The integration process of immigrants owning a business

The research of SMEs in Sweden
Acknowledgement

We would like to use the opportunity to express our gratitude to the following people who facilitated the performance of this research.

Firstly, we would like to thank our tutor, Imoh Antai, for his valuable feedback and guidance throughout the writing process of this thesis.

Secondly, we would like to express our appreciation to all interview participants, who invested their time and contributed to our study by sharing their stories.

Lastly, we would like to thank our peers for providing assistance with constructive criticism and suggestions during the tutorial sessions.

Veronika Graciova, Andrei Gurschi and Zhongxuan Liu
Jönköping, May 23, 2016
Abstract

Background – A number of immigrants has increased extremely in many European countries in the recent years, and Sweden is one of them. Almost a fifth part of Swedish inhabitants has an immigrant background. In addition, the businesses operated by immigrants are a constantly increasing fact in the country. Virtually every immigrant faces an integration process when moving to a new country. Moreover, appropriate integration might be required from immigrants in order to have a successful business. A significant sequence of research over the past years has been conducted in what regards the characteristics of businesses owned by immigrants, particularly, those located in Sweden. However, there is still a lack of research regarding those immigrants’ integration and its relationship to their businesses.

Purpose – The purpose of our thesis is to examine and understand how the integration of the immigrants owning an enterprise in Sweden affects the business. The researchers aim at adding to the existing studies by possibly discovering a process which relates to the integration of the immigrants and the businesses they own.

Method – A narrative inquiry study conducted through in-depth interviews with nine immigrants owning a business was performed to gain empirical evidence on topic of integration process of immigrants owning a business in Sweden. The obtained data was analyzed with existing literature on immigrant integration and business functioning.

Conclusion – The thesis concluded that immigrants’ integration has a direct link with business they own. It was discovered that immigrants have to integrate properly in order to run their business and avoid additional costs. The two main dimensions of integration were identified: cultural and legal system learning. Both play a crucial role and lead to a prosperous business development if achieved.
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1 Introduction

The following section provides the reader with the subject of the thesis, illustrating its main components. The background of the topic, the purpose and the problem discussion are included into this chapter to offer explicit information.

1.1 Background

In today's business environment, the size and type of the enterprises vary across each of the sectors. However, the largest part of the private business entities consists of Small and Medium Enterprises (SMEs). According to Mellor (2011), the small type of business makes up for approximately 99 percent out of the entire list of existing enterprises in the market. This comes out as one of the primary sources of employment, accountable for 55 percent of the total labor market share in the private sector. Yet, when the definition and what SMEs represent are concerned, the terms tend to vary depending on the regional perceptions and formal administrative laws. From the economical point of view, SMEs own an extremely significant share within the process of economic development among countries, helping create overall GDP and being the main supplier of jobs (The World Bank, 2015). Overall, SMEs appear to be economically and socially indispensable for the constant expansion of the opportunities in the labor market and balance within the business competition.

Since every geographical and economical region is structured differently in terms of legislations and conceptions, it becomes important to specify the context in which the SMEs are taken and analyzed within. Practically in all countries, business environment represents itself an amalgam of numerous enterprises among which the majority consists of SMEs. In addition, Sweden is one of these representatives. According to European Foundation for the Improvement of Living and Working Conditions (2013), the total added value to the economy and the employment make SMEs a valuable component of the Swedish economy. Relying on European Commission (2015), the proportion of SMEs in Sweden in 2015 was around the 99.8 percent of all registered entities, which are owned by both - Swedish natives and immigrants.

The number of immigrants has increased extremely in many European countries in recent years. This is also the case for Sweden, according to Statistic Sweden (2015), where 22 percent of Swedish inhabitants have immigrant background. There are currently more than 2 million people with foreign roots living in Sweden (IFS, 2015). According to the Swedish Civil Registry, the largest groups of immigrants in Sweden are Assyrians, Yugoslavians and European Union members (Statistic Sweden, 2014). As a result, the businesses operated by immigrants is a constantly increasing fact in the country. SMEs that are founded and owned by immigrants are notably demonstrable in big cities and towns of Sweden. The statistics shows that each fifth new business is found by a person who has an immigrant background and accounts for 70,000 enterprises which employ around 250,000 people (IFS, 2015).
When reflecting over the immigrant business an aspect should not be missed. In order to launch a business or get hold of other opportunities, immigrants have to go through an integration process within the host society (Kushnirovich, 2010). Relying on Lacroix (2010) the integration is an important and highly disputed topic worldwide. “National governments around the world are struggling to find ways to accommodate the increasing number of immigrants crossing their borders or residing in their countries” (Lacroix, 2010, p. xi). The prevention of racial and ethnic tensions, discrimination avoidance, and the facilitation of cohesion tend to become the main evidence for the importance of immigrant integration. Apart from this, integration would lead to the immigrants’ adaptation in a new environment from the basic aspects to the more complex ones. For example, the adoption of cultural and social values and norms as well as the obedience of host country laws are the ones. However, each immigrant integrates differently because of his or her personal and cultural experience. The lower the cultural or psychic distance between the immigrants’ origin and the host country is, the easier the integration process becomes (OECD, 2006). An appropriate integration process might be required from immigrants in order to have a successful business.

1.2 Problem Discussion

The fact that Sweden has become a heterogeneous society seems to be extremely obvious due to high waves of immigration in the past and the quality of Swedish nation being open towards the asylum seekers (Yazdanfar, Abbasian & Brouder, 2015). These arguments are backed up by the official statistics which illustrate that around 110,000 immigrants came in 2015 (Migrationsverket, 2016). However, assessing the size of Sweden in terms of population and considering its unemployment rate, which is around 8 percent (Statistics Sweden, 2016), labour markets in Sweden might not be adapted to the inflows of people recorded over the years. For this given reason, the subject of immigrants setting up their own enterprises is being seen as central in the research paper.

The immigrants arriving in Sweden are stated to have lower wages in comparison with native population as well as the unemployment rate being two folds higher among the incoming foreigners, conforming to the statistics of the Swedish Integration Board (Bayram, Nyquist, Thorburn & Bilgel, 2009). These economic facts could suggest the possible incentives for the emergence of new business entities owned by immigrants. This type of business has become an important brick within the Swedish private sector, which can be sighted in every region (Yazdanfar, Abbasian & Brouder, 2015).

According to Slavnic (2013) several researches over the past 20 years have been conducted in what regards the characteristics of SMEs owned by immigrants, particularly, those located in Sweden. However, there is still a lack of research regarding the aspects of immigrants’ integration and its effects over the foundation of an enterprise, since the main focus tends to be addressed towards the genuine business growth or integration process solely. The aim of this research is to discover the potential findings about immigrants’ integration and its influence over the owned business.
1.3 Purpose
The purpose of our thesis is to examine and understand how the integration of the immigrants owning an enterprise in Sweden affects the business. We aim at adding to the existing research by discovering a process which relates to the integration of the immigrants and the business they own.

1.4 Research Questions
The following research questions will be thoroughly discussed in order to fulfill the purpose of the thesis:

1. How important is integration for the immigrants?

2. What is the relationship between the integration of immigrants and their business, if any at all?

1.5 Delimitations
One of the main constraints is that most published articles concerning the specific topics occurring in Sweden are written in Swedish language, resulting into barriers towards the valid information. The fact of large presence of SMEs owned by immigrants is definitely an advantage, but due to the already set time frame, the research will be limited only to several representatives of this cluster of businesses. Considering that there are immigrants of various origins, implying discrepancy in levels of education, the process of integration might, correspondingly, be different. However, it is not going to be possible to examine particularly every type of ethnicity, a fact which may lead to a more general conclusion. In addition, another issue would be the variety and complexity among the all examined examples of enterprises, which happen to be in different sectors, another factor, which might have an influence on the final results. Apart from this, only the early stages of a business are examined in respect to the topic.

1.6 Definitions
SMEs – acronym of small and medium enterprises; “Small and medium enterprises: in EU law, these are businesses having fewer than 250 employees, a balance-sheet total of no more than €43 million, and an annual turnover of no more than €50 million” (Law, 2015).

Immigrant – “a person who migrates to and settles in a country other than that of birthplace and upbringing. Immigrants may acquire citizenship rights (including access to health care, education for their children, and other social benefits)” (Last, 2007).

Immigrant Integration – “a two-way process of adaptation involving changes in values, norms and behaviour for both newcomers and members of the existing society.” (Lacroix, 2010, p. 7).
2 Literature review

In this section, there is a presentation of the previous studies and research that create the background for the further analysis. It starts with a brief introduction to SMEs, which is followed by the description of start-up and growth of the enterprise. Afterwards, a transition from the ordinary to the immigrant business, followed by immigrant integration, is presented. In order to design the frame of references, the literature including articles, peer reviewed journal and books were investigated. Google Scholar and Jönköping University library databases were accessed for searching appropriate information.

2.1 SMEs

SMEs, which might have the same core-concept, as a rule, tend to vary in their definitions depending on the regional confinements. The common criteria that create the difference across the definitions are claimed to be the number of employees, the annual turnover and the size of the entity and its assets. In Europe, SMEs are considered to be the key to economic growth, creation of jobs and social integration (European Commission, 2016). In regards to the contributions of small businesses, they are asserted to be numerous, amongst which innovation, employment and economic growth stand out as more essential ones (Amini, 2004). In comparison to the large firms, small entities often lack a board of directors as well as divisions between business functions, and the corporate governance acquires another form (Munro, 2013). According to European Commission (2015), the SMEs were reported to make up to 99.8 percent of the overall number of enterprises in Sweden. The SMEs in Sweden include Micro, Small and Medium-sized Enterprises having a share of 94.6, 4.5, and 0.8 percent correspondingly. Conforming to the standards in Sweden, SMEs consist of 0 to 249 employees (Eurofound, 2013). The total contribution to the Swedish GDP by SMEs is estimated to be 125 billion euros, which accounts for approximately 59.2 percent. This creates the importance of SMEs in the Swedish economy. SMEs dominate most of the sectors in Sweden, including, construction, trade and a variety of services, such as real estate, hotel, restaurants and law.

Regarding the enterprises in general, and the small and medium-sized specifically, the assumption that all of these undergo a certain life-cycle has been elaborated. It asserts each stage of the business cycle tends to bring to the fore particular aspects of the entities, such as growth (Yazdanfar & Öhman, 2014).

2.2 Business Growth

A couple of authors, such as Scott and Bruce (1987), present in their papers the distinctive stages of the business entities which, as hypothesized, might have varying time spans. In this chapter, the focus is going to be chiefly on Start-up, although the name of the stage may vary across literature.
2.2.1 Business Start-up

One of the most relevant models concerning the growth stages of business is considered to be the one made by Churchill and Lewis (1983). It is a five-stage model which depicts the lifespan of an organization over its growth from small to large (Churchill & Lewis, 1983). The first stage in the model is tagged under the name *Existence*. They discuss the main problems and goals of the organizations at this stage. Churchill and Lewis (1983) describe this phase where the entities are simple and small, and where the owner directly interacts with the subordinates and does the monitoring him or herself. At this point, the business is totally represented by the owner. According to these two authors, the main strategy of this kind of businesses is chiefly centered on staying alive in the industry.

Kazanjian (1988) is another researcher who discusses the life-cycle process of business and approaches the problems and challenges this copes with. It is stated that most of the times the literature about the growth models appears to be subject to challenges for the reason of the used concepts (Kazanjian, 1988). The model elaborated by Kazanjian (1988), however, consists only of four stages: Conception and development, Commercialization, Growth and Stability. As a matter of fact, the first stage of business is named differently, which is Conception and Development, than in Churchill and Lewis’s model (1983). The delimitation in Kazanjian (1988) might be that the writer has mostly focused on technology-based new ventures.

