pocket. When you work for other company you get the same pay, even if you work three times harder, so what is the point?”

Nevertheless, Entrepreneur 6 indicated that money was not the only reason why he started his company. He argued that if he has started it for money, he would have given up a long time ago, mostly because the business takes so much energy and time. He started it because he truly enjoys it: “Just because I like my job I never get tired”. Yet money is important too for Entrepreneur 6, in a sense that it
is a sign of appreciation for his job: “Somebody is paying for what I enjoy doing – that is great!”

Entrepreneur 6 continued by saying that his only dream was to own a company, to be able to pay himself salary and have one employee at most. His company had the possibility to expand at a very beginning: “I had to stop that: I did not enjoy it anymore, I worked non-stop every day, I even had to sleep over at my factory – it was not fun anymore”. Entrepreneur 6 finished by saying that money is very important, however it should not come at the cost of one’s happiness.

4.7 Interview number 7

Name of the owner: Entrepreneur 7
Country of origin: China
Type of the firm: Restaurant

Selective immigration and business background

According to Entrepreneur 7, entrepreneurship has been in his family through several generations. His father is originally from China. Nevertheless, he spent most of his life living in Vietnam, where he met Entrepreneur 7’s mother. In Vietnam Entrepreneur 7’s father was known as one of the largest plastic suppliers. He has been active in the plastic supply industry until political situation in Vietnam changed and communists came into power. Having private business in Vietnam was no longer possible. Therefore, the family decided to search for better life elsewhere. They lived in Hong Kong, Thailand and lastly immigrated to Sweden.

Level of education

When Entrepreneur 7’s family immigrated to Sweden, Entrepreneur 7 was just a child. Therefore, he acquired his education in Sweden. He has been studying Business Administration in the University of Uppsala for two years. He continued studying business administration in Jönköping University for two more years. After he completed his education at Jönköping University, he went to Chalmers University in Gothenburg where he spent two semesters studying physics.

During his study years, he travelled to Vietnam, China and Thailand under several occasions. While travelling in Thailand he developed an interest in Thai cuisine. Consequently, he spent two years in Thailand studying the art of Thai food preparation.

Blocked Mobility

Entrepreneur 7 acknowledged that he never experienced difficulties in finding jobs. However, he also mentioned that in some cases, having a foreign look could minimize that person’s chances of getting a job. During his studies he worked part time for several companies but never really enjoyed it.

Previous business experience
Soon after his graduation, Entrepreneur 7 started an import/export firm. The imports were conducted at large from the South East Asian area. Telecommunication business was the next business he engaged himself into. He started Telecommunication Company because he saw a need in the market for international calls and since the price for international calls was high at that time, providing a service for cheaper calls was a great opportunity. However, it did not last: new calling card was introduced in the market and the business collapsed.

**Opportunity recognition**

Already during his studies at Jönköping University, Entrepreneur 7 noticed that Jönköping lacked restaurants that served Asian dishes. Since he already was an educated chef in Asian cuisine, the opportunity was hard to resist. Finally, in the year 2001, Entrepreneur 7 started his restaurant in Jönköping.

**Financial betterment**

Entrepreneur 7 admitted that the very first reason of entering restaurant business was money: *"I would tell you a lie if I said that money is not important"*. He added that a while ago he experienced a few financial difficulties, which only sharpened the wish to achieve financial freedom. Yet, working for some company would not have given him that: *"It is only CEOs of large corporations that receive high salaries. Middle management has a much lower pay, as anyone else in any other job"*. On the other hand, Entrepreneur 7 indicated that money is no longer the factor that motivates him in business ownership: *"It is the feeling of independence that I can do whatever I want: employ my creativity and realize my own ideas, regulate my own schedule, managing and being in control – just making the difference"*. According to Entrepreneur 7, his restaurant is different from others and success of it just proves it right. He also mentioned that he has several business ideas and hopes to realize them in nearby future: *"Some of the ideas have to do with restaurant business and others are in a different business area"*.

**Desire for independence and autonomy**

Entrepreneur 7 stated early in the interview that the thing that he dislikes most when working for other people is taking orders or instructions from them: *"I am certainly able to work in the team, but only if I am the leader of that team"*.

4.8 **Interview number 8**

Name of the owner: Entrepreneur 8  
Country of origin: Sri Lanka  
Type of the firm: Restaurant

**Selective immigration**

It has been 23 years, since Entrepreneur 8 met her husband and first came to Sweden. Since her husband is a native born Swede, they decided to leave Sri Lanka and move to Sweden instead.

**Business background**
Entrepreneur 8 comes from a family of 12 children. Six of her siblings own small business back home in Sri Lanka. On the other hand, Entrepreneur 8’s father and mother never owned a business: her father was a fireman and mother – a house wife.

**Blocked mobility**

Entrepreneur 8 said she never experienced difficulties in finding jobs when she came to Sweden. Her first job was working in a factory which she really disliked. According to Entrepreneur 8, the job was boring and difficult.

The idea of a restaurant business occurred to her when she came to Sweden. Whenever she was eating out at any restaurant with her husband and kids, she usually disliked the food. Entrepreneur 8 said she never ate good food in any of these restaurants with the exception of few places. As a result she started her own restaurant.

**Previous business experience, education**

According to Entrepreneur 8 she had no idea on how to run a business since she did not operate in a restaurant business before. She never went to a chef school to learn about cooking. She simply enjoyed cooking: “food is my passion”. Entrepreneur 8 loves cooking and she wants to utilise this skill: “I want to show people my cooking skills”.

**Financial betterment**

According to Entrepreneur 8, she did not start the restaurant specifically to make money but instead she wanted to provide people with good food. Serving customers with best quality food gives her satisfaction: “I like to see my customers happy after they have had their meal: they are like my children”. She gets her reward when customers show their gratitude by saying thank you. According to Entrepreneur 8, customer satisfaction comes first, before anything else. According to her money comes later after gaining customer loyalty.

### 4.9 Interview number 9

**Name of the owner:** Entrepreneur 9  
**Country of origin:** Iran  
**Type of the firm:** Oriental mats

**Selective Immigration**

Entrepreneur 9 first came to Sweden in 1972. The purpose of coming to Sweden was his studies. Entrepreneur 9 was 18 years old at that time.

**Level of education**

Entrepreneur 9 studied at Linköping University and obtained a Bachelor of Science degree in Economics.

**Previous business experience**

After Entrepreneur 9 completed his education, he and his friend opened their first business: mat shop in Jönköping. It was a unique business idea and they success-
fully managed it for 20 years. When his friend expressed a wish to become a solely owner, Entrepreneur 9 agreed to sell his share of business to him.

After that, Entrepreneur 9 worked for a furniture company in Jönköping for six years. Subsequently, he established another mat company in Jönköping in 2006. It was easier for Entrepreneur 9 to start this business, since he already worked within similar area before. He enjoys his work, since he has a passion for art: “Mats are a kind of art”. What interests Entrepreneur 9 most is mat designs, colours and handcraft.

**Business background**

Even though Entrepreneur 9’s father worked for an oil company in his home country, Entrepreneur 9 never wanted to go after his footsteps. He has always been fascinated of mats and the interest has been his hobby for a long time.

**Opportunity recognition, desire for independence and autonomy**

Entrepreneur 9 enjoys the independence and freedom to act on his own and is happy to avoid taking orders from others. However, according to Entrepreneur 9 he started this business because he saw a market opportunity for it in Sweden. During the years that he spent living here, he learnt a lot about Swedish traditions and preferences of local customers. According to him, the knowledge gained through the years while living in Sweden is crucial in this business, since ninety-nine percent of his business customers are Swedish customers.

