Newcomers’ entrepreneurial ventures in Småland, Sweden: dream or reality?

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School of Business & Economics: Linnaeus University
Tutor: Hans Lundberg
Examiner: Erik Rosell
Authors:
Firas Wakkas
Odysseas Piperidis
Steven Monteiro
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ABSTRACT

This study aims to provide a descriptive account of the relationship between different factors and determinants of the experience of newcomers with financing their ventures in Småland, Sweden 2013-2014.

Purpose - The purpose of this research was to explain the practices that govern or influence the relationship between moneylender ALMI and newcomers (refugees or immigrants) seeking entrepreneurial ventures1.

Design/methodology/approach - This is a descriptive, qualitative research study that entails an inductive reasoning approach and an interpretivism philosophy (epistemological stance). A cross-sectional research design was adopted that entails the grounded theory as a data analysis tool. Data will be collected through semi-structured interviews.

Trustworthiness - This study adopts the grounded theory approach and includes the reiterative approach within its research procedures. The researchers will have to go back and forth along the research steps to validate data, thus, render it as reliable as useful research.

Research limitations/implications – The concluded thesis should be able to generate a conceptual framework that will guide and examine the hypothesis (testing). The framework should include all related variables to the observed phenomena: the perceived predicaments that newcomers face when starting an entrepreneurial venture in Smålland, Sweden.

Practical implications – Results are grounded in data, however recommendations may touch upon future credit criteria issues such as language capabilities, integration period and maybe others. The study provides local moneylenders with suggestions for deeper understanding of the new emerging category of newcomers that may be worth focusing upon.

Results – This study concludes that both sides, moneylenders and newcomer entrepreneurs should take steps in order to approach more effectively one another. Moneylenders, on the one hand, should create a more ‘friendly’ to newcomers, environment by publishing leaflets in English or better in more languages besides Swedish and even better create a universal –language website. On the other hand, newcomers should adjust and follow the policy of learning the language or attending SFI classes since this will help them entering the market in a more efficient way.

1 ‘newcomer’ entrepreneurial venture seekers': those refugees or immigrants who have been in Sweden for less than two years, who are legal, and are will and able and seeking an entrepreneurial venture.
1. INTRODUCTION

The phenomenon under investigation is: "it is relatively harder than it should be for newcomers (compared to deep-rooted residents and natives) to obtain legitimate financial support from banks or money lenders for their start-up ventures specifically in Småland, Sweden". This phenomenon is associated with the observation that newcomers whether immigrants or refugees, who are included in the 2 year Etablering plan\(^2\) (*Swedish for establishment plan*); have been informally complaining about being marginalized in obtaining financial support. The complaint voices were manifested as 'the talk of the town' between the newcomers who are seeking entrepreneurial ventures.

This introductory chapter triggers the main research categories which will lead to a more specific research question throughout the evolution of the thesis. The main research interest will evolve along the following sections: background, research problem discussion and empirical data collection. The main concern of the study is to investigate how and why does the phenomenon of assumed marginalization of newcomers (immigrants or refugees) happen in the financial loaning system; although no written rules or instruction were found either on the Macro (National policies) or Meso (moneylenders for small-businesses) levels. In other words why are newcomers having difficulty obtaining financial support when they legally share the same rights as any native Swede? This introductory chapter serves as a preliminary display of the background to the problem of venture-seeking newcomers in Sweden. The introductory section initiates the problem discussion, and explains the emerged foreseen purpose of this discussion. The introduction will include: background, problem discussion, purpose statement, and empirical disposition. Finally, the chapter will include research gaps.

1.1 Background

Europe is an attractive demographic region, and Sweden in particular may be amongst the top metropolitan agglomerations i.e. civilizational clustering in the world (Waldinger 1989, cited at Aliaga-Isla & Rialp, 2014). It may be argued that ageing population and

\(^2\) A 2 years plan that the Swedish Government offers the newcomers to join, the plan includes intensive language teaching and community integration orientation and financial incentives up to 308 Swedish Korunas per diem.
low fertility rates probed EU to be a recipient according to the same source above. Europe is not oblivious of the socio-economic and spatial effects of the immigration movement. There is a relatively high rate of immigrants self-employed and a high rate of exiting from self-employment when compared to natives around the world (Alden & Hammarstedt, 2014). A study by Aliaga-Isla & Rialp (2014:10) from Linnaeus University shows that:

"... self-employed non-European immigrants perceive more problems and obstacles than natives and European immigrants in their self-employment activities. Non-European immigrants are more likely to consider access to financial capital than are natives and European immigrants. Furthermore, self-employed non-European immigrants perceive more discrimination by banks, suppliers, and customers than do self-employed natives and self-employed European immigrants"

From an economic stand point, immigrants could be considered as a catharsizes to their co-national business expansion (Hernandez, 2014). It is asserted by the same author that immigrants affect the proliferation of related ethnicity' businesses. This makes these ethnic groups potential knowledge and commodity transfer channels; this inevitably renders them actively as consumers and even more actively as entrepreneurs ibid. In generic terms the environment that newcomers find themselves trapped in is; It is as if being between the hammer of their desire to establish new ventures and raise wealth to compensate for the lost fortunes back home or other reasons, and between the anvil which is lack of cultural awareness and flawed language skills. Add to that some discouraging exterior factors such as financing inequity as asserted by Aliaga-Isla & Rialp (2014) above. To facilitate studying the factors affecting immigrants and their financial decisions; the current research will consider all the levels that affect immigrants as one big system. Therefore, any factor or variable could be attributed to a certain level of the system. The practical usage of this classification or stratification is to play as a framework that relates each factor or variable to its responsible level for the variable change. For example; if the problem appeared to be a matter of policies and

3 People who share same nationality do affect the success of the related ethnic businesses.
regulations; then the solution should be addressed on that very level. This pictured system represents the overall environment of the research as adopted from International Labor Organization ILO, 2012 follows:

From bottom to top; Micro level is the local level i.e. companies and markets and in this case it represents the fresh venture-seeking immigrants still classified in the Etablering plan. Meso level lurks between micro level and the policy making level, i.e. specialized organizations and those who have direct effect and interaction on the micro level, money-lenders are in this level. Macro level is the national generic framework and conditions that apply to all industries, here it pertains to generic policies that may affect the micro and Meso levels. This borrowed stratification was depicted only to facilitate the understanding of the surrounding environment.

This study focuses on the relationship between fresh venture-seeking immigrants in the Micro level and the moneylenders in the Meso level. In a pilot semi-structured interview with one Etablering officer; it is found that the Swedish unemployment Bureau Arbetsförmedlingen's policy does not prohibit any lending for newcomers as long as they are residing legally, i.e. have valid (permanent) residence visa. In addition
to that, the policy does encourage fresh venture-seeking immigrants through providing them with financial assistance until their businesses kick-off and even have a program called “support while starting a business”.

A loan officer from ALMI declared that ALMI does not have any policy that restricts them from loaning money to a person based on their length of residency in Sweden. In sum, our team has backed up the above information with extensive research of both websites, ALMI and Arbetsformedlingen, and found no discrepancy. This study will now focus specifically on the Meso level through semi structured interviews due to the conclusive investigation that neither ALMI nor Arbetsformedlingen have written policies that restrict newcomers from obtaining financial support⁴.

1.2 Problem Discussion

It has been observed in a pilot study conducted by our team that the prominent reason for immigrants' low attractiveness in attempting to obtain financial support from money lenders is attributed to 'lack of language skills’. Studies empirically assert that language illiteracy and integration in the Swedish society amongst fresh newcomers could be remedied through intensive language training and social and cultural codes training and that such skills will pave the way for refugees to claim their part in the Swedish labour market (Rosholm et al, 2006). The assertion above implies that the second generation of refugees or immigrants should be financially better off than the preceding generation. The assumption made by the decision makers in Sweden is that newcomers will be more equip to operate a successful business and will be able to initiate an entrepreneurial activity better after they learn language and integrate. This assumption was inferred from the current immigrants and refugees' policies in place and leads to another assumption that the second generation, who mostly likely speaks Swedish and is integrated in society to a certain extent, will be more efficient and better equip to seek an entrepreneurial ventures as a career.

A longitudinal study by Beckers & Blumberg (2014:654) that studies the second generation immigrants shows the following:

⁴ Both respondents have consented to publish their names and contacts.
Contrary to expectations, the higher levels of sociocultural integration of second-generation immigrants do not necessarily lead to better business prospects (Beckers & Blomberg, 2014).

Beckers & Blomberg use the term ‘business prospects’ to refer mainly to a twofold meaning being employment seekers and venture seekers at the same time. Therefore it may be inferred that the intensive language training and social integration endeavors provided to newcomers may be necessary of course in the long run; but it may not have serious correlation with enhancing the entrepreneurial performance of immigrants. A Swedish speaking and community integrated entrepreneur with certain entrepreneurial capabilities is more likely to run a successful venture than an unintegrated non Swedish language speaking entrepreneur with the same capabilities. However, it takes more than common sense to estimate the opportunity cost of this assumption. Newcomers have to abide with this assumption and finish the Etablering plan before they can be seen as capable of starting a venture on their own.

There is no consensus in the available literature about the direct effect of community integration and language capabilities on fresh newcomer’s entrepreneurial performances. The Rosholm study concludes with the importance of language and community training for immigrants, but the Beckers study reveals no better business opportunity in the second generation. It could be inferred from the above that an intensive language and integration training may not have a direct impact on the entrepreneurial performance of newcomers. This claim was concluded from comparing Rosholm, Scott, & Husted, (2006) with Blomberg and Beckers’ recent (2014) study.

The Swedish Government has prepared a very strict agenda for the newly residing refugees\(^5\). The plan offers a two year empowerment plan including intensive language learning and social education, according to the official 'Arbetsformedlingen' website. Respective 'Etablering' officers would actively encourage entrepreneurial initiatives even those preceding language learning and integration period. The Swedish bureau for Unemployment 'Arbetsformedlingen' as an organization does not finance entrepreneurial

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5 The term refugees becomes equal to immigrants after the refugee settles down when he/she gets their permanent residence permit.
ventures, however, provides incentives to those involved in seeking venture aid. The above observation was quoted from the Arbetsformedlingen written practices therefore it is to be concluded that there are no systemic bias towards newcomers. The Arbetsformedlingen, however, does not directly finance ventures but it does send venture-seekers to financing organizations such as ALMI. It may be concluded from this observation that the original phenomena does not exist on the Macro level, the phenomenon lurks somewhere on the Meso and Micro levels or perhaps in the Meta level. I.e. between moneylenders and venture seekers.

So far three dependent variables were spotted from previous literatures: professional skill, language skill, and integration. Moreover, the initial observation showed that policies on the macro level do not discriminate against newcomer entrepreneurship seekers, moreover the Arbetsformedlingen which is the Meso arm for the Macro level even encourage entrepreneurial activities for newcomers. A possible explanation of the phenomenon may be found in the Micro, Meso or Met levels.

From a finance perspective on the Meso level, in free markets; the refrainment of any party from financing another party is usually a matter of risk management. Hedging and risk management tools especially operational risk management takes into account the socio-economic factors. Therefore, lenders as a general rule everywhere, take necessary measures against financial losses in case they had to deal with a potentially risky profile such as fresh start-ups especially for newcomers. During a meeting with an agent from ALMI\(^6\) he/she expressed professional dislike when some people approach ALMI to apply for a loan and they have to communicate in English as the client does not speak enough Swedish. The preliminary intuitive feeling was that there may be a prejudget attributed to that fact that the applicant does not speak proper Swedish language. This preconception was formed well prior to examining the nature of the project and the capabilities of the applicant. There is a fear that this preconception may lead to unintentional bias. ALMI is high-risk-taker lender in description.