Another group of authors who have identified the need for an explicit growth stage model is Scott and Bruce (1987). According to them, there was enough evidence on the similarities among the problems faced by different entities in order to create their own growth model. There are five stages which underpin this model. These stages are as follows: Inception, Survival, Growth, Expansion and Maturity (Scott & Bruce, 1987). It is somewhat similar to the first represented model by Churchill and Lewis (1983). In this instance, the business existence phase is defined as the Inception. It is argued that the factors pushing the firm forward are the values brought in by the founder (Scott & Bruce, 1983). Scott and Bruce (1983) discuss the strategy as being focused around the development of the acceptable products as well as gaining position in the market industry.

Concluding, Business existence (Churchill & Lewis, 1983), Conception and development (Kazanjian, 1988), and Inception (Scott & Bruce, 1983) are stages that could be considered synonyms of a more simple concept named business start-up.

2.2.2 Problems in the Start-up

The general issues of start-ups and small businesses are discussed in a variety of literature, including the previously mentioned authors. Huang and Brown (1999) are ones of them who argue that a clear perception of the problems a business faces is vital for its owner as they must adjust their behavior accordingly. It is said that conceptual frameworks regarding the classification of commonly experienced issues have been elaborated by a number of researchers (Huang & Brown, 1999). The most relevant areas where owners
deal with issues have been identified by Huang and Brown (1999), and stated accordingly: *Sales and Marketing, Human Resource Management* and *General Management*. The authors of the paper emphasize the promotion, market research and staff training as being the aspects associated with knowledge or skill deficit (Huang & Brown, 1999). Being given these problematic areas, the business owners get a more clear insight of the segments that need to be invested into or fixed.

Churchill and Lewis (1983) have identified that the main issue in the existence stage is the customer base and how it can be acquired. Apart from this, the quality of delivery of the product or service emerges as a concern for a newly started business entity (Churchill & Lewis, 1983). The most important questions posed on this issue are whether the business is able to acquire customers and manage the delivery of its products or services well, and whether it can get enough financial capital to overcome the existence phase (Churchill & Lewis, 1983). A relatively more recent study by Gomez (2006) reveals that the newly established firms often face both problems. Firstly, the issue of obtaining customers is inherent, for the reason that the firms of bigger sizes and longer activity in the market tend to possess a great share of loyal customers, which cuts the demand for the new business. Secondly, the new enterprises may struggle with the financial institutions in receiving initial financial help, the reason being the lack of trust and banking history (Gomez, 2006). In addition, most of the problems faced by the new business, in practice, appear to be very similar to those generally encountered by the small firms. Moreover, the irregularities along the start-up evolvement process are said to be also caused also by the external factors as well as internal factors of the firms (Gomez, 2006).

2.2.3 Networks

In search of the answer for what does make a business successful in its both pre- and start-up stages, some of the writers have been eager to favour networks and relationships as the potential solution. For instance, Greve and Salaff (2003) make a remark upon the fact that for the establishment of a business and its further functionality in the next phases, there is a need for different networks and resources. It is further assumed that the founder’s networking range and the success of their business in the start-up stage creates a positive correlation, which ought to be investigated (Witt, 2004).

In the common literature, networks are seen as the main and most valuable type of resources that an entrepreneur could have (Hansen 1995; Jensen & Greve 2002; Singh 2000). As a matter of fact, resources, which are either too expensive or unavailable to be acquired through market transactions, could be easily reached by the business founder through their wide network (Witt, 2004). As stated by Greve and Salaff (2007), a business entrepreneur would be able to acquire such resources as information, financial capital and labour in order to start or enhance their business activities. This statement is supported as well by Klyver and Hindle (2007), who have added to this list advice and social
legitimacy. These authors refer to social networks as the social capital, which is one of the three main types of capital enterprises are based on (Klyver & Hindle, 2007).

By regarding the considerable importance of the socially acquired ties in the existence stage, many of researchers have come up with models and classifications after investigating into the topic. Witt (2004) elaborated a model of what is named as measures for entrepreneurial networks. This model is divided into three different blocks: the activities which networks are built upon, structure of the existing network, and, lastly, the information and services provided by the partners. It is made with the purpose of testing the effectiveness of social networks for the entrepreneurs. In order to assess the degree of success of one’s social capital, it tends to assign each of the three elements some fundamental factors. The first one, what are the activities a business owner engages into, depends on the time one invests into the network and the frequency of the interactions among its members. The time spent may be used for both maintaining and acquiring new contacts. The second basic element of the analysis is the structure. It comprises aspects such as the number of partners, how diverse and, then, how dense the network is. Lastly, the frequency of the new information exchanged by the members as well as the degree of partners’ support play a crucial role. This shows, namely, the benefits provided by the network, implying the greater amount is always more beneficial. However, all these three characteristics are inter-correlated, which means that the successful start-up development depends on all of them (Witt, 2004).

As claimed by Lechner, Dowling and Welpe (2006), any type of an established network constitutes the base for the further business development or growth.

2.3 Further Business Growth

After starting up, more challenges might arise in the way of the business, such as lack of capital, management problem or cash flow issues; therefore, businesses need to keep up with the development. In the competitive market, how to gain further business development has become a crucial task for the business entities that are new to the market. Researchers have established theories to figure out how business entities deal with these issues in their development cycle. Churchill and Lewis (1983) assume that, after the existence period, a business entity needs to undergo each stage of progress or fail completely in the attempt. Survival stage, which is right after the existence stage, shows that the business entity is able to continue since it has enough customers to serve or to acquire the product. In the survival stage, firms have the opportunity to grow and move to the next stage; otherwise, they might go out of business due to owner’s abandon or retirement. Then, it comes the success stage with two sub-stages: success-disengagement sub stage or success-growth sub stage. At this stage, the owner does have the option to choose between these two sub stage, deciding whether to go for expansion or to just keep stable. Next is the take-off stage in which two issues need to be solved: how to grow fast and how to cover the costs of growth. Finally, resource maturity will come, meaning that
the entities acquire superiority in terms of its size and resources (Churchill & Lewis, 1983).

Scott and Bruce (1987) also used similar group of terms to describe the further development period: survival, growth, expansion and maturity. When the age of business extend, the size also increases and the evolution develops along four stages. In between each stage, Scott and Bruce (1987) mentioned some crises that could most probably emerge. In the survival stage, such crises emerge as expanded distribution channel, change in the competition and pressure of information system. Management style needs to be adapted to solve those issues. In the growth stage, which is based on a more formal organizational structure, the business is profitable but generates little cash for the owner. The crises that need to be solved are the larger competitors getting the advantage from the economies of scale and the lack of resources to satisfy their customers. Decentralisation is suggested as a solution for this stage. Then, in the expansion stage, it is critical for the company to systemise its administrative tasks in order to go through this cycle; otherwise, it is likely for the company to fall back to the previous stages. Moreover, the founders would find themselves having less power in the decision making procedure than the professional managers have. When organization reaches maturity stage, it does not mean that it will stop growing. Instead, it is likely that most of the companies in this stage are prepared to stepping out as ‘small business’. Increasing production capacity and finding growth chances become the new issues for the management.

It was identified that the challenges that occur during business expansion may, as well arise during the growth process of an immigrant enterprise. This fact does tend to put the immigrant at a disadvantage because of the low accessibility of resources (Sequeira & Rasheed, 2006).

### 2.4 Immigrant Business

Following a considerable list of literature, it becomes obvious that immigrants have managed to penetrate with their own founded enterprises a variety of countries and their markets. Slavnic (2013) claims that since the number of immigrant owned businesses has increased over the past two decades, this has become a widely researched topic in Sweden, which is worth paying attention to. This phenomenon among the immigrants to become self-employed, which has been going at a fast pace, has attracted much attention and offered empty spots for researchers to fill in, as pointed by Haley (1997), Light and Bonacich (1988), Light and Gold (2000). Yang, Ho and Chang (2012) describe this as an actual topic, but which has been under-researched due to the reason of unawareness about the immigrant entrepreneurship spreading and the lack of proper frameworks.

In quite many examples of literature, the term immigrant entrepreneurship might feature instead of immigrant business. The immigrant entrepreneurship is mostly referred to all groups of immigrants that practice entrepreneurship, stated by Waldinger et al (1990). Regarding the reasons why immigrants set up their own business, there are several in this sense discussed by the authors. First of all, the non-native inhabitants of a country usually
face serious issues related to job market, as for instance the unemployment or underemployment among the corresponding groups (Iyer & Shapiro, 1999). Besides, these ethnic groups might lag behind the natives in regards to the level of education they possess, the difference between the language skills and the knowledge for the specific job or career (Yang et al, 2012). Discrimination and other obstacles, including underpayment, might lead to the individuals entering the ethnic economy or self-employment (Khosravi, 1999).

2.4.1 Start-up and Growth Stages

Before the start-up stage of the business takes place, immigrants undergo the process of pre-start-up stage. This is the period when the entrepreneur seeks learning, experiencing person-to-person exchange, and the weak ties dominate the relationship (Sequeira & Rasheed, 2006). In the next stage, which is start-up phase, relationships based on person-to-person exchange, as defined by Morris (2001), are the distinctive ones. As stated by Sequeira and Rasheed (2006), the family of an entrepreneur and their ethnic network are the key elements towards a successful start-up. During this stage, the newly established businesses require more resources and show dependence on the outer environment because of lack of knowledge and finance. The entrepreneurs seek for sectors with low barriers of entry and low margins, since they put more focus over the survival (Chaganti & Greene, 2002). A significant quantity of immigrant businesses could be found in areas such as wholesale and restaurants as well as retailing sectors. The immigrant entrepreneurs have the tendency to target these sectors as they pose relatively low barriers. Apart from this, the small-scale entities and the opportunity of employing family members or contacts from the social networks contribute to reducing costs (Rath & Kloosterman, 2000).

The strong ties are the ones considered critical for the start-up phase, since this is the opportunity for an enterprise to be settled down and they usually provide sponsorship (Flynn, 1993). As a common rule, strong ties serve as a sign of both frequent interaction and easy accessibility to the resources for the adventuring into business immigrants. However, there is a remark on the fact that strong ties, as a rule, lead to the establishment of the business within the ethnic enclave and, sometimes, to the replication of other immigrants’ forms of business (Sequeira & Rasheed, 2006).

Already in the growth stage, immigrant owners are expected to be less in the need of strong ties for the reason of those limiting the business growth, and more of the weak ties in order to reach the market segment beyond the ethnic enclaves. If the enterprise is embedded into a small enclave, then its extension is only possible outside the ethnic business community, a fact which suggests the inefficiency of old strong ties (Sequeira & Rasheed, 2006). Consequently, a relation between the immigrant entrepreneurs’ networking experience and the growth of their firm has been discovered by Ostgaard and Birley (1996). In the paper that focuses on service industry, Altinay and Altinay (2006)
stress the fact that meeting the future expectations of the customers the immigrants acquire at the beginning highly matters for growth and survival of the business.

Some attention has also been given to the human capital factor. The authors Sequeira and Rasheed (2006) have come up with a model where it depicts that the business start-up and growth are also influenced by it to some extent. They have highlighted how the human capital relates to the strong ties and weak ties, and how it moderates during the start-up phase as well as during the growth phase. In either cases, the human capital strengthens the appropriate tie when it is more needed (Sequeira & Rasheed, 2006). In addition, according to Altinay and Altinay (2006), the composition of labour in the business and the information are important for the growth stage. The information regarding the overall economy and markets is essential for development, whereas the co-ethnic labour could create a competitive advantage for the immigrant owner.