**Financial betterment**

Entrepreneur 9 said that money was very important to him when he started his business but now he says that he just likes his job. He enjoys the feeling of waking up every morning and going to his shop.
5 Analysis

The analysis part is divided into two sections: case by case analysis and factor by factor analysis. In the section of case by case the focus is on individual case analysis, whereas factor by factor analysis provides general view on findings from all nine cases.

5.1 Case by case analysis

5.1.1 Case 1

Name of the owner: Entrepreneur 1
Country of origin: Nigeria
Type of the firm: Clothing shop

Selective immigration

From the empirical findings we can see that Entrepreneur 1 came to Sweden to try out new things and to find a better life. The fact that people leave their home country and are able to establish business in a competitive foreign environment illustrates their risk taking temperament and entrepreneurship (Basu, 1998). Entrepreneur 1 had a few entrepreneurial ideas when he came to Sweden and he took risks when trying to realise these ideas. In spite of all the difficulties that he encountered, Entrepreneur 1 was determined to set up a business of his own and finally succeeded.

Business background

Entrepreneur 1 has entrepreneurial background. His mother had a business. She owned clothing and jewellery shop and Entrepreneur 1 learned much about trade from her. According to Curran and Blackburn (1993), people who come from small business owning backgrounds are more likely to go into business. Entrepreneur 1’s entrepreneurial background was a contributing factor for him going into business. Entrepreneur 1 familiarised to the idea of business ownership when helping his mother with different errands. The fact that he was familiar with the concept and had a chance to practice it – gave him confidence to take a step towards self-employment.

Business culture values

Being self-employed in Nigeria is a common phenomenon. Business ownership in certain cultures is considered to have an important value (Najib, 1999). It can grant a person the respect of the society. Entrepreneur 1 said that in Nigeria, many people try to better their life and achieve economic mobility and social status through self-employment. Having your own business there is associated with financial prosperity and success.

Najib (1999) argues that cultural factors are only valid in some cases and are not applicable for reasoning of why ethnic entrepreneurs choose to start a business in the first place. Even though cultural factors might not be the main reason why people start their own business, they can have a great effect on behaviour of some people.
Entrepreneur 1 comes from the country, where difference between the levels of social classes are rather extreme: wealthy people belong to the upper class, poor people belong to the lower class, while the ones that belong to the middle class struggle to break through to the upper line. Status in the society is often determined by one’s possessions: the wealthier you are the higher you are placed in the society. According to Entrepreneur 1 people in Nigeria like to impress others: “they wear expensive clothes and drive expensive cars”. That makes other people think that they are doing well. It is all about creating a visual illusion of prosperity and wealth.

A person, who leaves his home country for the search of a better life in another, often feels the pressure to do better than his friends or even relatives back home. It is often not about earning more money or being rich. It is all about showing people back home that you left your home country for something important and that you succeeded in it and not failed.

Subsequently, business culture from home country might not have a direct affect on person’s decision to start up a business, but it might function as a motivational engine in the subconscious of an individual.

**Blocked mobility**

Blocked mobility is a factor that pushes immigrants to start up their own business. Entrepreneur 1 applied for a cleaning job soon after he came to Sweden. It was an evening job and it did not involve any direct contact with people. Unfortunately, he was not hired for the job based on the argument that he could not speak Swedish language well.

He felt that he has been discriminated against, since the job required no special skills and involved no direct contact with people. Immigrants encounter many barriers such as unfamiliar language and discrimination in the labour market and this motivates them to start their own business (Waldinger et al., 1990).

As a result of the discrimination suffered by Entrepreneur 1, he decided to start up his own business. According to him the frustration that came out of these experiences pushed him towards business ownership. Najib (1999) asserts that, there is a strong correlation between discrimination and ethnic entrepreneurship.

Entrepreneur 1 felt that he was discriminated because he did not get the cleaning job. However, we can see from empirical findings that he could not speak the Swedish language at that time, which suggests that it was not because of the discrimination he could not get that job; rather it was the language barrier that was a true hindrance.

**Level of education**

Only a small number of immigrants in Sweden have succeeded in finding jobs that fits their education and therefore have to take jobs that were less attractive and low paid (Najib, 1999). Entrepreneur 1 has a university education. He said that he never wanted to take a job that did not match his personality or education.

However, from the previous facts one can see that Entrepreneur 1 applied for a cleaning job which is considered to be underprivileged. It means that he tried to
get a job which actually did not suit his education or personality, but he was de-
nied of such employment position.

**Previous business experience and opportunity recognition**

Being involved in business ownership before may be related to wider interests in
business ownership (Curran and Blackburn, 1993). Entrepreneur 1 had many
business ideas, such as night club, youth club, café and clothing store. The first
two failed, while café and clothing store came into reality. Both negative and
positive *experiences in running the previous business* provided him with essential
knowledge, which in turn *pulled* him towards business ownership.

On the other hand, we cannot neglect Entrepreneur 1’s personal characteristics
that contributed to his final success. The first two ideas to open business were
unsuccessful, while the third one was barely made. Even after such a fruitless
business history, Entrepreneur 1 was persistent and took additional risks.

Seeing a market opportunity can be a motive to start up a business (Curran &
Blackburn, 1993). According to Entrepreneur 1, he opened a hip-hop clothing
shop because he saw an *opportunity in the market for cloths*. He noticed that
there were no shops that sold hip-hop cloths or accessories in Jönköping. Such
an opportunity *positively* affected his decision for a business start-up.

**Desire for independence, autonomy and financial betterment**

Much of the literature on sociology has characterized the small business owner as
an anachronistic type driven by a need for autonomy and independence (Wald-
inger et al., 1990; Curran & Blackburn, 1993; Basu, 1998). Entrepreneur 1 asserted
that the *main reason* for starting up his own business was his *desire for freedom
and independence* since he detested taking orders from other people.

According to Curran and Blackburn (1993), another reason for starting a business
activity is to make money. The desire to better one's life can lead to the establish-
ing of a business that helps realize that goal. Even though Entrepreneur 1
pointed out that he was not in the business for money, he later notified that
money was important.

**Conclusion**

There were several factors that motivated Entrepreneur 1 to go into business.
However, one of these factors played a major role in his decision to go into
business. It was *desire for independence and autonomy* that *pulled* him to-
wards a business start-up.

Reasons that also influenced his decision to start up a business were as following
and presented below in the order of actual time line:

1. Having *business background* in his family pulled him towards business
   ownership
2. Having *previous business experience* pulled him towards business
   ownership
3. *Business culture values* in his home country pulled him towards busi-
   ness ownership
4. **Unemployment pushed** him towards business ownership

5. **Opportunity recognition pulled** him towards business ownership

6. **Discrimination** in the labour market pushed him towards business ownership

As we can see there were a number of factors that motivated Entrepreneur 1 to open his shop. Even though, Entrepreneur 1 notifies the autonomy and independence as the factor that had most influence on his decision to become self-employed, other factors mentioned above had a great influence as well. In fact some of these factors had a greater influence on Entrepreneur 1’s decision to enter self-employment than he acknowledges.

### 5.1.2 Case 2

**Name of the owner:** Entrepreneur 2  
**Country of origin:** Uganda  
**Type of firm:** Cosmetics

**Selective immigration**

According to Waldinger et al. (1990), a person who makes a decision to leave his country and start life in a new one tends to be more able and better prepared. If Entrepreneur 2 had willingly left his country in search of a better life, he would have had some ideas of how his life should look like in a different country. In contrast, Entrepreneur 2 was only thinking of securing his life.

