



**“IMMIGRANT ENTREPRENEURS IN NORWAY”**

*A STUDY ON SOCIAL INTEGRATION OF SELF-EMPLOYED IMMIGRANTS*

MASTER PROGRAM IN GLOBAL STUDIES

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# Abstract

Over the past decades, the growth of immigrant communities across Norway and businesses started by immigrant entrepreneurs have considerably made an extensive contribution to the local community as well as the national economy. In this work, the terms self employed immigrant and immigrant entrepreneur will often be used to describe business proprietors born to foreign parents; they are also very determined and ambitious individuals seeking profit independently by involving in organization creation and innovative economic activities. The purpose of this master thesis is to develop more understanding and knowledge on entrepreneurship as new opportunities for immigrants. This research has two focuses, first is on motives for immigrants to be entrepreneurs. Secondly, social integration of self employed immigrants by questioning to what extent the business of an immigrant entrepreneur contributes to their integration into the Norwegian culture and how it creates socially valued roles. I will also look at the participation of religion in social integration.

Immigrant entrepreneurs who participated in this study are not all from a specific immigrant community but are from different groups and also with different kind of businesses. By extracting qualitative information from current successful and striving immigrant entrepreneurs, this research will relate it to existing policies and theories about immigration and integration in Norway. The findings point out that the motives for entrepreneurship varies widely and immigrants decide to be self employed not just because of difficulty in finding a job. The findings also point out that immigrant entrepreneurs feel more independent because of their self employment status but it does not necessarily mean a better social integration or effect on their merging into Norwegian culture. For them, business is business and social integration is something separate from doing business. For some, to be able to participate in a religious organization helps them to understand more about their new environment and be able to feel “at home”.

Keywords: immigrant, entrepreneur, self-employed, Social role valorization, social integration, Norway, immigrant business, ethnic entrepreneurship,

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I will always be happy to look back at the exciting period of this research and thesis writing and hope that readers would enjoy this literature as much as I had the pleasure of writing it.

Trondheim Norway, May 2011  
Gwendolyn Claire Lin

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## 1. Introduction

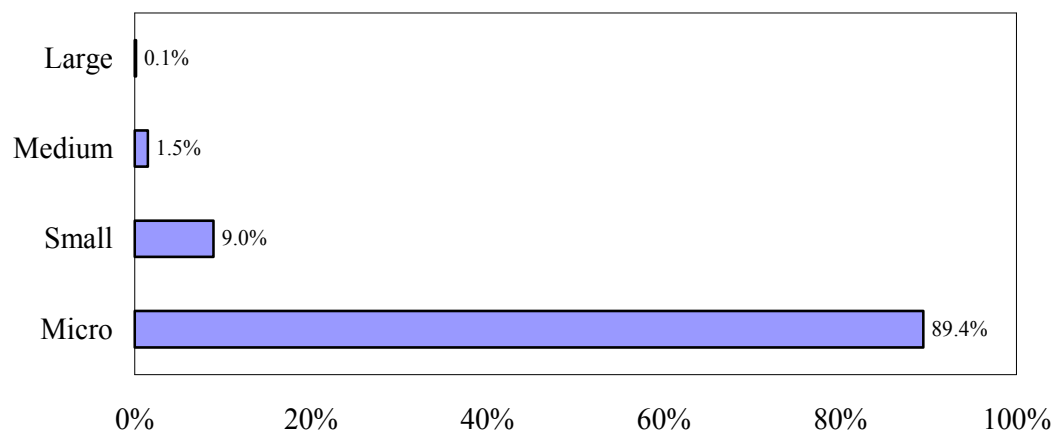
Norway's economic development during the 20<sup>th</sup> century is quite impressive as it enjoys one of the world's highest living standards mainly due to the country's natural resources and a well planned wealth management. A prosperous combination of free market activities and government intervention enables Norway to structure a generous welfare system and an economy encouraging entrepreneurship, general happiness and contentment, all while drastically reducing inequality (Salmon, 2011). With a population of less than five million, Norway is comparatively a small nation in Europe but, the rate of business start up are among the highest in the developed world according to the latest report by the Global Entrepreneurship Monitor (GEM)<sup>1</sup>. Norway also has more entrepreneurs per capita than USA (Chafkin 2011). However, entrepreneurship's impact to a country is not simply measured by the number of entrepreneurs but it is more important to consider quality assessment like innovation, growth and internationalization (GEM 2010).

Doing business in Norway is transparent and taxed heavily but it does not lead the industry to a poor performance and even its unemployment rate is relatively low. The report of World Economic Forum (WEF) about Global Competitiveness identifies factor-driven, efficiency-driven and innovation-driven as the three phases of economic development. From that, the GEM 2010 report groups Norway as an innovation driven economy because majority of the businesses are more knowledge intensive and have expanded service sector. Since entrepreneurship and firm creation have long been acquainted as a vital force in strengthening independent efficiency and productivity, Norway is no exemption to recognize the need to increase entrepreneurship sustainability. Norway has among the best Entrepreneurship schools in Northern Europe. There has also

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<sup>1</sup> Global Entrepreneurship Monitor (GEM) is a research project that tracks entrepreneurship. It was initiated in 1999 with 10 countries, expanded to research in 59 economies worldwide in 2010. See more on <http://www.gemconsortium.org>

been increase of various capital financing support or fostering of business idea through business incubation programs sponsored by NAV, Innovation Norway and other prominent public and private sectors. Bedin<sup>2</sup> also offers an English version of “How to start your own business” document which introduces different aspects of Norwegian regulations in business start-up. More on entrepreneurship policies will be discussed later on in chapter 2.5



**Figure 1.1** Distribution of Enterprises by Firm Size (2011)

Note: Micro = 0-9 employees, Small = 10-49 employees, Medium =50-249 employees, Large = 250 and more employees

Source: Statistics Norway (Establishments by size groups and economic activity. 1 January 2011 )

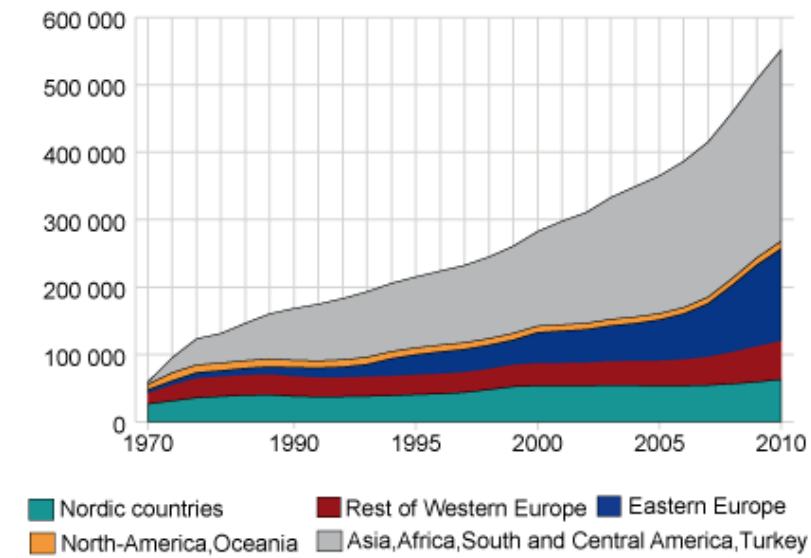
The latest data from the Norwegian Statistics Bureau (SSB) confirms that the structure of business in Norway is characterized by high numbers of micro firms (Fig.1.1), which represents over 89% of the total number of firms as of January 2011. More than 99.5 % of the enterprises have less than 100 employee and two out of three Norwegian enterprises are small enterprises in which the owner is the sole employee. Therefore, by laying out the business background of Norway, it can be observed that entrepreneurship in Norway is essential to the economy. It has been given importance as evident of the percentage of self employed people in micro firms.

<sup>2</sup> Bedin is an organization under the Ministry of Trade and Industry that provide services with information on the process of establishing and running business in Norway. See more on [www.bedin.no](http://www.bedin.no)

## **1.1 Immigrants and Immigrant Entrepreneurs in Norway**

Few decades ago, the immigrant population in Norway was rather small. After World War II, the war refugees and citizens of other European countries began to migrate bit by bit into Norway. In the 1970s, Norwegian policy makers invited immigrant workers for short periods of time to cover demand for labor but the majority of the foreign workers eventually stayed in Norway and this was the occurrence of the first big group of immigration. Due to this, laws restricting unskilled worker immigration was introduced in 1975 but immigration still continued at large with other basis such as family reunification, education and skilled worker employment. Another occurrence of immigration in big numbers relates to the refugees who arrived in Norway at the end of 1970s.

The development of immigration to Norway began with labor migrants. Later on more immigrants came to Norway on a basis of family reunification then refugees also increased. This immigration evolution is much similar to the processes observed in other European countries such as France, Sweden, and Germany (Geddes 2006; Wilpert 2003). Figure 1.2 shows the continuous growth of immigrant population in Norway, mostly from Asia, Africa, South and Central America, Turkey and Eastern Europe. There were 459 300 immigrants and 93 000 Norwegian-born to immigrant parents in Norway at the beginning of 2010. The immigrants come from 216 different countries and independent regions. Today, the immigration population comprises 11.4 % of the total population (SSB 2010).



**Figure 1.2** Immigrant Population in Norway 1970- 2010 (first and second generation)

Source: Statistics Norway (Immigrants and Norwegian born to immigrant parents, by country background)

The involvement of immigrants in the labor market draws particular attention as one of the measures in social integration. Especially in these recent years, there is more focus on immigrant’s activities as they try to blend in the Norwegian society. It can also be seen with increased immigrant exposure in the media and politics. Immigration and integration receive widespread media attention and are issues high up on the political agenda. The Norwegian people are also concerned with these issues (IMDi 2009). The ministry of Local Government and Labor together with Statistics Norway established the project Migration statistics in 1991 to cover the living conditions of immigrants. However, it was only in the year 2001 that a Systematic national level statistics on self employed immigrants became first available (Vinogradov 2008).

According to Statistics Norway, more immigrants and Norwegian-born to immigrant parents are becoming self-employed with an increase from 11 to 17 % during the year 2002-2009. Relatively to the increase of immigrant population, the share of immigrant entrepreneurs among the entrepreneurs of personally owned enterprises has also increased in recent years but the level is still low compared to native Norwegians.



**Table 1.1** Share of self employment among the total employment of foreign born and native born aged 15-64 (2007-2008 average)

	Austria	Belgium	Denmark	France	Germany	Netherlands	Norway	Sweden	Switzerland	United Kingdom	United States	OECD average
Non-OECD countries	6.0	14.4	11.1	10.4	..	10.2	5.7	9.1	6.5	15.2	9.5	9.8
OECD countries	12.2	16.4	9.0	11.7	..	14.0	9.5	11.3	11.0	11.9	16.1	12.3
<b>Total Foreign-born</b>	<b>8.0</b>	<b>15.4</b>	<b>10.2</b>	<b>10.8</b>	<b>9.7</b>	<b>11.1</b>	<b>7.4</b>	<b>10.0</b>	<b>9.1</b>	<b>13.9</b>	<b>10.4</b>	<b>10.6</b>
<b>Native-born</b>	<b>12.2</b>	<b>13.3</b>	<b>8.0</b>	<b>9.8</b>	<b>10.8</b>	<b>12.2</b>	<b>7.2</b>	<b>9.2</b>	<b>14.6</b>	<b>12.3</b>	<b>10.2</b>	<b>10.9</b>
<b>Share of self-employment among the employed foreign-born and native-born aged 15-74, Norway, Register data (fourth quarter 2007)</b>												
<b>Total immigrants</b>							<b>5.8</b>					
<i>Nordic countries</i>							<i>7.7</i>					
<i>Western Europe else</i>							<i>7.2</i>					
<i>New EU countries in Eastern Europe</i>							<i>3.6</i>					
<i>Eastern Europe else</i>							<i>3.1</i>					
<i>North America and Oceania</i>							<i>8.8</i>					
<i>Asia</i>							<i>6.6</i>					
<i>Africa</i>							<i>3.6</i>					
<i>South and Central America</i>							<i>4.7</i>					
<b>Native-born</b>							<b>6.7</b>					

*Note:* The OECD average is the unweighted average of the countries included in the Table. Non-OECD includes Turkey and for the United States Mexico. Data refer to the 2006/2007 average for Germany and Switzerland. In the Norwegian Register data, Asia includes Turkey.