2.4.2 Culture and Social Ties

In terms of resources, significant attention has been addressed to the cultural patterns. Rezaei (2007) claims that businesses handled by immigrants bear a resemblance of their own culture, influencing their products, ways of communication as well as internal and external structures. In fact, most of the immigrants prefer employing co-ethnics which fosters the trust and solidarity within the ethnic groups (Rezaei, 2007). According to Bonacich (1973), Waldinger et al (1990), Werbner (1990), the specific culture of ethnic groups brings to the fore such values as family relationship, religious and ethnic ties and trust.

Another author, Light (1984), states that the likelihood of immigrants becoming the founders of their own enterprises highly depends on the class of resources possessed by them. Another line was drawn by Kushnirovich and Heilbrunn (2008); Light and Bonacich (1988), who state that in comparison to general business founders, who possess personal resources, the immigrant entrepreneurs make use of their ethnic resources, resulting in a possible competitive advantage. As described by Greene (1997) and Min (2000), ethnic resources are defined by the labour assistance and financial aid provided by the family. Moreover, Curci and Mackoy (2010) elaborated a few hypotheses, among which one regards education and knowledge of the local language as factors which consolidate the integration level of the business.

Social networks and ties play a vital role in the process of setting a business or simply maintaining its functionality. In this context, the term ethnic enclaves may often come across. According to Portes and Bach (1985), an ethnic enclave is a form of network that consists of both social and business relationships concentrated in one specific geographic area. It is such a common word used in the literature for the reason that the enclave is the source of economic opportunities as well as social contacts of people with the same origins, which is essential for immigrants in a foreign country (Sequeira & Rasheed, 2006). Chaganti and Greene (2002), who also term this as ethnic community, claim that
a great part of business is linked with the rate of involvement of the immigrant into the ethnic enclave. For instance, business goals are said to vary in conformity with the involvement in the ethnic community. The established networks, introduced under the social capital name, ultimately create the ties between individuals, which are classified as weak and strong ties (Ibarra, 1993). Human capital is defined as the norms and networks that create an organisation where individuals interact (Woolcock & Narayan, 2000). Marger (2001) refers to these ties as the social networks which are consequences generated from the common experience that immigrants encounter. Accordingly, networks rely on mutual trust which tends to strengthen the ethnic community bondage (Marger, 2001).

The strong ties are characterized by stable relationships and high emotional devotion, while weak ties lack these aspects (Ibarra, 1993). The writers, Sequeira and Rasheed (2006), argue that each type of tie, characteristic to immigrant entrepreneurs, suits the strategy only for a certain stage of business. It is asserted by Greene, Brush and Brown (1997) the issues of structuring and managing resources are more critical during the stage of development than other elements such as the individuality of the founder or the industry overall. This does prove the point that resources are classified by utility depending on the stage the business undergoes.

2.4.3 Finance in Immigrant Business

Generally, the financial reserves of an immigrant entrepreneur are regarded as the most common challenges when setting up a business, a barrier which determines the growth of the entity (Fairlie, 2012). According to Kushnirovich and Heilbrunn (2008), there are a plenty of studies that approach the classification of the financial resources that are at the reach of the immigrant entrepreneurs. Equity and debt are one of the types of classification for the possible financial sources available for the immigrant business owners. Equity funding includes personal savings, which are also divided into money brought from the home country and money saved in the host country. Debt funding is a much larger unit, being made up of family, friends, rotating credit associations, government financial support, bank loans (non-ethnic and ethnic banking), credit companies, trade credits (business associates), and miscellaneous type of sources (Kushnirovich & Heilbrunn, 2008).

Another group of researches, namely Huck, Rhine, Bond and Townsend (1999), classifies that in conformity with the four large groups of financial alternatives, such as personal resources, informal sources, formal sources and increments. Fairlie (2012) also classified the source of personal or family funding as one of the most common alternatives for start-up capital, making up for two-thirds. According to Fairlie (2012), although bank loans are common financial sources, the immigrant entrepreneurs will less likely use it than the native ones. Personal resources are merely the entrepreneurs’ savings; the informal sources come in shape of loans and gifts from family and friends; the bank loans constitute the formal sources; the increments are the resources received from other financial
institutions (Kushnirovich & Heilbrunn, 2008). As supported by Fairlie (2012), the entrepreneurs with foreign background tend to favour more the informal sources in order to finance the business rather than banks and other financial institutions.

Ethnic ties are regarded as one of the most efficient sources of funding for immigrant entrepreneurs. Not only are they used for the aim of gaining capital, but also for selecting partnerships and recruiting potential staff (Kushnirovich & Heilbrunn, 2008). Moreover, industry composition is assumed to be playing an important part for the business funding. As a rule, the immigrant business owners might be concentrated in the areas and industries where the average of the initial level of investment might be higher than in other ones (Fairlie, 2012).

Because of the undeniable contribution of the immigrant businesses both on economic and social levels (Altinay & Altinay, 2006), governments have realised the importance of the support granted to the immigrants owning an enterprise, which might, potentially, come at a greater cost. The assumed challenges of giving support also touch upon the social and cultural differences which immigrants bring along such as different language and business practices. Hence, governments of the host countries ought to give a great priority to the process of integration of these individuals, considering the social and economic importance of the foreigners who run a business (Curci & Mackoy, 2010).

2.5 Immigrant Integration

Integration is the process that helps immigrants become part of the society in the host country and get closer to the native when it comes to the distribution of valuable resources (Diaz, 1993). It has become a popular topic in many respects, since there exists a large scale of immigration movement in the context of globalization (Bodvarsson & Van den Berg, 2009). Integration, as a concept, is used in different kinds of disciplines; however, relevant sociological theories about integration are used to interpret immigrant integration here.

Integration is a process that affects immigrant-background minority and their participation in the host society (Ireland, 2004). Integration of immigrants has become an issue which is hard for government to get solid solution for. Newcomers need to get support in order to have an access to the labor market and handle unfamiliar culture, and traditions in the host society; therefore, it is a challenge to evaluate the integration of immigrants for its two-sided social process (OECD, 2006). The objective of integration policies for each country are different due to the difference in their interpretation of integration so that definitions of integration vary each other’s. Similar terms, such as assimilation can also refer to integration. Assimilation is a one-way process of bringing immigrants into the host society, while integration is a two-way process of transformation involving changes in values, rules and act for both the immigrants and local members (Lacroix, 2010). Other authors, such as Diaz (1993), conducted a theoretical and empirical study of the immigration integration in Sweden and defined that the integration is considered to be “a social process involving interaction between the immigrant and
host population” (1993, p.7). Instead of meaning the elimination of cultural diversity when it comes to assimilation, integration tends to mean the qualitative development of participation of immigrant-minority into the mainstream society (Diaz, 1993).

2.5.1 Dimensions of Integration

Integration is such a multi-folded process that needs to be studied in the perspectives not only of a single academic discipline, being that economics or political science, but rather by all these combined together, due to its complexity (Lacroix, 2010). Researches have categorized integration into various dimensions and these are connected with each other instead of being isolated. Two major dimensions are identified by Lacroix (2010). Structural dimension combines aspects of social attendance into the bigger society, such as labor, legal, political. Affective dimension refers to the process of the personal value recognition. Structural integration assumes that most people in the society are already integrated structurally and focuses on ethnic minorities and immigrants, while affective integration pays more attention to both majority and minority groups. Those dimension can be broken down to two spheres of integration. Structural dimension consists of economic and social spheres, while affective dimension consists of social and cultural spheres.

Similar categorizing is done by Entzinger and Biezeveld (2003), who had concluded four dimensions by analyzing three broad domain of society: social-economic domain, cultural domain and political-legal domain and additionally an extra domain labeled as ‘attitudes of recipient society’. In order to have a deeper understanding of dimension of integration, indicators of such dimensions have been studied. Entzinger and Biezeveld (2003) have also identified the indicators for the dimensions that they came up with and used them as a benchmark to observe the degree of integration.

1. Socio-economic integration

In the socio-economic field, integration is measured by the social position and economic status. Employment, income level, social security, level of education, and housing and segregation are the indicators identified by Entzinger and Biezeveld (2003). Getting paid employment and setting up one's own business are the track for both good social and economic integration. The identification of whether the immigrants’ level of income differs significantly from the natives’ number across the same type of industry and jobs, and if the social security in terms of pension schemes, tends to vary in comparison to the native inhabitants might be useful indicators of the level of integration. The quality and location of housing could serve as a sign of the immigrants’ exclusion from the rest of the population (Entzinger & Biezeveld, 2003).
2. Cultural integration

In the cultural field, integration is measured by the attitude towards basic rules and norms of the host country, frequency of contacts with host country and country of origin, choice of spouse, language skills and delinquency. Immigrants tend to lack the knowledge and understanding of the core values and rules in the recipient society. The multiculturalism and assimilation are distinguished in the cultural domain. In the multiculturalism, immigrants’ own cultural identity would be assisted to preserve and develop. While, in the assimilation immigrants are expected to act according to the host in terms of culture (Entzinger & Biezeveld, 2003). Lacroix (2010) considers that cultural integration tends to be the center stage in the whole integration process and that cultural integration plays an increasingly important role in integration policy.

3. Legal integration

In the legal and political field, integration is measured by numbers of immigrants naturalized annually or who obtain a secure residence status, numbers of immigrants with dual citizenship, participation in politics and participation in civil society. Laws that administer naturalization and rights of family reunification are a controversial topic in the political field. Generally, the trend is that immigrants do not participate in elections as much as the native population (Entzinger & Biezeveld, 2003). Another author explains legal integration as a constructed term which consists of such aspects as the residence rights of an immigrant, their possibility of accessing the basic rights, services and resources, and, not least, their legal status (Niessen & Huddleston, 2009). The legal rights that an immigrant receives from the host state emerge to be meaningful for their comfortable accommodation into the society, although they solely do not fulfil the complete societal integration. Besides, after a significant period of time, immigrants might become engaged actively into the political life by the government, a privilege which must come along only with the legal residence (Niessen & Huddleston, 2009).

4. Attitude of recipient societies

Integration is a two-sided process that both immigrants and native population need to take part in. Four major indicators of attitude of the recipient society are explored by researchers, and reported as discrimination, perceptions of immigrants by the host society, incidence and effects of diversity policies and role of media (Entzinger & Biezeveld, 2003). The mentioned indicators, actually provide the solutions to the common problems faced by the immigrants during the integration period. The easy accessibility for the immigrants of the fundamental institutions and the fair report of the negative as well as the positive news concerning the foreign inhabitants could be a few solutions to the issue. It is also claimed that the state of diversity of individuals within the police force may contribute positively to the integration process. As stated by Entzinger and Biezeveld
(2003), these represent the measures which could suppress discrimination and create a welcoming environment in the host country.

2.5.2 Integration in Sweden

Sweden, as any other country and cultural entity, differs in terms of the integration process that is impelled upon the incoming foreign individuals. According to Nekby (2012), even though the topic of integration is one receiving much attention, there is a dominant scarcity of empirical evidence towards this direction. Since this seems to be a quite broad subject, the researchers attempt, as a common rule, to keep to the practice of going deeply into one of the main areas of integration. Economic integration might be perceived easier because of the reason of the ability to quantify it by following and calculating measures, whereas the cultural integration is a questionable subject. On the other hand, Lundborg (2013) asserts employment appears to play the vital role from the point of view of the integration, where economic factors are brought about which support this idea.