**Business background and previous business experience**

None of Entrepreneur 2's family members or relatives had ever owned business. Entrepreneur 2, himself, never had previous business experience before. Neither did he ever want to have a business of his own. Business start up was a necessity for him; therefore his attitude towards self-employment is mostly negative.

**Level of education and blocked mobility**

Entrepreneur 2 is a highly educated person. Large proportions of ethnic entrepreneurs are highly educated (Najib, 1999; Curran & Blackburn, 1993). This is true also for ethnic entrepreneur community in Sweden: from the age of 25 to 44 and 45 to 64, there are a higher proportion of ethnic entrepreneurs who have post-upper secondary education in comparison with native entrepreneurs (see appendix, table 5).

One might think that high level of education is a positive factor or pull factor for an immigrant entrepreneur: since the knowledge helps him/her in areas such as strategy definition, management, planning and controlling of their company (Basu, 1998). If Entrepreneur 2 had started his business based on his educational background, it would have affected him positively.

However, Entrepreneur 2's case is different: he did not start the business because he wanted to realize his ideas or because he thought that his education gave him the advantage. He started it because, the only jobs that he was offered were cleaning and similar, and he did not want to take those types of jobs because
they were entirely unsuitable for his education. In his case, business ownership was the alternative to underprivileged and less attractive jobs (Najib, 1999).

He specified further that his unfamiliarity with the Swedish language prevented him from getting a desired job. Entrepreneur 2 believes that “Language is the key that opens most doors”.

However, Entrepreneur 2 also mentioned that even after he has learned Swedish language and acquired the Swedish education in theology, he still had ‘difficulties’ to find a job. Entrepreneur 2 did not want to explain in more detail what he meant by ‘difficulties’ in finding a job. Due to Entrepreneur 2’s unwillingness to comment in more detail on true meaning of ‘difficulties’, it is hard to see what really ‘hid’ behind his unemployment.

**Income among immigrants**

Due to the unwillingness to take an underprivileged job, Entrepreneur 2 was unemployed. Therefore, it was not the low income from underprivileged job that directly affected his decision to start his own business. Rather, it was the low income from unemployment that did.

Entrepreneur 2’s wife was also unemployed. By starting his business he solved unemployment problem for himself and his wife, since they both work in the shop. One could say that his wife’s unemployment also was a push factor, which affected his decision to start his own business, since immigrants often start business as the alternative to unemployment to themselves and their families (Najib, 1999).

**Conclusion**

Since Entrepreneur 2 did not want to take any job that did not fit his education and he could not find the one that did, he decided to open a shop.

Hence, his primarily reason for establishing his business was unemployment due to a high level of education, as in the push factor category. The reason that he was unemployed was not that he could not find any job at all; but because he could not find the one that fitted his education.

There are several other factors that led him towards business ownership along the path of employment:

1. **Language barrier pushed** him towards self-employment. Even though, he says that he overcame this barrier, he also notified that learning a foreign language at his age is rather difficult. And being as it may, a feeling of insecurity in the new language might have affected him more than he acknowledges.

2. Entrepreneur 2’s wife also has been unemployed before they opened the shop. Now she is working with him. His wife’s unemployment; however, due to unknown reasons pushed him into self-employment as well.

**5.1.3 Case 3**

Name of the owner: Entrepreneur 3
Country of origin: Vietnam
Type of the firm: Restaurant

**Selective immigration**

Entrepreneur 3 came to Sweden looking for “*a better life and more freedom*”. On his own will of coming to a new country to start a new life, he was more motivated and prone towards risk.

**Blocked mobility**

It was hard for him to find jobs from the beginning since he did not speak Swedish language. He spent two years learning it and during those two years lived on social welfare benefits.

His first obstacle to find a job was the *unfamiliar language*. His background in electronic engineering, which he studied in Vietnam upon completion of his high school, was not of any assistance to him in finding a job. What he studied in Vietnam was not compatible with Swedish educational system. The *inappropriate education* made it hard for him to find a job.

Further on, when asked the question: *Have you ever felt discriminated against in the labour market?* – Entrepreneur 3 answered: “I do not want to answer this question, it might destroy my business”. It is then clear that there are probably many things to tell, and that he indeed experienced *discrimination* in the labour market. However, it is hard to tell to which extent.

**Previous business experience**

The fact that he came to Sweden looking for a better life urged him to find different jobs. Two years later he started working as a chef assistant in one Asian restaurant. He continued working for different restaurants for ten more years.

Experience gained while working for other people in restaurant business was the *key factor* that helped him to start up his own restaurant. A decade of working as a chef encouraged him towards the decision of restaurant ownership. Family and friends is an important factor in immigrant motivation for starting their own business (Ram, 1994). Entrepreneur 3 worked for restaurants owned by people that belong to the same minority group. He learned all about restaurant business from them. He also learned that those individuals succeeded in restaurant business. An evidence of success of others that belong to the same minority group set the positive example for him and affected his decision to start his own business.

**Desire for independence and freedom**

Entrepreneur 3 admits that there are several advantages in being self-employed: more *freedom, independence* and *higher income*. Referring back to his own wish when coming to Sweden: “*freedom and better life*. “*Freedom*” can be seen as being *his own boss*, since now he decides every detail of his business himself: from the menu of the cuisine to the decoration of the restaurant. Having the *right to decide* is important for him. Entrepreneur 3 is a person who seeks for “*freedom*” in his life. He himself stated that communist repression in Vietnam back in the 1980s was probably the main reason why he would like to have more freedom.

**Financial betterment:**
“Better life”, from his wish, is better condition for his life, his family and specially better life from a financial point of view. Back in the 1980s, when Vietnam just went through the vast destruction and damage after the war with America, the country was really poor. Hence, people sought for the “better life”, which means life with higher income. Financial betterment is one of the strongest factors that motivated him to open his own restaurant.

According to Curran & Blackburn (1993), expectations of financial rewards from small business ownership mentioned more frequently by those, whose previous jobs have been poorly paid. It is undeniable, that the deprived life in Vietnam and ten years of working for somebody else triggered Entrepreneur 3’s wish for financial betterment.

**Conclusion**

The main motive for self-employment in this case was previous business experience and role modelling, which were pull factors. Even though Entrepreneur 3 did not own those restaurants where he worked for ten years, he learned everything about this business from there. That can be seen as previous business experience. Further on, restaurant owners were of the same ethnic group; consequently they were role models for Entrepreneur 3.

The following factors have greatly influenced Entrepreneur 3’s decision to start his own business as well:

1. **Financial betterment pulled** him towards self-employment

2. **Desire for independence and autonomy** was a pull factor in his decision to go into self-employment.

### 5.1.4 Case 4

Name of the owner: Entrepreneur 4  
Country of origin: Iraq  
Type of the firm: Restaurant

**Selective immigration**

Entrepreneur 4 left Iraq for his studies in India, and he was not able to return after his studies, since the war was not over. Therefore he moved to Denmark and after that to Sweden. One could say that he partially selected to immigrate, since he did not want to return to Iraq due to the war, so he chose to live in Denmark instead. However, his purpose of immigration was not for realization of his dreams or search for better life: at least not from the economical point of view.