*Source:* European Union Labour Force Survey (data provided by Eurostat), Current Population Survey March Supplement for the United States, Register data for Norway from Statistics Norway.

Looking back, it was the start of 1980s that immigrant owned shops and restaurants in central Oslo began to attract public attention. 44% of all small shops in Oslo are ethnic shops owned by non-western immigrants. Between 1989 and 1997 non-western immigrants established 300 shops, 200 smaller outlets selling daily goods and simple food, and 160 restaurants (Tjelmeland & Brochmann 2003). Now, in every city in Norway, not just in Oslo will you find a lot of shops, restaurants and salons owned by immigrants, as evident in the statistics that within accommodation and food service activities, immigrants are in the majority (see Table 1.2). More than 50% of the 683 entrepreneurs in this economic activity are immigrant entrepreneurs therefore it is also in this sector that I found the participants for this study.

Self employment is a labor market factor, but can be a sufficient indicator of entrepreneurial activity (Acs et.al, 1994), (Wennekers et.al, 2003). Following the definition by UDI (Norwegian Directorate of Immigration) and Statistics Norway, a self employed engages in permanent business activities in Norway with a condition that it concerns a personal business (sole proprietorship) for which the owner is personally liable for the business commitment. A self employed person conducts business at his own account and risk,

and is required to document entrepreneurial income as an addition to the tax return form. They can operate one or more businesses/ enterprise, and a business can be operated by one or more self-employed persons (co-ownership/joint operation/general partnership). The applied measure of self-employment in Table 1.2 is the proportion of self-employed aged 16-74 years in Norway. Table 1.2 is summarized by showing the economic activities that immigrant entrepreneurs (non Norwegians) have more than 20% of participation. For the complete table see Appendix 1.

**Table 1.2** Sole proprietorships, by economic activity and national background

Economic Activity	Enterprises total	Actors total	Norwegian National background	Non Norwegian
<b>Total</b>	<b>27 675</b>	<b>29 849</b>	<b>79.0</b>	<b>21,10</b>
Construction	3 483	3 666	64.7	35,30
Wholesale and retail trade, repair of motor vehicles and motorcycles	3 040	3 431	75.2	24,80
Transportation and storage	1 208	1 275	64.5	35,40
<b>Accommodation and food service activities</b>	<b>610</b>	<b>683</b>	<b>44.2</b>	<b>55,80</b>
Administrative and support service activities	2 035	2 182	69.6	30,40
Other service activities	1 426	1 465	76.9	23,20

**Note:** Summarized table, complete table in Appendix A-1, Enterprises that only have juristic persons (enterprises) as actors, or no registered information about actors are not included in statistics

**Source:** Statistics Norway (Sole proprietorships, by economic activity and national background New established enterprises. 2009)

## 1.2 Research Purpose and Questions

The purpose of this master thesis is to develop more understanding and knowledge on entrepreneurship as new opportunities for immigrants. This research focuses on motives for immigrants to be entrepreneurs and social integration of self employed immigrants. The objective is to gain an insight into immigrant entrepreneur's motivation in starting a business, how they sustain it and how their status as self employed contribute to their

social integration. Why be self employed despite of high risks and difficulties? What is the extent of support from family, friends and Norwegian government in business start-up?

The main question deals with what extent the business of an immigrant entrepreneur contributes to their integration into the Norwegian culture and how it affects their status in the society. How is Social integration related to business success of a self employed immigrant? How do the different clusters in the immigrant's daily life correspond to one another? Does belonging to a religious organization help the newcomers adapt to their new home?

My interest in this topic originated from my passion of being an entrepreneur. I came to Norway in August 2009 as an international student. In the duration of my study, I was also able to work part-time in restaurants owned by immigrants as well as Norwegians. My passion to be an entrepreneur plus my experience in working with immigrant businessmen sparked my curiosity to get to know more about how they did it? How did they succeed in a country like Norway where language can be a barrier also living costs and taxes are extremely high? My enrollment in the Global Studies Master program at MHS Stavanger and the elective subjects I took at NTNU Trondheim gave me insights into inter-cultural issues and Norway business networks.

My background as an immigrant also made it easier for me to get in contact with other immigrants but in some instances some of them are more comfortable to communicate in their own language or in Norwegian only. I started collecting data from the immigrant businessmen that I already know. The business owners that I have work part time with gave one of the most valuable information since they casually share stories and past experiences with me over the period of time that I had worked in their business. It is important to state that I distinguish myself as a researcher trying to seek information from my informants even if they are already my friends. Being friends with

some of my informants only eases my understanding of their perspectives on doing business in Norway and their prospects of the Norwegian society. It doesn't stand as a gauge in unbiased evaluation and analysis of the data gathered.

The rationale of the study derives from the underrepresented role that immigrant entrepreneurs have in the Norwegian society. There are very limited publications about immigrant entrepreneurs whereas articles about immigrants often focus on other topics like population statistics and immigration policies. Inspired by the lack of data, I strive to contribute an additional part on the knowledge about immigrant entrepreneurs in Norway and hoping to continue further research as well.

### **1.3 Structure of the study**

This thesis consists of six chapters. The first part presents the basis of this study and research questions are formulated. The introduction flows from an overview of Norway economy down to structures of business in Norway to be able to give a Macro to Micro view of entrepreneurship. Here the background information about the context of Norwegian entrepreneurship and self employed immigrant is given. The position of the researcher is also emphasized. After the introduction chapter, the theoretical part starts with elaboration on key terms and previous studies done in this topic followed by the discussion of social valorization theory, motives for being self employed and Norwegian policies on entrepreneurship and social integration.

Chapter three deals with the methodology issues used in this study, how the data were gathered, ethical considerations and delimitations of the study. In chapters four and five the empirical data gained during the interview with the immigrant entrepreneurs is presented. It high-lights the findings of this study by grouping the data into information about motivations, support for business start up, sustaining the business and the immigrant's social integration into Norway. These chapters are aimed to give an answer

on the research questions: What is their motive to be self employed? How they started the business? What is the extent of support from family, friends and Norwegian government in business start-up? How their business contributes to their integration into the Norwegian culture and how it affects their status in the society. Is Social integration related to their business success?

Chapter six is the final chapter that concludes the thesis by discussing the implications of the findings with the theories presented in chapter two. Here the empirical data and the theoretical framework are all brought back in summary.

## **2. Theoretical Framework**

### **Previous Studies**

It was only in the recent decade that there was more visibility of initiatives taken in research about immigrant entrepreneurs. There were not many publications written in the context of Norway but some notable contributions are reviewed.

### **Publications from Norway**

In a journal article featured in Spotlight on the labor market (Norway Institute of Social Research), Krogstad (2001) wrote about immigrant entrepreneurs' utilization of business opportunities. Her sources of data are mainly of immigrants from Somalia, Iran, Pakistan and Japan in the area of Oslo, such as Brumunddal. In 2004, she wrote about pioneer entrepreneur families that established the first Chinese restaurant chain and Sushi bar in Norway. Krogstad explored how ethnicity is relevant in managing and controlling the business of an immigrant entrepreneur. Also regarding food sectors, Onsager & Sæther (2001) made a case study of immigrant self employment within Oslo City. Interviews with immigrant business owners from Turkey, Iran, Iraq, Pakistan and China were conducted. OECD (Organisation for Economic Co-operation and Development) published a paper about "The labor market integration of immigrants and their children

in Norway” (2009). It offers useful insights and references that are broadly quoted in my study.

Vinogradov (2008) in his journal papers and PhD thesis contributed studies covering topics on rates of immigrant self employment, survival of immigrant’s new firms, entrepreneurship among Russian immigrants and ethical aspects of research on immigrant entrepreneurship. He notes that the percentage immigrant entrepreneurs are still low compared to the total entrepreneur population. It is also seen that businesses started by immigrants have lower survival rate. Minh (2007) discusses about the cultural dimension affecting Vietnamese entrepreneurial orientation in his thesis about “The relation between culture and Vietnamese entrepreneurship in Norway”. The study of Miglans (2010) gives a complete overview of the business environment and support framework in Norway. It also opened up the discussion on obstacles faced by immigrant entrepreneurs and social integration of immigrants through entrepreneurship which is a similar area that my research looks into. The difference in my study is that it will focus on the social role that entrepreneurship creates for self employed immigrants.

### **International Publications**

Comparatively, there are more research literatures from USA, UK Canada and Netherlands where large inflow of migrants was experienced earlier than Norway. The researches have developed some theoretical basis to explain the basis for certain immigrant groups to become entrepreneurs focusing on topics such as resources, society frameworks and qualities in groups. When looking at researches in this field of immigrant entrepreneurs, there are a few prominent researcher/ research groups that are referred to in many researches about immigrant business. Researches by Ivan Light, Waldinger, Aldrich, Wards, Edna Bonacich, Robert Kloosterman and Jan Rath are often brought up to present comprehensive works on ethnic entrepreneurship.

The American sociologist Ivan light together with other authors did a large number

of both quantitative and qualitative studies over the years focusing on drives for self employment among immigrants and their resources for business start up (Miglans 2010). Ethnic Enterprise in America (1972) is his earliest book followed by a comparative and historical treatment of urban societies around the world in the book Cities in World Perspective (1983). In collaboration with Edna Bonacich, they wrote about Korean entrepreneurs in Los Angeles (1988) and collaboration with Parminder (1993) writing about immigration and entrepreneurship. There followed other publications about various immigrant entrepreneurs coming into USA and ethnic economies. His latest book (2006) is about the networks, markets, and regulation in Los Angeles that deflects immigration.

A model explaining why certain groups are overrepresented among entrepreneurs is presented in the work of Waldinger et.al (1990) in their publication 'Ethnic entrepreneurs, immigrant business in industrial societies'. They explain the factors of qualities and resources available to certain immigrant groups together with the available structures in the host country that attributes to business start up. They have also identified niches or favorable environment that that are attractive for immigrant entrepreneurs. Summarized by Miglans (2010) these are 1.) Underserved markets – which are not occupied by larger retailers or local competitors. 2.) Markets with low economies of scale 3.) Segmented product markets – immigrant entrepreneurs can benefit by catering to unpredictable and fluctuating demands in the market. 4.) Ethnic consumer markets 5.)Market for exotic goods.

The American based approach to ethnic entrepreneurship may not be much suitable to the European. Kloosterman, the Dutch sociologist together with Rath (2001) find that people with minority background start business more often in USA or Canada than in Europe because Europe has a more developed welfare state that is especially visible in Norway. Possibilities for private company entry are rather low because the government

sector takes care of running the economy together with regulated labor market and higher benefits. The concept of mixed embeddedness by Kloosterman and Rath explains that immigrant entrepreneurs are both embedded in their own ethnic network and the local economic framework. It forms a complex way in which immigrant entrepreneurs respond to existing opportunity structures as well as changing existing structures through innovative ways.

Vinogradov (2008) had summarized other researches and published articles on immigrant entrepreneurs. Majority of the studies were conducted in USA, UK and Canada with the most studied groups as the Chinese, Indians and Koreans. For example, Deakins et.al (2007) interviewed 41 immigrant business owners in UK to examine the role and importance of social capital for entrepreneur immigrants. Baqwell (2006) explored traditional culture influences on business practice among Vietnamese immigrants in UK which found out that attitude towards the family; trust and language have a key impact on the start-up and operation of the immigrant's business. Basu & Altinav (2002) examines the interaction between culture and immigrant entrepreneurship of West Asian and East African immigrant entrepreneurs by interviewing 163 entrepreneurs. Blanchflower et.al (2003) describes the Turkish immigrant businessmen in West Berlin, Germany as numerously dominated by wholesale and food sector. Khosravi (1999) portrays how Iranians reconstruct their social space in Sweden through taking advantage of their ethnic resources.