Sweden is known to be inhabited by various ethnicities (Nekby 2012), which might create a certain contrast among the patterns of integration, but these tend to be offset the general rules and social norms which exist in the Swedish society. To give an idea of the present diversity, the biggest share of the incoming foreigners in Sweden is upheld by the Finnish people, which makes up for about 15 percent of foreign-born population. These are further followed by Iraqis with 7 percent, Yugoslavs, Iranians, and Bosnians, which numbers fluctuate around 6 percent (Nekby, 2012). It offers a glimpse of how diverse the Swedish society is in present.

There might be several issues that the immigrants are likely to cope with on their arrival in Sweden. First of them is the low demand for immigrant services. According to Lundborg (2013), the low demand which is caused mainly by the immigrants’ unawareness of the common rules and language, leads to low employment chances among these ones. It is explained that this phenomenon may be as well a consequence of the shift from the heavy industry to the service society. This statement is supported by Nekby (2012), asserting that the employment gap between the immigrants and natives have widened significantly beginning with 1970s. It is said that the income gap has been under the same condition of change, all this due to the economic-social processes, characterized by the shift from manufacturing jobs, the technological progress, the requirement of the soft skills as language and communication (Nekby, 2013).

Secondly, the topic of discrimination is asserted to be present even in Sweden. Lundborg (2013) writes about a common practice among the immigrants of African and Asian origins of modifying their surnames into more characteristic to the Swedish society, in this manner avoiding the potential discrimination on behalf of the employers. The experience of individuals of Arab origins, and correspondingly, Arabic names, have been analyzed by Carlsson and Rooth (2007), generating conclusion that these immigrants...
have higher chances to face discrimination related to labor market. However, it is mentioned that such indicators as education, age and gender as well as the total of years lived in Sweden could have an influence over the immigrants’ labor integration (Lundborg, 2013). Socialwise, cohabitation, which does not involve any marriage relationship, is described as one of the socio-cultural factors present across the Nordic nations. This could represent another indicator of the extent of integration for the immigrants in Sweden. In addition, the differences between immigrants and Swedish native population tend to be diminished as immigrants live longer in Sweden and as more generations are raised up in this environment (Nekby, 2012).

2.5.2.1 Factors in the immigrant’s integration: Actor-context model

Actor-context model firstly launched by Esser but modified by Diaz (1993), who researched immigration integration in Sweden, presents two types of determinant factors in the immigrant’s integration: the actor's factors - three variables: motivations, costs and resources, and the contextual factors - two variables: opportunities and barriers. The actor-factors are based on the assumption that integration actions depend on the actor’s motivation, cognitive resources, confidence for goal attainment and conception of costs in relation to the goal situations. Then, the contextual factors draw on an assumption that integration actions depend on the factors of contextual opportunities, barriers, and the contextual conditions. The author aimed to sum up all the empirically found, relevant elements through creating the general actor-context hypothesis: “the immigration integration would be greater, the higher the positive motivation towards the new social context, the lower the costs of the immigration experience, the greater the functionality of the actor’s resources for integration attainments in the host environment, and the fewer the barriers and the more opportunities in that host context.” (Diaz, 1993, p.75).

To sum up the presented findings, the immigrant business field has become a complex phenomenon due to the reason that it cannot be examined independently from personal and economic factors as well as the institutional determinants. In accordance to the theoretical assumptions, these elements are able to offer an insight into the immigrant entrepreneurship topic and how it functions (Curci & Mackoy, 2010).
3 Methodology

This chapter presents the techniques applied for the empirical data collection. To find out which aspects play a main role in businesses owned by immigrants and how immigrant integration influence their entity, qualitative research with narrative inquiry strategy was executed. Primary data were conducted through interviewing nine immigrants that own a business in Sweden.

3.1 Research Model

Many questions are needed to be covered and issues have to be solved while doing a research. Special techniques, strategies and approaches are used to collect appropriate data. The research ‘onion’ implemented by Saunders, Lewis and Thornhill (2011) clearly illustrates the whole investigation process. The model introduces stage by stage layers, which begins from the research philosophy, continues with approaches, methodological choices, strategies, time horizons and narrows in techniques and procedures. The understanding and explanation of the layers are required because of their importance (Saunders, Lewis & Thornhill, 2012).

*Figure 1. The research ‘onion’*

3.2 Research Philosophy

For the aim of conducting a research in the business field, it becomes crucial to select an appropriate philosophy. According to Saunders et al (2012), the research philosophy that is undertaken by the authors must express their views on the world and its processes. It is the underpinning element in the research strategy and methods choice (Saunders et al, 2012).

With regards to this research paper, *Interpretivism* is the suitable philosophy which the further strategies were built upon. For the reason that the core of philosophy addresses the importance of humans and their roles, *Interpretivism* is consistent with the tools selected for the thesis research. In-depth interviews were carried out with individuals who either tried to or had set up their own businesses, in these settings the human characters, their backgrounds and experiences being central, in the topic segment. By choosing this philosophy, it is implied that the roles of humans in the social context and their differences have to be comprehended (Saunders et al, 2012). Consequently, these are interpreted from an empathetic stance (Saunders et al, 2012), meaning the result of the studies were interpreted by the authors in a more subjective manner.

From the axiology point of view, which signifies the investigator’s view of the role of values in research, the study is defined as subjective, since the researchers went into depth and put much emphasis on the value of the study for the society. Epistemology, the science of the acceptable knowledge, states that *Interpretivism* encompasses such elements as focus on details and what their meaning is in the real context (Saunders et al, 2012).

The research approach lies on the next layer of the model. There are two main, widely known research approaches up to the present: *deductive* and *inductive*. The deductive approach concentrates on the theory testing which is derived from the literature review. In this case, the collected data is strictly used to test hypotheses that are linked to the literature theories. In conformity with the literature regarding the research methodologies (Saunders, Lewis et al, 2012), the concept of the inductive approach is generating a new framework by collection of relevant data. This is a more ‘bottom-up’ approach since it analyzes from the specific to the broad areas.

The inductive approach is believed to be more suitable for this type of research. This is due to the fact that the goal of the research focused mainly on the context in which the immigrant business owners achieved the given status. In order to do this and understand the problem by its nature, a small sample of individuals was gathered and analyzed, which suggests the consistency with inductive approach. Another reason is that, in this case, a phenomenon, namely the immigrant businesses, was explored, which afterwards led to the creation of a new framework. Despite the fact that the generated framework holds on a few concepts from the literature, the research added new knowledge to the existing theory and discovered new patterns of the human interaction with the environment.
(Saunders et al, 2012). In contrast to the deduction approach, induction method allows to have a deeper look at the processes behind the phenomenon (Saunders et al, 2012).

3.3 Methodology

In regards to the widely known research designs, there appear two possible alternatives to exist: quantitative and qualitative. The quantitative research mostly focuses on the relationship between variables, conducting a number based analysis (Saunders et al, 2012). As a rule, experimental and survey strategies tend to be associated with quantitative study. The qualitative research describes wholly the meanings derived from the participants of the study and their relationships, tending to generate a comprehensive framework out of them. Relatively to the quantitative research, the qualitative comprises a greater variety of research strategies, such as case study research or narrative research (Saunders et al, 2012). The qualitative method is associated, as a rule, with non-numerical data which is gathered via such techniques as interviews (Saunders et al, 2012). Between the two methods, the qualitative research is believed to be more appropriate for this study due to the fact the central figures of the research were human beings (business owners), meaning that each of them attributed their shared meanings and beliefs upon the analysed cases. Denzin and Lincoln (2005) claim that qualitative approach goes hand in hand with the interpretive philosophy, which is the case in this research. Therefore, there is need for subjectivity when applying the interpretivism philosophy in order to interpret the data about the researched phenomenon, which leads to a deeper understanding of the matter (Saunders et al, 2012). As a result, subjectivity is a featuring part of this research paper, mainly because of the varying opinions among the interviewees.

For the reason that the qualitative approach is seen mainly as the exploration of in-depth knowledge under naturalistic observations (Blaxter, Hughes & Tight, 2010), it was the efficient tool for researching immigrants and their businesses. This study touched upon the integration process of every individual, which could be described only by having an inside view. The subjects of the interviews - the business owners, were the main characters who engaged in providing the specific information concerning the integration process and business establishment. In fact, the participants’ meanings and views were analysed (Saunders et al, 2012), thus generating new findings with regards to the integration of immigrants and adding more quality to the existing scholarship.

By following the model elaborated by Saunders et al (2012), the methodology choice chapter also gives explanation for the nature of the research. There are three possible types of research: exploratory, descriptive and explanatory. Amongst all, the exploratory study appears to be more suitable for this thesis because of the reason that the open question approach for the explorations of the topic was applied. Thus, the experts or individuals with the certain experience in the field were interviewed and expressed their point of the story. According to Saander et al. (2012), this is exactly what an exploratory study depicts. This type of study could be done in numerous ways, one of which is via interviews, most of the times unstructured. Since this approach tends to be more flexible,
the discussions with the subjects bore a more personal mark and touched upon the hard reaching detail about their opinions on integration and business management (Saunders et al, 2012).

3.4 Research Strategy

All strategies are a concrete scheme of steps which helps to achieve units’ objectives. Thus, a research strategy could be defined as a plan that helps the individual to explore the way he or she will answer the research question. The narrative inquiry strategy was applied in this paper due to its entire connection to the qualitative research design (Bauer & Gaskell, 2000). According to researchers, a narrative is “a story, or personal account which interprets an event or sequence of events” (Saunders et al, 2012, p.187). The strategy involves the collection of narratives - written, visual or oral, that focuses on people’s stories, experiences and examples of specific cases. The narrative research presents the collection and analysis of complete stories rather than certain interview questions that have frames. Moreover, narrative inquiry includes greater sensitivity to social and cultural differences (Trahar, 2009) that could be necessary for researching the field of immigrants. The strategy preserves the linkage of the events in story and their chronological connection that optimizes analytical potential of the research.

In narrative inquiry, the interviewee is the narrator and the investigator is the listener. The narrative can provide a brief story about the case or extended one describing all the aspects of the event. As stated by Saunders et al. (2012), in-depth interviews are the main techniques of gathering stories. However, other methods such as participant observation could also be used. Depending on the context, the strategy may be used with one or just few numbers of participants, or with slightly larger samples. The most often, small samples are the most frequently used ones because of sizable amount of information to analyse. The main difficulty could be the research participant may most likely drift away as the story does not always match the posed question (Trahar, 2010).

Relating to the time horizon, this research is cross-sectional because it was carried on a particular topic at a certain time period. Many researches pointed out that majority of studies are made for the educational purposes and as a result data is time constrained.

3.5 Data Collection

The selection of techniques and procedures of factual data collection is an inseparable part of the study process (Saunders et al, 2012). Interviews are the corresponding method of data collection. “Interviewing is a popular way of gathering qualitative research data because it is perceived as "talking," and talking is natural” (Griffee, 2005). Interviews do not assume any statistical cognition, and interviewee are usually close at hand and voluntary. The empirical data was obtained in order to contribute to the current research, particularly by interviewing immigrants that are operating or operated their own enterprises in Sweden, meaning that the main criteria of interviewees’ selection was only their background.
In-depth interview is one of the most appropriate methods to collect data for qualitative research and it is inherent for narrative inquiry strategy (Saunders et al, 2012). Therefore, this type of interview was used for the research. In-depth interviews are interviews in which “participants are encouraged and prompted to talk in depth about the topic under investigation without the researcher's use of predetermined, focused, short-answer questions” (Given, 2008, p.423). This type helps to understand the context and find out what is happening. Moreover, it provides important information for background and contextual information for the research. In order to have some control over the direction of discussion and to fulfil the missing points that are needed for the research, some structured questions were prepared (see Appendix 1.).