**Level of education**

His university degree from university in India came to use when he moved to Denmark. He got hold of a job that fitted his education. On the other hand, when he moved to Sweden, it was much harder to find such job: for him to be able to work within his field in Sweden - he had to obtain Swedish education. Since he was not willing to go back to study again, he instantly started looking for any other kind of a job. Entrepreneur 4 was not picky when it came to a job: he was happy to get any job even if it did not exactly fit his education.
Blocked mobility

Even though he was not able to find a job that exactly fit his education, the jobs that he found were not underprivileged either: he worked for Swedish Telecommunication Company and later on for a manufacturing company producing instruments. Entrepreneur 4 notified that it was never a problem for him to find a job.

It was not challenging for him to find a job, since he took any type of it and did not keep searching for the one that was appropriate for his education. If he would have continued searching for a job that fits his education - the result might have been different. Since discrimination mostly denies opportunities to better pay and higher status jobs (Curran & Blackburn, 1993) and Entrepreneur 4 was satisfied even with the ones that did not suit his education – he never had to deal with such issues.

Entrepreneur 4 equally enjoys working for somebody else as being self-employed. Further on, he had no special desires when it came to work either. Entrepreneur 4 bought a restaurant for his wife but not for himself, since she was the one that experienced troubles in finding employment. Therefore it is important to look more into the situation of Mrs. A.

Level of education and blocked mobility for Entrepreneur 4’s wife

Mrs. A is an educated chef and she acquired her education here in Sweden. She enjoys her profession as chef very much. Compared to her husband, she only wants to work in accordance to her education.

Mrs. A got few temporary employment positions as a chef, but never was she offered a permanent job. According to Entrepreneur 4, every time a cook position was available, a native born were offered it first: “Swedish people are always prioritized and it does not matter whether be/she got a proper education or not”. According to Entrepreneur 4, his wife was frustrated and felt discriminated. According to her, she was denied employment positions because of her foreign background. Therefore, after a while Entrepreneur 4 decided to buy a restaurant for his wife instead.

To be able to explain ethnic entrepreneurship one has to consider the impact of racial discrimination in all its forms (Ram, 1994). However, since the interview was taken from Entrepreneur 4 rather than his wife, he could not tell what really happened and why she was denied employment several times.

Further on, Entrepreneur 4 told that his wife actually prefers self-employment to working for somebody else. Therefore, it is still questionable, what was the primary motive for buying the restaurant. Was it really discriminatory experiences that pushed her into starting their own business? Or was she pulled towards self-employment because she preferred it to working for somebody else.

After Mrs. A acquired her education, she started looking for the job that would fit it. That means that she did not get educated so she could open a restaurant afterwards: she was not aiming towards self-employment from the very beginning. She was planning on working for somebody else.

Further on, she was not entirely unemployed. On the contrary, she got a temporary employment position and it suited her education as well. Probably, later on
she could have been offered a permanent job, since she already got a temporary position.

However, Mrs. A got frustrated over unequal treatment and that made her depressed in waiting for her turn to come. After such negative experiences, having own business seems more attractive alternative than it ever was before: ‘Going into small business ownership is one alternative to the frustrations of those who feel discriminated against’ (Curran & Blackburn, 1993).

**Business background**

Finally, Entrepreneur 4 stated that he might continue working in the restaurant together with his wife instead of returning to his old job. He also mentioned that self-employment is not a totally unfamiliar area for him as well as his wife. Entrepreneur 4’s father was in business all his life. Moreover, Mrs. A has many relatives that are in the restaurant business as well. According to Entrepreneur 4 having relatives in restaurant business makes it easier. Ram (1994) stated that family and friends is regarded as another important factor in immigrant motivation to start their own business. In this case, having relatives in restaurant business was an encouragement towards business ownership for a couple.

**Conclusions**

Mrs. A and Entrepreneur 4 bought the restaurant primarily because Mrs. A felt *discriminated* against under several occasions. That caused frustration which in turn *pushed* her towards self-employment.

One can see that there are few factors that have affected their decision to start up a business, however, not to the same extent as discrimination. Those factors are:

1. Mrs. A’s preference to have a business on her own *pulled* her into self-employment. Cooking was her *hobby* and profession. So she probably liked the idea of having her own restaurant, after all, she enjoys working with food.

2. **Business background** is often a *pull* factor for people going into self-employment. Having family in the same type of business makes it easier for one to start one’s own. Business background was not the main motive for Mrs. A and Entrepreneur 4 to buy a restaurant, but it encouraged them to make a final step into self-employment.

**5.1.5 Case 5**

Name of the owner: Entrepreneur 5  
Country of origin: Lebanon  
Type of the firm: Restaurant

**Selective Immigration**

Entrepreneur 5 told that if he had a opportunity and enough money he would definitely move back to his home country Lebanon. He never wanted to settle down in Sweden and he does not wish to stay here permanently either. Entrepreneur 5 stated that when he first came to Sweden, he focused on working hard and earning money so when he goes back to Lebanon someday - he can have something to start his life over with.
Since he expects to return back to his country someday – he does not plan for his life here in Sweden in the same way as a person who thinks that he/she will spend the rest of his/her life here. He perceives work and business ownership in different terms: he sees it purely as a tool that he can use to create a better life in the future.

**Business culture**

“Doing business is almost as a national characteristic – Lebanese people are very famous for that”. Entrepreneur 5 pointed out that the wish to have a business on his own came from a Lebanese business culture itself: “I do not have any problem with working for somebody else, but mostly I prefer having my own business”.

According to Najib (1999), cultural factors are only valid in some cases while they are not applicable for reasoning of why ethnic entrepreneurs choose to start up a business. Further on, according to Waldinger et al. (1990) some ethnic groups are more inclined towards ethnic entrepreneurship than others. According to Entrepreneur 5, large proportions of people in Lebanon are in business ownership. That could mean that having a business culture back home might be a motive for starting a business in a foreign country as well. From the interview with Entrepreneur 5, readers can see that business culture in Lebanon have influenced his decision to start a business. However, it was not the main motivating factor.

**Level of education**

For Entrepreneur 5 to be able to work within his field he had to acquire Swedish education. According to Entrepreneur 5 it would have taken him three years and he considered it as being too long.

Even though Entrepreneur 5 said that language barrier and inappropriate skills prevented him from getting a job as electrician, there is no strong evidence saying that it pushed him towards self-employment either.

Furthermore, since he sees his future in Lebanon, having a profession in accordance to his education was not of importance. He simply saw it as a potential source of capital. Any other job that provided more income would have been a more preferable alternative.

**Blocked mobility**

Entrepreneur 5 has stated that his unfamiliarity with Swedish language made it difficult for him to find a job: “When you first go to look for the job they want you to know the language first”. Entrepreneur 5 added that native born is often preferred to foreign born for employment positions. Even so, in this case there is no evidence of language barrier or unequal treatment in the labour market having an effect on Entrepreneurs 5 decision to enter self-employment.

**Previous business experience**

Entrepreneur 5 did not succeed in finding a job as electrician, but instead he was offered working position at a restaurant owned by a person whom he was friends with. Family and friends is an important factor for starting own business (Ram, 1994). Business success of friends and experience gained while working with them positively influenced Entrepreneurs 5’s decision to start a business of his own.
According to Curran and Blackburn (1993), previous involvement in business ownership may be related to wider interests in business ownership. Entrepreneur 5 owned several restaurants before his current business. His interest in restaurant business is purely economic. Therefore, whenever he got a chance to sell a restaurant at a high price - he did so. After that, he looked for another restaurant put up for sale, try to buy it at a low price, improve it and sell it again. In that way he was able to increase his profits.