\(^6\) This participant remains unanimous because the interview was covert, and without the officer's educated consent.
The attitude described above brings about the purpose and importance of a research question. Do small-finance moneylenders have a negative preconception that leads to prejudgment about extending financial support to start-up entrepreneurial ventures for newcomers who have less than 2 years stay in Sweden? This purpose is supposed to be answered after countering the problem stated in the 'purpose statement' section. So far the dominating 'anecdotal reference' or observation is that: there might be a detrimentally negative attitude towards newcomers as inefficiently capable of running entrepreneurial ventures. There might be more than one party involved in lending money to small businesses such as those we are investigating such as (the state, retail and corporate banks, NPVOs, and others). However, for practical reasons, this study explores this phenomenon in relation to moneylenders who are the high-risk taking financial institutions specifically ALMI.

A practical implication of this study is that new type of money lenders may emerge to close a foreseen gap; the gap will emerge between newcomers of immigrants and the formal moneylender. These type of money lenders will flourish to close the gap between supply and demand for financial services and newcomers seeking entrepreneurial ventures. Usurious moneylenders represent an old/new tradition in third world countries as people have always found a way around regulations. This type will make newcomers exposed to exploitation. A fifth source of moneylending is to obtain funds from family and friends. A recent study by Abbasian, (2013) assert that majority of ethnicities including immigrants and refugees depend largely on family and friends as their source of finance.

1.3 Purpose Statement

Ethnicity which includes (immigrants and refugees) and gender is a noteworthy consideration that seems to form barriers when obtaining bank funding in the start-up phase, (Irwin & Scott, 2010). Immigrants, in relation to native-born venture seekers have substantial problems raising start-up capital (Ram, Theodorakopoulos, & Jones, 2008; 2008; 2008).

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7 The implication of 'less than 2 years' in Sweden refers to that the respective persons have not yet finished their 'Etablering' plan therefore they may not speak proper Swedish and/or they lack social integration skills.
Ramangalahy, Brenner, Menzies, & Filion, 2002, cited at Yazdanfar, 2013). Blanchflower et al. (2003) showed that considerations such as firm oldness, size, income, previous bankruptcy, creditworthiness, location, and others; might all play a role in favoring male and female native-born entrepreneurs over male and female minority entrepreneurs.

Citing previous literatures and from anecdotal pre-empirical experience we have concluded some assumptions. These assumptions may serve as the underlying logic for the empirical endeavor. It is assumed in this study that:

- There is no evident prohibiting policy towards lending newcomers money because they are immigrants/refugees. These policies were tracked on the Macro and Meso levels.
- The second assumption is related to pure financial risk management for moneylenders.
- Besides the practical considerations such as policies and risk management, the Meta level may provide a possible explanation of the phenomenon such as preconceptions, presumptions, and attitudes.

The discourse is also based on the footing that Sweden enjoys free-market policies, and that high-risk-taking moneylenders such as ’ALMI’ may have other reasons for being strict in lending new immigrants. These ‘other reasons’ have inspired one of the main purposes of this study.

Many researchers have a tendency to believe that there are prejudiced actions taken by moneylenders against newcomers. This prejudice may be based on historical data of delinquency, fraud, bankruptcy or other reasons. That is why this study throws much scrutiny on the perspective behind this attitude. It is called attitude as there is no rule governing this refrainment. A change of perspective may change the current practices; for this purpose, this study aims at explaining: what perspective do financing agencies have towards lending newcomers, why the perspective may not be totally impartial and how did this perspective emerge.
To answer this research question, there will be an appraisal to the existing theoretical research aligned with the empirical observation of this research. The observation will cover two cases as the study adopts a cross-sectional research design. Joined with the existing theoretical body which tackles newcomers entrepreneurship in Sweden or Scandinavia; the empirical observation will be utilized to assert or refute the emerging tentative hypothesis that will emerge after preliminary data analysis. In sum, this research aims at studying the type of relationship between newcomers and moneylenders in Smålland, Sweden in 2014. To do this, a descriptive account of the newcomers’ perspective will be crossed with that of the moneylenders. The results will be in the shape of two qualitative perspectives.

1.4 Literature Review

Considering the general labour market environment, the unemployment rate in Sverige measures the sum of persons actively seeking a job as a percentage of the labour force. According to statistics provided by the Swedish Government through 'Trading and Economics' reputed website (2014); unemployed persons in Sweden increased to 436,000 in January of 2014 from 380,000 in December of (2013). Unemployed Persons in Sweden averaged 346.44K (K denotes thousands) from 2001 until 2014, reaching an all-time high of 503,000 in June of 2009 and a record low of 243,000 in November of 2001. Unsurprisingly, and unless an anomaly takes place; the change in unemployment rate may be attributed to many factors; mostly the inflows emerged by non-employed people starting seeking a job, of redundant jobs *ibid*.

Regarding policy impact on immigrants; it may be argued here that government policies may influence entrepreneurial behavior by altering opportunities and putting barriers to newcomer and ethnic minority groups to engage in entrepreneurial activities. Minniti (2007) claims that there are a variety of ways in which government policies can affect the nature and extent of ethnic minority entrepreneurship. These ways are related to facilitating or otherwise hindering venturing processes and success and the contemporary interest in an approach that explains immigrant entrepreneurship. The approach emphasizes the role of the institutional context in this regard, particularly in relation to
the macroeconomic, political and regulatory environment. The author references (Kloostermann, 1982:169) as he claims that there is a typology of policies that may affect opportunities for newcomer entrepreneurs, in terms of policy impacts. In Kloosterman, policies such as deregulation, privatization and policies that affect factors like the price are included. The typology is a three-dimensional conception of opportunity structures, in terms of types of policy impacts. Firstly; policies with direct impact, such as deregulation or privatization. Secondly; indirect impact policies including policies affecting production costs. Thirdly; enforcement or lack of enforcement of laws and regulations.

A historical outlook into the connotation of policies that govern immigrants in Sweden will be observed through a study published by 'The Center for Migration Studies' cited in (Rosholh, 2006:318). The study explicitly shows that immigrants in Sweden (Denmark included in the original study) experienced declines in employment forecasts between 1985 and 1995.

"A possible explanation is that the changing organizational structure – toward more flexible work organization – has resulted in a decrease in the attractiveness of immigrant employees due to the increasing importance of country-specific skills and informal human capital." Rosholm, Scott, and Husted (2006)

The Rosholm et al. (2006) study hypothesizes that Sweden has what is called 'country specific' skills; as it is the case in some other countries. These skills are enough to place immigrants in the 'less skilled worker' category, irrespective of qualifications and educational background (Machin, 1996; Caroli and Van Reenan, 2001; Kaiser, 2001; Bresnahan, Brynjolfsson, and Hitt, 2002, cited in Rosholm et al, 2006). Moreover, an earlier study showed that when comparing the employment rate and income between native Swedes and immigrants; the results will render the following: "nearly all groups of immigrants in Sweden and Denmark have lower employment rates than do natives" (Rosholm et al, 2006:321).

So far it has been presented that immigrants are 'less skilled' and that the organizational changes are eventually and unintentionally marginalizing them, therefore immigrants
have less opportunity to be employed which are two major arguments brought by Rosholm technology and organizational structure. Firstly; concerning technology component; Sweden (amongst other countries) enjoys certain skills that is not usually available in non-natives; these skills are resulted from the 'explosion in computerization, which began during the late 1970s and early 1980s and has altered traditional production methods as well as opened the door for new spheres of economic activity'. Secondly; today’s organizational structure often involves concepts such as job rotation, quality circles, and work teams, all of which increase the need for interpersonal communication and therefore implicitly favor natives (Rosholm et al, 2006:324).

Another study shows that time does not necessarily heal wounds; The rate of immigrant employment decreased by 2000 even for immigrant groups that have been in Sweden for more than 20 years (Ekberg, 1990, 1991; Bevelander, 1995, 1998; Scott, 1995, 1999; Bevelander and Nielsen, 2001, cited in Rosholm, 2006). The results of (Rosholm et al, 2006:336) study provided important implications for the policy makers; the study recommended and concluded that:

"...intensive language training, combined with training in social and cultural codes and rules of conduct in the labor market, is essential for assisting immigrants in finding their way into the labor market of the host country" Rosholm et al (2006)

According to 'The Local' Swede's news in English, by Dec 2013 more than fifty thousand Syrian refugees were received by the Swedish government as permanent residents. Integration and empowerment plan is mandatory for newcomers, unless they are well off without financial assistance from the state. Many of the newcomers are of past vocational and micro-trade backgrounds. After completing the 'Etablering' plan, they will inevitably form the labour force inflow into the Swedish labour market, and sooner or later they will claim their share of the labour market and may become a burden or an asset to the this market in Sweden. The argument here is that when it was shown by earlier published Scandinavian studies that immigrants have lesser chances in being

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8 Full Reference is in the references list.
employed; and when there is an awareness amongst immigrants of the fact; then, they push towards starting their own ventures in advance.

*Arbetsförmedlingen* is the Swedish Public Employment Service; this organization was chosen by the government to take over the task of empowering newcomers (refugees or immigrants) to form a productive asset in the Swedish labour market and society. The *Arbetsförmedlingen* has sketched a plan called *Etablering Plan* (Establishment or empowerment plan). The *Etablering* plan's tenor is 2 years and it is extendable, depending on commitment and results. During the *Etablering* plan all participants should attend SFI (Swedish for Immigrants). Meanwhile they start looking for a job, learn a profession (if under 24 years old), or start their own business. The Arbetsformedlingen should direct the participants in accordance with respective capabilities. Arbetsformedlingen provides incentives to employers who accept or recruit a participant, moreover, in case of self-employment initiatives the organization still pays the entrepreneur incentives for some time until the venture is consummated and running, all the above is available on *Arbetsformedlingen.se* in Swedish and in English.

Another observation concluded that in many cases language and social integration (assimilation) barriers are the yard stick that the entrepreneurial capacity is measured upon. To elaborate; in a pilot study during a visit to the moneylender in Växjo back in March 2014 a team member accompanied a venture-seeking newcomer (the team member being a third party participant) and the agent at ALMI (anonymous) expressed he/his opinion as follows:

"*If you cannot speak the language, how can you deal with tax issues and how can you handle your clients*" One financing agents

To develop the above idea; this study will set questions (open ended) within the semi-structured interview that will explore the significance of language and/or integration to financiers when it comes to decision making of financing fresh venture-seeking immigrants. This study considers both variables as dependent for the segment under

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9 Remained anonymous, because the visit was covert.
scrutiny because fresh comers (less than 2 years) have not yet completed their *Etablering* plan, i.e. theoretically inefficient in language and not yet socially integrated.

In generic terms the current ethnic-wars refugees in Scandinavia (Somalis and Syrians) may bear the same historical characteristics of refugees. Flexibility is a feature that distinguishes refugees from immigrants in addition to their ability to prepare for and embrace the difficulties involved in living in a new culture. Refugees do not have the luxury of time the way immigrants do that often make enough plans before they embark into a new nation. Refugees have much less of a chance to plan for their new life, such as learning Swedish or collecting capital (Teitelbaum, 1985 cited at Gold and College, 1992).

### 1.5. Empiricism

Empiricism is usually associated with rationalism, therefore emphasizes the role of sense experience, and the role of reason (van Fraassen, 2002). The author argues that there is a contrast between observable and unobservable, rather than between observable and our own theoretical statement. If the observer was at the right place at the right circumstances, he or she could observe the object under study. Bryman and Bell (2011) define empiricism which adapts that only the knowledge gained through experience and the senses is acceptable, …that the ideas must be subjected to testing before they are counted as knowledge. The authors argue that qualitative research should focuses on direct contact with social reality "… direct experience of social settings… meaning is accessible to the sense of the researchers". A constructivist ontological approach which this study applies requires the understanding that the empirical world is not independent of people's observation as (Potter, 2009) describes it.

It is argued that the best method for qualitative research going empirical is through rigor and close observation, in addition to that concepts and categories are better be grounded in data. This according to Bryman and Bell (2011) is a manifesto of empiricism. Therefore, this study adopts the ‘grounded theory’ mechanisms in data collection and particularly in data analysis and display.
1.5.1 Empirical Disposition (how to present materials)

Empiricism in this study can be understood as: primarily, first-hand or primary data gathered from (moneylenders and venture seekers immigrants), secondary, second-hand data derived from available body of knowledge on entrepreneurship /Scandinavia /Immigrants, finally, hypotheses grounded in collected data.