Bates (1994) suggests that the success and survival patterns of Asian immigrant businesses in the USA derive from their firm financial investment and educational credentials of the owner/s in the research within immigrant groups of the Chinese, Koreans, Vietnamese and Filipino. The same author (1997) also explored the resources for Korean and Chinese business start up and concludes that the majority of financial capital comes from family and loans. Lee et al. (1997) tested social and class resources



of Chinese and African- American businessmen. Lerner & Hendeles (1996) questions at what rate do immigrants in Israel aspire and participate in self employment to find out that even if immigrants lack relevant experience and resource to actually start a business, their aspirations steam from wanting to get out of negative employment experience.

An older publication in 1986 by Borjas investigates the relationships between assimilation and self employment of Asian, Mexicans and Cubans in USA which confirms its impact on business start up. Evans (1984) explores the work lives of Australia's immigrant women and Low (2005) also studied women entrepreneurs in Australia. Common in many researches are studying immigrant entrepreneurs in a particular country and cross country studies are underrepresented.

### **Defining key terms**

This work uses a realistic approach by associating immigrant with entrepreneurship, self-employment and social integration. In fact, it is not easy to give stringent definitions for the terms because there is no exact description to suit all purposes. The general definitions as follows will cover how the terms are defined as used in the context of this thesis.

#### **Immigrant:**

The twentieth century marks a large scale of exchanges of people between countries as travel become easier and more affordable (Dana 2007). Familiar definitions describe immigrants as someone who migrates to another country, usually for permanent residence. Or literally it can be said that immigrants are foreign citizens who come to other countries in order to settle there. Generally immigrants are persons who have both father and mother (parents) born abroad. It can be further classified with minor distinction which are,

- i. Persons who are immigrants (settled in Norway but born abroad),

- ii. Persons who are descendants (born in Norway of two parents born abroad).

The definition of immigrants adopted for this study is limited to “a person born from two foreign parents.” The consideration is the parent’s country of origin regardless of whether the person is born in Norway or not. Persons who have only one parent born abroad are not included in this study.

### **Entrepreneur and Self Employment:**

The terms “Entrepreneur “and “Self Employment” are often used interchangeably (Rath & Kloostermann 2003) but the terms may have differences in some perspectives. Brandon Kenington<sup>3</sup>, a self proclaimed entrepreneur from USA explains these two terms in another level.

Take an example: an Interior Designer, an Architect, Lawyer, or even a Doctor. All could own their own business, large or small, but if the business depends on the talent of the business owner to be there and perform the work, then the person is just self-employed. As an entrepreneur, the mindset and therefore the daily tasks are slightly different. Your daily routine is working on designing the systems to keep the business running, and then putting those systems into action. In either cases the self-employed or entrepreneur might work 50-80 hour weeks. The self employed person works to make money, while the entrepreneur works at making money work for him.

He practically explained the differences of these very similar terms. In this study, I will look at both the characteristics of entrepreneurs and self employed. Simply defining entrepreneurs and self employed as ambitious individuals with a consistent “search and satisfying” behavior (Andersson et al. 2010) that explore business

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<sup>3</sup> Brandon Kenington is an American entrepreneur who currently runs an innovative product development company called Bluekube. Although his background is in mechanical engineering, Brandon has become a notable expert among entrepreneurs in the field of Automated Business Systems. His weekly podcast is heard in over 35 countries by over 4500 entrepreneurs. See more on <http://brandonkenington.com/bio.aspx>

opportunities, The most obvious form of entrepreneurship is that of starting new businesses, called Startup Company (Shane 2003).

**Immigrant Entrepreneur / Ethnic Entrepreneur /Self employed Immigrant:**

The terms immigrant entrepreneur, ethnic entrepreneur and self employed immigrant basically refers to the same concept. Some authors use the term “ethnic entrepreneur” when referring to enterprises that start with a focus on clients from their own ethnic group. The majority orientation of ethnic entrepreneurs is internal in the beginning as they market traditional products and have a set of connections among people sharing common national background or migration experiences (Levent & Nijkamp 2007; Waldinger et al. 1990). The alternate terms immigrant entrepreneur or self employed immigrants would sometimes be used to refer directly to individuals who have immigrated to another country in the recent decades. This then would exclude members of ethnic minority groups who have been living in the country for several centuries such as the Sami people<sup>4</sup>. This study will mainly focus on immigrants who have migrated to Norway in the recent 20-30 years.

Johnson (1996) defines immigrant entrepreneurship as it is based upon a situational context and it is the change of geography that prompts the entrepreneurial behaviors. Many immigrants tend to start their own business as it maybe a better opportunity for their whole family. Immigrants contribute to job creation in many countries with their increasing share in self employment. (Levent & Nijkamp 2007b)

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<sup>4</sup> Sami are the indigenous arctic people inhabiting the far northern parts of Norway, Sweden, Finland and Kola Peninsula of Russia (Norokorpi 2007).

## **Social Integration**

The starting point of immigrants integrating into the new society is recognizing cultural differences. Culture is the learned and shared values, beliefs and behaviors of a group of interacting people (Benett et al. 2000). Initial ideas on culture are possibly about language, food, clothing, music etc., but social integration deals not only with outward manifestations of culture but also the invisible features that are deeply rooted in the hearts and minds of the members of that culture. Since we emphasized the recognition of cultural differences to help immigrants to adapt into the new society, it is important to say that there is no culture that is superior or inferior to any other, they are just different (Adler 1998). Relevance of culture to social integration will be further discussed in the chapter 2.3. Social integration in a macro perspective is an important objective in a country's social and economic development.

The basic aim of social integration, as stated in the Program of Action of the World Summit for Social Development, is to create a "society for all". Irrespective of gender, age, culture, affiliation or religion, every individual have rights and responsibilities and an active role in the society<sup>5</sup>. It is vital for immigrants to be able to re-establish themselves in their new environment and to rebuild their social life. Among other things, they will try to make new friends, and recreate a feeling of belonging and self-worth in their new social environment (Valenta 2009).

Cultural assimilation, acculturation and social cohesion are often mentioned in synonym with integration. The core idea behind these concepts as applied to immigrants is the simple fact that when they do not see themselves as an integral part of a society, they tend to remain outside the social circle in terms of values,

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<sup>5</sup> Social integration is one of the three priority areas for action identified at the World Summit for Social Development held in Copenhagen in 1995. See more <http://www.un.org/esa/socdev/sib/>

participation and a shared sense of identity. The annual publication of ImDi in 2008 says that Integration involves immigrants being included in the society by means of participation in labor market and having equal opportunity. It is a two way process that requires the immigrant to learn the local language, become qualified for work and respect Norwegian laws. At the same time it also requires the rest of the population to adapt the multicultural environment. Integration takes place wherever people live, work and basically go about their lives.

### **Cultural dimension**

Prof. Geert Hofstede<sup>6</sup> claims that culture is more often a source of conflict than of synergy because cultural differences often end up in disaster if not properly understood. As mentioned in the previous chapter through Benett et al. (2000) that culture is a shared value of interacting people, it is then important to see how different people in other cultures behave so as to be more efficient when dealing with it. Also according to ITIM International<sup>7</sup>, the practical application of Hofstede's study is that it gives insights into other cultures so that intercultural interactions can be more effective.

Hofstede's study focus on five cultural dimensions which are Power distance Index (PDI), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance Index (UAI) and Long term Orientation (LTO) (Hofstede 2001). PDI deals with the distribution and acceptance of power that is the extent to which the less powerful members of organizations accept and expect the unequal power distribution. A low PDI indicates cultures that expect and accept power relations that are more democratic while in high power distance countries, less powerful accept power relations that are more authoritarian.

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<sup>6</sup> Prof. Geert Hofstede is a well known and recognized Dutch sociologist whose main research field is the correlation between national cultures respectively business cultures around the globe. He identified five cultural dimensions to which each country is classified. Hofstede published several books and papers which are often used as references dealing with intercultural conflict handling.

<sup>7</sup> ITIM is an international consulting organization utilizing Prof. Hofstede's concepts. See more on : <http://www.geert-hofstede.com/> and <http://www.itim.org/index.html>

It is true for most Asian countries to have a high power distance index than Western countries as shown in Figure 2.1 (Hofstede 2001).

IDV looks at the degree in which individuals are integrated into groups. A high IDV shows an individualistic society where the emphasis is on individual achievements and personal rights (Wikipedia 2011). It is expected that people decide and stand up for themselves. A collectivist society is indicated by a low IDV where an individual mainly acts as part of an interrelated culture.

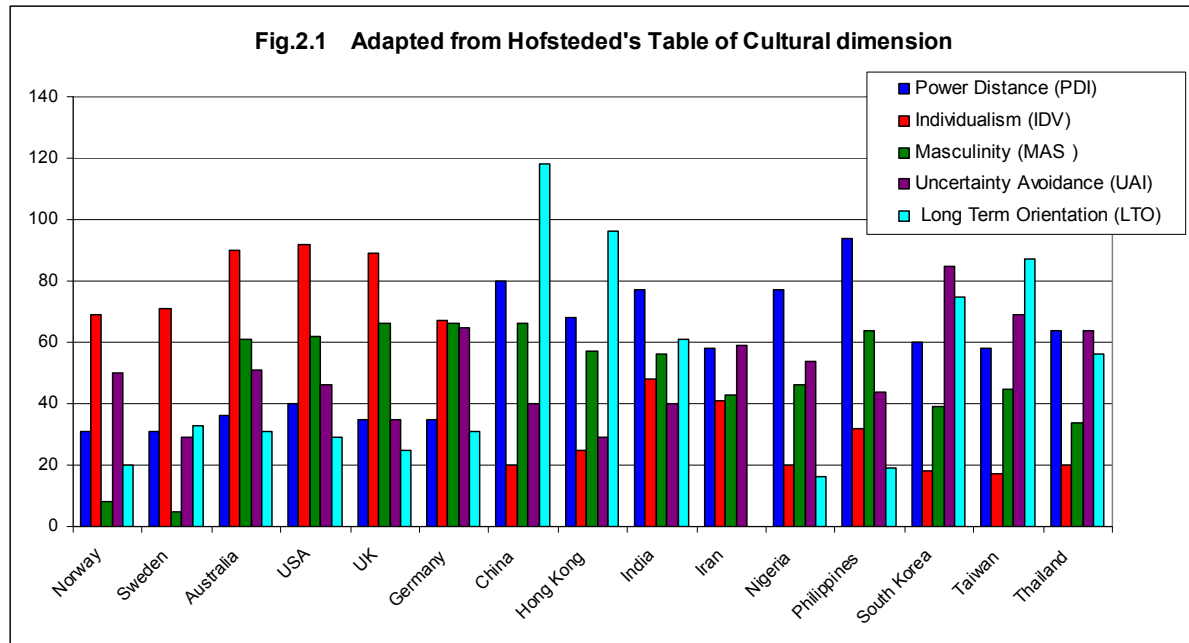
MAS deal with the distribution of roles between genders. A high MAS indicates a masculine culture where gender roles are less flexible and emphasis is placed on competitiveness, materialism and assertiveness. On the other hand, a low MAS indicates a more feminine culture where men and women share more values in emphasis on modesty and caring (Wikipedia 2011).

UAI refers to the culture's tolerance for uncertainty and insecurities. Cultures with high uncertainty avoidance level reflect more emotions and are more likely to precede changes with careful planning, strict rules, regulations and laws. Unknown and unusual circumstances are minimized. Conversely, countries with a low UAI are more likely to be spontaneous in considering unstructured situations and changes (Wikipedia 2011).

LTO looks at how a society values long term morals such as thrift and perseverance. A high LTO indicates a long term oriented society that gives more importance to the future. This kind of culture cultivates realistic values oriented towards goal achievement, rewards, persistence, saving and capacity for adaptation (Wikipedia 2011). Whereas short term oriented societies promotes values related to the past and the present by fulfilling social obligations, respecting and preserving traditions.

Figure 2.1 summarizes the score of each country as compared to Norway. The implications of Hofstede's study in this research can be a basis of how various immigrant entrepreneurs find ways to integrate into the Norwegian society and the

contribution of their cultural background in business start-up. This will help to explain about the culture root of the immigrant entrepreneurs in Norway. I will outline the countries of the immigrant entrepreneurs included in this research and a few additional countries to give a clearer comparison of western and non-western cultures.