All the interviews were conducted face-to-face and the duration of these was approximately one hour. The interviews started with the explanation of the topic and purpose of the research, whereupon participants were asked to tell us a story of themselves and the business they own focusing on integration together with business foundation, and the relationship between these ones. At the end of each interview, there were asked prepared questions, which bore important details for the purpose of the topic, but were missed by the interviewees.

3.6 Data Analysis

After collecting all essential data from interviewees, the narratives were presented in the next chapter followed by the analysis of the acquired information. The data display and analysis approach were used to perform the qualitative data analysis. According to Miles and Huberman (1994) the process of analyzing is composed of three stages: data reduction, data display, and drawing and verifying conclusions. To begin with, data reduction comprises summarizing the received information and focusing on the certain parts of the data. It helps to become conversant with the major and most important subjects that have appeared from each interview (Saunders et al, 2012). Thus, after the records transcription, the narratives were condensed into shorter and more structured stories in order to avoid irrelevant information and not exceed required word limits.

The next step, data display, presents the data in forms of matrices, boxes, networks, charts or stories (Miles & Huberman, 1994). In this paper, in order to retain valuable characteristics of narratives the empirical findings are displayed as stories according to their structural elements using a logical sequence and presented in three parts: background and business start-up process; immigrant integration; relationship between immigrant integration and business. This includes reporting the situation around which the story is organized, the events or behaviors that happened in relation to the situation, the outcomes and consequences connected to this story (Saunders et al, 2012). In addition, the stories in the empirical data chapter were written from the third person’s perspective, including a few open speech phrases to confirm the credibility of the facts.
Finally, the last stage is drawing and verifying conclusions where empirical findings are analyzed. Firstly, the analysis of each narrative were presented in the form of a Boxed display, which tends to be widely used in the case of the narrative approach and highlights the significant points from the narrative but in a shortened form (Verdinelli & Scagnoli, 2013). Due to the amount of narratives and information they are comprised of, this is claimed to be the most efficient method and this research presents short analysis of each story, underlining the most important morale. Furthermore, all empirically found stories were compared with the information provided in the frame of references and analyzed altogether by the same three parts as in the empirical findings. It was conducted in this manner because of the similar outcomes over the same points that led to clearer and more comprehensive results. Consequently, the empirically analyzed findings complement the already existing theories based on the literature review, creating a holistic model over the researched topic.

3.7 Reliability of the collected Data

Data collection techniques and procedures requires reliability that refers to the consistent and competent findings that could be repeated or replicated by others researches. According to Saunders et al (2012, p.192) there are participants and researchers’ errors that raise threats to reliability: “threats that adversely alters the way in which a participant performs; threats which alters the researcher’s interpretation.” These threats assume that the researchers are required to be methodologically accurate in the process they arrange and perform the research in order to avoid menacing the reliability of outcomes and conclusions.

In order to conduct reliable data, during the interviews we tried to create a convenient and confident for the participants’ atmosphere, ensuring that all the information could be used anonymously if it was required. All interviews were recorded to provide a more detailed information and to seek to avoid the risk of omission and misconception. Moreover, six out of nine participants were interviewed in their mother tongue that gave the opportunity of the full expression of their opinion. For the rest three interviewees, it did not represent a difficulty to speak in foreign language, and they were competent and comfortable during the conversation. Due to these facts, all of the participants felt enthusiastic during the process of interviews.
4 Empirical Findings

The following section of the thesis summarizes and presents the nine interviews. The presentation of each immigrant business owner’s case is divided into three parts - background and business start-up process; immigrant integration; relationship between immigrant integration and business. The participants were asked to begin their storytelling from the moment they got the residence permit in Sweden. The interviews took place in Jönköping and Stockholm areas between 1st and 17th of April; five were performed in English, whereas the rest four in Russian, Lithuanian and Chinese and as a result translated into English. The names of several owners are fictional as some interviewees required to remain anonymous. However, all others facts were permitted to be used in the thesis.

4.1 Accounting Bureau – Ella

Ella is a middle age owner of the accounting bureau that was opened in 2008. The bureau is located in the heart of Stockholm – Old Town, right of the corner of the Royal Palace. Ella and her team provide all financial and accounting services that are needed for companies or individual entrepreneurs.

Background and business start-up process

Ella is Russian; she was born and raised in Moscow. She has been studying accounting and audit in Russia. In 2000 Ella has moved to Sweden and started to learn language as well as to look for opportunities to work and make friends. She came with a good knowledge of English but was not able to find work as an accountant. “Accounting was a sphere where I always desired to be, but I did not have the ability to work by degree in the beginning”. Ella found a temporary job at the restaurant and spent two years learning Swedish. During this time she got into a relationship with a Swedish man who also helped her to improve language and understand Swedish culture. Passing through some time, she started to work as an accountant at Swedish firm and got the experience that deepen her knowledge of doing an accounting in Sweden. In 2008, Ella decided to open her own company. It was easy to open an entity because the laws are clear and the all necessary information was available. “There were not any extensive problems while opening business, only the small issue in the beginning - the number of customers was not very big, but it was not a real problem because I did not want to grow rapidly.” Moreover, for the start-up Ella has invested only her own savings because business did not require a lot of expenses.

Immigrant integration

When Ella was integrating, she saw it as a process of knowing country’s social as well as legal aspects – the knowledge of language, the understanding of cultural values and norms, awareness of laws and rules. In addition, the majority of her colleagues, customers and friends were Swedish, cultural misunderstandings and mentality differences were
challenges that appeared while their communication. She usually faced situations where Swedish people had exactly opposite reactions to the same outcomes. Ella is integrated in 70 out of 100 percent now; she speaks fluent Swedish and knows all necessary legal requirements. The rest 30 percent are getting slower because they are tiny aspects of the culture: “maybe you should be born Swedish in order to understand or have them”.

**Relationship between immigrant integration and business**

According to Ella, integration is an essential part of successful immigrant business. Ella has identified two major integration facts that she considers as the most important for her business – knowledge of language and working process. “The language is a start – without which the way of immigrant integration will be harder. Accountancy sphere definitely needs Swedish language knowledge, together with thousand other businesses in Sweden”. Furthermore, the working processes of the same occupation may vary from country to country. Due to that, Ella states that in order to avoid some mistakes and excess expenses, it is better to work in the same sphere in Swedish company, where one can integrate into working process environment, learn rules and requirements, get some specific experience before opening own business.

**4.2 Small Hotel – Alexander**

Alexander, 65 years old businessman, is the owner of the hotel since the beginning of 2000’s. The small cosy hotel is located in Stockholm and has 27 rooms that are welcoming guests every day from all over the world.

**Background and business start-up process**

Alexander is from Israel, he came to Sweden in 1995. He had no high education degree but he always had a spirit of business operating concepts. After moving to Sweden, Alexander started to work in the hotel as a repairman combining it with self-study of language. “The only goal I had was to hold on to the chance of staying in the country, therefore I tried to do any kind of work using language of gesture in the beginning.” Alexander recalled. It lasted for three years, for which he has improved language as well as hotel field functioning knowledge and became the owner’s assistant. The hotel was working to the bad, the rent exceeded incomes and the owner wanted to make away with it almost for free. Alexander decided to get the ownership of it. He only needed to buy the share capital of the hotel that costed 100 thousand Swedish crowns that he had as the own savings. After getting the ownership, he already knew how to manage the hotel because of the three years’ experience of working as an assistant.

**Immigrant integration**

Alexander’s integration began from the first days he arrived to Sweden. According to him, while moving to Sweden, he usually wanted to have a good life, work and interact with the society and in order to do that integration was required. He felt the contempt
from native citizens when they recognized that he is an immigrant. “In countries, where nationalism takes place, the difference between citizens and immigrants is felt significantly”. The cultural and language skills contrast was a booster for that issue. Alexander was putting a significant effort to the language and cultural aspects learning so that he could sufficiently integrate in the Swedish business and social environment and has a pleasant life, “when I faced the problems, I was immediately looking for the solution”. Lack of deep language knowledge, differences in the perception of the cultural behaviours are still the gaps of Alexander’s integration which he is trying to improve. “For people, who came here in the middle age, is very difficult or maybe even impossible to fully integrate.”

**Relationship between immigrant integration and business**

Alexander sees the direct link between his business and his integration. The business is successful because of his entrepreneurial knowledge as well as good integration. “Nothing would be possible without it. The integration is a process that could never end, but of course there is a necessity of a concrete level of it in order to have a successful business”. Moreover, there is a need to understand a lot of things while doing a business - in which area of Sweden entrepreneur operates and what the people of this area prefer, and successful integration is the way for that.

### 4.3 Café – Oksana

Oksana is a young lady who owns a small modern healthy-food cafe in one of the central regions in Stockholm, in the office area. She and her partner are the owners as well as the employees in this cafe. They serve breakfasts and lunch daily, and also prepare meals for different events and organizations.

**Background and business start-up process**

Oksana, who is Lithuanian by origin, came to Sweden in 2008. During those times, the situation was quite problematic in Lithuania; thus, she decided to look for a job in another country. Since she had already completed culinary courses, Oksana was hired as the assistant of the chef in a hotel. Later, she started to work in a restaurant where she became the chef. In June 2014, she succeeded in opening her own enterprise. The beginning was especially difficult for the reason that she and her partner lacked the perception of certain laws and documentation. Oksana describes the main difficulties being filling out the forms, being forced to learn every step in the process, so the help of legists was used. But, the fact of the administrative matters being so digitalized eased the things significantly, and consequently, they did not experience any problems.

**Immigrant integration**

Oksana strongly holds that the integration is an important asset of an individual who came to a new country. She explains her view by saying that the Swedish culture is especially
conservative, thus emphasizing the importance of cultural understanding. Oksana feels well-integrated and attributes this to such elements as the knowledge about the cultural behaviour and preferences, which prepares the immigrant for the close contact with the locals. In addition, she addresses the language as an important matter during one’s integration: “...the language is very important. I speak only Swedish, and I understood that even English is not enough here.”

Relationship between immigrant integration and business

When considering how integration is connected with the business she runs, Oksana is prompt to give a positive answer, arguing that only the close integration with Swedish people and culture helped her find out the right approach for operating her café. Referring back to Swedish culture, Oksana says that this is the point where she had to improve at, because Swedish people and customers may be quite sensitive: “It is hard for them to try something new...”; “...it has taken me a long time to reach the market and now I focus only on the Swedish customers”. Concluding her remarks on what integration means to her business, she stated that it could have cost her the entire business if she had not taken it seriously: “If I were a novice and wanted to do it my way, I could have run bankrupt.”

4.4 Electric Services – Peter

Peter is the owner of an electric service company which offers services in the whole region of Stockholm as well as in the nearby towns. Peter and his team offer services to individual people as well as to other bigger organizations and firms.

Background and business start-up process

Peter comes from Poland and he arrived to Sweden in early 2000s. He already possessed a degree in electrical engineering. He was initially self-employed and was taking courses in Swedish language. When he saw the high demand for the electrical services, he decided to open his own business which would provide such services. He founded his business in 2011, with the main driver being financial gains. The only elements he had to go through were contacting the Tax Office (Skatteverket) and submitting a request of business conception: “I contacted Skatteverket, wrote a request and they accepted it.” However, he was assisted by his attorney, already an integrated person, who he had to pay, but who would guide him through every required step.

Immigrant integration

Peter claims that he has not integrated well within the Swedish society. He says that having integrated earlier, he would not have needed the help of the attorney, but he did not speak the language at that time. He is not able to name any problems or factors that could potentially affect an individual’s integration for the reason that he has not integrated himself. But, he still leads to the importance of the language in a society without which he would not have been able to run his business. Besides, he is of the opinion that one’s
integration might be very important both for living and running the business. During his integration period and before he managed to open the business, Peter was part of the group which consisted only of people of the same origins.