Table 1 describes the logic of the empirical approach of this study.

<table>
<thead>
<tr>
<th>Data collection</th>
<th>Primary data from moneylenders and immigrants who are able and willing to start a new venture and lack financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data comparison</td>
<td>Compare collected data to previous data from other literature (with strict relevance in topic and geography) i.e. Sweden/entrepreneurship/refugees/immigrants</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>Adopting the Grounded Theory data analysis reasoning. 1- Define concepts based on patterns 2- Group concepts in categories 3- Extract the most prominent variables 4- Describe interaction between variables 5- Hypothesize</td>
</tr>
</tbody>
</table>

To empirically answer the inquiry from the 'purpose statement' above; the following must be answered: *Is there a special criteria for lending newcomer immigrants? And what are the basis of lending criteria of moneylenders?* The empirical data is invited to render the collected data to fulfill the above inquiry.
Table 2 Conceptual Outline (for data collection)

<table>
<thead>
<tr>
<th>ACTION</th>
<th>OUTPUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observation of the phenomena</td>
<td>DATA</td>
</tr>
<tr>
<td>Coding and extract abstracts from the observed phenomena</td>
<td>CONCEPTS</td>
</tr>
<tr>
<td>E.g. event, action and object, and primarily patterns</td>
<td></td>
</tr>
<tr>
<td>Categorize these concepts (more abstract)</td>
<td>CATEGORIES</td>
</tr>
<tr>
<td>Find relationships between categories and subcategories, in terms</td>
<td>TENTATIVE</td>
</tr>
<tr>
<td>of consequences, causal conditions, intervening conditions</td>
<td>HYPOTHESES</td>
</tr>
</tbody>
</table>

This research consists of six chapters in total, using the following structure:

1. Chapter one includes theoretical materials & the research's conceptual framework which will discuss the areas covered by other research.
2. Chapter two presents Methodology, data collection methods (tools), and justifies its relevance to the research problem.
3. Chapter three presents the data collection and display, proposed research model, research questions, and the tentative hypotheses used to meet the purpose of this investigation.
4. Chapter four presents the integration between secondary and primary data in terms of comparison and detecting patterns.
5. Chapter five provides an analysis of the results of the empirical investigation presented in chapter four which feeds into the theoretical framework.
6. Chapter six presents the conclusion and implications towards the hypothesis; did the tentative hypothesis hold? Further, this chapter also provides theoretical and policy implications, and finally ideas for future research.

1.5.2 Empirical Map

The empirical map in this section is meant to guide the construction, implementation, as well data analysis at all levels. The map is supposed to structure how and what data is to be collected throughout the study. It is a construct of the process of the study visualized as a scaffold or a skeleton, and the thematic (related to the topic) ideas are the flesh covering it. It provides scaffolding for providing understanding of:
Moneylender policy and its implications.

Moneylending in-the-field practices (in relation to newcomers -2yrs/start-ups).

Newcomers, their ambitions, foreseen capabilities with whom lenders interact.

Society and financing system as the context in which financial services take place, affect lenders decisions, borrowers behavior, and services outcomes.

Figure 2 Empirical map

![Image of empirical map](http://sydney.edu.au/nursing/learning_teaching/conceptual_framework.shtml)


2. METHODOLOGY

The earlier chapter sketches an empirical map that aims only to lead data collection and organization. I.e. all extra data may be considered redundant if does not fit in the model.

The framework is supposed to assist in the emergence of the tentative hypothesis about the phenomena in hand: **what governs moneylenders attitude towards loaning newcomers and why?** Moreover, the framework will assist in collecting data from fresh
venture-seeking immigrants. This data will be contrasted with that collected from the moneylenders. The later (immigrants) investigation will focus on the respondent's expectations. This chapter explains the chosen methods (tools), methodology, design and overall philosophy that are utilized in this study. A very brief account of different methodologies and designs will be included; however they shall not be part of the very research.

Figure 3 An Illustration of research philosophy, approach, type, design and method

2.1 ‘Inductive’ Research Approach

Research approach defines the relation between theory and research. A deductive approach embarks from theory (general), moves to specifics through deducing a hypothesis, and then tries to prove or refute it. Our approach is inductive and it aims to introduce a rigorous 'empirical generalization' as is the case in most inductive approaches (Merton, 1967, cited at Bryman & Bell, 2011). An inductive research approach is conventionally associated with qualitative research strategy and the study adopts a grounded analysis approach to semi-structured interviews. Interview data will be handled reiteratively and will assist to develop a theoretical understanding of the meanings
included in respondent’s answers to describe the moneylender’s inclinations towards lending to newcomers. There are clear cut implications that this study does not have any theoretical inclination as a departure point. This claim is important for future research, because it was noticed that teachers from Linnaeus University have a predisposition to think of the study as 'discriminatory detection'. The truth is that our team did not think of this until they heard it from the supervisors at the university. For this reason, and for the reason that we wanted our research to be grounded in data, we have chosen to adopt the grounded theory approach to support the data analysis.

2.2 ‘Interpretivist' Research Philosophy

Bryman & Bell (2011) call them 'overarching assumptions', other authors prefer 'research philosophy', other just use approach, this study will use 'philosophy'. The choice of philosophy will affect the future design (experiment, cross-sectional, survey, etc.) and further will affect the research strategy (qualitative, quantitative). Even the methods (data collection tools) will be altered according to the overall philosophical position of researchers.

Interpretivism is the epistemological concern that this study relies on. Interpretivism contrasts the orthodoxy of positivism, which opposes the use of scientific methods to the study of social world (Bryman & Bell, 2011). Schutz (1962, cited at Bryman, 2011) explains that interpretivism is a series of common-sense constructs that pre-interpreted this world and their daily life reality. Social scientists, here researchers should: "gain access to people's common-sense thinking' and to interpret their actions and their social world from their point of view" ibid. The interpretivism approach the role of researcher is to observe the phenomena and its context, contrast with existing literature, and detect patterns, then interpret data and generate a theory that might help understanding the phenomena. An interpretivism philosophy does not require existing theories to be able to connect between data collection and theory.
2.3 ‘Qualitative’ Research Strategy

This study does not depart from a given theory; It embarks from observation, moves to data collection, analysis, and finally hypothesizing. The goal is to induce a theory out of the hypothesis; or just end up with representative empirical generalizations.

Conventionally there are two research approaches (we call them strategies), either qualitative or quantitative. A mix approach is acceptable and applicable, however not in our case. A distinction between the two strategies may shed a light on our reason of choice. Denniscombe, (2010) presents a thorough distinction between the two approaches: firstly quantitative uses numbers as units of analysis, whereas qualitative uses words or visual images. Secondly; when a quantitative research detaches researcher from research, qualitative, in contrast, is associated with researcher involvement. Thirdly; unlike the large-scale attribute of quantitative research; the qualitative research tends to be associated with small-scale study, as it is the case in this research. Fourthly, breadth of investigation is strongly related to the choice of this study. Quantitative research focuses on specific variables, either by isolating them or relate them to few other variables, qualitative research on the other hand; has a reference to see things 'in context' and in relation to a wide range of factors at a given time. Accordingly, this study is associated with a holistic perspective.

Finally, when quantitative research strategy has a precise design and construction and research questions are prudently formulated and the data collection process is separated from that of data analysis. Qualitative research, on contrast, does not specify the research question from the beginning of the research process, and it tends to have close relation between data collection and data analysis. This relationship is particularly strong in this study, because data analysis stage involve the usage of the 'grounded theory' framework. It is a characteristic of the grounded theory that it inclined to analyses data once collected, then looking for new data resource until it is saturated.

In sum, for all the above reasons, this is a qualitative research. In addition to all the above technical reasons for the choice; there is one deterministic reason for this choice
which is: there are no known theories (to us) that may play as an underlying subject for scrutiny.

2.4 ‘Descriptive’ Research Type

While different scholars and researches differ in their understanding of research types or styles as it is called sometimes. According to Finn, Elliott-White and Walton there are four different types, (2000): descriptive, exploratory, analytical and predictive. Brown & Suter (2012) argue for three main research types, they call them research designs; they are exploratory, descriptive, and explanatory. An exploratory research type is appropriate when a topic is at its early stages of study, i.e. so little literature tackled this phenomena. An explanatory on the other hand tends to answer deeper questions than ‘What’, an explanatory may go further to answer ‘Why’ and it requires more understanding of the variables related to the phenomena and their relationships.

This study however, adopts a moderate type between the explanatory and exploratory; that is descriptive research. A descriptive research according to Johnson & Christensen (2012) is to provide an accurate description or picture of the status or characteristics of a situation or a phenomenon. The focus is not on cause and effect but on describing the variables and sometimes describing the relationship between them without any predictive effort. This is particularly what this study is attempting to provide which is why it considers the last step of the grounded theory data analysis as redundant. This descriptive study may only describe the interaction it observed in the field, however, all other predictions about the relation between variables are out of scope for this study.

2.5 ‘Cross-sectional’ Research Design

Two major considerations contributed to deciding the design of this study. Firstly; immigrant entrepreneurship related study is extremely time sensitive. To elaborate on this point: the variables involved in this study such as (attitude, expectations, capacity, and many others) have special sensitivity to time. I.e. if these variables are measured two years ago then results may render so much different from today or tomorrow. By nature this research has very low dependability (qualitative measure). Our claim is supported by
the change in context. If context changes; results change. Secondly; it involves variations; because more than one case is being examined. In addition to that, typically cross-sectional studies are used to answer descriptive questions (Katz, 2006). The design should serve creating variations between cases (moneylenders and potential entrepreneurs) and variation between moneylenders themselves and between potential entrepreneurs themselves too. There will be a matrix of variations; i.e. a cross-sectional design. This is why a cross-sectional research design was chosen for this study.

Research design is a framework or plot for the collection of data that is most suitable for the respective research (Bryman & Bell, 2011). A cross-sectional research design will be adopted (reasons for choice explained below), however, this study tends to use a further sophisticated method in data analysis which is the grounded theory.

The arrows in the table simply point to the direction of action. The process begins with observation because it is an inductive approach, a narrative account of data being sought through interviews (semi-structured), the first output is qualitative data. It is suggested here to add some primary quantitative data for better understanding of the phenomena.
After data is collected, the grounded theory method will be used to organize and analyze this data. Three outputs emerge out of the grounded theory (concepts, categories and a tentative hypothesis). The last output needs to be tested since it is only tentative. If the tentative hypothesis is tested and is proven true then it turns into a theory. This theory waits for a deductive researcher to either confirm or refute it.

2.6 ‘Semi-structured Interview’ Research Method

There are myriads of methods to use for data collection in this study out of which are interviews, observations, focus groups and secondary data. Arranged in terms of most used methods according to (archival material) (Bryman & Bell, 2011; Yin, 2007). The choice of the method is inevitably influenced by research design and strategy; strategy which is decided to be qualitative strategy; and design is cross-sectional. It goes without mentioning that the above strategy and design are strongly aligned with the underlying philosophy and approach of this study in the first place being interpretive and inductive.

A semi-structured interview template will be adopted in all interviews as the leading procedure because the open-ended technique gives the respondent more space to add any elaborated ideas or views expressed throughout the process. Bryman & Bell (2011) give three special attributes to cross-sectional research methodology: there is a user’s guide, respondents answer freely, and the whole interview may cover only one topic. These conditions work just fine for this study purpose. Longhurst, (2003 cited at Studniarska M. 2013) argues that a semi-structured interview guarantees flexibility, it allows the interviewers to change the course of conversation into a new topic (within the same area) and this shift may bring out some vital accounts of the investigated phenomena in hand.

The interviews will be conducted with two people from the first section (moneylenders) and with seventeen potential borrowers.