### Social Role Valorization Theory

Social roles are very important factors in people's lives. It is often used to perceive a person's status in the society. The various social roles that people give value to tend to shape their decision about how to behave towards people whom they see in valued or devalued roles. Roles identify the ways that people participate, exchange and expect from one another. It also identifies the context in which people learn and perform in the areas that they can experience satisfaction and earn status. Roles can be achieved or ascribed (Stark 2007) or it can also be unintentionally attached in different situations. An achieved role is assumed by means of skills, abilities and efforts of an individual while an ascribed role is assigned at birth or assumed involuntarily alter in life. This is with regards of certain natural traits which are usually beyond control that is neither earned

nor chosen but assigned (Shepard et al. 2003). For example being a sister to your siblings is an ascribed role while a career as a dentist is achieved after meeting certain education and practices. We shall look at social role in a broad aspect considering all its characteristics and determinants to present the following theory.

“Social Role Valorization” (SRV) is the upholding of valued social roles for people by enablement, establishment and enhancement of competencies and image so that these are as much as possible, positively valued in the eyes of the perceivers (Wolfensberger & Thomas 2005). Even with a short definition of SRV in just a few words, it incorporates such influential explanatory power and implied actions. It gives people much food for thought in their whole approach to human service (Osburn 2006). It is a concept in psychology and social work practice for transacting human relationships and human service. Dr. Wolf Wolfensberger formulated the theory in 1983 as the successor to the earlier principle of normalization (Lemay 1995; Wolfensberger 1972, 1983). He is a German born American academic whose works has been mainly concerned with ideologies and structuring system of human service for persons with intellectual disabilities and their families. Dr. Wolfensberger had been actively updating the principle of SRV till his death on February 27, 2011. The magazine 'Exceptional Parent'<sup>8</sup> recognizes Dr Wolfensberger's work as one of the seven greatest contributions to the lives of people with disabilities, along with Salk and the polio vaccine, Braille, Americans with Disabilities Act and the wheelchair<sup>9</sup>.

Although his theory is mainly aimed at improving disability policy and practices, the approach of SRV identifies methods of how society categorize some people in groups that are “different” and may be of less important than others. The SRV theory has its basis on the normalization principle which means making available to all people (particularly

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<sup>8</sup> Exceptional Parent (EP) magazine is under the 40 year old award- winning publishing and Communication Company, EP Global communication. See <http://www.eparent.com>

<sup>9</sup> Information obtained from <http://www.socialrolevalorization.com/training/trainers/wolfensberger/index.html>



disabled people) the patterns of life and conditions of everyday living which are as close as possible to the regular circumstances and ways of the society (Nirje 1982).

The idea of SRV is that society tends to exclude “different” people of gaining fair societal gains, the major goal of SRV is to create or support socially valued roles for people in their society. Wolfensberger's work recognizes that society often tends to label some people/groups as fundamentally "different." This label often means that they are looked upon by the society as having less value than everyone else. Based on the theory's premise, methods are classified to identify the devaluation and analyze its effects on people, groups, and society. And from this foundation, the likely next step is that advocates can seek to fight, debunk, and counteract these societal pigeonholes<sup>7</sup>. The action implications of SRV primarily seek to enhance social images and personal competencies. The level of action starts from the individual person to his primary social systems, intermediate and secondary social systems then to the entire society of a community (Thomas 1999).

It is believed that if a person holds valued social roles, then he is most likely to experience “good things” in life. He is most likely to receive those goods things in life that are available to that society or have the opportunity to obtain it (Osburn 2006). There are varying degrees as to what the good things in life are. Certain specificities of culture, worldview, religion and stages in life dictate what are valued by people. While differences between people are often highlighted, the similarities are given lesser importance or at some point ignored or even denied (Wolfensberger et al.1996). Some works e.g. (Heine et al. 1999; Maslow 1959) brings out the universal needs that people share in considering the good things of life. A few basic examples are good health, decent material standard of living, a home, a chance for work and self support. Other examples include being respected, accepted and having a sense of belonging, to have education, to be able to exercise one's capabilities, opportunity to participate and voice

out in the community's affairs.

This theory is relevant to Immigrants because most of the time they can be seen by locals as “different”. Their status and identity in the new society is often challenged because others are not aware of and usually do not have adequate acquaintance to instill appropriate opinion about them. Immigrants flourish cultural diversity but are often faced with skepticism and criticism instead. According to the concept of social integration, it is vital for immigrants to re-establish themselves in the new environment and rebuild social life. And SRV tells us that when society labels some people as ‘different’, there still exists work to be done to make sure that people are empowered to experience the fair and good things from the society. Immigrants may have very few roles in the new society and therefore may seek any role element even if it is negative. People descend into negative roles easier and quicker than ascend into valued roles (Wolfensberger 1998). Examples of this will be further discussed in chapter four when the immigrant's beginning in Norway and motivations in starting a business is described. Therefore, this research aims to associate entrepreneurship as a valued role for immigrants and try to find out how it contributes to their social integration in Norway.

### **Path to Self Employment**

Norway is the land of opportunities. When one door closes, a multitude of other doors are waiting to be opened. In Norway, a growing number of immigrants are opting for self-employment and taking control of their own financial futures. It is challenging for immigrants to find a job because of language and culture barriers. But still the immigrants contributes to the labor force by taking hard jobs like road and building constructions, cleaning, cooking and providing different services. According to immigrants who came to Norway in the 80's it is also true that in the past (15-20 years ago) a majority of the immigrants who came to Norway, got more support from local

community, bank loans with or without security, free-language paid courses and job training etc. The arrival of more immigrants from different parts of the world to Norway is changing the trend recently. While security of employment remains uncertain, it seems experimental trials immigrants are becoming more interested in taking control of their own destiny at long as it applies to their career. Indeed, not all immigrants can find jobs or continue their higher studies in order to find specialized technical jobs. Some of them choose their professions in driving, carpentry, nursing and house keeping etc. However, it is still a challenge for everyone to find a job according to their qualifications and wishes. That is why the trend we are seeing is the growing number of immigrants opting for self employment.

However, self employment is a lonely career, a little unstable, and always filled with change and it's a path that is not suited to everyone. The shaky road of entrepreneurship is very up-and-down and filled with difficulties. At the start of business, capital funding will be a big challenge. When the business is running, personal finances may be difficult to manage, because sometimes the cost of expenses has to be solely taken care of by the entrepreneur. Among many, only few of the immigrants who have more passion and dedication keep going on the self-employed path. Even for them, it is still a big barrier to manage the investment at the beginning since it is very difficult to get a business loan in Norway. In our study, we also found that the Norwegian banks or local community do not lend start-up business fund even though the immigrants have a very good business plan. The banks mostly look at the hazard side of the business plans and their own risks in investing on the paper based business plan.

Therefore capitalizing the entrepreneurial venture is a challenging task and vital resources such as financial capital, human capital, social capital, ethnic market and symbolic capital (Dalhammar & Brown 2005; Light & Gold 2000) have to be organized. I shall use the Tripolar model of Johannisson (2002) that suggests three generic forms of

capital to mobilize in entrepreneurial venturing. Financial capital is the money source of an entrepreneur to buy the products needed for business operation and other expenses to start up the business. It can be from bank loan, personal savings or provided by lenders or investors who are usually family members, friends or business partner. Social capital refers to the ability to connect and communicate with others characterized by trust, understanding, cooperation and identity of an individual within a network (Nahapiet et al. 1998; Hazleton et al. 2000; Granovetter 1973; Boisot 1995). Human capital refers not only to employees of a firm but it is also about knowledge, collaboration and processes contributed to the business. These forms of capital are not dependent of one another but it can influence the extent of contribution. For example family members of an entrepreneur helping out in the business can initially build up social capital and add value to human capital of the new enterprise.

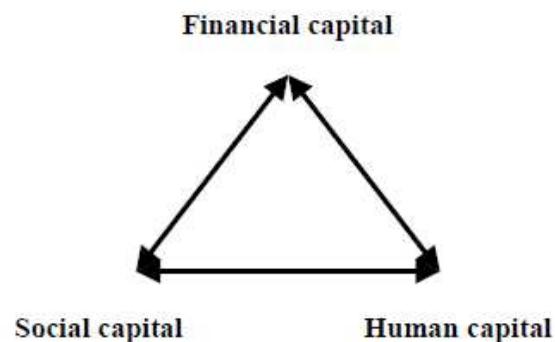


Figure 2.2 A Tripolar model of Capitalizing the entrepreneurial Venture

Source: (Johannisson 2002:17)

While many entrepreneurs have the desire to start a business, some of them lack the experience and knowledge to profitably run their businesses. This may be the concern of the banks while they evaluate the business plans. Therefore, the ministry of labor and social inclusion introduced an action plan to help immigrants which will be discussed in the next sub-section. The immigrants who are ready to acknowledge their limited expertise are wise to work for some companies than choosing self employment path at

least until they gather enough experience in the same field where they want to start to business in the future.

Starting a business can be to fulfill a necessity for survival (necessity entrepreneurs) or a timely chance (opportunity entrepreneurs). It can also be of humanitarian reasons (Social entrepreneurs) or turning a hobby into business (lifestyle entrepreneurs).

Necessity entrepreneurs are those who were 'pushed' by circumstance into forming their own businesses (Hesse 2010). Financial crisis, getting laid off or non-availability of suitable job can drive one to find monetary income independently by starting a business. Some people turn problems and risks into opportunities. From innovating to re-inventing existing products/ technology, opportunity entrepreneurs takes the opportunity available to start their own business. Social entrepreneurs address social problems and a desire to help other people through his own enterprise. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new steps (Ashoka 2011). Lifestyle entrepreneurs uses their passion to build a business by doing what they love to do.

### **Norwegian Policies**

The main intention of Norwegian integration policies is that "Everyone living in Norway shall have equal opportunities to contribute to and participate in Norwegian society". The immigrant residents must be able to get the same standard of living conditions as the rest of the population. However, these are goals the government has not yet managed to achieve largely. Therefore the Government is taking steps by introducing an action plan for integration and social inclusion of the immigrant population. The action plan of Norwegian ministry of labor and Social inclusion (2006)

focused its efforts towards immigrants on four fields, which are Employment, Childhood, Education and Language, Gender Equality and Participation. The Government is intensifying the scope of potential goals, using them as indicators of the degree of social inclusion of the immigrant population. In this section we refer mainly to the action plan for immigrants by the Norwegian ministry of labor and social inclusion<sup>10</sup>.

In order to manage the increasing immigrant population, the Norwegian government takes some actions through policies. As mentioned above, these policies are mainly focusing on A. Employment, B. Childhood, C. Education and Language and D. Gender Equality and Participation. The first topic such as employment is taken into account for our discussion here since this work concern about the immigrant entrepreneurs. The reader could refer to the “Action Plan for Integration and Social Inclusion of the Immigrant Population and Goals for Social Inclusion” for brief analysis of other topics. Employment plays an important role in each individual's living conditions and financial situation. Ensuring employment for everyone is the major challenge to the government but at the same time it is the most important step to balance the society and reduce social differences. The Government is working for a more inclusive working life that includes all types of people, where the expectation is that each and every person shall participate in self and country progress to the best of their abilities. Obviously, Norway has a very healthy labor market with low unemployment and high employment rates at present. But the fact is that unemployment for immigrants as a whole is three times as high as for the rest of the population. This difference remains constantly over a long period of time while the efforts and measures invested in finding people employment is still an open problem in society.

In fact, the newly arrived immigrants should first learn the Norwegian language

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<sup>10</sup> The “Action Plan for Integration and Social Inclusion of the Immigrant Population and Goals for Social Inclusion” is available in the website of the Ministry of Labor. See <http://www.regjeringen.no/en/dep/aid/doc/Documents-in-English.html?id=447316>

and become familiar with Norwegian society. The Government believes that learning Norwegian language should begin as early as possible so that those who are granted residence in Norway can quickly participate in and contribute to the society. The municipalities are generally responsible to arrange the courses. Immigrants need such a learning opportunity so that each can have access to the labor market and become self-reliant. Young people with immigrant backgrounds are encouraged to pursue an education for their next stage before entering the labor market to balance with others. According to the government rules, the majority population and employers must not reject people due to uncertainty about their backgrounds. All employers, whether state, municipal or private, should have a mindful and dynamic recruitment policy relating to persons with immigrant backgrounds. They should work against all types of direct and indirect discrimination. In the state administration, employers are obliged to call in at least one applicant with an immigrant background for interviews when hiring personnel, provided that the applicant is qualified. Even though the government introduced some rules in favor of immigrants, in practical the unemployment of immigrants is higher than the rest of the population. The governments help immigrants in language courses, education and recommend them in local work-community in order to give them chance but at the same time to compensate the shortage of available man-power. But still there is a gap while recruiting immigrants.