From the interview with Entrepreneur 5, readers can see that he got into a restaurant business, since he got a chance to learn about it more and felt confident in successfully managing it. However, he has no special interest in restaurant business as such: it is not the cuisine that interests him most or food, but the profit that he can make from it.

**Business background**

Before the war started, Entrepreneur 5's father owned a construction business in Lebanon. Most of his relatives owned businesses as well. However, Entrepreneur 5 emphasized that business ownership is not a distinctive characteristic of certain families rather it is a *Lebanese tradition*. Having a business background usually has an influence on an individual to start up a business by himself. However, in the case of Entrepreneur 5 it was not a motivating factor.

**Financial betterment**

According to Entrepreneur 5, making money is really important to him. It is the *main motivational factor for a business ownership*: “You know that you work for yourself, and not somebody else. I have a possibility to earn more from my business, and I do not have such possibility while working for someone else”. Basu (1998) states that ‘financial prosperity’ was one of the two most frequently mentioned factors in his study. Even so, individuals often have different reasons why they want to gain more capital.

**Conclusion**

The main motivating factor which *pulled* Entrepreneur 5 into self-employment is *financial betterment*. His desire for a better life in the future encouraged him to start up his own business.

Other factors that had an influence on Entrepreneur 5's decision to become self employed are:

1. *Business culture* from his country *pulled* him towards self-employment.
2. *Previous business experience* also *pulled* him towards self-employment.

**5.1.6 Case 6**

Name of the owner: Entrepreneur 6  
Country of origin: Nigeria  
Type of the firm: Assembling Company

**Selective immigration**
Already back home in Nigeria Entrepreneur 6 had a dream to own a mechanics shop. He came to Sweden to realize his dream, which implies that he had a goal set on his mind and an intention to achieve it. His purpose of immigrating to Sweden suggests that he is a determined individual, confident, risk-taking and risk affectionate.

**Interest and hobby**

Entrepreneur 6's mother and father are still living in Nigeria. They are farmers. When Entrepreneur 6 was 11 years old he bought a second-hand bicycle from the money that he earned himself. Every time the bicycle broke, Entrepreneur 6 took it to the mechanic. Entrepreneur 6 used to watch the mechanic fixing his bicycle and developed a true interest in the profession. Later on, he bought the tools similar to the ones that he saw the mechanic use in the repair shop and started fixing the bicycle himself. Gradually, the hobby grew into a passionate interest and a wish to own a mechanic shop was born.

**Previous business experience and business background**

Entrepreneur 6 said that having a company on his own had nothing to do with a business background or previous business experience. He stated that it is natural that “children always try to take one step further” and achieve more than their parents did.

**Level of education and blocked mobility**

According to Waldinger (1990), immigrants encounter several barriers in the labour market, such as unfamiliar language or inappropriate or inadequate skills.

Entrepreneur 6 enlightened that when he first came to Sweden; he wanted to continue working with cars but could not do so due to the language barrier.

Therefore he went to a language school to learn the language and after that to professional school of mechanics. He said that one has to have some educational skills in order to become legitimate for any job: “First you have to get an education, and only after that, if you still cannot find a job – you did the best you could, it is not your problem anymore”.

His profession does not require high level of proficiency in Swedish. Moreover, he already had skills in mechanics before he came to Sweden. Subsequently, he knew much about the profession already, he learned the language and acquired the appropriate education. These attributes made it easier for him to find a job. Furthermore, according to him, there was a great demand for his profession in the labour market as well.
Desire for independence and autonomy

According to Entrepreneur 6, having a company does not make you independent or free: “Even though I am the owner of the company, I am never independent, I am not the boss – the customer is the boss”. Moreover, Entrepreneur 6 does not mind having a boss nor working for someone else, in fact he sometimes wish to have a boss.

Entrepreneur 6 sees the independence from a different perspective: he understands independence as being free to decide on time management and workload. He does not see independence in a sense of not taking orders or not having the boss over one’s head.

Consequently, it did not have any effect on his decision to become self-employed.

Financial betterment

Entrepreneur 6 chose his profession because he was genuinely interested in it: “You have to enjoy what you do. You do not choose profession for money”. Money was a significant factor that initially influenced Entrepreneur’s 6 decision to become self-employed: “the more I work, the more goes to my pocket”. It was the thing that he mostly missed while working for someone else: ‘even if you work three times harder, you get the same pay, so what is the point?”

However, Entrepreneur 6 indicated that money was not what kept him in that business – it was his interest. Yet, according to him money was important in a sense that it is a sign of appreciation for his job: ‘It is the prospect of achievement satisfaction, not money, which drives entrepreneur. Money is important primarily as a measure of how well one is doing in business’ (McKelvie & Larsson, 2004, p.80).

Entrepreneur 6 also mentioned that he would like to achieve more than his parents did: being the owner of a business and succeeding in this business measures up to ‘achieving more than parents’.

Conclusion

The most significant factor in this case is financial betterment. It initially influenced his decision to enter business ownership. In this case, the desire to earn more money materialized from Entrepreneur’s 6 wish to have a better life than his parents did. One of the aspects of having a better life is having a better material life, which means financial betterment.
Entrepreneur 6 stressed on his interest in mechanics, which was a reason he initially got interested in the profession. Interest and acquired education in mechanics were two attributes that pulled him towards self-employment.

5.1.7 Case 7

Name of the owner: Entrepreneur 7
Country of origin: China
Type of the firm: Restaurant

Selective immigration and business background

Entrepreneurial spirit has existed in Entrepreneur 7’s family for many generations. Curran and Blackburn (1993) said that there is a strong inter-generational effect in small business ownership. Those who come from small business owning background are much more likely to go into business. It is factual in Entrepreneur 7’s case.

Level of education

Basu and Goswami (1999) found that education qualifications of ethnic entrepreneurs can contribute to their business in different ways such as: analytical and managerial abilities to define strategies or introduction of planning and control system.

Entrepreneur 7’s educational background in business assisted him in his own business management. Theoretical knowledge on areas such as how to come up with different strategies to attract customers and satisfy different tastes as well as how to expand to a broader markets came into practical use.

Apart from his professional business education background, he also has chef education, which specifically plays prerequisite role in his restaurant business. The knowledge of cuisine enabled his understanding on different tastes and demands of the customer.

Educational background is a positive factor in this case. Entrepreneur 7’s education is relevant in Sweden, therefore he did not experience a barrier of inadequate skills. Hence, the level of education is a pull factor in this context.

Previous business experience:

Before having his restaurant business, Entrepreneur 7 owned an import and export firm, then telecommunication business. Obviously, he got experience in business ownership. Curran and Blackburn (1993) stated that previous involvement in business ownership might be related to wider interest in business ownership. During the interview, Entrepreneur 7 was really enthusiastic in telling about different types of business that he got involved in as well as future business plans that are in progress. It is evident that his business ownership is closely related to the wider business interests. Furthermore, his interest in business is not marginal, rather it stretches to a much broader scope.

Financial betterment and Opportunity recognition
Financial betterment is the main factor that made Entrepreneur 7 decide to enter the restaurant business. “I would tell a lie if I said that money is not important”. According to Curran and Blackburn (1993), expectations of financial rewards from small business ownership may be voiced more frequently by those whose previous jobs have been poorly paid. The experience of financial difficulties during his study years and previous experience in owning different businesses is an implication for financial driving force. He tried different businesses to achieve financial betterment. It is the fundamental motivation for him to start up his own business. He also saw an opportunity in the restaurant business. Having owned a business before and also his activeness in realizing opportunities helped him a lot in recognising the potential for a restaurant business in Jönköping.