2.7 Sampling

A cross-sectional study design is when data is collected for all the variables of interest using one sample at a time (Adler & Clark 2008). Cross-sectional study designs tend in
many occasions to collect enough data for statistical accounts, but this study limits itself to detecting patterns instead. The technique used in detecting patterns could be described as: we are looking for patterns or relationships between variables, the sample will be divided into two categories (for the same independent variable) and then compare differences and similarities in the group on some dependent variables. For example, 'current practices' of moneylenders is considered as a dependent variable as it may opt to change according to a change in policy, perceptions of management, and attitude of loan officers. But the question is, which is the cause of which, do practices lead to policies or vice versa?

A minor pilot study determined that the money lenders in Sweden are state, private banks, moneylending companies, and personal moneylenders. The pilot study showed that the state is represented by 'Arbetsformedlingen' whom have asserted that it is better for the newcomers to be patient until they learn language before they seek an entrepreneurial venture. However, the Arbetsformedlingen have a written code that encourages newcomers to present their business ventures ideas, and it gives them incentives if they succeed. Hence, this segment was excluded from the study as it is out of scope. The reason behind sample choice is that all financial institutions perceive profit as compensation for risk, big lenders such as Nordea, Swedbank and others of the same segment are not the first option for higher risk borrowers such as refugees and immigrants. Big financial institutions also have rigid policy and their computers do the math to give approval or denial of loan applications, and the personal interaction is low and discretionary powers are also limited. Small and micro loans attract high-risk moneylenders such as ALMI form the prominent referral for newcomers. These organizations also provide training, capacity building, and general business development services for start-ups and existing businesses. These organizations will be the targeted sample of this research.

The semi-structured interviews are intended to be conducted with two samples from the general populations. The population includes the two principal active parties involved in

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10 This observation is based on the personal experience of one of the research team members, this team member has six years corporate and retail banking experience.
this phenomenon. The first sample of population includes lending organizations in Växjo such as ‘ALMI’. The second sample of population is the newcomers, venture seekers, and legally residing respondents. The plan is to interview 25 respondents.

2.7.1 Causal Relationship

Cross-sectional studies have a tight reasoning relationship with causal relationships Katz (2006). There is vague vision of the connection between variables and there is an unclear definition of dependent and independent variables. Since this is a descriptive and cross-sectional study; the aim will be to provide a descriptive account of variables relations in this phenomenon. According to Adler & Clark (2008:153):

"the requirement for supporting causality is to support relationship include a pattern or relationship between the independent variable occurs first, and support for conclusion that the apparent relationship is not caused by the effect of one or more third variables"

A false relationship may delude the causal relationship therefore this study will use every possible mean to avoid this possible shortcoming. A non-causal relationship between two variables may take place because the two variables are connected (caused by) a third variable that is not clear from the face value of the phenomenon.

Practical implication: the secondary data and minor pilot and cognitive thinking lead the team to a certain hypothesis concerning the relationship between variables. The interviews will set questions that may answer or shed a light on the answer to the causality relationship. Adapting Healey's framework (2013:368) on spurious relationships, but using the current case's variables; it was assumed at the beginning of this study that there may be a relationship between moneylending officers (front-liners) and borrowers (new-comer/venture seekers). I.e. a relation between practices and attitudes of the former and between bad credit history of the later.
After preliminary scrutiny, it appeared that there might be a third variable $Z$ that may have a direct effect on the $X$ & $Y$ together, and that $X$ and $Y$ are not related in the first place. We conclude here that the study will attempt at identifying variables, categorize them and describe the relationship between them in terms of causality. Healey, (2013) defines three types of relationships, direct, spurious and intervening, and interaction relationship. All variable relations will be classified accordingly, hence, allow the hypothesizing process a sufficient amount of empirical generalization.

3. **ETHICAL CONSIDERATIONS**

The first step in the ethical stance of our team is the inclusion of the below 'Nondisclosure Statement’. This will be printed out on every interview paper that is conducted, and it will be read and explained to the respondents individually.

*Nondisclosure Statement:* The interview responses will be used for the purpose of defining the determinants of moneylender practices towards venture seeking newcomers in Smålland, Sweden 2014. The purpose of the research is the fulfillment of the Project Degree from Linnaeus University (Växjö). Please note that your answers will not be published in this paper, however, the university have the right to obtain the answers for internal use. The responses will be shared only with the Linnaeus University management; nevertheless, your answers are confidential. Furthermore, any summary of the data analysis made available is anonymous. Withdrawal from the interview is entirely optional and shall not in any case hold any jeopardy.

Ethical considerations in business research go beyond a nondisclosure statement in the appendixes section. Ethical dilemmas may face researchers. An ethical dilemma is a situation where an individual comes face to face with actions that have ethical
implications. According to Hair et al. (2011) ethical dilemma may arise from issues such as: fairness, justice, potential conflict of interest, responsibility issues, power discrepancies and honesty issues. Bryman and Bell (2011) discuss four major issues to tackle from an ethical consideration point of view: harm to participants, lack of informed consent, invasion of privacy, and deception. It is noticeable that the former considerations and the later do intersect, only the wording is different. For example the issue of causing harm to a participant includes conflict of interest of fairness.

Because this study involves personnel from financial institutions as participants and because the study is being conducted in a free market and competitive market; there is a need to take extra cautious measure. The research will be operating in a financial sector which has two competitors as their sample. In dealing with harm; the study will adopt options that may minimize the possibility of harm. For example, there will be few or no inquiries about confidential data that may be detrimental to the participating organizations. Informed consent was dealt with through the statement at the beginning of this section. Invasion of privacy may differ in some aspects from the earlier consent; however it may be treated with the same tool being nondisclosure. Deception is avoided already through the overt representation of the purpose of the study as included in the same statement above.

The distress that this observation may cause to some of the newcomer respondents is an ethical issue that needs careful consideration. After researching psychological stress types, it was broken down to reveal three overall categories of stress: eustress, neustress and distress. The first type known as eustress is characterized as good stress and it arises from any individually motivating situation such as love. Neustress, is neither good or bad such as hearing about an earthquake somewhere on earth that is far and away from you and your family and friends. Distress is considered as bad stress, and there are two types: acute stress which arises and disappears as reasons pass and chronic stress, that can linger for some time.
4. INTERVIEW QUESTIONS AND INTERVIEW GUIDE

As it is the case in inductive research, questions are flexible and a fixed questions model may not be possible. Interviews will be conducted to qualitatively answer the questions set throughout the previous parts of this study. Two sources inspired research questions. Firstly; the literature review has set questions related to lending policies on Macro level, i.e. legal considerations. Secondly; observations have set other types of questions that are related to practices on the Meso level and attitudes on the Meta level. Other questions are triggered on the Micro level, these are related to the credit reputation of immigrants in Sweden. All the above questions will be used to conclude on resulting variables and concepts that need to be categorized, coded, and described.

4.1. Interview Guide

The interview guide will include a list of issues to be discussed with the interviewees. The list is flexible and therefore questions are not so specific, therefore, they are always ready to discuss new avenues of enquiry that may come up during the fieldwork. There will be two separate sets of interview questions, one for the newcomers and the other for the moneylenders. The first set of interview questions is addressed to the newcomers, and will include the following concepts to discuss: interest in starting a business venture, career history, qualifications, expectations, experience with moneylenders and other topics that may immerge during the field interview. The second set of interview questions is addressed to the only moneylender in Växjo ‘ALMI’. This set includes the following concepts: lending policies, lending practices, perceptions and preconceptions, experience with newcomers and other related concepts. The interview will show extra flexibility since a great deal of the required information is on meta level. Semi structured interviews were the style of choice because we are looking to create conversation and open dialogue so interviewees feel comfortable to express their honest and true opinions.
5. DATA PRESENTATION

The previous chapters have displayed and discussed the following: 1) the empirical disposition which is data collection, data comparison and data analysis (table1). 2) The conceptual outline which consists of data, concepts, categories, and tentative hypothesis (table2). 3) The empirical map which leads the way for interview questions, and which includes: context, criteria and practices of the chosen moneylender; and the context, behaviors, characteristics, the expectations of immigrants (figure2). 4) And finally, data collection design, which depicted how the grounded theory as data analysis method will lead the process (figure3).

The previous chapters also funneled down the purpose of the study as follows: it firstly displayed the phenomenon that newcomers have higher rejection rate when obtaining finance for their ventures. The phenomenon is shown as an observation of the 'talk of town' amongst newcomers. To describe the phenomenon, determinants are sought to be made known. The preliminary investigation showed no determinants to the phenomenon at MACRO level (policies and regulations) or at the MESO level (internal lending criteria). Therefore, it was assumed that a possible explanation to the phenomenon is through MICRO level (immigrants related) or META level (attitudes, anecdotal practices, etc.). The chosen samples are split between the two interacting sides of the phenomenon being newcomers and ALMI. There will be two sets of data; the moneylenders' set of data should be able to explain if there is a negative perspective towards new coming entrepreneurs. The newcomers set of data is supposed to explain the situations and capabilities of newcomers and their expectations. In terms of interaction, the collected data will be crossed to check how variables such as expectations may intersect positively, negatively or otherwise neutral with the moneylender’s preconceptions and attitudes.

5.1 Samples Overview

This chapter of the papers major purpose is to talk about the data presentation. As written above, the paper contains two areas of interest, newcomers interested in pursuing
entrepreneurial ventures and the moneylender ALMI which is the only moneylender in Vaxjo. It is quite clear that all our effort is focusing towards medium-sized moneylenders such as ALMI and avoids talking to banks such as Swedbank, Handelsbanken and Nordea, reason being ALMI is set to specifically help newcomers through Albetsformedlingen. Semi-structured interviews were used in aspirations that people will talk about their situation rather than simply surveying them because there was no intention from the team’s side, in any case, to lead the interviews to a spot that is more convenient about this research. People like to talk freely, share experiences and professional opinions about their life which was our goal of primary data collection. After interviewing two financial advisors or agents working in ALMI, and after thorough online research, this organization is the only one in Vaxjo. ALMI is actually is the only organization that works with new comers interested in pursuing entrepreneurial ventures.

One the one hand, it is essential to clarify what ALMI is. In few words, according to the official site of the company (ALMI.se), ALMI is a company that has a vision to create opportunities for all viable entrepreneurs and companies to develop successful business ventures. They offer loans, advisory services, and venture capital funds through all phases of the establishment of a business. ALMI is also responsible for the Swedish government’s incubator program, ALMI Foretagspartner AB, which is the full name of the company, and was created to help launch ventures in Sweden. ALMI does not compete with private-sector players, the company charges an interest rate that is higher than the average interest rate offered by banks but they work together rather than compete with one another. ALMI's lending activities are often conducted in collaboration with other lenders, and banks are important partners.

ALMI Invest is the Group's venture capital firm. Its role is to supplement that of the market, investing where the risk is high and access to capital is scarce. ALMI Invest invests in companies with scalable business concepts and prospects for long-term capital growth. The companies must have the ability to compete nationally and internationally and there must be a clear customer need. Moving more deeply, ALMI incubator area is responsible for driving the government’s funds. The purpose of the incubator program, which is known BIG Sweden (Business Incubation for Growth Sweden), is to give
emerging growth companies access to the support they need to develop their businesses. The goal is to ensure that companies are able to increase sales and employment and improve their survivability through the incubators. More important, ALMI is always at first when immigrant or ethnic minority entrepreneurs want to borrow money. One reason is that it is always recommended first by Arbetsformenlingen and second reason is that newcomer entrepreneurs can have trouble going to the bank due to lack of credit history in Sweden. ALMI is not an arbitrary or a random choice, they qualify as a moneylender and business advisor and come highly recommended to newcomers.