In practice, in order to reduce the unemployment rate of immigrants it is an excellent idea of creating more immigrant entrepreneurs. Norway does not really have a concrete policy to support immigrant entrepreneurship. The Ministry of labor's action plan (2006) as discussed earlier aims at social integration of immigrants but it does not include any policy at supporting entrepreneurship. Various ministries handle the responsibilities for developing national innovation and entrepreneur policies which in turn have various plans with no single directed goal. Below are some important

organizations (Figure 2.3) that can be a source of support to immigrant entrepreneurs. These organizations does not have any programs especially aimed at immigrants but can be potential help for start up entrepreneurs. Support in terms of obtaining information, training and capital sourcing is included.

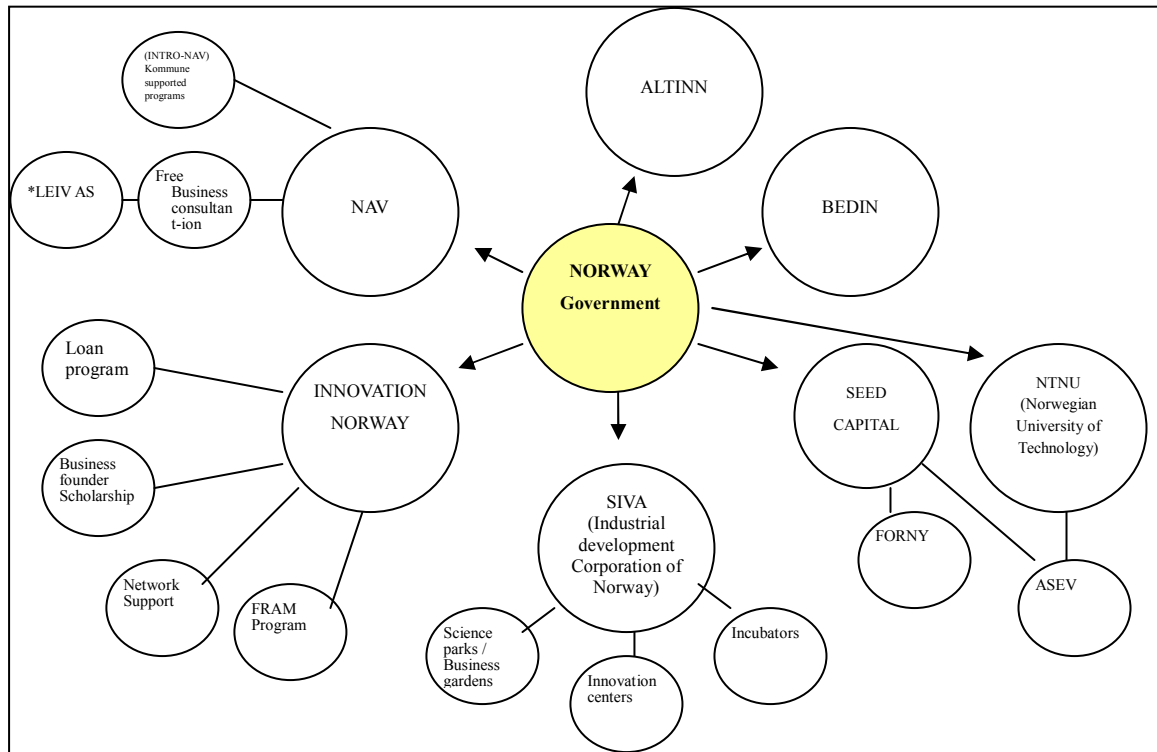


Figure 2.3 Government support framework for entrepreneurs; Source: Author's compilation

### 3. Research Methodology

With a goal to help immigrants find a place in American society, the U.S. Department of Homeland Security formed a "Task Force on New Americans" in 2006. One of its ways to reach this goal is by gathering inputs on successful immigrant integration practices. Gathering inputs from informants is an inquiry method determined by the area to be studied. In the case of this research, I need to describe and clarify experiences of immigrant entrepreneurs as it is lived. Human experiences are a complex area to study because it is multilayered and an ongoing flow (James 1890). The layers of experiences are not rigidly ordered and accounts from informants may be unsolicited. We find that in



everyday life people continue to provide natural occurring accounts to one another retelling about “ what happened”, not all oral accounts are produced in respond to the researcher’s questions as it may be unsolicited (Hammerly & Atkinson 2007).

An ethnographic qualitative inquiry is applied considering the focuses and objectives of this study in analyzing the profound phenomenon of immigrant entrepreneurs’ social integration. Ethnography refers to the study of a group’s "way of life" trying to understand an experience from the participants point of view (Stockrocki 1997). This involves taking account their simple everyday life and the entirety of the immigrant’s progression before coming to Norway until settling down and eventually choosing to be self employed. The aim of this qualitative research is to gather an in-depth understanding of the immigrant entrepreneur’s experiences, behavior and causes for certain decision making. Access to other people’s experiences is limited and qualitative data written about it cannot be identical with the experiences they are describing. The data gathered for study of experience need to consist of first-person or self-reports of participants’ own experiences (Polkinghorne 2005). Thus, the product of this study is the interaction between the participants and the researcher.

### **3.1. Method**

The data collection used in this study is interview and participant observation. Most of the interviews were done during the fieldwork period between the months of September to December 2010. Participants are immigrant entrepreneurs from three large cities in Norway mainly in Stavanger, Trondheim and Oslo. Most of the interviews were face to face conversation but three interviews with participants from Oslo were through phone and Skype<sup>11</sup>. The Interview method helped to obtain detailed information with a

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<sup>11</sup> Voice calls over the internet can be available through software applications such as Skype. See more on [www.skype.com](http://www.skype.com)

pre-prepared interview guide. Although the interview process was kept to be as natural as possible, the interview guide assisted the flow of the interview and avoids loss of valuable information. This made the collected data somewhat organized even if the ranges of answers from respondents are very different. The interview guide (see Appendix 2) consists of questions in three main groups. Questions were not asked in a chronological manner and not all were used in each interview.

Participant observation is the source of my initial knowledge about immigrant entrepreneurs. I lived in Stavanger city for about one year before I move to Trondheim City in July 2010. During my stay in Stavanger, I was working part time in a restaurant owned by an immigrant family that ran the business for about 20 years already. Even before the formulation of my thesis idea and the fieldwork period, I already had a considerable understanding about their background and story behind their success through casual conversation and my involvement in their business. In Trondheim, I was also working part time in another restaurant owned by an immigrant family also. This allowed me to have some informal comparison of the things I learned from Stavanger. It also helped to me to develop ways in designing my inquiry to other immigrant entrepreneurs.

During the writing of this thesis, other practical personal experiences can also be sources for my findings. From early 2010, me and my business partner have prepared a comprehensive 60 pages business plan for a modern ethnic restaurant, complete with actual market survey, financial analysis and forecast. The business plan was submitted to several banks as well as commercial space owners on January 2011. This direct experience allowed me find out how Norwegian banks response and what are the regulations or laws in evaluating a business idea. We also visited the mid-Norway customs (TOLL) and try to find out regulations and ease of access in importing goods to Norway. We have also consulted experienced accountants about starting business in

Norway and I have actually set up a sole proprietorship on February 2011. With an official organization registered, it allowed me to test business ideas and gave me more confidence to start implementing.

To be able to formulate a written account of this research, the analysis of the data gathered through interview, participant observation and text studies goes through a circular process as described by Dey (1993). Describing, classifying and connecting (Figure 3.2) allow a researcher to obtain fresh views of the data gathered. From initial descriptions to the process of breaking down the data into bits and see how these bits interconnect can give new account based on a re-conceptualization of the data (Dey 1993).

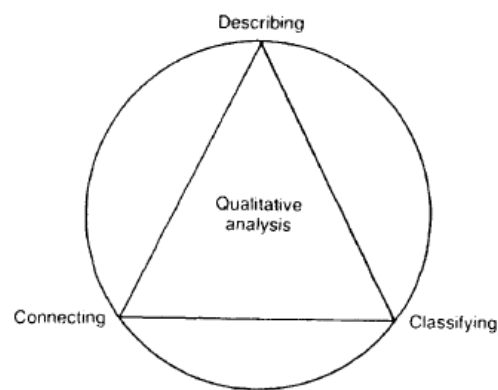


Figure 3.2 Circular process of qualitative analysis

Adapted from (Dey 1993:32)

### 3.2. Data collection

This research collected data from current successful immigrant entrepreneurs through interviews and participatory observation. Text studies of relevant books, articles, and other publications are also taken into account. The information gathered in the fieldwork is rather subjective and personal that is gathered from fourteen participants. The plan is to have informants with a variety of background and business type. The immigrant informants have businesses in the food sector, retailing, salon, consulting, and travel

services. They represent over ten different backgrounds mainly from non-western countries. The profile of the informants with an overview of their background can be found in Appendix 3.

I started to gather information from people I already know. I used the network approach (Bott 1971; Kapferer 1973; Johnson 1994) to find my participants. This approach allows the researcher to collect personal network data both through interviews and by directly observing the behavior of individuals in key social settings (Trotter 2003:213). I cluster my social and create networks out of it (see Appendix 4). The main circles are School, Work, Family, Friends and Public. The connection of clusters forms a network of my informants and there can be new network/s under each cluster. This technique in finding participants takes advantage of the existing connections in my everyday life by expanding into it and building new rapport.

### **3.3. Ethical considerations**

In accordance with rules from NSD<sup>12</sup>, interviews have to be conducted under ethical manner and provide anonymity to the participants. They are informed of the purpose of this study and that any information shared to the researcher will remain anonymous. Written notes and tape recordings of the interview will only be used for the purpose of this research and will be deleted when the project is completed. The names of the respondents had been changed with a pseudonym to protect them from being recognized but this will not affect the reader's understanding of the narration. Instead of mentioning the country where the immigrant entrepreneur came from, the continent area is used to identify the place of origin. Direct quotations from interviewees may be edited to protect their anonymity in as much to preserve the meaning of their inputs. Interviews that were

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<sup>12</sup> NSD is the Norwegian science data services owned by the ministry of education and research. It is one of the largest archives for research data of its kind and provides data to researchers and students in Norway and abroad. See more on <http://www.nsd.uib.no>

conducted in other languages aside from English have been translated by the author in accordance to the nearest possible meaning.

### **3.4. Delimitations of the study**

The major goal of this study is to develop more understanding and knowledge on entrepreneurship as new opportunities for immigrants. It focuses on the experiences of immigrants doing business and how that affects their social integration. Their insights and subjective view points will help us to understand their path to self employment and the other factors that contribute to social integration. Though this research calls out to immigrant entrepreneurs in Norway, it cannot generalize for all cases since personal experiences are unique and can only represent the perspective of the informant. Nevertheless, the subjects of this study will be able to provide a fresh viewpoint about immigrant entrepreneurs in Norway and a basis for further research.

## **4. Immigrant business start-up**

This section and the next chapter will outline the empirical findings of this research based on the framework developed in chapter two and on various inputs gathered from interviews with immigrant entrepreneurs as well as other people in Norway. I summarize the results of the fieldwork following the three main subject categories in my interview guide.

### **“Why and How” down the self employment path**

Some people describe business start-up as an itch or a passion. You want to start some venture to scratch the itch of realize the passion (Norman 2004). Motivations to establish a new business varies but we can try to categorize it according to the type of entrepreneurship and motivation of their business establishment (Ucbasaran et al. 2008; Westhead et al. 1998; Wright et al.1997). I attempt to plot the fourteen informants in the

table below to give an overview of their start up motivation. The chart will help in better understanding what triggered their business start up and the situation for the business to be established.