Desire for independence and autonomy

Desire for independence and autonomy is another factor that pulled Entrepreneur 7 to go into self-employment. Much of the sociological literature characterizes the small business owner as an anachronistic type driven by a need for independence and autonomy (Waldinger et al., 1990; Curran & Blackburn, 1993; Basu, 1998). Entrepreneur 7 has a strong need for leadership and dislikes to take orders from the others.

Conclusion:

Entrepreneur 7 is quite entrepreneurial from the beginning since he got the influence from his long business history in family. Financial betterment in this case, is the significant factor that pulled him into business ownership. Additionally, the following factors affected his business entry decision:

1. **Business background** in the family and **previous business experience** pulled him into self-employment.

2. In his case **level of education** can be seen as a positive factor since it did not push but instead pulled him into business ownership. Entrepreneur 7 acquired all his education in Sweden since he came to Sweden at an early age. Having acquired all his education in Sweden made it easier for him to be able to use it without any barrier.

3. Another factor that pulled him into self-employment was **opportunity recognition**. Seeing an opportunity in the market motivated him to start his business.

4. **Entrepreneurial traits** is also a factor that pulled him towards self-employment.

5.1.8 Case 8

Name of the owner: Entrepreneur 8  
Country of origin: Sri Lanka  
Type of the firm: Restaurant

Selective immigration

Entrepreneur 8 had no initial intentions of leaving her home country, but after she got married to a Swede, they decided to settle down in Sweden. Since mov-
ing to Sweden was not Entrepreneur 8’s own initiative from the beginning, her migration was not selective.

**Blocked mobility**

Entrepreneur 8 mentioned that she did not experience difficulties in finding a job. It is mainly because she had no special preferences for what she wanted to work with. Furthermore, she possessed no specific educational skills. She got hold of a job at the factory that required only basic qualifications. Nevertheless, she also says that she disliked her job at the factory since it was tiresome.

Entrepreneur 8 liked to eat out at different restaurants with her family. She claimed that she never ate good food at any of the restaurants she visited. This particular fact motivated Entrepreneur 8 to start her own restaurant.

Restaurant ownership resulted from her reluctance towards factory work and her distaste for food at the local restaurants. Nevertheless, the unwillingness to work at the factory pushed her towards self-employment.

**Previous business experience and Level of education**

Entrepreneur 8 was unfamiliar with the concept of business ownership. She had never had a previous business experience. Moreover, Entrepreneur 8 had no formal educational background in food preparation or any higher educational background.

**Financial betterment**

People often enter self-employment because of economic reasons. The aspiration of having a better material life attracts most people into self-employment. Basu’s (1998) study reveals financial prosperity being one of the two most frequently mentioned factors. Entrepreneur 8 said that money was not the factor that motivated her to enter self-employment. According to her, the main purpose of opening the restaurant was to provide people with good food. She elaborated further by saying that customers’ gratitude is her most favourable reward. Even though Entrepreneur 8 affirmed it was not earnings that motivated her to enter self-employment, she also said money comes later, after one has gained customer loyalty.

**Conclusion**

The **significant factor that pushed** Entrepreneur 8 into self-employment was reluctance towards her previous job. On the other hand, her **interest for food** was a **factor that pulled** her towards self-employment.

Restaurant ownership resulted from her reluctance towards the previous job and her distaste for food at the local restaurants.

Another factor that motivated her to start her business was **financial prosperity**. It **pulled** her towards business ownership.

**5.1.9 Case 9**

Name of the owner: Entrepreneur 9
Country of origin: Iran
Type of the firm: Oriental mats

Selective immigration and level of education

Entrepreneur 9 came to Sweden with the purpose of studying. He graduated from Linköping University with the degree of Bachelor of Science in Economics.

Previous business experience

After graduation, he and his friend established a mat shop in Jönköping and run it for twenty years. After that, he worked for a furniture company.

Entrepreneur 9 has a genuine interest in mats. Therefore, the second time he set up a business, it was in the same business area as his previous one.

Business background

Entrepreneur 9’s father was in oil business. Entrepreneur 9 said that he did not want to follow his father’s career path. This was mainly due to the fact that he developed interest for mats early in life and wanted to build a career within that particular business area.

Desire for independence and autonomy and Opportunity recognition

Entrepreneur 9 started his business because he recognized the need in Jönköping for it. Moreover, the idea of the oriental mat shop is rather unique. According to Entrepreneur 9, business ownership has many positive aspects and one of them is independence and autonomy. However, this factor affected his decision to start up a business only to a limited extent.

Financial betterment

Another factor that played an important role in Entrepreneur 9’s decision to enter self-employment was financial betterment. Entrepreneur 9 affirmed that money was the factor that affected his decision significantly to become self-employed.

Conclusion

The main reasons for Entrepreneur 9 to be self-employed are his interest in mats, opportunity recognition and financial betterment. Interest and opportunity recognition were interconnected to each other in this case. The interest, alone, could not realize the business if there was no opportunity in the market. Additionally, previous business experience was another factor that pulled him into self-employment.

All of the factors that influenced his business entry decision were pull factors.
5.2 Factor by factor analysis

5.2.1 Business culture values
Two out of nine respondents mentioned that business culture values had effect on their decision to become self-employed. In cases number 1 and 5, business culture values have positive impact on the business entry decision. Therefore it is logical to assume that certain cultures are more inclined towards business than others, and those two cases are the evidence for such statement to be true.

5.2.2 Desire for independence and autonomy
The level of desire for independence and autonomy varies in all nine cases. Only one respondent, case number 1, mentions the desire for independence and autonomy as the main factor that made him decide to be self-employed.

The other respondent, case number 7 reflects his independence as to be the leader in a team and prefers to make decisions.

In cases number 3, 5 and 9 the respondents assert that desire for independence and autonomy is the reward of being self-employed. However, it is not the main motivating factor for them to set up their own business.

In case number 6 the respondent perceives independence and autonomy differently. For him, independence is to be free to decide on time management and workload. In other three cases namely number 2, 4 and 8, participants do not mention independence and autonomy as factor influencing their decision.

5.2.3 Financial betterment
Financial betterment is mentioned in all nine cases. In cases number 5, 6, 7 and 9, financial betterment is considered to be the main motivation to start up the business. Participants in those cases directly claim that money is really important. For them, the driving force is profit.

In other cases, namely, number 1, 2, 3 and 8, financial betterment is indirectly mentioned through statements such as “it is because of better life”, “I started it for the survival only and to avoid unemployment also” or wishes to gain customer loyalty.

5.2.4 Opportunity recognition
Seeing and acting on an opportunity in the market can lead to business ownership. Opportunity recognition is a factor that influenced three of our participants decision to go into business: cases number 1, 7 and 9. It was however a significant factor in case number 9’s decision of going into self-employment. Six out of the nine participants did not mention opportunity recognition as a motive for them to go into business.
5.2.5 Business background

As one can see, seven out of nine participants in this research had business background. This shows the truth in the findings of Curran and Blackburn (1993), who stated that people from business owning backgrounds are likely to go into business.

Participants in cases number 2 and 6 did not have business background and as a result were not influenced by this factor to go into self-employment.

Even though seven of the participants in this study had business background, none of them mentioned it as the main motivation for them to go into business. Business background did not play any significant contribution in their decision to go into business.