It would be meaningful to this research if the team investigates immigrants who did not know anything about the ALMI organization or newcomers that had only dealt with banks. During the process and the interviews, the team booked two appointments and conducted two interviews downtown in the central office of ALMI (Kungsgatan 10) and 17 interviews concerning immigrant entrepreneurs throughout Vaxjo and wherever it was convenient for them since they were willing to find time and help to this research.
The team formally interviewed one financial and one business advisor at ALMI. The financial advisor preferred to stay anonymous on his responses to our interview questions although he provided the team with valid information. It was noted by the interviewee that this financial advisor is really experienced for a middle-aged man. He was required to take a special examination in order to reach this position. His job profession has to do with facing entrepreneurs and making the choice of either approving a loan or disapproving one. In the past, he studied economics in Sweden which led him to be a financial advisor at ALMI. For him, there is nothing wrong in starting your own business as soon as you have the money to or have proof you can pay the loan back. At some point he mentioned:

“\textit{It is my job to approve a loan application or not and I am not willing to lend money to someone who cannot pay it back \textit{ and that is why I am checking his/her credit history first. No one can accuse me of anything, I am just doing my job and that is financing}”.

In the statement “accusing me of anything” we deduce the conclusion that he is talking about checking the financial credit history of an individual. This can be a sensitive subject for some newcomer entrepreneurs who are not aware of the credit history background check. The credit history background check is conducted in order to determine the overall validity of the customers transaction history. If the credit report comes back positive then ALMI is much more inclined to approve the loan. After 10 minutes of the interview, it was quite clear that this was the person the team was looking for to help answer some questions about helping newcomers with financial advice and information.

Our second interview was with business advisor Dea Blomqvist. She held a different position on the organization and of course different responsibilities. Dea Blomqvist is quoted in saying:

“\textit{I am the one who represents ALMI and I am the one who can give them the chance to consult a financial advisor}”.
Dea is the first person one would talk to when seeking financial advice from ALMI. Moreover, Dea added:

“The most important thing that an advisor cares about is the business plan and the credit history, I am not going to approve a loan when someone cannot pay the money back”.

Dea’s basic responsibilities include revising business plans, consulting advice, and approving or denying the overall plan before the entrepreneur seeks financial assistance.

The team will present the sample of immigrant entrepreneurs coming from several countries but mostly Arabic speaking ones. It was essential for this research to find the majority of newcomer entrepreneurs and this is why we chose Arabic speakers because they are the most common phenomenon of entrepreneurs who want to start a firm, business or entrepreneurial venture in general. The newcomers sample consists of new refugees who have less than two years stay in Sweden but are still legal residents and aged between 22 and 35, who are actively participating in the Etablering plan. The sample includes only willing and capable venture-seeking immigrants. As shown previously by the interview guide, newcomers will be asked about their past experience, entrepreneurial experience, expectations and other experiences with ALMI. The newcomers shared resourceful information such as past entrepreneurial experience, although this was not intentional, it was a goal of our semi structured interviews. It appeared that most of the immigrants who are willing and able to start a venture are of past entrepreneurial experience. Another point they shared is that most have either applied or gotten advice as to how to apply for a loan with ALMI as advised by the Swedish unemployment Bureau Arbetsförmedlingen.

The following table represents a quick overview of the sample of the newcomer entrepreneurs interviewed. Each of them have answered 10 questions, the first 5 were YES or NO questions, question seven was open ended, and the last four were more deeply elaborated open ended questions. All the questions included in the team’s questionnaire can be found in the appendix. This table was created to help give a sample
of the display the data in a more organized manor and to give a brief representation of their responses.

<table>
<thead>
<tr>
<th>Questions</th>
<th>YES</th>
<th>NO</th>
<th>Bad</th>
<th>Good</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question 1- Regal residency (2 years)</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 2- Attempt to apply for loan</td>
<td>3</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 3- Complete Etablering plan</td>
<td>0</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 4- Past entrepreneurial experience</td>
<td>14</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 5- Willingness to continue old profession</td>
<td>16</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 6- Rate Swedish skills as a factor of starting a business</td>
<td></td>
<td></td>
<td>15</td>
<td>2</td>
<td>Self-esteem, security, own income</td>
</tr>
<tr>
<td>Question 7- Interesting in starting own business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 8- Planning to finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Majority responded ALMI(15/17)</td>
</tr>
<tr>
<td>Question 9- Past experience with moneylenders</td>
<td>3</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question 10- Expectations from different partied like ALMI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Finance, marketing, tax waivers</td>
</tr>
<tr>
<td>Question 11- Relationship between immigrants and entrepreneurship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cannot find job so it is easy to start someone’s own one</td>
</tr>
</tbody>
</table>
5.2 Initial Data Coding

<table>
<thead>
<tr>
<th>Discussion of question No.7:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why are you interested in starting your own business in Sweden?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interviewees Statements</th>
<th>Initial Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Secure our lives and our families, here and back home, it is a war zone, and also for a better life style</td>
<td>1. Secure life and family's future.</td>
</tr>
<tr>
<td>2- we heard that Social services in Sweden is too strict, you cannot even buy a car. One must have an income of his own, to be free to do whatever he wishes.</td>
<td>2. High restrictions of Social affairs aids.</td>
</tr>
<tr>
<td>3- Social services restrict your movement. No one is happy on social services. I have debts I paid 20,000 Euros to come to Sweden. Later we need to secure our families.</td>
<td>3. Strict social affairs.</td>
</tr>
<tr>
<td>4- Self Esteem is my main reason, and a better future, Social services are for old people not for young people.</td>
<td>3. Secure families.</td>
</tr>
<tr>
<td>5- You can never tell if you stay here forever. We need to make some extra money for the future.</td>
<td>4. Work fulfill Self-esteem.</td>
</tr>
<tr>
<td>6- Better Income to secure future of our families and to pay debt.</td>
<td>5. Secure one's future.</td>
</tr>
<tr>
<td>7- Better Income and to save some money for the future, because maybe they send us back home, or we wish to go back.</td>
<td>6. Secure future.</td>
</tr>
<tr>
<td>8- Settlement, you cannot settle without having a job, and it is not possible to be employed, or they may fire you from job after a while. Own business is a secured way for living.</td>
<td>7. better income.</td>
</tr>
<tr>
<td>9- Settlement and better income, because social services is so strict.</td>
<td>7. debt</td>
</tr>
<tr>
<td></td>
<td>8. Insecure job.</td>
</tr>
<tr>
<td></td>
<td>10. Secure future.</td>
</tr>
</tbody>
</table>
### INITIAL CODING (Immigrants)

**Discussion of question No.11:**

*How can you describe the relationship between immigrants and entrepreneurship amongst newcomers in Sweden?*

<p>| 1- I knew it is impossible to get a job, especially am a slow learner, so I started my own job. | 1. Impossible to get a job. |
| 2- Language is the main barrier to work, therefore private business is the solution. | 1. Slow language learner. |
| 3- Language is irrelevant, and people can work in the back office and learn in the process. | 2. Learn language at work not school. |
| 4- Language is irrelevant to work, people work and learn. An official job is a dream, like winning the lottery. | 3. Language should not be barrier. |
| 5- Can't find a job and slow at learning language, I | 4. Find a job is so difficult. |
| | 5. Slow language learner. |</p>
<table>
<thead>
<tr>
<th>5. Entrepreneurship is a refuge.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Can't compete for a job.</td>
</tr>
<tr>
<td>6. Language is hard.</td>
</tr>
<tr>
<td>7. Job is not possible.</td>
</tr>
<tr>
<td>7. Entrepreneurship is refuge.</td>
</tr>
<tr>
<td>8. Job is impossible.</td>
</tr>
<tr>
<td>9. Job is not easy to find.</td>
</tr>
<tr>
<td>10. No jobs for immigrants.</td>
</tr>
<tr>
<td>11. Jobs are dearth.</td>
</tr>
<tr>
<td>12. Job is dearth.</td>
</tr>
<tr>
<td>13. Entrepreneurship is refuge against entering Social.</td>
</tr>
<tr>
<td>14. Labour market is impossible for most immigrants.</td>
</tr>
<tr>
<td>15. Language learning is waste of time.</td>
</tr>
<tr>
<td>16. ....</td>
</tr>
<tr>
<td>17. Employment is impossible.</td>
</tr>
</tbody>
</table>

will start a business as a refuge.

6- Impossible to compete with the Swedes, and loans are Usurious and language is hard.

7- Entrepreneurship is the only solution for immigrants because it is impossible for them to enter the Swedish labor market.

8- Unemployment is already high, labor market is nor recipient.

9- Try to avoid interest of loans, and learn language fast to get a job is not easy.

10- Arbetsförmedlingen should assist people financially, they know that there are no jobs for immigrants, they are a lot.

11- Many people come here and jobs are dearth, I start a business I need money.

12- they send us to intern practice but after that one out of 10 gets a job opportunity.

13- It is clearly a waste of time until you go to Social, so start a business before to avoid it.

14- Entrepreneurship is the only solution for immigrants because it is impossible for them to enter the Swedish labor market

15- It is a cycle to get job you need language, for that you do to school, nobody likes school it is waste of time.

16- I do not have any profession that may be possible in Sweden, I will change into another easy profession, my own.

17- Employment is impossible for immigrants, therefore it is only entrepreneurship.
### INITIAL CODING (Immigrants)

**Discussion of question No.4:**

*Have you had any entrepreneurial experience before coming to Sweden? Please explain? Please elaborate.*

<table>
<thead>
<tr>
<th>1. We came to this country and suddenly we are sent to schools like little kids, I have many years of entrepreneurial experience back home, I had a very successful venture, my income was relatively high, but I cannot convince the bank.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. I do not need language to do what I used to do, I do not meet customers face to face. We carpenters do not talk, give me a print out and I will do it. Who recognizes this… nobody.</td>
</tr>
<tr>
<td>3. Of course I have many years of printing ship, it is a profession that may not be important here but jobs like it do exist. They treat everybody the same like kids.</td>
</tr>
<tr>
<td>4. I have borrowed money from family in the past and ran a successful business. Trust in us is needed.</td>
</tr>
<tr>
<td>5. My Swedish now after a year study is good and I can start a business and no need to go to school anymore. ALMI does not listen carefully to potential.</td>
</tr>
<tr>
<td>6. I have worked in a restaurant for my father, then with other people I can do a lot in the kitchen.</td>
</tr>
<tr>
<td>7. It does not require a doctorate to run a grocery, it is my dram here.</td>
</tr>
<tr>
<td>8. I can serve ethnicity requirements, many Arab people need services like the ones at home.</td>
</tr>
<tr>
<td>9. Yes I do, but loans have heavy interest.</td>
</tr>
<tr>
<td>10. Well, if I go to school it is better for communication, however I do not need vocational education.</td>
</tr>
<tr>
<td>11. They send me to school, if I do not go then no money, if I work I can generate my own and save them money.</td>
</tr>
<tr>
<td>12. My experience is going away, I am forgetting, plumbing is the same everywhere I guess I can do it tomorrow.</td>
</tr>
<tr>
<td>1. Unappreciated experience.</td>
</tr>
<tr>
<td>2. Language is irrelevant to my experience.</td>
</tr>
<tr>
<td>2. No recognition of experience.</td>
</tr>
<tr>
<td>3. No special appreciation.</td>
</tr>
<tr>
<td>4. Had successful business.</td>
</tr>
<tr>
<td>4. Lack of trust</td>
</tr>
<tr>
<td>5. Ready to start a business.</td>
</tr>
<tr>
<td>5. Moneylenders do not appreciate.</td>
</tr>
<tr>
<td>6. Ran a business before.</td>
</tr>
<tr>
<td>6. Ready to run the business I want.</td>
</tr>
<tr>
<td>8. Set targeted clients.</td>
</tr>
<tr>
<td>9. High loan interest.</td>
</tr>
<tr>
<td>10. Ready practically.</td>
</tr>
<tr>
<td>11. Ready to generate money.</td>
</tr>
<tr>
<td>12. Language learning waste of experience.</td>
</tr>
<tr>
<td>13. Frustration.</td>
</tr>
<tr>
<td>13. No appreciation of capabilities.</td>
</tr>
</tbody>
</table>
13- if I stay like this I will be frustrated, I did not learn a chef to go to schools. No one care about this capabilities.

14- Yes I do have but maybe I want to change my profession.

15- I would like to continue with my profession, but if there is anything new I will take it.

16- Experience is there, will is there money is not. No appreciation of each person's capabilities.

17- I have had over 20 years of experience in carpentry back home, I can do amazing stuff I just need the opportunity, instead they send me to school.