First I look at the type of business the participant owns. “Novice” type refers to no prior business ownership and the current business is new or purchased. “Habitual” type refers to individuals who have two or more businesses. There is a further sub category of Habitual entrepreneurs as serial or portfolio but we will no longer detail the grouping into such. The difference between serial and portfolio is that serial entrepreneurs engage in one business at a time but previously had other businesses. Portfolio entrepreneurs own two or more businesses at a time.

Table 4.1 Business start-up Motivation					
		MOTIVATION			
TYPE	Participant	Necessity	Opportunity	Social	Lifestyle
<b>Novice</b>	Kevin	√		√	
	Matt		√		
	Wong		√		√
	Abby				√
	Camille	√	√		√
<b>Habitual</b>	Mr.Sambhar	√	√		
	Mrs.Sambhar	√	√		
	Kristine	√			
	Natasha	√			√
	Lenny		√		√
	Emily		√		
	Esther		√		
	Carlos		√		
	Trinity				√

Next, the category of motivation finds out why the business was started. Necessity claims to serve the purpose that the business start-up stands as the most realistic choice at that time for the immigrant entrepreneur. Immigrants often face many obstacles to

settlement and entry into normal job market for various reasons, perhaps because of lack of skills, discrimination or language barriers. The despair of difficult situations forces some immigrants to start their own business. Therefore it is often believed that most immigrant entrepreneurs are just necessity entrepreneurs (Miglan 2010). This generalization is somewhat proved in my research but it does not dominate the motivations amongst my informants. There are participants with more than one motivation in starting a business and this will be further explained through stories from the participants.

### **An accountant's love for good food**

As a certified accountant with additional Norwegian education background and relevant work experiences in government sector, Natasha (Southeast Asia) was sure that she can find a good job when she moved to Trondheim in the year 2001. She claims that “it was difficult for me to find a job in Trondheim even if I had two years working experiences as an accountant in a kommune in Northern Norway.” She started a cleaning company (1997-1999) then changed later to an accounting company (1999-2000) then the restaurant café (since 2002) she currently runs and an ethnic retail shop (since 2004) owned together with a partner. She is presently establishing an import export company (since 2010) that will supply her restaurant and grocery shop.

I learned a lot about rules and accounting with my cleaning company, I later changed it to accounting company (revisor) because I thought with my experience in accountancy, it can be used everywhere. I was totally wrong!  
Tax rules changes from year to year.

Out of all the business Natasha had, the restaurant café has the best business of all. She happily exclaims that, “I love to cook and this is something I do that I like a lot. People used to tell me why don't I open a restaurant and I really did.” She used the opportunity

to turn her passion into a profitable business, making her a necessity and lifestyle entrepreneur at the same time.

### **The family's breadwinner**

Kevin was just twelve years old when he came to Norway as an UN refugee together with his big family of 10 brothers and sisters. His father was an acclaimed businessman since he was doing business wherever he goes. They had a clothes and shoes shop in the country they lived in before coming to Norway. Since he was still young upon arriving to Norway, it was important that he completes education first. When he was twenty years old, he worked in some digging machinery company for a year and realized that this is not what he wants to do. Given that his father was a very good businessman, they conceptualized a retail shop with the support of good friends in Oslo who are their suppliers.

Everyone loves my father and many people tell him to open a shop in Trondheim because there is no good Asian shop here. They know he is a very good businessman so they (suppliers) trusted him and helped us to start the business.

Kevin fulfilled the need of the town of a good ethnic shop at the same time he is self sustained as a self-employed and it benefits his brothers and sisters who also helps him in the business.

### **Doing business without Norwegian language**

Living in USA for more than 15 years, Camille (East Asia) has an extensive experience in her work as business consultant for western companies venturing into the Asian market. Her Norwegian husband also works in USA for more than 10 years. They decided to return to Norway to build a family. At that time (2006) it was a good chance for them to come to Norway and settle. First, Camille worked for an international



company for six months but quit as soon as she bore her first child. "I could not be idle and I want to do something. So I thought I could use my work experiences to benefit other people." At that time, her father-in-law was retiring and he owned an accounting firm that was eventually transferred to Camille for her to set-up the consulting company. Now, she does not have to go to office in an exact given time but she can work in her own pace. She also gives lectures in universities and conferences. Even if she is not yet well prepared in Norwegian language, she can still make use of her work experiences and immigrant background to have connections when she started the consulting company. Her network from previous jobs allowed her to have instant connection to help companies who want to venture into Asian market.

### **Cooking a bright future**

Wong came to Norway in 1980 as a cook. He worked for several years and returned to his country to marry. After a few years, he came back to Norway with his wife and started their own restaurant in Oslo. "When you have worked long enough for others, it was just natural to think and make your own restaurant. Why not try it?" For Wong, his long experience in the food sector in a Norwegian context gave him courage to set up his own business. His wife had a restaurant in their home country and it was just a matter of placing their focus in a different location. In Trondheim city, we find a similar example of Kristine's father coming to Norway as a cook and later on started his own restaurant. Today, at a young age of 23 Kristine is made the general manager of the restaurant with both her parents still involved a lot in the business. It seems to be a natural acceptance for Kristine to take over and help in the family business. When asked about further studies or doing other work she just replied with a content smile that "This is my only work, I work for my family's business."

From the example of Natasha and Kevin, it was partly encouragement from people around them as well as their own initiatives that started the business. It filled their necessity for some financial income at the same time being able to do what they really like. While Camille showed us that starting a business does not need 100% preparation. It starts now and things will get better and better along the way, learning comes with experience, experience comes with time. For Wong and Kristine, they just followed where the road leads them to. They didn't struggle much but rather focus on what they already have and keep building the business.

Opportunity entrepreneurs start business because they realize a good chance that could also support them substantially. Many are often motivated by factors aside from financial income and some even give up other alternatives to grab the business opportunity.

### **Football training in Spain**

For example Matt (East Asia) saw the need of football teams to train in a warmer environment during Norway's winter season. He then established a travel agency in 1993 together with Norwegian partners. They rent a sports stadium and facility in Spain where Norwegian football teams can book training periods. The football teams are their regular customers since they have to sign a contract which usually lasts 3-5 years. According to him, they pioneered this concept and that business is responsible for more than 40% of the company's annual turnover. Also during that time, they saw the travel frequency of Norwegian missionaries and took advantage of helping them get to their destination in a good packaged deal.

### **From Engineer to restaurant owner**

Mr. Sambhar (South Asia) came to Norway twenty years ago as a flight technical engineer. Unfortunately, a work related accident caused one of his hands to be paralyzed for more than a year. Even with his recovery, he is not able anymore to work under the same condition as before. He then pursued architecture as another major to find new job opportunities but he was not very contended with it. During this time, he was helping one of his friends managing a fast-food chain and developed interest in the food sector. With some of his savings, he used it to buy a franchise. After two years, it earned him enough money to invest in a classic restaurant which he runs with his family up to this date. “If I did not grab the opportunity to run a fast food franchise twenty years ago, I may not have earned the second opportunity to start this restaurant.” For Mr.Sambhar, his technical educational background and work experiences are a big plus for him to be able to find a good employer but he think out of that box and grab a totally different kind of opportunity instead. Ever since, the restaurant business has become a necessity for his family’s income as his wife and children all involved in running the business.

### **A house-wife’s venture**

For Emily (South Asia), coming to Norway after her marriage was one big decision in her life. She left everything she is familiar with and come face to face with uncertainty. Learning Norwegian language and helping in her husband family’s business was a substantial step for what she did not expect to do by herself after ten years in Norway. In spring of 2008, while she was out buying breakfast she came across a place for rent nearby the bread shop. Out of curiosity, she contacted the owner and inquired about the availability of the place. Later on, she learned that the owners are moving out of Norway and is letting go of the restaurant located in town center. Instead of renting the place, she negotiated a deal of purchasing and making a serious investment. With only three

months of preparation, the new restaurant was launched and still thriving until now. “I did not plan to this (open new restaurant) but the opportunity came and it seems too good to let go.” Emily comes from a well off family and was not in any pressure to find work but this business opportunity attracted her to give up the easy lifestyle.

### **Born to be a hairdresser**

For Lenny and family, the opportunity came when another immigrant business owner wanted to go back to her own country. The woman sold the salon to Lenny in 2009. Her husband then stopped his pharmacy education temporarily to help out in the business. Prior to that, she works as a social worker and she has an ample income already plus substantial support from the government. It was not a necessity to be self employed and venture into business risks. “It was a good offer and salon is something I can do” As I watch Lenny transform glamour to her customer’s hair, it seems a very easy thing for her. “People from my country fix hair as we grow up. It’s a natural thing.” Even as she claims that doing business is quite a challenge for her, she is glad to be able to do what she is really good at. Now the salon also sells cosmetics, beauty products, hair extensions and some ethnic frozen food. Lenny is currently working on importing more products from her country and making use of the business location she has. Another hairdresser Abby recently established her own salon in Trondheim City after several years of being employed. “My salary was good enough but I didn’t have my own time and could not do everything as I like.” Just like Lenny, it was also her husband who encouraged her and supported in setting up her own salon. Now she has customers round the clock because they are satisfied with the brilliant and fast haircut.

## **Driving to self employment**

Carlos drives bus to earn a living. He has more than a modest income and made a lot of friends as well. Everyday he passes by the main road in town and seeing this café full of people all the time. While he drives, he likes to imagine and dream a lot to the point of thinking to run his own café because of the good business. One day he went up the café and asked the owner if he would like to sell his business. To his surprise, the owner did. That was the start of his entrepreneurial life. The café was a short lived business because it was quite tiring. After that he franchised a convenient store and added movie video rental. His franchise grew to five and they were all in very good business locations. However in the turn of year 2000, business slowed down forcing him to give up many of the franchise and he now keeps only one. One of the convenient stores in town was converted to a clothes shop for his wife Esther. He even went by himself all the way to the shopping boulevard in USA to purchase for the store. It is really directly from USA.

Once you understand the basics of doing business, it is not really hard. I just keep finding new opportunities and besides I don't want my wife to work for others. She is also good in managing the business and it was a good choice to let her have the clothes shop.

Most of my informants were happy with their self employed venture even if it means challenging and difficult times. This is a sign that self employment gives them a content life and possibly a more regarded status in the society. Entrepreneurship is not a last resort due to unemployment but rather viewed as a better alternative for the immigrant and their next generations.

## **Resources**

Immigrant entrepreneurs just like any other businessmen need capitals for business start up. But, a number of resources are particular to their culture that can be helpful when they start their own business. Immigrant entrepreneurs can have access to some unique

resources in terms of connections, ethnic network, culture background, special skills, new ideas, market knowledge and etc. This can compensate for their shortcomings as immigrants.

For instance Kevin benefited from her father's strong ties with suppliers from Oslo where most of them are friends and also from the same country. He was able to have initial financial support and access to useful information only available to him as someone from the same country of the suppliers. "It was easier for the (supplier) to trust us since we are from the same culture. We understand their way of thinking." Also, Mr. Sambhar was able to find good cooks for his restaurant from his network.

It is not easy to bring an ethnic cook to Norway because of work permit requirements and changing immigration policies but sometimes I can hire cooks from my country that are referred by current employees or friends. For example, my current cook can refer someone to replace him if his contract has ended. It became a cycle and I'm not afraid to lose anyone.

Likewise, Wong and Kristine also used their ethnic background to be able to communicate with their employees to develop a stable human capital.

Even if they (cooks) are very good in cooking and kitchen works, there are differences when working in a Norwegian context that they have to be aware of. Like fire and safety measures and wearing of uniform during work. It is easier for me to communicate these new things to them using our mother language instead of English or Norwegian, it is also easier for them to accept and understand the differences (Wong).

Natasha benefited from the fact that her country's food is widely accepted in Norway. Since it was time consuming and difficult to hire a cook from her country she can only rely on her own familiarity to develop her small but attractive café restaurant. "Only a local know how exactly this food is suppose to taste like."