**Relationship between immigrant integration and business**

Peter does not involve a big extent of interaction with local citizens because he keeps closer to people of his ethnicity: “We deal with compatriots in our main activities.” His main tool when interacting with Swedish customers is the Swedish language, which he learned on his own. Generally, he does not believe that the full integration may be vital for a successful growth of his or one’s enterprise. However, Peter regards the language as an important tool in the business management and daily activities, especially in the communication with his customers, this being one component of the integration process: “Yes, the language must be learned and the fact that I learned Swedish language played a role.”

**4.5 Translating Services – Eleanor**

Eleanor is an entrepreneur who runs an own entity of linguistic assistance in Stockholm since 2006. She provides a bunch of services such as documents translation and linguistic analysis for a variety of government organisations, offices or individuals. Moreover, Eleanor provides personal language tutoring.

**Background and business start-up process**

Eleanor came from Armenia to Sweden in the beginning of 2000’s in order to pursue a Doctoral Degree in teaching. She was accepted to study at Stockholm University. She was allowed to give lectures at this university and, at the same time, practice her language skills by working as a translator. She was doing chiefly freelancing after she graduated from the university. When she established her business, Eleanor did not go through any essential barriers or difficulties. She claims that this was competencies, thus, she did not have to do anything else than apply her skills: “It was one of my competencies; so, it happened automatically.” Due to her part-time job as translator, Eleanor realized that this could become a source of income.

**Immigrant integration**

When it comes to the integration factor, Eleanor tends to regard all of them as important. She puts emphasis on language, national law, the connection with the Swedish population, which leads to the perception of the entire culture. However, she points out that a certain amount of time is needed for these to be learned and assimilated. She adds that being an immigrant makes you different and make it harder for one to achieve their goals. Even if an individual has good academic results, the chances of being hired might highly depend on their knowledge of Swedish. Before her entrepreneurial activities, Eleanor says she did not have much of the communication with the Swedish people. In
addition to this, Eleanor mentions her job being the main tool for connecting with the locals: “My job as a translator always connected me with the Swedish people under different circumstances: migration board, social services and other jurisdiction.”

**Relationship between immigrant integration and business**

Eleanor is quite certain that business growth and activities are closely related to the immigrant integrations. Yet, she claims that one does not need necessarily integration in order to be able to register and open a business. She says that due to the digitalized social systems in Sweden, it becomes much easier to do everything via web. However, for the operational part of the business, Eleanor states language is one of the primary things which helped her reach her success: “If I did not know the language, I could not work as a translator.” Finally, she emphasizes the cultural thinking of Swedish people and how important this is for her business activity: “I could have lost clients because they have a different way of thinking.”

**4.6 Beauty Salon – Anna**

In her middle age, Anna is the owner of the beauty salon in Stockholm since 2011. The salon is located on one of the main streets – Sveavagen. Anna and her 3 employees offering such services as waxing, body oil therapy, and a range of massages.

**Background and business start-up process**

Anna has her roots back in Kazakhstan and came to Sweden in 2006. She has completed private courses of waxing services in Sweden which were held in English. Anna found a job in beauty salon where she started to gain experience of doing waxing services and working in Swedish team as well as learning Swedish language. Later on, she decided to open her own entity, “...it is more enjoyable to work for yourself - that was my personal ambition to open a salon and to be an owner”. Anna continued to work at the salon and started to save money to open her own business. In five years she exceeded the required amount and registered her business as limited company (Aktiebolag in Swedish). Before opening a business, Anna had to consult, for a significant fee, advisors who were competent in jurisprudence as well as in entrepreneurial field. “When you are an immigrant, you do not know specific country’s laws and requirements of opening an entity, so the appropriate consultancy was necessary.”

**Immigrant integration**

All her life Anna has been an open-minded person. She quickly got into basic understandings of Swedish life that are necessary to work and live. However, Anna is not always confident in communicating and saying her opinion openly: “It may be very personal aspects that native people do not want to preconize. The mistakes are always very expensive – I lose my customers or even acquaintances”. Together with that, good language and laws knowledge were necessary. These was the most important lessons that
Anna saw in integration process and tried to learn. “Each person has to find his or her right place in a new country, work and live as all other people, so the multilateral integration is the answer”.

### Relationship between immigrant integration and business

Anna is very proud of the number of clients she has and the return her salon generates. It was not an easy way to achieve that. “Immigrants need to put more effort in order to have a successful business than native citizens, and the need of immigrant’s integration is a reason for that”. Consequently, she claims that her business set up and growth are directly connected with her integration. “It is possible to work without knowing Swedish, but the target group of your customers and profitability will be lower. It is also important to know your customers preferences and how to satisfy them, so the basic cultural understanding is necessary”.

#### 4.7 Asian Restaurant – Xi and Yang

Xi and Yang are a couple from China. They own a restaurant which has around six employees, Xi working as a cashier and Yang working as a cook. Xi and Yang basically work every day in the restaurant except taking one or half day off in one of the less-busy weekdays.

### Background and business start-up process

Before becoming the owners, Xi and Yang have already worked in other restaurants in Sweden for a few years. In 2014, they decided to purchase an almost ten-year old Asian type restaurant located in Jönköping. In fact, the financial requirement was a critical problem for them. They had asked Almi, a state-owned company providing financing and consulting service, and other commercial banks for loans. Only SEB, a Swedish bank, offered them a loan. “SEB is friendlier to immigrants than other banks here, and you can see a lot foreign people getting their bank account in SEB.” The loan from the bank covered about one fourth of the purchase payment. For the remained amounts to invest, they both borrowed extra money from their family members and used their own savings. In order to sell alcohol drinks legally in the restaurant, Xi had to get her own license of serving alcohol. “It was so hard that it took me two times to get passed due to my low level of Swedish.”

### Immigrant integration

Xi had finished the basic Swedish course offered by the government, making her more advantage in language compared with her husband Yang. After becoming the owners, Xi and Yang committed themselves mostly in their business so that they had less time in socializing and most of their friends were compatriots. As newcomer for the local society, they have their own cultural background and mind set. The individualism in western counties is different from what they experienced back home. “It is hard for us to
Since taking over the restaurant, they had encountered some kind of “bullies” who just ate but paid nothing: “Those people dared to do this kind of cheating all because we are immigrants. And our Swedish level is not good enough to argue with them.”

**Relationship between immigrant integration and business**

Xi and Yang have experienced that to a high extent a better integration would help the business growth. “The networking here is easier if compared with that of China. We do not need to bother to deal with different kinds of sectors. But still, more customer will come back to eat if we talked more to them.” Moreover, communicating with natives helps Xi and Yang experience Swedish culture and as a consequence running the restaurant successfully, “...we have hired some Swedish employee as staff and we learned quite a lot from them”.

**4.8 Design Consulting – Jordi**

Jordi is the owner of a design studio located in Jönköping, providing product design, product development, interior design, landscape design, and material selection and branding. He founded the company in 2012 and his team is comprised of people of various ethnicities.

**Background and business start-up process**

Jordi, who is from the Canary Islands and Iceland, studied design engineering in Jönköping University in 2010. After the graduation, he started his own company just because he needed to set up a company in order to take part in a project for designing a restaurant in Jonkoping. “It was nothing like planned to finish a master and establish a company.” Before setting up his own business, Jordi already had more than eight years of experience of freelance in designing. As a new entrepreneur, he firstly settled his new venture in Science Park, which is a start-up developer, where he could receive help and guidance. Then, he started to establish the network of subcontractor in the Elmia - a trade show organiser in Jönköping, and gradually received more projects and recommendations from mouth to mouth. At this point, Jordi thinks the start-up phase is coming towards an end.

**Immigrant integration**

As an international student, Jordi benefited significantly from the international environment the university provided and encountered fewer barriers when it came to integration. “I think the integration was pretty good, and especially, because I think I started in an international environment, it really helped me integrate to the society of Sweden... the open-mindedness of Swedish society was a key-factor.” Although he was working in the international team with people from around the world and had close contact with Swedish. He also mentions that the language does not seem to be such a big problem as part of his integration, since people in Science Park and, and almost all over
Sweden have a good command of English language: “You know, people in Sweden speak English everywhere you go, and in Science Park they also use English; but of course I try to learn and speak Swedish.”

**Relationship between immigrant integration and business**

The contacts Jordi knew from the university played an important role in establishing his new business. “The first contacts really helped, especially the professors I could say. They helped a lot.” Jordi stated that having a good connection with local people helped to increase his company’s presence and people in Sweden tend to do business by referencing each other. But, Jordi emphasizes also the fact that integration is more efficient within institutions as universities. His opinion is this might be the right place to integrate for the reason that there are more connections provided: “because the knowledge from the university and thinking are different...the guidance is much bigger”. Jordi mentions several times that the background of the entrepreneur plays a significant part.

**4.9 IT Help – Hector**

Hector is the owner of the IT Help Company located in the Science Park of Jönköping since 2011. The company offers web-development, coding and software development production and other services for individuals and private companies.

**Background and business start-up process**

Hector, who comes from Mexico, pursued his master’s degree in Jönköping University. The reason he started the business in Jönköping is simply that “I liked the country; and I did not see any problems on keep on working with the IT and Software Development”. The people that teamed up with Hector are mostly international students. “The main situation to overcome was obviously the language and the lack of connections with native people, and credibility.” At the beginning, he thought that people here did not consider IT from his region credible enough so he had to work on that. He wanted to prove that his company was capable of deliver the tasks and that it could be distinguished from its competitors. However, the Science Park helped Hector a lot, from filing paper documents in Swedish to arranging contacts inside the Science Park companies. "They helped us from the beginning; they give us hints on what to do."

**Immigrant integration**

In terms of integration, one advantage for Hector is that he is in relationship with a Swedish girlfriend. “She was the one that helped me to get into the society.” The fact of being in couple with a local gave Hector the opportunity to gain valuable social and business contacts. However, Hector does not feel fully integrated. His opinion is that Sweden does not have a proper integration policy that would facilitate both his and other people’s integration. His view over the role of integration clearly gives an important
aspect to it: “You have to understand the rules, you have to understand the context, and you have to understand the way of thinking...to get the language...”.

**Relationship between immigrant integration and business**

Hector regards integration to be important, but he does not see necessarily a strict correlation with business foundation: “Something you have to do, but it should not be taken as a barrier for setting up a business”. He explains that there are still some difficulties in operating their business due to both integration and physical factors: “...proving to our new potential customers that we can deliver what we are supposed to...”; “by the fact we do not look like Swedish, we do not sound like Swedish...”. Nevertheless, Hector recalls that was lucky by getting in touch with the local business developer Science Park, which provided thorough guidance until nowadays. But, generally, he describes the establishment of a business entity in Sweden to be a difficult process. Hector adds that those immigrants, who think of opening a business, ought to be considerate because it might be costly and tiresome: “You need to have a good amount of money to invest, because we do not have the language and the same connections.”
5 Analysis

The next section presents nine boxed analysis of each narrative followed by the analysis of the stories altogether categorized by patterns and the conclusive overview and model.

5.1 Analysis of Narratives

**Box 1. Accounting Bureau – Ella**

Higher education and English knowledge are not always sufficient in order to find a work or open an entity in Sweden according to the gained education. Swedish language and experience of doing accounting services in Sweden are necessary if a person wants to work in that field. Language courses and close relationships with native people were the key elements that helped Ella to integrate into Swedish society and learn language and culture. The clearness of Swedish laws and requirements offer low barriers of opening an entity. In addition, start-ups of such businesses do not require large investments. The social and legal aspects should be comprehended in order to live and work in the country pleasantly. There is a relationship between Ella’s business and her integration because without knowing the language and working procedure of accounting it would not be possible to operate the company.