15. Maybe change.
16. Experience vs. funding.
16. No appreciation of capabilities.
17. Need opportunity.

### INITIAL CODING (Immigrants)

**Discussion of question No.2:**

*Have you applied or even tried to apply for a loan in order to start your own business here in Sweden? Please explain.*

| 1. I know ALMI and other also, I is a waste of time. Too complicated. | 1. Complicated. |
| 2. I did not apply for a loan, I am afraid if I go they will turn me down as they did with my friends. | 2. Intimidation by refusal. |
| 3. As if telling you 'do not come to us', requirements are too complicated, they ask for business plan and financial studies, and ask you to finish your Swedish language course first…he/she told me directly how are you planning to run a business in Sweden, you are in Sweden so learn Swedish first, how do you plan to deal with Skatteverket. | 3. Complications. |
| 4. They need plans in Swedish language, I cannot speak proper Swedish. | 3. Language barrier. |
| 5. A friend told me that you have to meet someone first and do research and stuff and they do send you after to another one to decide. | 4. Language barrier. |
| 6. Many steps to do the application, no information in Arabic or even English. | 5. Complicated procedure. |
| | 6. Complications. |
7. I do not want to try what others been through, I will try my own resources.

8. I have not applied but because I do not have time, it is too complicated.

9. they ask for many many paper work, I do not need this.

10. My brother went there and he met an employee and said idea was very good, after that asked for more paper work in Swedish we could not sort it out.

11. It is easier to borrow the money from friends.

12. Interest rate is too much for small projects, as if telling you do not come to us.

13. ALMI asked me to finish the Etablering plan first then come to the.

14. They focus on language rather than experience.

15. More language is required for ALMI.

16. They sent me there but I think it is only a formality.

17. With all my experience I have to do so much work before I can see money, I will turn to family.

| Participant: Dea Blomqvist. She is the first person that gets involved in fresh immigrant entrepreneurs’ affairs. One statement from her interview and the initial coding are being presented below: | 7. Intimidating.  
8. Complicated.  
9. Excessive requirements.  
10. Language barrier.  
11. Difficulty.  
12. High interest rate.  
13. Language barrier.  
14. Language barrier.  
15. Language requirement.  
16. Intimidation.  
Time consuming and complications. |
INITIAL CODING (Dea, ALMI)

Discussion of quotation with Dea Blomqvist:

“We do not have an opportunity to find a job in Sweden so we need money to start something on our own”

<table>
<thead>
<tr>
<th>Initial Coding</th>
<th>Dea Blomqvist agreed to the statement above supported by immigrant entrepreneurs and moreover she added:</th>
</tr>
</thead>
</table>

**Motivations:**

- What triggers actions?
- Policy & Policy Makers?
- Language barrier; Myth or true?
- Etablere plan?

“In Sweden there is an unemployment rate close to 30% concerning ages 18-33 so it is tough to find a job if you are an immigrant. It is easier to start a venture or a family business. Here at ALMI we help entrepreneurs as it is decided by the government policy and there is no restricted policy towards fresh immigrant entrepreneurs.

All these years, moneylenders like ALMI have helped to create a growing ethnicity market. Of course, in this market there are differences, some of the immigrants work in groceries, hairstyling and handicraft. The profession illustrates if there is a necessity of the Swedish language or not. If someone has to deal with people, like in a grocery store, has to learn Swedish. “Learning Swedish in Sweden is for free”

To be precise Dea also mentioned:

“If someone is an immigrant here in Sweden he/she shall finish first the foretagskolan as it called the ‘Etablere Plan’ before pursuing an entrepreneurial venture.”

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5.3 Conceptual Categories 'Immigrants'

This section starts utilizing the grounded theory as a data analysis display method. The texts were read and coded to highlight the most important, relevant, and recurrent ideas. Hereby important concepts (appeared as patterns) were deduced from the interviews' answers. This step is called conceptualization and will embark with immigrants, then move to ALMI. Later research will compare and contrast the intersected concepts and categories between the two groups to try and deduce a tentative hypothesis about the phenomenon in hand.

Concepts are abstract of time, place, and people, and as author Glaser stated do not: "concern to understand the world of the participants as they construct it". Grounded theory is not "an enquiry that makes sense of and is true to the understanding of ordinary actors in the everyday world" and it uncovers many patterns the participant does not understand or is not aware of, especially the social fictions that may be involved (Glaser, 2002).

5.3.1 Disfavor (disfavored qualifications\textsuperscript{11})

In grounded theory people are not categorized, behaviors are, therefore, past experience is not the concept; however it triggers the discussion to reach it. The disfavored concept of immigrants' is their past entrepreneurial experience and capabilities are not been appreciated or recognized. Each respondent has had some sort of past entrepreneurial experience although this study randomly chose these respondents. The only common condition of the interviewed sample are that they should have less than 2 years legal stay in Sweden and they are signed up with the Etablering plan (establishment plan). Some of the respondents have had more than 20 years' experience in one profession and especially these respondents believe they are capable of running a business of their past profession

\textsuperscript{11} From Q4; check appendix (2).
immediately here in Sweden. This concept of past entrepreneurial experience is unmeasurable for financiers being moneylenders or corporate banks.

"We came to this country and suddenly we are sent to schools like little kids, I have many years of entrepreneurial experience back home, I had a very successful venture, my income was relatively high, but I cannot convince the bank"

It is common between immigrants to use the 'we' to express the 'I', the collective mentality prevails again. Each respondent believes that he is expressing everybody else's opinion because this is the warmest topic between immigrants. The summarizing idea here is that every respondent has had some kind of entrepreneurial experience, yet it is irrelevant now.

The concept (disfavor) was not an actual term that all the respondents have used "in vivo" but at least explicitly meant 'I am qualified to start my own small business, eventually, even without speaking Swedish I should be eligible to have a loan'. The codes that have led to the emergent of this concept are words such as: 'long experience, can do, have done before, still able to do, and can handle a venture'. Respondents believe that they are now capable to start a business and eligible to apply for a loan, however they are disfavored because they are still new to the system.

5.3.2 Systemic Complications

Although it is true that not every respondent has applied for a loan with ALMI, however, all of them were interested in getting oriented about the company from the beginning. All the respondents know how ALMI operates and where ALMI is. They have heard about it systematically from two resources, firstly from the Swedish unemployment Bureau Arbetsförmedlingen, and later from the language institution SFI and from friends. The Arbetsförmedlingen officially refers newcomers who are interested in starting their own ventures to ALMI in Smålland, and to ALMI and other financial institutions in other areas around Sweden. An Etablering officer at Arbetsförmedlingen, Flen declared:

"There is a kind of an agreement between us and ALMI Norrköping, they continuously ask us to refer newcomers with business ideas to them"

12 From Question2, Please check appendix (2).
The rules and regulations are clear and in favor of any new venture idea including the newcomers. It is utterly possible for any newcomer with legal residence visa to apply for a loan, however it is up to the lending company to approve or otherwise ask for more documents and repayment assurances or disapprove the loan. The respondents have all agreed that the loan procedures are too complicated and it is mostly in Swedish language.

"As if telling you 'do not come to us', requirements are too complicated, they ask for business plan and financial studies, and ask you to finish your Swedish language course first…he/she told me directly how are you planning to run a business in Sweden, you are in Sweden so learn Swedish first, how do you plan to deal with Skatteverket (tax agency)"

Those who did not apply are intimidated to do so because as they expressed that it is clear that they will not approve the loan until at least they finish the Etablering plan. The connotation of this argument with correspondents is that they have entrepreneurial experience and will and capable and some of them rated themselves as 'Good' in Swedish language. However, the rejection and discouragement rate is high from ALMI. The implication is that: although there is a systematic (automatic) tendency in place which favors newcomers to start new ventures even before they finish the Etablering plan; however, the system that includes the moneylender rejects them by complicating the procedures.

5.3.3 Compliance

"We carpenters do not have to communicate, just give me a print out of the design and measures and provide me with the right tools and I will do it flawlessly…We do not have to talk together, I can learn language slowly during work interaction not through school, this is frustrating, it is a waste of time"

All respondents are included in the Etablering 2 years’ plan. Respondents appeared to show so much anger and resentment from the fact they were sent to schools to learn Swedish instead of learning it while interacting at work. The Etablering plan connects a daily allowance of 308kr to admitting to a full time school for language and integration.

\[\text{From Question3, Appendix (2)}\]
Respondents think that this conditional money allowance is not fair. They feel coerced to go to school, rather than go to work. Also the Swedish unemployment Bureau Arbetsförmedlingen officers do not send all people to internship unless they have certain language skills, which the respondents say it is unfair also.

The spontaneous question arises, why do respondents comply with going to school and learning when they could go home and just be on the social services Försäkringkassan. The compliance with the Arbetsförmedlingen is ‘better’ in many ways than being on the Försäkringkassan. The word ‘better’ includes better pay as they say and better chances to get a job in the future. Many are not sure why the even go to school and just comply.

5.3.4 Negative Conformity

In a question about the language skills using the five points Likert scale; respondents expressed enthusiasm answering this question. Fourteen out of seventeen respondents who have been learning Swedish for at least six months have declared that their skills are between bad and very bad. During coding process, this question had the highest number of codes although the level of relevance to the question is low. It seems as if it is a door that respondents are waiting to be opened, and many other new important concerns have emerged in the process. The most prominent idea was the connection between language learning and the delayed work opportunity, as if going to school for learning the Swedish language is the barrier between them and between job opportunities. Again their neglect by moneylenders is attributed to their commitment to language schooling.

'Waste of time' is one of the frequently used phrases pertaining to the language school because language could be learned through the practical field interaction with the natives, i.e. through work. Language learning is the barrier through the time it consumes, the Swedish language could be advantageous in the future to obtain a job, but, it is detrimental on the short run up to two years.

"Why do I have to learn everything in the Swedish language, I am a tailor, ask me anything about my job in Swedish and I can answer it, still I have to continue for two years, it is a waste of time"

14 From Question6, Appendix (2)
The moderate respondents agree on the importance of language, but also defend the stance that if language is important for immigrants to get a job, then it is better if it is specialized not general; each learns Swedish that is most related to their profession.

5.3.5 Anticipation

In an attempt to measure the expectations of respondents from ALMI and the Swedish bureau of unemployment Arbetsförmedlingen; answers were almost matching. Although respondents were not directed in any way or given hints on this part, the aim of this question is to compare answers in the data analysis section with the real provisions of the two organizations in question. Funding was the keyword in 14 out of 17 answers about the expectations from ALMI, the other four respondents expected BDS Business Development Services to provide funding such as for capacity building and marketing needs. Most of the respondents have been in direct or indirect contact with ALMI. Expectations are separated from their experience because they came before the contact.

"I heard that ALMI is so difficult to deal with, therefore I saved time and am trying to collect money from family and friends to start my own business"

One of the entrepreneurs was expecting the Swedish bureau of unemployment Arbetsförmedlingen to assist him with a tax waiver for the first year at least. When asked about the source of these expectations; it appeared that they either heard it from their peers or from past experiences back home. Anticipation which is falsely based expectations brings disappointment and anxiety.

5.3.6 Uncertainty

Respondents were asked to reflect upon their view about the relationship between new immigrants and entrepreneurship, the purpose is to have a glimpse of their abstract generic view. The views governing this relation will be compared to 'question 11' from the interview from ALMI about the same idea. It is important to cross the two attitudes

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15 From Questions 10, Appendix (2)
16 This gives an idea about the importance of raising awareness about what different organizations provide and what they do not.
17 From Questions 11, Appendix (2)
together to see how these views may reflect on expectations and actions. Ten out of seventeen respondents have used the following term:

"It is impossible to get a job"

Half the respondents have connected the difficulty of having a job in Sweden with the language barrier. Language becomes a barrier according to these respondents either because they are slow learners or because they are not convinced with going to school. The importance of language is sensed in almost every question asked. Most of the respondents have suggested that; since it is impossible to get a job in Sweden for newcomers; then the solution is:

"A private business is the solution"

The relationship between immigrants and entrepreneurship is old; newcomers look back at the experiences of old immigrants. They see little success of earlier immigrants with decent governmental or jobs at corporates and if there are some, they must have waited for many years to get them or they have special skills such as higher education. The lack of trust in the system is obvious, the lack of trust in themselves (according to some); makes the new immigrants uncertain about the end of their going to school and learning Swedish and integration. To refuge against this uncertainty they probably have refuge to convince themselves of the importance of saving time and starting a private venture as soon as possible.