Trinity who had a long chain of salon franchise in her own country expanded the business to Norway. Her son who immigrated to Norway before her helped her to set up

the shop. She specializes in facial threading and other beauty services not previously available in Norway. She had the advantage of the market because there is no competition on the particular beauty service. Many customers eventually became regulars. Even if her shop is located in a small alley, people still drop by and her salon is always buzzing. Aside from her shop, she also wrote several books and appeared in several local newspapers because of this. Her first book contains original Norwegian poems that she wrote while she was learning the language. Another book is about using natural ingredients as beauty products and she also compiled stories about settling in Norway from immigrant women of her country. At nearly an age for pension, she does not appear to be near to retiring. She capitalized on her active lifestyle and friendliness to customers.

Several of the informants also mentioned that their culture gave them an edge to do business. For example Matt from East Asia said that, "Everyone is doing business in my country, we are known to be businessmen, so my partners (Norwegians) had more confidence in me." Some of the informants like Kevin expressed the fact that there is cooperation within members of the same ethnic group. Sources for financial support, information or advice can be easier solicited. In some cases, immigrant entrepreneurs do lend a hand to other immigrants of different cultural background. Mrs. Sambhar mentioned that one time they helped another immigrant (not from their own country) in their troubling restaurant. "They were having difficulty to stand up and as someone who experienced the same before, we just wanted to help out while can." Their business was not doing well so they bought their restaurant and managed it for a year. After things went a bit better, they later sold the restaurant to the cook at the price they bought the restaurant for not asking anything extra for the investment they did to renovate the restaurant. Helping other immigrants is not uncommon but one must have their own willingness and efforts.

Many other immigrants ask us (me and my family) to invest a business with them because they know we have some money and we know what to do. But, not all are prepared to handle the challenges and it's difficult to be left out after starting it" says Emily.

This empirical study also confirms the need of at least the three basic generic forms of capital suggested earlier in chapter 2.4. Resources for their business especially in financial terms were one of the biggest challenges. All the immigrant entrepreneurs interviewed did not receive any support from the Norwegian government or neither of them had the chance to attend courses aimed at helping new entrepreneurs. Some of them opted for bank financing but was declined despite of good business idea. Lenny says that "Sometimes I have to use money from my day job for my business. I can just rely on myself, it is impossible to get loan." Several others like Mr.Sambhar, Nipa, Carlos, Wong and Matt used their savings to start the business. They worked hard in employment first such as being cook/chef, engineer, driver, accountant or agent. "I would try to save maybe 10.000 kroner per month or if possible more than that and try not to spend anything unnecessary (Natasha)." Patiently, gathering enough funds and information before launching the business. Others like Emily, Kevin, Abby, Esther and Kristine had the support of their family and friends to invest financially in the business. Most of them did not know of any government support from NAV or their local kommune. Common in their feedback is that immigrant entrepreneurs exert great efforts with strong determination to overcome financial problems. The fact that they have such problems finding financing resource explains why the percentage of immigrant entrepreneurs in Norway is quite low.

It is also from my personal experience that Norwegian banks normally appreciate inquiries for business loans and would try to evaluate a written business plan but at the end, they are not willing to invest. One has to have at least a portion of the start capital



and safe collateral for the bank. I also found out that it is a policy of many banks not considering business that deals with restaurants and taxi. Banks suggested me to take up a personal loan to be used in the business but collateral was a problem and interest in personal loan is extremely high.

### **Perception of the business environment in Norway**

Several of the immigrant entrepreneurs interviewed responds positively about the business environment in Norway with regards to customers, employee, inventory systems and purchasing. However issues about taxes and government support for start-up business was otherwise less affirmative. In this section we shall look at those features of the business environment.

### **Customers**

Many of the interviewed immigrant entrepreneurs have business that aims at Norwegian customers even if they offer ethnic products or services. “We have to adjust the taste according to what Norwegians like. If we make the food with 100% traditional taste, Norwegians would not normally like it and they will not come anymore.” says a cook in Mr.Sambhar’s restaurant. I have also heard some customers (non-Norwegian) complained that this is not how a certain dish is supposed to be like. But, since the business had to survive in a Norwegian context, an emphasis is given to modify it to satisfy Norwegian customers.

Trinity (salon & beauty shop) claims that Norwegians are usually skeptical of new things but once they start to like it and choose to have in a regular basis they would make very good customers. With the help of media exposure due to her books, Trinity was able to market her unique facial threading services as well. Because Esther is one of the few in Norway with this skill, her customers are mainly Norwegians.

Esther (clothes shop) says that the concept of her business came from the fact that Norwegians are fond of USA products. It is especially true to the younger generation who likes to follow the trend and fashion from USA. Music and movies also reflect Norwegian's appreciation of things from USA. Having a clothes shop selling products directly imported from USA, she observes that Norwegians are quite fond of the unique products that are seldom available in Norway. Her typical customers are youngsters looking for some party clothes and aspiring models looking for something to impress. Once in a while would a customer with immigrant background drop by (usually someone acquainted to her). She is looking forward to expand her business to casual clothing for teenagers and children. "There is a good market for clothing for young people because Norwegian schools don't require uniform like my country. There are not many choices for children and teenagers in the current shops so if I can sell something for them it would definitely be good business."

On the other hand, there are still businesses that benefit from immigrant customers. Take for example my observation at Lenny's salon, where most of her customers are Africans. Lenny told me they (Africans) fix their hair differently and it is very natural for women to frequent the salon. Norwegian customers also come but not so often and many of those who come already have understanding of African culture or are married with an African. With a customer base of mostly non-Norwegian, there is a danger of business downslide as she explains to me that since salon services is comparatively more expensive than her country, some people just try to do it by themselves.

Many customers eventually learn to 'make hair' by themselves. It's a competition in saving cost. Some people offer services at home and it is bad for my business because people would always prefer a cheaper option but I have bills to pay too.

Also, it was observed in Kristine's restaurant that tour groups from Asia often choose to dine with them. Kristine says that even if they are away from home just for a few days,

they (Asian tourists) would still want to eat what they are used to. The restaurant has enough space and capability to accommodate them as well. For Kevin's grocery retail shop, non-Norwegians also dominate as customers as they regularly buy phone cards from him. He also has more varieties of fresh vegetables that are kept fresh by consumption of regular customers. Some of the Norwegian customers he has are usually the spouse of an immigrant. "There are many things that Norwegians are not familiar with, but if they have a wife or husband from another country then they learn to appreciate foreign products" says Kevin. Generally, there is more reliance on Norwegian as regular customers but the non-Norwegians are also a source of diversity in the business.

### **Employees**

Using family members or relatives as work-force often helps an immigrant entrepreneur have lesser problems in dealing with employment issues such as trust and knowledge on their capability. Many may think that immigrant entrepreneurs just employ non-Norwegians so they can pay lower salaries but this was not evident in my interviews. Wong (East Asia) is willing to employ both Norwegians and Non-Norwegians as long as they are suitable in his business. He mentions that it would be good to employ people from his own country because they would know better how the business runs not because he can pay them less. Camille also confirms this fact by saying that she prefers to hire employees based on their knowledge and experience in business consulting regardless of their country background. However, for some kind of businesses like ethnic restaurants, Emily says that it is not possible to hire a Norwegian Chef. Also Kristine's mother tells that immigrant employees are mostly more hardworking and are more spontaneous. They usually do more than required and are willing to share in the hardships of the business. Generally, most of the immigrant entrepreneurs interviewed

hires both Norwegians and non-Norwegians with a preference on the latter because of a more common viewpoint with the owner and understanding of the business goals.

Since Norway emphasizes gender equality and it is also considered a more feminine culture according to Hostede's cultural dimension. Immigrants who come from a masculine society would find it hard to adapt. For example Mr. Sambhar said that in his country, usually female are less assertive and leadership is dominated by male. However in Norway, he had to force himself to understand the gender equality and accept different attitude from his female employees. Natasha also cites the gender difference as she say that in Norway more females are given important role at work and husbands also help house chores but in her country it is almost impossible to see male helping out at home. There is a fair distribution of work load between male and female where the population at large is actively practicing as well. It is also in Norway that I have seen more females doing jobs that are usually controlled by male. For example, driving cargo trucks, bus and ambulance. There are also a rising number of female engineers and positions in top management. Therefore for immigrant entrepreneurs it was important for them to be aware of this difference as they hire employees and interact in the society so as not to discriminate or hurt anyone.

### **Government and taxes**

“They (Norwegian government) kill people because of tax!” exclaims Kevin with a smirk on his face. I was puzzled by the expression on his face as he uttered the complaint because it was not accompanied with frown or anger. He then later explains to me that even if he feels tax is quite a burden to his business but everyone is paying so there is a sense of equality and fairness. “I paid almost 50% of my earnings as tax last year.. But anyway, Norway is really a good country. It is like an investment when I get old.”

Similarly, Emily declared more than 43% tax even if she has two young children and also taking care of elderly parents. The same complaint echoes from other interviewed immigrant entrepreneurs as tax poses a very big challenge for them. Natasha who is an accountant by profession could not even keep up with the rules and regulations on taxation.

I do accounting for my own company and it seems there is not much earnings left after tax but I pay myself a regular salary and I'm able to help my employees because of this business. It is good enough.

Lenny also says that the tax rate is crazy in Norway. As she tries to import a container of goods from Africa, she found out that there are duties and taxes on certain products aside from sales tax that is the disadvantages of Norway not being an EU member. Out of all the immigrant entrepreneurs interviewed, only one had lesser negative outlook about this issue. Carlos explains that he often had to spend long hours after work to go over accounting matters, but the taxation issues does not discourage him.

This business is my choice and I don't find it hard at all, as long as you are determined to learn the basics everything else will be like a routine. Yes it is hard-work but I enjoy myself.

Generally speaking, my informants suggest the fact that high tax poses a challenge for their business but as long as they are determined to maximize their business venture, it is still a good investment on the long run.

## **5. Social Integration**

Integration is about the extent of interaction and participation of immigrants in the new society which typically involves basic manifestation of culture such as language. Not all the immigrant entrepreneurs I interviewed were fluent in Norwegian or have good understanding of the Norwegian society and culture thus their perspective on social integration varies on conflicting level.

## **The business of integration**

“My husband calls me the proudest Chinese” chuckles Camille as she gently laughed upon my question on what she thinks about her integration into the Norwegian society.

Even if I have already settled in Norway, I don't want to force myself to accept certain cultures. We are a mix family, intercultural. We will always be different no matter what. We create a third culture.

Despite of being married to a Norwegian she thinks she has still a lot to learn about Norwegian culture but this does not stop her to pursue her own consulting company at this stage. The knowledge of Norwegian language was a challenge for her to approach Norwegian customers but she denies stopping at this barrier. By giving ‘seminars’ in chamber of commerce, private organizations and universities in Norway, she is able to share her experience and somewhat gain trust of potential customers. The nature of her business and client rapport made it possible for her to enter the Norwegian society although not totally immersed into it.

I just want to be myself and use all my knowledge, capabilities and past work experiences here in Norway. As long as I can express myself and I'm understood. It does not matter whether I speak good Norwegian or not, because we bring our clients to the international market.

In the same way, Wong also shares similar sentiment that he does not really care about integration but it is just important for him to learn the language and work attitude of Norwegians as tools to manage his business and survive in Norway.

When I was an employed chef, we were required to attend Norwegian classes. I was using Norwegian language in class but at work, most of the other kitchen staffs were also from my country so we never really used it (Norwegian language) in practical life.

When setting up his business, he relied on a very good accountant whom he said supported greatly in finding the business location till helping in managing daily accounts. The experience was a learning process as he now can speak flawless Norwegian and interact with various Norwegian government sector, suppliers and customers alike.

Much like Wong, Carlos the bus driver who turned entrepreneur also relied on his accountant in establishing his business. “I was lucky with my accountant and very happy with the support he gave me.” Since he was working for a few years before setting up his business, he considers he is doing quite well with his ability to interact with fellow Norwegian co-workers and knowing what is going on around him. He made many Norwegian friends and his businesses helped him to stay in contact with the society. When asked about his thought on social integration he paused for a moment and replied

My everyday life here in Norway is a proof of integration in the society. The fact that I’m able to survive here, have business to do and people to talk with. This is integration.