5.2.6 Selective immigration

In this study, four out of nine interviewees selectively left their home country: participants in the cases 1, 3, 6 and 9. Selective immigration is a significant factor in their business start up decision making. Leaving ones own country is risky, and requires determination, courage and self-confidence. One can say that people who left their country selectively have entrepreneurial traits. In this case it was four people that had such traits. However it does not make them to entrepreneurs.

These traits are among many others that portray personality of an entrepreneur.

5.2.7 Entrepreneurial traits

Three out of nine participants were considered as having entrepreneurial traits. Participants, cases number 1, 7 and 9, could be considered as being entrepreneurs since they both create innovations in their businesses such as coming with different business ideas and trying different opportunities. However, among those three cases, the level of entrepreneurial spirit is most significant in case number 7.

5.2.8 Blocked mobility

Most common forms of blocked mobility that were mentioned during the interviews were discrimination and language barrier. Six out of nine respondents mentioned blocked mobility during the interviews. However, five people out of the six said that blocked mobility affected their decision to become self-employed. Four participants mentioned that language barrier pushed them into self-employment. In the case number 1 respondent felt that he was discriminated against in the labour market due to a language barrier. One can imply that it was language barrier that prevented him from getting a job and not discrimination.

In the case number 2, respondent said that the only barrier he experienced was unfamiliar language, and he did not mention discrimination. That in turn can imply that respondent is aware that it is not the discrimination itself that denies access to job opportunities, rather it is difficulty of speaking a foreign language.
In the case number 3 and 5, respondents mentioned language barrier affected their decision to become self-employed; however the effect was of small significance.

In the case number 4, *discrimination* in the labour market was *the main factor* that affected her decision to become self-employed. There is no place for arguments here, since she did have all qualifications necessary for the job and was denied it anyway.

Respondent, case number 6 specified that knowing the language was very important. Therefore, he *overcame* the language barrier by learning it.

**5.2.9 Level of education**

Five out of nine respondents have high *educational level*, meaning a university level education. The three other respondents have an education from a professional school, meaning college education or similar. Only one of the respondents had no post-secondary school education.

In cases 1, 3 and 5, level of education influenced respondents, meaning that when their education did not suit the Swedish system, they were encouraged towards self-employment. Hence the level of influence is very insignificant.

In the case number 4, the respondent had an appropriate education, but could not get a job in accordance with it, which motivated her for business ownership.

Case number 6 is somewhat different. The respondent acquired his education in Sweden, which provided him more chances to get job. Moreover, education acquired positively affected his decision to start a business.

*Level of education* in the case number 2 was *the main factor* that motivated respondent to enter self-employment. Since the respondent was highly educated in his country of origin and he also obtained a high Swedish education, absence of jobs for him in the labour market influenced him towards self-employment.

Finally, in cases 7 and 9, both respondents had a university level education which they acquired in Sweden. Level of education pulled them towards self-employment.

**5.2.10 Income among immigrants**

This factor was not mentioned by any of the interviewees as the motivation for business ownership since none of them had been in jobs that were under paid.
6 Conclusions

The results from the analysis show that ethnic entrepreneurs’ decision to enter business ownership is the outcome of many motivational factors coming into play. In this study we chose to focus on the motivational factors that were frequently referred to in previous studies concerning ethnic entrepreneurs’ decision to become self employed.

Motivational factors considered in this study were as follow:

Negative/Push factors: blocked mobility (includes discrimination, unemployment, age, unfamiliar language), level of education and income among immigrants.

Positive/Pull factors: business culture values, desire for independence and autonomy, financial betterment, business background and previous business experience, selective immigration and entrepreneurial personality traits.

All of the above listed factors were mentioned during interviews with participants in this study except one motivational factor: low income among immigrants. None of the respondents in this study has been in the actual situation, where they were underpaid. Most of the respondents were able to access jobs without greater difficulties and none of them mentioned having unsatisfactory salary. Some of the respondents did not experience any difficulties in finding jobs because they did not mind taking any kind of job. On the other hand, respondents who had difficulties to access jobs in the labour market were looking for specific kind of jobs that was in accordance with their education. Those individuals commonly dealt with unemployment issues. Therefore, one can conclude that foreigners have no greater difficulties in finding any kind of job; they just have difficulties in finding the jobs that are in accordance to their education. So, in fact, it was educated people with a foreign background that had difficulties in finding jobs, since they did not want to take the jobs that were underprivileged. As an alternative to that they started a business. These findings support and clarify the findings in previous studies: of why ethnic entrepreneurs have such a high level of education in comparison to native entrepreneurs (Najib, 1999) and why they do not possess a specific skills to the business fields they enter (Waldinger et al., 1990).

In this study, unemployment due to the high level of education is evident and indeed has a significant push effect on some of the immigrants’ decision to become self employed. In addition, three cases in this study also show level of education having a pull effect on immigrants’ decision to become self-employed. In these cases, individuals acquired their education in Sweden and therefore did not have difficulties to find jobs in accordance with it, but chose to start their own business as a result of the knowledge gained through schooling.

A number of the participants in this study had difficulties to access jobs due to the language barrier. Language barrier was experienced among respondents who came to Sweden at the older age, and not by those who spent a sufficient period of time living in the country. Four respondents in this study mentioned language barrier hindering them in acquiring employment. However, most of them overcame it to a degree where it was no longer a barrier. Even so, respondent in one case clearly felt unconfident in his Swedish language skills despite the fact that he acquired higher Swedish education. He still had difficulties to get a job that
was in accordance with the new education. On the contrary, another respondent who obtained Swedish education did not have any difficulties to get a job that was relevant to his education. The only difference between those two individuals was that they had different professions. The respondent who could not find a job had a profession that mostly required language skills, while the other respondent who found a job needed minimal language skills. Consequently, language barrier affected one of the individuals' decision to enter self-employment significantly, while the other was not affected by the language barrier at all.

Even though immigrants eventually overcome language barrier and some of them get the appropriate education and even jobs that match their education – they face other problems that push them into self-employment. Discrimination and racism is one of such problems. In this particular study, discrimination and racism were rarely mentioned by the respondents as factors influencing their decision to become self-employed. However, some of the respondents felt uncomfortable talking about issues related to discrimination which made it difficult to see its impact on them.

According to Ram (1994) ethnic entrepreneurship has to be considered alongside with racism and discrimination. Evidence from the analysis show, that in one case, discrimination was of significant influence on the individual's decision making to enter self-employment. However, one has to consider whether the choice to become self-employed is solely based on experiences in racial discrimination. Our study has shown that not discrimination alone pushed the individual towards self-employment but also a preference of being self-employed pulled that individual towards business ownership.

As mentioned before, ethnic entrepreneurs’ decision to enter business ownership is the outcome of many motivational factors coming into play both negative and positive. Most of the participants in this study were affected by negative and positive factors simultaneously. Seven out of nine participants were affected significantly by positive or pull factors rather than negative. This also supports the findings by Curran and Blackburn (1993) which showed that ethnic entrepreneurs frequently mentioned positive factors rather than negative.

In this study financial betterment significantly affected immigrant decision to enter business ownership. Four ethnic entrepreneurs revealed that financial betterment was the main reason for them to start their own firm. However, most of the entrepreneurs had different perspective of how and why money motivates them. In general, all of the respondents said that money was important part of having a business. Four of the respondents saw money as a reward for excelling in business, while others claimed that the desire to earn more money was due to financial difficulties in the past. Curran & Blackburn (1993) also found that money is more often mentioned by those who had poorly paid jobs before. In this study, individuals who experienced financial uncertainty before focused on money more than those who did not.