5.3.7 Residual Sense of Insecurity

By asking respondents a simple question 'why are you interested in starting your own business in Sweden? We aimed to pinpoint any kind of residual sense of insecurity. The following patterns were detected: 10 out of 17 respondents have used the term 'secure'; some secure their families' future; some secure a job which is not secured as an employee. The term secure is famous in the Arabic language, and it literally means 'secure'. This idea must have come all the way with immigrants from their hometowns;

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18 From Questions 07, Appendix (2)
where people usually strive to secure their families' future through better financial resources.

"Secure our lives and our families, here and back home"

Nine out of sixteen respondents showed explicitly their fear of joining the Social services programme ‘Försäkringkassan’ as according to their testimony, it is so strict and they need more freedom and independency.

"Social services is the end of the road… social service is so strict…restrict your movement…”

Other reasons are considered priority for some such as to pay off their debts and to help their families back at home. Some other answers are related to the insecurity of jobs that involve being employed by others. They reflected that employment is not secured enough; you may get fired from your job. To sum the feelings of insecurity: financial insecurity and job insecurity. Both types may not be understood by Swedish majority, however for people from the middle east it is utterly understandable and reasonable because it closely applies to their contest back home.
6. DATA ANALYSIS

Because of a quirk in the English language, the phrase ‘qualitative data analysis’ is mischievously ambiguous. It can mean the analysis of qualitative data or it can also mean ‘the qualitative analysis of data’ (H. Russell Bernard & Gery W. Ryan, 2010). On this section of the paper 'the qualitative analysis of qualitative data' will be followed by the researching team. Interpretive studies of texts, like transcriptions of interviews are of this kind. Researchers are going to focus on and name themes in texts. For many of the methodological qualitative designs, the initial analytical stage involves preliminary data analysis. Preliminary data analysis is an ongoing process that is undertaken every time data is collected. It involves a simple process of tracking the data and see what comes out of it, identifying areas that need follow up and actively questioning where the information is leading the researcher. Regardless if the data comes from interviews, notes, or written observations, the researcher always has to take this process in order to highlight emerging issues and allow all relevant data to be identified (Carol Grbich, 2013). Examples of research to be used for preliminary data analysis can be found in a book by (Ian Dey, 1993, cited in Carol Grbich, 2013). Ian Dey identified techniques for early interactive reading of data segments in 4 parts: free associations, comparing interviews, shifting the focus among the levels of data, and transporting the data.

There are three types of coding in general: the descriptive coding, the topic coding and the analytical coding. In this paper, the analytical coding will be used as a specific category of coding qualitative data. Analytical coding is the hardest out of the three types but the most rewarding. Rather than store the information or name the topic of the text, the researcher is considering the meanings in context, and creates categories that express new ideas about the data (Richards, 2009). Well-handled analytical coding is a prime way of creating conceptual categories and gathering the data needed to explore them. Coding is a first step to opening up meaning! Analytical coding refers to coding the data into an evolving structure based upon the analyst’s ongoing interpretation (Richards, 2005). As such, analytical coding relies heavily on the theoretical and conceptual inputs into the research, in addition to the empirical data (Symon & Cassell, 2012).
Participants in the beginning were asked to answer close-ended questions and then elaborate on them. Data analysis process went hand in hand with grounded theory approaches. Reiteration was used when analyzing some responds by calling the respondents and chat about what they meant by certain answers. Each set of respondents will be called entity and each entity will be analyzed separately. The purpose was to find: 'what perspective do financing agencies have towards lending newcomers, why the perspective may not be totally impartial and how did this perspective emerge'.

6.1 Findings (Immigrants)

The table below is a summary of the data representation and it is all on the Micro level of the venture seekers. The seven concepts below were categorized into three categories: state of mind, Ill-informed, and metaphysical implication.

<table>
<thead>
<tr>
<th>CONCEPTS</th>
<th>THEME</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2.1 Disfavored Qualifications</td>
<td>When commented on past experience and qualifications.</td>
</tr>
<tr>
<td>5.2.2 Systemic Complications</td>
<td>When asked if applied for a loan or intending to do so.</td>
</tr>
<tr>
<td>5.2.3 Compliance with Etablering</td>
<td>Why adhere to Etablering plan. Avoid Social.</td>
</tr>
<tr>
<td>money.</td>
<td></td>
</tr>
<tr>
<td>5.2.4 Negative Conformity with</td>
<td>Language is 'waste of time'</td>
</tr>
<tr>
<td>SFI, but a ray of hope.</td>
<td></td>
</tr>
<tr>
<td>5.2.5 Unrealistic Anticipations</td>
<td>Expectations from ALMI are unrealistic.</td>
</tr>
<tr>
<td>5.2.6 Future job uncertainty</td>
<td>Uncertain of job and future.</td>
</tr>
<tr>
<td>5.2.7 Residual Sense of financial Insecurity.</td>
<td>Still living back home.</td>
</tr>
</tbody>
</table>

6.1.1 ‘Victimized’ State of mind

The state of mind category included three main concepts which are: disfavored qualifications, compliance with the Etablering plan for better living allowance, and
conformity with learning language at Swedish for Internationals 'SFI' to avoid social services as long as possible. There is a significant similarity in the answers as peers effect was noticed. All responding newcomer is relatively new to the country and they collectively have not yet build qualified experience, rather anecdotal experience. An indication of past claims appears when some respondents reflected on their wish to apply for a loan:

"My brother told me that ALMI have complicated requirements"

The immigrants have unknowingly perhaps put themselves in a victimized state of mind. Their qualifications are “disfavored” and that they are forced to go to school every day for eight hours only to avoid Social services. They adhere to learning Swedish in the SFI although they mostly think that it is in vain and all the above have contributed to a state of mind that may reflect as anxiety.

Rather than diagnosing the state of mind that these concepts cause; it is intended to find the effect of these mind states and the interaction with moneylenders. The attitude that spurs out of this state of mind may, as it is thought, reflect back as a reaction (professional or personal) from the personal of the financial institution. Dea from ALMI Växjo asserts the importance of personality over any other consideration in assessing the applier:

"It is not about Government policies or regulations, no it is always about the person"

This could be interpreted as the person’s attitude or aptitude. A loan officer from ALMI Eskilstuna asserts the same point again:

"The attitude of newcomers may be aggressive sometimes, they think that policies make me decline cases, in fact no, their approach plays a critical role in assessment"

Going back to the literature review, this finding matches the secondary data collected which shows that policies and regulations on both the macro and meso levels do not take
bias against newcomers. It shows also that attitude and approach are added to the standards list of approval of denial.

6.1.2 Ill-Informed

In contrast to misinformed, an ill-informed person is one who does not have much information about something whereas a misinformed person is one that was given a wrong piece of information deliberately. Reflecting on the phenomenon; respondents claim that they have enough knowledge about how ALMI does business however, fourteen out of seventeen respondents have not actually experienced applying for a loan with ALMI. The ill-informed conceptual category included two concepts being: system complications, and unrealistic anticipations. System complications is a term referred to explicitly by half of the respondents, the other implied it:

"I have not applied but because I do not have time, it is too complicated"

It is clearly stated by the respondent that he did not apply and that complications are just anecdotes he heard from others or even he made it up.

"There is no general criterion, other than a feasible project, apart from being legal in this country"

The loan officer from Eskilstuna declares that the criteria are about the project and earlier about personality, therefore, there is nothing to be anticipated other than this. However, comparing this to one of the respondents:

"I do not want to try what others been through, I will try my own resources"

"They sent me there but I think it is only a formality"

Another concept in this category is the unrealistic anticipations:

"Fund, and connection with Skatverket (tax bureau) for tax waiver for a year at least"
This answer was provided by nine out of seventeen respondents when they were asked about their expectations out of the relation with The Swedish unemployment bureau Arbetsförmedlingen and ALMI. It was confirmed by ALMI and also by Arbetsförmedlingen that these anticipations are not misinformation but ill-information. Nothing from ALMI’s website, brochures, or fliers reflect any of the above expectations. This type of anticipation may be the closest proximity traced back to a program by the Syrian Public Commission of Employment and Enterprise Development PCEED. Since most of the participants are either Syrians or have lived in Syria; then they may have heard of this provision. PCEED have introduced a program to assist entrepreneurs start successful businesses when the unemployment rate was so high between 1995 and 2005. It is not unusual for people to connect things from the past to create ill-informed anticipations. When these anticipations are not met anxiety arises.

6.1.3 Metaphysical Implications

Introduced here are two rather very important concepts from Metaphysical Implications; firstly the uncertainty factor of immigrants being uncertain about their future jobs; and secondly, the residual sense of financial insecurity. It was shown in ‘uncertainty’ section above how respondents came to believe that entrepreneurship is the only refuge against their uncertainty of getting a job opportunity in Sweden. To intersect this with what ALMI personally thinks about this they were asked ‘Question 11’ in appendix 1 to reflect on this notion:

"True for newcomers, job opportunities are not suitable for newcomers, language and competencies are far from being available for this sector, they’d better turn to start their own businesses" Abdul-Wahab

"Yes, that is true. Youth (18-33) unemployment rate is 30 percent in Sweden, so new immigrant have to wait or start their own ventures, and we are there to assist them" Dea

Immigrants do share this knowledge about the dearth of employment in Sweden and that they are better off starting their own business venture.

"An official job is a dream, like winning the lottery"
"Unemployment is already high, labor market is nor recipient"

"They send us to intern practice but after that one out of 10 gets a job opportunity"

Nonetheless, the uncertainty of immigrants being able to obtain decent jobs in Sweden in the near future does not mean in any way that this fact will render moneylenders enough to give up the public money in vain. For immigrants' it is an uncertain gamble to wait to learn Swedish and find a job therefore, they tend to try and start a venture as soon as possible, whether ready or not:

"I do not have any profession that may be possible in Sweden, I will change into another easy profession, my own"

"Experience is there; will is there money is not. No appreciation of each person's capabilities"

The above are two contradicted statements from one respondent, the uncertainty about a future job may make people involve themselves in infeasible ventures but moneylenders are aware and refuge against operational risks. Operational risk could be tackled prematurely through asking for intensive market studies, business research and budgeting yet sometimes this measure may appear as prejudiced.

The second concept that defines the metaphysical category is the residual sense of financial insecurity. It was shown in the 'residual insecurity' in the data presentation above that the main reason why immigrants want to start a venture as soon as possible is to secure the financial situation of their families an themselves and for other family members back home in other cases. It looks as if they are insecure about their financial future, although it is guaranteed by law in Sweden. Respondents still use the same language of their countries of origin.

"Secure our families"

The state secures the basic requirements of livelihood, health, and education for all. Immigrants are living this fact, yet unaware of it and again this metaphysical state of insecurity may lead to reckless actions such as unplanned ventures.

6.2 Findings (ALMI)
This section will work with one group of themes at a time. If the themes are groups, they can be formed ‘in a category’. The term many researchers use to describe the nature of the analysis process is ‘data reduction’ rather than data grouping. In order for data to be analyzed in a way that looks far better than having tons of spread data is to organize an analyzing system, so that the researchers knows where and how to start. On this paper, the categorizing by the nature of the data themselves and ‘data collection tool’ like the sets of questionnaires and the semi-structured interviews shall be used. If research, like this one, provides and includes questionnaires and interviews, then the questions provide with handy categories (Tesch, 1990). As mentioned at the very first page of this paper, the interest is focusing upon two teams of economic interest, the moneylenders and the ethnic minority entrepreneur-venture seekers so the questions included in the questionnaires and in the interviews will provide the team with the suitable categorization for this paper. The data categories or data groups are following on the section below.