**Box 2. Small Hotel – Alexander**

While being an immigrant without education but with entrepreneurial drive, it is necessary to know the language and have an experience to be able to start and operate an owned business. The initial capital for getting an ownership as well as experience of the hotel industry were required. Thus, Alexander had to work at that hotel as a simple worker at first. The significant effort was put into language and cultural learning in order to integrate, because the lack of integration was an issue that could have hurt the business. Moreover, the older the person is the more difficult to integrate to a new society and learn a new language. There is a direct evidence that Alexander’s business is successful and growing because of his sufficient knowledge of culture and language, and good awareness of Swedish target market preferences that help him to reach customers and manage his hotel.

As seen in Box 1 and 2, despite being highly educated, which usually offers these individuals advantage compared to the non-educated people while finding a job or trying to open an own entity, there is a need for immigrants to learn the native language and gain some experience of the working processes in the country in order to operate your own business successfully.

**Box 3. Café – Oksana**

Firstly, being an immigrant implies the unawareness of certain laws and procedures. This was the main difficulty for Oksana in setting up her business. She started the business with the help of her own savings. The language emerges to be a vital element for an immigrant, particularly for operating the business. The professional background is the factor that motivated Oksana to open her own business. The knowledge about the culture and the behavior of the Swedish people, which Oksana has learned through time, seem to be very valuable both for an immigrant and a business owner. Integration would mean understanding the wishes the customers display and bringing them to life. Integration must be vital for business since the people Oksana operates with are the locals, who wish everything to be done in a certain traditional manner.

**Box 4. Electric Services – Peter**

Educational background is directly related to Peter’s business activities that he and his team execute. The process of establishment of Peter’s business occurred without any difficulties, by making an official request. There was a need for someone who was already integrated and could offer guidance. Peter did not integrate completely, thus he remains still part of the group of people with the same ethnicity. However, language is regarded to bear importance, concerning the general integration process. Hence, Peter assimilated Swedish language as he was forced by the activities of the business. He is the only one who communicates with customers; hence, this particular integration element plays an important part in how his business functions and what the customers’ demands are.
The educational or professional background usually plays a main role in the decision of the field in which business is set up, as in the examples from Box 3 and 4. Moreover, the language knowledge is the most necessary aspect for the businesses that have a direct communication with customers.

**Box 5. Beauty Salon – Anna**

The completed professional courses in Sweden, language learning, gaining an experience through working in Swedish team, the desire to open an own business and the presence of the required amount of money to do that – were the main facilitators of opening an owned beauty salon for Anna. However, due to the fact that she is an immigrant, Anna did not know all country’s legal aspects, so the lack of awareness of laws and requirements appeared, that caused a need to have an expensive consultancy. Relying on Anna’s integration, even if a person adapts freely to a new environment, there is still a need of cultural, social and legal integration in order to have good life conditions. The profitability of Anna’s salon is directly connected to her language knowledge and cultural understandings that she gained through integration.

**Box 6. Translating Services – Eleanor**

Eleanor started her small firm due to her educational qualification. There were no significant barriers during the establishment process. In order to become integrated, there was a great need to learn Swedish language. Yet, many more factors are regarded as important for one’s integration, such as the awareness of national law; the social communication and interaction with the locals; the behavioral study of the people. In fact, Eleanor was able to convert her competencies into a functional business. However, without the language knowledge, she could not have achieved that, because her entire business relies on communication as well as interaction. This is just one element that is present in the business activities.

The cultural difference and language barriers negatively affect immigrants businesses and make their working process more difficult. According to Box 5 and 6, deep integration is required in order to have all business sides strong.

**Box 7. Asian Restaurant – Xi & Yang**

Getting enough initial funding to purchase the restaurant was definitely the most crucial task for Xi and Yang. They suffered from the strict borrowing rules from the banks, indicating that different banks in Sweden might have different criteria in terms of giving loans to immigrants. Their family members’ financial support played an important role in the funding process. Due to the long cultural distance between Sweden and China, Xi and Yang are struggling in the integration process. Their communication with customers in relatively simply context that creates problems. Their initial effort of getting integrated helped them running their business; and vice versa having their own business helped them integrate into the society.

**Box 8. Design Consulting – Jordi**

Coming to Sweden as an international, Jordi started his business in a way in which education and contact networking are more emphasized in acquiring knowledge and customers. In contrast to other immigrants who do not possess higher education certification and who tend to focus more on the relatively low skill service industry, higher education provides a better platform for the entrepreneurs with immigrant background. The integration process is not such a big issue for Jordi because he holds similar culture that is related to Sweden and he speaks fluent English. However, getting close connection with the local contacts- a form of social integration, still accelerates the development of his business. In this perspective, it indicates that references actually play a key role in the business sector of Sweden.
The difficulties of gaining networks between immigrants’ businesses and their customers may occur because of the lack of credibility. Thus, there is a need to have a good references or connections with the local people, as shown in Box 8 and 9.

The following parts present the analysis drawn from all nine stories, comparing them with the theoretical findings.

### 5.2 Background and Business Start-up Process

Immigrants’ education and work experience have a significant influence on different aspects of the immigrant business, especially on the start-up period. First, higher education certification is distinguished here to analysis education’s influence in the selection of business sector. Ella, Eleanor, Jordi and Hector can be classified as immigrants with higher education background, while the remaining ones are not educated. Immigrants holding a higher education certification tend to prefer running business with higher knowledge requirement. For instance, the business that run by immigrants with higher education are accounting bureau, translating service, design studio and IT help company - such demand a higher education instruction. By contrast, the businesses that are run by the other group are: hotel, cafe, beauty salon, and restaurant - these are service industries with relatively low education requirement.

Second, taking vocational training, either in home country or in Sweden, is a beneficial action that assists these immigrants in running their business. Before the start-up stage of the business takes place, immigrants undergo the process of pre–startup stage in which the entrepreneur seeks learning, experiencing person-to-person exchange (Sequeira & Rasheed, 2006). Before coming to Sweden, both Oksana and Peter had finished a
vocational training - culinary courses and electrical engineering courses respectively. These vocational trainings gave them practical skills to start their own business.

As in a highly equal society, immigrant entrepreneurs in Sweden do not encounter legal issues when they start their business. As majority of interviewed immigrants have residence permit, they were able to register their entities in the Tax Office readily. However, sometimes there is a need to know all country’s legal requirements in order to open an entity. Relying on Anna’s experience, because of her unawareness of laws it took her extra cost to hire consultant for advisory of jurisprudence. Moreover, typical problems of start-up stage such as acquiring customers, delivering the products or services well, and getting enough financial capital to go through the startup phase (Lewis & Churchill, 1983) emerged to these immigrants business. For example, Xi and Yang were struggling with initial capital fund. The borrowings from the bank, friends and family members represented the solution. In addition, it is harder for immigrant entrepreneurs to get enough customers and it is crucial for them to build up business network and get good connection with local people or organizations. Thus, appropriate support is necessary. For example, Jordi and Hector cooperated with the local business developer - Science Park and received support and guidance from them.

5.3 Immigrant Integration

While coming to a new country, all immigrants need to find a work, be able to handle new culture and traditions in the host country and become a part of that society (OECD, 2006). Integration process helps the immigrant to get closer to that. In the context of the thesis, the various dimensions of the immigrant integration were presented. From the empirical findings of the paper, it can be seen that some of these dimensions referred to the interviewed immigrants.

According to cultural integration, that is measured by language knowledge, awareness of basic norms and values, existence of relationship with host country citizens, choice of spouse (Entzinger & Biezeveld, 2003) all immigrants are integrated by some aspects. All nine immigrants put their effort to learn the language in order to find a job and further to start their own business. For some businesses in Sweden, such as Peter’s, it is enough to know the basic level of language that enables to communicate with customers, while others claim deep knowledge of the official language is important in order to provide their services competently, as the Eleonor’s translating services and Ella’s accounting bureau. However, as it presented in Jordi’s story, there are some business fields in Sweden where native language do not play a main role and it is possible to work without knowing Swedish language. Moreover, it is significantly important to be aware of cultural values and norms in order to have close contacts with locals, feel comfortable while communicating with them and not to harm their personalities. According to Oksana and Anna experience, it is necessary to have cultural understanding in order to satisfy your customers and not to scare them away with inappropriate actions. The choice of native spouse or friendship also improves language knowledge and deepens culture
understandings that help to interact with the society. For example, Ella’s relationship with a Swedish man facilitated her language skill and gave the opportunity to find a job relevant to her degree.

Referring to socio-economic dimension, where integration is defined by social position and economic status (Entzinger & Biezeveld, 2003) such as level of education, employment and income level, the index of good integration is measured by immigrant’s paid employment or own business operation. All nine immigrants are successfully integrated by this dimension because everyone is running an own business. However, there is a need for immigrants to have an experience of Swedish working process or just the business environment before launching their own entity. The experience can be gained by working in Swedish teams or organizations. Xi and Yang, as well as Oksana, have been working in the restaurant industry in Sweden and were competent in the public catering before they opened their own restaurants. Moreover, Alexander, Ella, Peter and Eleonor also started their own entities after working in the same spheres and acquiring some knowledge and experience. The evidence of education may facilitate the knowledge of opening an own entity or the possibility to be employed and provide a good level of incomes, as was in the Jordi’s case where educational background gave a good platform to start his business and reach his customers. However, Ella and Eleonor also had a high education degree but it was not sufficient to work in Sweden without knowing native language. Thus, education is not always enough in order to find a job or run own business, but it simplifies the process of socio-economic integration.

Last but not least, each immigrant is required to integrate legally, meaning they have to obtain a secure residence status, the access to the basic rights, services and resources (Niessen & Huddleston, 2009), in order to receive their legal status in the host country. All of the interviewed immigrants began their stories from the point where they all had already got the residence permit in Sweden, hence, they are all legally integrated.

5.4 Relationship between Immigrant and Business

All of the interviewees regard integration as significant for them personally and/or for their businesses generally. Swedish language is stressed as one of the main indicators related to this process. Ella - the accountant, Anna - the beauty salon owner, Peter - the electrician, as well as the rest of the individual’s state clearly and support the concept that language seems to be primarily the factor which helps their businesses run. Across all the empirical evidence, immigrants’ voice Swedish language tends to be the chain between one’s individual integration and the integration of the business per se. It might be attainable for an entity to be run without the knowledge of the spoken language, but this would imply more difficulties as well as flow of the information through the middleman. For instance, Alexander - the hotel owner, and Peter - the engineer claim that the fact of being able to communicate on the local language spares them of more issues and costs, which are implied by the procedure of hiring a middleman who does.
Furthermore, as concluded, the language is the element which connects the business with its customers. Otherwise, there would appear a large gap between the owner and the customers they serve. Oksana who is a café owner along with Xi and Yang - Asian restaurant owners, prove this point communication in the Swedish language is the operational tool they rely on. This draws a conclusion that the service oriented businesses cannot operate without the control of the local language for the reason that the inhabitants would not expect to be addressed in any other language than their own, in this case Swedish. According to the literature, language is a part of cultural integration dimension. If an immigrant lacks this element, they have not, necessarily, integrated culturally (Entzinger & Biezeveld, 2013), which might lead to the handicap of opening and running a business. However, there are two outliers, namely, Jordi and Hector, both entrepreneurs. These ones started their business straight after they received education in that specific field in Sweden. Their success of operating without language is due to the external factors, such as the business developer, that offers help with all legal matters. In this regards, Curci and Mackoy (2010) support the idea that education contributes to a stronger integration on the business level. Other authors state that the networks which create the ties among the individuals tend to facilitate the business activities (Ibarra, 1993), which could well relate to Jordi and Hector.