Desire for independence and autonomy was a motivational factor that affected most of the respondents’ decision to start a business in this study. However, it was a significant factor only for one respondent. This particular factor is linked with an individual’s aspiration to work independently, avoid taking orders and being his/her own boss. Furthermore, in this study one could observe
that most of the respondents appreciated independence and autonomy after they started their own business and not before.

A larger proportion of the participants in the study had business background. Curran and Blackburn (1993) stated that people who have business background are more likely to start their own business. From this study, however, we could not say that having a business background affected any of the participants to a larger extent in their decision for business ownership. But one thing seemed to be true when it came to business background: participants who had business background were more familiar with the concept of business ownership which made them more positive towards it.

Most of the respondents in this study had business experience before, and it had an effect on their decision to become self-employed. Previous business experience can be either previous business ownership or experiences gained while working for others. In this study, previous business experience positively affected some of the respondents’ decision to enter self-employment. One of the participants was influenced significantly by his previous experience in business. It was the main reason that motivated him for business ownership. In few cases of this study it was evident that both negative and positive experiences in previous business ownership contributed to the decision to become self-employed.

Business culture values had a strong effect on two of the participants’ decision to become self-employed. According to Najib (1999), one explanation of a remarkable amount of business ownerships among some of the minority groups could be the fact that business ownership in certain cultures is considered to be of an important value. He argues further that cultural factors are only valid in some cases, while they are not applicable for reasoning why ethnic entrepreneurs choose to start up businesses. In this study we have witnessed two cases in which business culture values from the country of origin had a great impact on individual’s decision to become self-employed. In two of the cases the respondents stated that most people are involved in business ownership in their home countries.

Finally, selective immigration is an important factor in immigrant business start up decision making. Leaving ones own country is risky, and requires determination, courage and self-confidence. One can say that people who left their country selectively have entrepreneurial traits. From this study, one can see that immigrants who left their country selectively are more positive towards business ownership. Further on, they were affected more by positive than negative factors when making their decision to start up a business.

Two of the participants in the study named hobbies and interests also as a factor that influenced their decision to become self-employed. The difference between the two individuals is that one of them was influenced significantly by interests in his decision to enter self-employment. ‘Interest’ played an important role in the other respondents decision to go into business as well. The two respondents also did not face any of the obstacles to employment.
Opportunity recognition was mentioned by three participants as a factor that influenced their decision to go into business. However, this factor was very significant in the decision one of the participants that mentioned interest and hobbies as a motive for going into business. In his case, opportunity recognition and interest are equally significant in his business entry decision making.
7 Recommendation

The interviews conducted and analysis of the empirical data has revealed areas that were not covered in this thesis. More insight has been gained into ethnic entrepreneurship by doing this thesis. According to Swedish Integration Board, there is a strong link between unemployment and self-employment in Sweden.

Throughout our discussion in this paper we noticed that in spite of all the integration policies introduced by the Swedish government to reduce unemployment among immigrants and also integrate them into the Swedish society, the tunnel of employment is still dark. The unemployment situation seems to be even worse than before.

This research, including previous researches also showed that immigrant entrepreneurs are highly educated. Majority of immigrants who come to Sweden are often highly educated. They have different levels and types of education which they are unable to use in Sweden. Their education is often inappropriate with the Swedish educational system. As a result of this, they either have to start over the process of education which lasts many years or find a job which is often underprivileged.

Due to the scope of this research, we were unable to look further into integration policies and also aspects of the Swedish educational system that can help to improve the employment situation and reduce unemployment. We therefore recommend further research into governmental policies that can be adopted to help reduce unemployment among immigrants and also research into the integration of foreign education into Swedish educational system.
8 List of references


# 9 Appendix

## 9.1 Table 1

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Source: Jönköpings Kommun
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Source: ITPS (Institutet för tillväxtpolitiska studier)
### Table 3

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Source: ITPS (Institutet för tillväxtpolitiska studier)
Proportion of employed population (aged 18–64) who are entrepreneurs according to gender, region of birth and Swedish and foreign background, 2002. Per cent.

Source: Swedish Integration Board’s database, STATIV.
### Table 5:

**TABLE 13 A**

Distribution according to educational level among men born in Sweden and abroad in the employed population and men with own business born in Sweden and abroad, respectively (aged 18–64), 2002. Per cent.

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<th>Aged 45–64</th>
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<table>
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<th>Aged 25–44</th>
<th>Aged 45–64</th>
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Source: Swedish Integration Board's database, STATTV.
## Guideline Questions

There are two parts in this guideline question document. The first column is for interviewees. The second column, which contains possible answers responded to those questions addressed the participants, is for interviewers.

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<th>Possible answers used for interviewers</th>
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<td>2.</td>
<td>When did the firm start working?</td>
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</table>
| 3. | Did you start the business from new, or did you purchase or inherit it? | • Started from new  
• Purchased it as a going concern  
• Inherited it  
• Worked way to the top  
• Other (please state) |
| 4. | What were your main reasons for starting/buying the firm? | • Desire for independence  
• Choose when to work  
• Had money available to do it  
• Saw a market opportunity  
• Hobby became full time job  
• Tradition in the family To make money  
• Unemployed  
• Redundant  
• Fed up with present job Unrecognized talents and abilities  
• Other (*please state*) |
<table>
<thead>
<tr>
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<th>Options</th>
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</table>
| 5. | Is your business a registered company, a partnership or are you a sole trader? Is it easier to start up on your own or to be a partner with somebody, advantage and disadvantage of both): management, finance? | • Private limited company  
• Partnership  
• Sole trader  
• Franchisee  
• Other (please state) |
| 6. | How many partners or directors own the firm? Enter a number of partners or directors Are any of them your relatives? Are any of your hired personnel your relatives? Why? |                                                                                     |
| 7. | What did you do before you started in this business?                     |                                                                                     |
| 8. | Is this your only firm or do you have other business interests? What kind of other business interests do you have? If you can choose, which one would you like to go for? Will you establish another one if you have a chance? | • Only  
• Other |
| 9. | Have you ever owned a business or been self-employed before? If yes, What kind, Why, How, When? |                                                                                     |
| 10. | If yes to question 9, why are you no longer running that business? | • Lack of security  
• Lack of income/financial  
• Business failed  
• Hard work  
• Too much pressure  
• Disagreement with business partner  
• Other |
<p>| | |</p>
<table>
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<tbody>
<tr>
<td><strong>11.</strong></td>
<td>When did you come to Sweden? What was the reason?</td>
</tr>
<tr>
<td><strong>12.</strong></td>
<td>Did you leave with any qualifications?</td>
</tr>
<tr>
<td><strong>13.</strong></td>
<td>Did you go on to any full-time or part-time training or further or higher education?</td>
</tr>
<tr>
<td><strong>14.</strong></td>
<td>In what country were you born? Can you tell us a little more about your country?</td>
</tr>
</tbody>
</table>
| **15.** | For what reasons did you choose to leave your country? | • War  
|    |    | • To find a better life  
|    |    | • Other reasons *(please name)* |
| **16.** | What is the social status of self-employer in your home country?  
|    | Is it usual that many people in your country have their own businesses? Is it common that people who own businesses run it themselves or employ other people to run their business for them? |
| **17.** | Could you tell me about your mother and father and siblings? |
| **18.** | What are your parents’ occupations?  
|    | Did they own any business? Which kind of business? How did your mother’s/ father’s business influence your business experience? |
| **19.** | Do any of your relatives run a business? What kind of business do they run? |