6.2.1 Motivations

By conducting the interviews and having the chance to talk face to face with the moneylenders, one can come up with the following statement or strong belief: motivations matter! If moved deeply into motivations, clarification of this general field shall be made and motivations are going to be divided into existential and bureaucratic.

Existential motivations: "Fresh immigrant entrepreneurs approach ALMI since it is impossible of them to find a job here in Sweden which suffers from 30% unemployment ages between 18-33” as Dea Blomqvist mentioned, so they need funds in order to start something on their own. Some of the loan applicants are coming from war stricken countries so Sweden is their way out of this terrible situation and it is a way to have a fresh start. The choices for them are simple, they can find a job or start their own company just like in most other developed countries. Another statement from the financial advisor was as follows: “When you cannot find a job for whatever reason and in order to make your own living to have enough money to support your family you have to start someone on your own one way or another".
Bureaucratic motivations: It is way easier to get a loan from ALMI rather than a bank, as the financial officers have stated in the conducted interviews. Although the interest rate is higher in ALMI, the procedures are not as strict as in a Swedish bank and ALMI is there to help guide you through the business plan process. The only procedure that needs to be followed concerning ALMI consists of two basic steps: meeting with the financial advisor, presenting ones business plan, and then with approval the financial advisor will meet with the boss of ALMI in order to officially approve or deny the loan.

“I check one’s credit history and business plan and I am the only one responsible for approving or denying a loan to this applicant” – Anonymous ALMI financial advisor.

6.2.3 Non-Swedish ethnicity market

As the 2 moneylenders working for ALMI, and especially Dea Blomqvist, have mentioned; there is an increasingly upcoming and promising ethnicity market. Although, it depends on the profession that one is referred to the most common separation can be made by dividing these professions in those who require more physical labor and less knowledge of the Swedish language i.e. hair stylist. For example, as Dea mentioned: it is way different for an immigrant entrepreneur to start a hair styling business or a grocery store than a law firm or an economic venture. The success for an entrepreneurial venture is when no strong competition exists and a well formed business plan with extensive market research is executed.

"Few years ago, I met an African woman making rasta braids for a living and it seemed really strange since I did not think it is going to work. Nowadays, this woman has her own hairstyling business and in fact I had my hair cut there once" Dea Blomqvist

In sum, between uncertain career future and insecure financial future; based on previous life experiences (hometown) and which does not apply in the current context (Sweden); immigrants build futures that are based on mental models that are originally based on ill-informed knowledge about starting a venture due to system complications. Adding to all
that, immigrants are already in an imaginable state of mind that victimizes them. This state of mind is based on a feeling of disfavored qualifications, forcible compliance, and conformity with going to SFI and adherence to Etablering plan.

7. CONCLUSION

Newcomers entrepreneurial ventures in Småland, Sweden: Dream or Reality?

In order to conclude the overall thesis question has been reinstated by means of refreshing the evolving nature of our paper. Our conclusion has been deduced from inductive cross sectional research, semi structured interviews, grounded data, and in terms of reflexive values researchers have observed the following. Newcomer’s collectivism, large personal interaction, and networking with each other, and ALMI’s focus on individualism, creativity, and personification have created a gap in communication between the two parties.

Due to the large number of newcomers in Sweden, whether immigrants or refugees, communities and networks have been formed between this group of people which has led to rumors about ways to do business here in Sweden. Taking a reflexive value perspective, due to a low level of social reflexivity, these individual rumors have been shaped by the society and environment. Grounded in data newcomers have preconceptions about being rejected by ALMI and victimized by going to SFI and Etablering and these newcomers have complained that they do not need to learn the language or go to the Etablering school because they feel they are highly qualified from previous experience. Due to the fact this “newcomer” community is fairly large in Sweden they network among one another and this is how rumors of ALMI are spread. There is a preconception that ALMI rejects most newcomers but only three out of the seventeen we interviewed attempted to apply for a loan! How do they know it’s complicated when they haven’t even tried? These newcomers are living in the state of mind of being victimized because they have to comply with these governmental programs and cannot do anything about it; they have no choice but to take these classes and wait in line like everyone else. These social norms are very foreign to the newcomers because this structure of government is extremely systematic which they are not used to.
In defense of the newcomers, through observation and interview with ALMI, it is very difficult and can be intimidating to visit ALMI for advice. Upon arriving at ALMI we were not greeted at the front desk and it seemed as if the offices were all empty. None of their pamphlets, paperwork, or website is in any other language besides Swedish and the employees insist on using Swedish as the predominant language. Luckily for us since we were only conducting an interview they conformed and spoke in English. For someone who is new to a country and looking for advice to start up their own company, this can be a very intimidating first step and this is where these attitudes and preconceptions of the difficulty in obtaining financial support from ALMI stem from.

In order to conclude our cross sectional investigation we must now take the perspective of an ALMI money lender. When conducting the interviews with ALMI our team recognized a few patters when asking our questions about the history and difficulty of obtaining a loan with ALMI. Our team can conclude that ALMI has a strict set of regulations or prerequisites that are essential before the money lending process begins. Besides the obvious legal restrictions of being a citizen of Sweden, the entrepreneur looking to obtain a loan must be well prepared with an extremely well organized business plan heavily focused on market research. When an entrepreneur visits ALMI he or she will visit Dea, who is quoted above, where she will review his or her business plan, give advice, and accept or reject the rough copy. It is her job to thoroughly investigate the business plan to ensure the success of the future venture. After visiting Dea and with her approval, the entrepreneur can then move on to a finance advisor who reviews the financial backgrounds of each individual involved. This is where ALMI can throw up some road blocks for new coming entrepreneurs because it can be very difficult to fully understand a market having only been in the country for two years. This is also where the entrepreneurs Swedish language skills are essential because in order to research a market niche it is mandatory to know the native language of the country of research as well as the highly complex taxation system in which Dea repeatedly stated was essential to taking the next step. ALMI also focuses heavily on the contents of the budget, being a moneylender it is obvious why this is an essential step in the process. The last two patterns recognized throughout the series of conducted interviews was the fact that in order to convince ALMI you must sell your business plan but more importantly you must
sell yourself. Dea emphasized on the importance of how well you can present yourself because in essence, she is the investor. Lastly Dea stated that ALMI is not strictly a money lending practice but she focused on the fact that they do give just financial advice if that’s what you are interested in.

After contrasting both positions, newcomers vs. ALMI, it is now appropriate to deduce suggestions for both parties to shrink the so called gap. Taking a third person point of view, no, ALMI does not have any written policy that restricts them from lending money to newcomers they just have a strict set of regulations which need to be met in order to start the loan process. Although they do not have any policy that restricts them, they do make it difficult for any nonnative Swede to obtain information which is where the research deduced an area for improvement. Our research suggests that ALMI should create flyers and pamphlets in English to help with the non-Swedish speaking audience because although it may be a requirement to fully understand the language before obtaining financial support from ALMI, it can help make the process smoother if these newcomers know what to expect. Further research done through interviews with the newcomers suggests that these immigrant entrepreneurs need to realize that Sweden is a highly developed country with established governmental systems that will ensure the equality and wellbeing of every citizen. The newcomers who are trying to start a business with less than two years of legal residency are seen by ALMI merely as seeds that need years and years to grow before they can flourish. In more logistical terminology, newcomers have not had enough time to understand the Swedish culture, markets, taxation system, and have too many adjustments and distractions within the first two years of residency to be able to support a growing business on top of everything else.

Overall newcomers must take into consideration that Sweden is a systematic country and that if they take the necessary steps, although they may be lengthy and frustrating at times, in the end they will succeed.
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APPENDICES

INTERVIEW QUESTIONS

For Moneylenders

INTERVIEW GUIDE: (1) The interviewer explains the non-disclosure statement from the ‘ethical considerations’ section to each interviewee in private. (2) Interviewer introduce interviewee to targeted sample being fresh immigrants still under Etablering Plan, venture seeking with entrepreneurial background. (3) Interviewer asks for educated consent to disclose her/his name.

Interviewer's Name/s: ……………………………… / ………………………………

Date and Place (city) of interview: ……………………………………………………………

Interviewee's Name (could be anonymous): …………………………………………………

Interviewee Employer's Name (Organization): ……………………………………………

Q1. Interviewee's Post (job description): ……………………………………………………..

Q2. Do you have the power to approve or deny a loan application: □ YES □ NO

If ‘No’ please explain: ………………………………………………………………………

Q3. Do you receive newcomers before finishing Etablering Plan?

□ YES □ NO □ I DON'T KNOW

Q4. What is the main reason do 'newcomer' approach your organization, financial support, business development services, others? Please specify. …………………………………………………………………………………………………………………………………………

Q5. Is there a special policy(National or organization wise) that poses restriction towards lending to newcomers, or they are included in the general policies like any other native? Please elaborate. …………………………………………………………………………………………………………………………………………

Q6. What is the general criteria when it comes to lending money to legal, willing and able newcomer/ immigrants who are seeking new ventures?

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Q7. What are the qualifications or skills (personal or others) newcomers and entrepreneurship-seeking immigrants should have when applying for a loan with your organization?

Q8. Do loan officers have any rules or restrictions when using their own personal discretion in approving or declining a loan application?

Q9. Personally, do you think that newcomer immigrants should be applying for loans before they learn the Swedish language or before they finish their Etablering plan?

Q10. Can you tell us about the immigrant's pay history, a success or failure?
INTERVIEW QUESTIONS

For Immigrants

INTERVIEW GUIDE: (1) The interviewer explains the non-disclosure statement from the 'ethical considerations' section to each interviewee in private. (2) Interviewer introduce interviewee to targeted sample being fresh immigrants still under Etablering Plan, venture seeking with entrepreneurial background. (3) Interviewer asks for educated consent to disclose her/his name.

Interviewer’s Name/s: ……………………… / ……………………… ………………………

Date and Place (city) of interview: ………………………………………………………………

Interviewee's Name (could be anonymous): …………………………………………………

Q1. How long have you had legal residency in Sweden? …………….
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Q2. Have you applied or even tried to apply for a loan in order to start your own business here in Sweden? □ YES □ NO Please explain.
……………………………………………………………………………………………………

Q3. Have you completed your Etablering Plan with Arbetsförmedlingen?
□ YES □ NO Please reflect on this point.
……………………………………………………………………………………………………

Q4. Did you have any entrepreneurial experience before coming to Sweden? Please explain.
□ YES □ NO

Q5. Do you want to continue with your previous profession?
□ YES □ NO
If your answer is 'NO', then please explain more: ……………………………………………………………
……………………………………………………………………………………………………

Q6. How do you rate your Swedish language skills in terms of being able to run your own business? (5 being Excellent) Please comment.
□ Very Bad □ Bad □ Good □ Very Good □ Excellent
……………………………………………………………………………………………………

Q7. Why are you interested in starting your own business in Sweden? …………………..
Q8. How do you plan on getting finance for your venture? .................................................................
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Q9. Do you have any past experience getting finance from moneylenders inside or outside Sweden? 
Please explain. .................................................. .................................................................
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Q10. What are your expectations in terms of financial or non-financial aids from different parties in 
Sweden (ALMI, Arbetsformedlingen)?
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Q11. How can you describe the relationship between immigrants and entrepreneurship amongst 
newcomers in Sweden?
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Appendix 2: (add to conclusion)

It is suggested that the lending criteria may be biased because of the adoption of single-
learning loop by the lending companies. A single learning loop utilizes anecdotes in
deciding the criteria, because it overlooks the feedback from the real world. Halperin
(1974) cited in (Argyris, 2008) suggests that there were "maneuvers" to affect the
information given and received; for example, (1) reporting only those factors that support
one's view, (2) biasing reports to senior participants to promote one's own view, (3) not
reporting facts that indicate danger. Hoopes (1969) described the distortion and
manipulation of information by subordinates and the lack of open debate. This argument
crystalizes the purpose of the empirical model above, which is to reach better
understanding of the underlying reasons for this phenomena.