The cultural norms, or the way of thinking and the way the things are done in a certain culture, happen to contribute extensively to the business activities of the immigrants. Most of the examined individuals strongly claim that this is another fundamental factor which links the integration with business. For example, Alexander, Oksana and Anna interact directly with the customers, which implies that they must be aware of the attitudes and habits in the society. Thus, they are the individuals who must possess knowledge about the common culture. The other ones, Ella, Eleanor and Hector are of the same opinion, although their business depends less on this type of knowledge. The awareness of the preferences and behaviour of the Swedish people might facilitate the way the business operates. The rest, namely Jordi and Peter feel the business can survive without this component of integration, since the Swedish society is open and demands only the qualitatively provided services on behalf of the business owners. The evidence remarked by the most of the interview subjects might be included into the concept which Entzinger and Biezeveld (2003) define Cultural Integration, where they put emphasis over the core values within the host society and the attitude of the immigrants towards these ones.

Last but not least, the knowledge of law and legal norms must not be disregarded either. In fact, the legal requirements, including official request to Tax Office, are among the first things to be done before anyone starts their own business. Among the interviewees, a few experienced difficulties during the establishment process such as addressing the right institutions, providing the necessary documents, since the Swedish laws require several procedure to be done. The Café owner, Oksana, the accountant, Ella, and Peter, the electrician, had to overcome the lack of knowledge about every document needed for application and the right form of filling those ones. It might emerge as both time
consuming and requiring certain knowledge. In some cases, immigrants would need the help of assistants in completing this stage, as Peter mentions. Although, a few view that as a true barrier, everyone ought to be aware of the national laws of the country. In the extreme cases, suchlike Jordi and Hector, who are former students, middlemen as Science Park - the business developer, assist the entrepreneurs and provide the necessary help. This might be an alternative, but it would imply additional costs or other consequences. Entzinger and Biezeveld (2003) position this under the attitude of recipient society, where the access of the fundamental institutions and rights is granted to the immigrants, they tend to have a stronger integration.

Within literature review, Entzinger and Biezevald (2003) presented their concept of legal integration with regard to the immigrants. It assumes acquiring the residence permit, rights for active participation in the political life and civil society. In the case of the interviewed immigrants, they all received the residence permit, but they needed also additional documents as well as official permission to found their business, which required the learning of the technical aspects of Swedish law requirements. Thus, because there are a few differences, this type of integration is going to be addressed to as the legal system integration.

The parts, considered the most essential within the literature review and empirical findings, have been drawn in order to construct an overall model. The purpose of the model is to present the most relevant parts into a comprehensive manner which depicts the relationship between them.

5.5 Overview Model

*Figure 2. Overview Model*

![Diagram showing the relationship between Immigrant integration, Legal system integration, Cultural integration, Pre-startup, and Start-up.](source: Own)
The figure illustrated above represents the framework which consists of the basic concepts identified throughout both literature review and empirical findings. Its purpose is to depict the connection which exists between the two main components, Immigrant Integration and Business.

Beginning with the left side, the first block of the model is Immigrant Integration. It comes at first as it has been found that integration represents an important fact for every immigrant settling in a new country, including those who already own or intend to start a business. Based on the entire research, the integration process, which occurs both on the individual and business entity level, has been found to unfold into two different parts: legal system learning and cultural.

The legal system integration, comparatively to cultural, has been identified within the empirical findings to be a precondition for a business inception, meaning that it must be comprehended to a high extent if one decides to found an entity. It appears to be the period when the immigrant gets the residence permits and then seeks the learning of national laws, official requirement and formalities in order to get more awareness of the business functioning. If the individual overcomes this stage successfully, the pre-startup phase ends and converts into the start-up phase. On the other hand, the cultural integration represents a more complex process of learning. It is influential to the extent that it facilitates the individual’s habitation in the society and the management of their enterprise. It encompasses such cultural and social elements as language, human behaviour, cultural norms and preferences. In contrast to the legal system process, the cultural one is assumed to cover a larger frame of time, mainly, due to its complexity. Since it tends to depend on immigrant’s priorities and situation, this specific integration might begin in a various period of the time frame. This is the reason why it covers the whole time line from the pre-startup to start-up, and even beyond this.

Apart from the Integration Process, the presented model consists of a second part. The blocks on the right represent the business stages an entrepreneur has to go through. The first block, named Pre-startup, signifies the period when the immigrant is in search of acquiring knowledge and resources before the foundation of the business. As implied in the analysis, it also tends to be the time when the immigrant familiarizes themselves with the rules and institutions in the country. This is the reason why Legal System Integration and the Pre-startup phase occur simultaneously and lie the path for the next stages. Due to the fact that it does not happen to be an actual part of every business foundation process, it is delimited by the blurred lines within the model. The following stage bears the name of Start-up, where the individual brings the business idea to life due to the previously collected information and resources. Throughout this stage, the business owner attempts to gain as many customers as possible and to keep the entity afloat. As defined by researchers, this is the critical stage during which the future of the business is decided.
6 Conclusion

This chapter presents the purpose of the thesis and answers it by the means of the research questions. The purpose was to understand and examine how the immigrant integration affects businesses that are owned by immigrants. It was fulfilled by answering the two research questions:

**Research question 1: How important is integration for the immigrants?**

It was discovered that integration plays a significant role for the immigrants. Whereas coming to a new country immigrants have to find a job, understand cultural norms and values, and become a part of the host society in order to have a pleasant life and get closer to the native citizens. Thus, integration process is important and helps the immigrants to become closer or achieve the above listed aspects. While analysing empirical findings, cultural, socio-economical and legal system dimensions of integration were identified as the most appreciable elements.

**Research question 2: What is the relationship between the integration of immigrants and their business, if any at all?**

It was identified that there is relationship between integration of immigrants and businesses they own, depending on the type of business and the group of customers. The majority of the interviewed immigrants claimed that cultural integration that includes language knowledge and understanding of the norms and rules of the host country seems to be mainly the factor that is needed to manage the business, communicate with customers, know customers’ preferences and satisfy them properly. Since the legal aspects, regarding the functioning of an entity, have been identified to be critical before starting their own business. Immigrants could avoid the additional costs or even failure through the legal system learning process, which is also part of integration.
7 Discussion

This chapter provides the summary of practical findings from the empirical observation in accordance to the literature review. Limitations and future suggestions for the research are presented and implications for the stakeholders are exemplified in the section below.

7.1 Findings

As the research is confined to the Swedish environment, it has been found that there tend to be opportunities for immigrant individuals for the foundation of their own business entities in the sense that the legal procedures and the information related to this are publicly accessible through different sources and to almost everyone. Immigrants in Sweden are able to start the business without such strict rules and restriction. This is tackled by Diaz (1993) in his Actor-context model which approaches how the low barriers and opportunities contribute to the integration, but the model lacks insight about smaller aspects such as openness of the society or country context. As claimed by Chaganti and Greene (2002), whose focus is mainly on the ethnic ties, the business activities steered by immigrants happen to be interconnected with the ethnic group they are part of. Throughout this research, it has been identified that, in the most of the cases, business founders did not have the assistance of any ethnic group members or they had it to a low extent. According to the presented literature, none of the researchers stated clearly the connection between integration and immigrant business, even though a few had a tangent point with this question. This research has attempted to prove it, containing the empirical data which conveys more confirmatory facts. This relationship is described by the presence of the integration factors within the business activities, which were discovered through the analysed empirical evidence.

7.2 Limitations

Among the immigrants’ business that were researched, they are mostly over with their start-up phase. Therefore, it might lead to the fact that this research does not dig out those immigrants who started their business but failed in the very beginning. Consequently, some aspects of unsuccessful integration may be neglected by the interviewees, leaving out some of the reasons of business failure. Furthermore, the subjective nature of the matter might lead to contrasting views, which may make it more difficult for the results to be interpreted, given the narrative approach that is used. It is to be mentioned that, in some cases, the interviewees were not leading an active storytelling, which needed more questions to be asked on behalf of the researchers.

7.3 Future Suggestions

In order to research thoroughly all the factors involved in the integration and immigrant business, a future research could be conducted within a longer frame of time. In our research, the interviews were conducted with immigrants operating in different sectors of business. A specific industry that is operated by the majority of immigrants could be studied in order to know how integration contributes to a homogenous cluster of
businesses. In addition, it would be intriguing to investigate a specific group of ethnicity who own a significant number of business enterprises in order to identify the way their culture specifically went through the integration process. Finally, a good suggestion would be to study enterprises from all over Sweden and compare the regional differences, since this paper focused only on Jönköping and Stockholm cities.

7.4 Implications

For the immigrants who intend to start a business in Sweden, they ought to pay attention to the matters that the host society might require from them. As a first step, the immigrants have to become acquainted with the basic laws regarding the procedures of setting up a business entity. This also includes the awareness of the functioning institutions and, most likely, the documentation, which is usually formulated in the nationally spoken language. If none of these can be fulfilled, the immigrants could hire a middleman, but which may be done at certain expense. In addition to this, the immigrants ought to attempt to integrate from the cultural point of view. According to the research, the knowledge of the national language and native Swedish people’s social behaviour might increase the chances of business succeeding and establishing long-term relationship with customers. Once the individual manages to integrate on both dimensions, they are more likely to manage their business activities better, overcoming the start-up stage, as well as understanding the local way of thinking.

As far as it concerns the Swedish and the other governments, they are suggested to assess the integration as well as business foundation policies and improve them to the extent where the immigrant would not feel afraid of taking the risk to start a business of their own. On the contrary, as literature suggests, the immigrants seem to have a more consistent integration process as long as the host society provides them with opportunities and strives to lower the barriers (Diaz, 1993). The government ought to be aware of the general statistics concerning the immigrant enterprises, mentioned in the introduction, which imply the economic contribution to the state and the cultural diversity to the society, as described by Rezaei (2007). Finally, for the purpose of facilitating the business establishment, the information regarding the procedures ought to be readily available for everyone and the legal institutions ought to be open to any individual, at which point Sweden is believed to show good results. An effective suggestion would be to engage more business developers who are ready to provide assistance and facilitate the process until the immigrant stands up on their feet, as illustrated in some cases within the analysis.
References


Appendix

Appendix 1

Preliminary Interview Questions

1. Opening Conversation
   - Introduction of our thesis topic
   - Asking for permission to voice record the interviewee

2. Additional questions (in case when the interviewee has not mentioned during his/her story-telling):
   - Introduce yourself and your business;
   - Describe the business existence phase of your own entity (the main challenges, goals, legal requirements, financial requirements, what barriers);
   - Do you think immigrant integration influences the positive growth of business?
   - What are, in your view, the main factors and challenges within integration process?
   - Do you agree that it is easier to integrate if there are intensive motives, higher expectation, greater confidence as well as lower cost in the action and more opportunities, lower barriers and fewer non-assimilates in the host society?
   - Do you think you successfully integrated?
   - What is the reason that you decided to found a business?
   - Were you a part of an ethnic enclave before you founded your business and are you still one?
   - Are the cultural ties (if any) that you have acquired useful for the business and how did these help you?
   - How did you manage to reach your suppliers and customers?
   - What was the main source funding for your business?

   - Do you think that the development of your business is directly linked to your successful integration? (If yes, what exact factors influenced you and your business?)

   NB! There might appear some other unplanned questions during the interview!