Observing him from behind the counter of his kiosk and video rental shop, I sense his energetic passion as he fulfills small and big demands of his business. Perhaps the best summary of what integration means and how it can matter to immigrant entrepreneurs can be shared by some immigrants who settled in Norway for a long time. Matt who had stayed in Norway for more than 25 years says that,

I think there is really no difference even if you live long time in Norway. It is impossible to merge or integrate fully in this (Norwegian) society because the culture root is very different from the start. Family is the source of culture learning and I don’t want my children to forget where they really come from.

From his viewpoint there is really no relevant link between the length of time and extent of social integration. There will always be a difference because the culture of origin marks how an individual behaves. Matt admits that even until now he could not grasp Norwegian language 100%. He again relates to the reason that there can never be any real integration because of the culture difference he is born into. His eldest daughter who is now on her 30s and married to a Norwegian also finds it challenging to blend both her parent’s and Norwegian culture. Matt says he tried to send his children back to Asia when they were younger to experience their culture of origin and learn their mother

language but to his dismay it did not turn out as he planned. His youngest son was not able to catch up to the learning process. He says that this is a very sad phenomenon and he knows many other children born overseas like his son does not have the environment and opportunity anymore to appreciate their culture of origin. Just like the son of Matt, Kristine was also born in Norway but both her parents are originally from East Asia making her physical appearance still resembling Asians. Kristine says that integration happened naturally for her as she grew up and completed her education in Norway. “I do not see myself as rather very different from Norwegians except my physical features as an Asian. But I know other Norwegians would still look at me differently.” she says.

Mrs. Sambhar who came to Norway in the 80s says that on her first year in Norway, all she did was to learn Norwegian language and nothing else.

It was important for me to know Norwegian so I can communicate better with people and understand what they mean. Even if most Norwegians are good in English, there is automatically some meaning lost in an English conversation. Also, many Norwegians especially elder folks hesitate to get closer to you if you don't at least speak some Norwegian.

Mrs. Sambhar also expresses that learning the language is a first step towards integrating into the society because everything around is more understandable and one can relate to the occurring events easier. For her integration means being able to be just like everyone else.

As an immigrant, we have to work much harder to gain recognition. We do not want to keep asking help from other people and rely on government benefits because if we can sustain ourselves we are also helping the society and making good images of immigrants in Norway.

Often, she and her family work very long hours to meet the needs of their restaurant business. At least three hours before the restaurant opens, the kitchen staff has already started their day and even after closing time late at night, the owner/s would spend some time talking with the staff. This is evident in many other interviewees and in other researches. The profitability of these businesses is contingent on the long hours of work



(Dalalgar 1994). Most of the immigrant entrepreneurs interviewed also claim that hard work is their key to success.

Kevin who opens his shop everyday from 10 till 7 in the evening also admit that time seems to be never enough for work. Just like all other entrepreneurs, he also has to invest time before and after opening hours to fix his store or go through purchases and business documents.

I want to make my shop accessible to everyone that is why we also open on weekends and open till evening. I don't mind working long time because I have my family to help me around and sometimes I can rest in the middle of the day.

He also says he enjoy doing the business compared to working for other people. Since coming to Norway when he was still young, he has his foundation of Norwegian friends from school and from the sports he plays. Among all other interviewees, he was the one with a strong view about discrimination of immigrants in Norway. "I love playing soccer and I think I was quite good but I quitted the team because I feel racism from my Norwegian co-players. Mostly Norwegians would just smile and keep their feelings inside if they don't like you." He continues to say that he knows some very good doctors from his country and from India that could not get a job in Norway compared to Western immigrants who are less qualified but have a job. Even if Kevin speaks flawless Norwegian, he still points to the fact of discrimination at some point of every immigrant's integration into the Norwegian society. As I continued into the interview while he works behind the cashier counter of his shop, he began to survey the thought of discrimination with the customers in the shop since many are regular customers and accustomed to his friendly talk. The response of many is that at some point they do witness discrimination and feel racism because they are different from the locals. Many associate the experience on job seeking and exclusion from opportunities. On the other hand, some immigrant entrepreneurs take discrimination as an advantage. Natasha says

that,

People (non-immigrants) would have less expectations if there is some level of discrimination therefore there is less effort to please them because their expectation is easily exceeded.

Re-educated in Norway as an accountant, she was confident of job opportunities available but ended up being self employed because she wanted to imply a strong statement that women can be independent and to be an inspiration for her two children. One of them is still in secondary school and the eldest is now a freelance photographer who is usually booked for wedding pictorial. Natasha's business starting point is to share what she is good at. She says that nowadays people don't cook at home that much anymore and even the younger generation from her country relies on ready meals or restaurant take away. Her restaurant café offers cheap but delicious meal that is why the crowd never ceases any time of the day. Natasha also feels that her business gave her a sense of independence and according to her it is very important to prove that women can also do what men are capable of.

With more than thirty years of salon experience in her country, Trinity moved to Norway at a quite later stage compared to other interviewees. She was the only one among my informants who was able to join a "business survival" course sponsored by the Kommune which the courses are now a responsibility of NAV. Even with her long experience in the salon industry, she started business only after seven years in Norway. She was mostly attached with her grown up children and their family but still pursued to open her own salon in Trondheim City. Her way of integrating into the society was by publication of books. She shares a range of poem book, stories about struggles of women immigrants from her country and a beauty tips book. She is currently planning to write a cookbook as well as an inspirational book on how to start a business in Norway. She shows me two newspaper articles featuring her being interviewed by Norwegian

journalist and I found out through that she not only enjoys her work in the salon as her profession but she also likes the working environment in Norway. As one of the newspapers says about her “ integrering gjennom jobb (integration through job)” implies a lot about how Trinity uses her role to gain social recognition.

Esther runs a clothes fashion store in Trondheim city together with the concept of her husband. Whenever I drop by her shop, there will always be some friends or customers from the same country she is from. “I’m contented with this (clothes shop business) and people around me. Although I’m far away from my country, I feel very much at home because of my friends and family.” Her friendship with people from her culture keeps her in a comfort zone where she intends not to go away from. Due to this, social integration is not a major concern for her as it appears that the support of her ethnical group mattered more. However, she considers structuring her business model as integration. Since the theme of her store is to sell clothes imported directly from USA and catering to Norwegian’s fondness of “Made in USA” products. She firmly says that,

I have to think about what Norwegians like and dislike. In order to do so, I have to get in touch with their culture which means learning whatever I can about them including language and lifestyle. I guess this is integration isn’t it?

I agree with her because by being open minded about the new society you are living in, opportunities are easier grasp than focusing on what you only think about. Her thoughts suggest that knowledge about the Norway is a step in social integration as this will help an immigrant find his own role in the society.

The interviewees each have their own understanding of integration but one thing is for sure and that is no matter in which way they choose to be, it is just important for them to earn a status in the society and have income for the family to survive on. Although not all mentioned their business as a tool for social integration but it is evident that it had opened more doors for learning about their new home. As Aldrich &

Waldinger (1990) puts it, Entrepreneurship has emerged as a neglected but potent influence upon the economic and social integration of immigrants.

### **Belonging in the Norwegian everyday life**

Lenny who came to Norway with her family as UN refugees ten years ago says that it was definitely important to integrate into the Norwegian society but at the first few months they were more concerned about practical things. Social workers from the Kommune come to check on them every week for just a month and almost did not come back again after that. According to her, she and her family had a lot of questions about many practical things in Norway but no one could help them.

It was very dangerous to just leave us like that after just one month in Norway. Of course we try to find our ways in many things but it was very difficult. We felt like we are out of this circle (Norwegian society).

The supervision from the government for refugee immigrants like her family is very minimal and not continuous. She goes on to say that eventually it was friends from the Church who assisted them.

They (church friends) were such nice people. They did what a parent would do to their children despite they were only friends. They were great help in social life because it is difficult to get close to Norwegians but easier being a Christian.

There are many examples of immigrants like Lenny who finds comfort with a religious group or non-government organizations. As newcomers to an entirely new culture, the adjustment period is especially a long journey without support of people in the 'inner circle' as Lenny puts it. She said at first she had no idea where to buy some things, how to get to certain places and her children's needs as well. When she and her family began to join the Sunday service of a nearby church she finally found security and relief to have friends whom they can count on.

I don't know what could have happened to us if we didn't meet the friends

from church. Maybe we would have given up and decide to go back to my country even if it was a very bad situation back there (home country).

Later on, Lenny also met other immigrants from her country and thus developed friendship with many others because of her ethnic origin. There is also an association of people from her culture which organizes small get together and events from time to time. Outside her salon posts regular announcement from the association which I thought she has some responsibilities or sponsorship for. But, the fact is that her business location has become an informal meeting place for people from her culture and since majority of her customers are from Africa, it is easier to disseminate any announcements through her. She then becomes a center of information and messages of people within her culture. As much as she and her felt left out during the first few months in Norway, it turned out to be completely opposite now as she holds an important role for people from her country as well as her responsibilities towards her family. She also asserts that her salon had given more confidence to her as well as a state of independence where she can show that she is capable of providing for her family and practices her skills as a hairdresser.

Camille typically finds herself enveloped by her career and works prior to coming to Norway. She had just recently become a mother aside from her being a businesswoman lecturer, and part time student. These roles intertwine into her status and identity as to how others see her. The combination of her family, education and work role added factors on her criteria to have a new sense of belonging in a society that was once foreign to her.

Norway allowed me to slow down in my life and prioritize my family first. It was just the right time that me and my husband moved back to Norway from USA because we want to have kids and build a family. Norway is a much laid back country and gave me the chance to consider my role in the family. As you know [as she refers to my understanding], there is too much environmental competition in Asia and all I can do is to keep working and working just like everyone else. I feel like if I stopped for awhile, then thousand of people will step ahead of me.

Even though as earlier mentioned in the previous chapter that she ignores the idea of changing herself to be integrated into the Norwegian society; she admits to be drawn by the relaxing lifestyle in Norway. She says mostly everyone else works only a standard normal hours giving ample time for other activities such as exercising and quality time with family or friends. This is one thing she really likes about working in Norway and has also become an advantage for her business. According to her, Norwegian business development is at a relatively young stage comparing to countries with longer traditions of business and commerce such as USA, UK, Japan, Hong-Kong etc... Therefore, Norwegian companies who seek international market often have minimal experience and support to seek. Camille and her company come in at this moment as consultants and business developers. Because of her intensive work experiences and knowledge about business development in Asia, Camille quickly immerses into establishing and managing her company in Norway. I can say that she is one of the most strong-willed women that I have ever met as she does not see any challenges and problems as a negative factor but rather categorizing them as some natural scenery in the business landscape. She also emphasized that her consulting firm not only allowed her to continue doing what she loves to do but as well as establishing a source of independence that is important for a woman at her age not to totally depend on husband.

Family reunification allowed Emily to settle in Norway where she is now a mother of two adorable children and proud owner of a successful ethnic restaurant with another one opening by mid 2011. Like many other spouses who moved to Norway due to their husband's migration, Emily considers herself blessed to have the chance to come abroad. However, the longer she stays in Norway she finds out that the reality is far from a dream.

In my country, people will do anything to go abroad because they think

everything is better out there but it is not entirely true. They only see the good things that happen to us and never realize the struggles we had to undergo because we never really tell them [people in my country] about the difficulties. Of course the material life was much upgraded that what I used to have back in my country but the relationships and network is completely dull.

Aside from her family, she does not really have many friends and other people to socialize with. Lesser and almost none is any friendly connection with Norwegians. She says that perhaps it is also because of her culture's attitude towards social life as family is mainly prioritized. Her seldom interaction with parents from her children's school is her only contact aside from people in her business and her family. Because of this tight up scenario she feels as if her restaurant and home is a piece of land from her country and once she steps out of it, she is completely engulfed by the foreign land which still remains strange to her even after 10 years in Norway.

Being a bus driver gave me the opportunity to see a close-up view of Norwegians in their daily activities says Carlos. He came to Norway to find better work and opportunities. Using only one year, he tried to learn Norwegian language and get driver's license first.

I always had a curious attitude and very much interested to find out new or compelling things. I think Norway was the right place for me because especially at the time I came (1992), there was very little going on and so much opportunities for me to do. When I was working as a bus driver before, I try to observe Norwegian people for example how they speak, how they dress, what they eat, what time they go to work and so on. Capturing frames of their everyday life helped me to interact with them.

Generally, all the immigrant entrepreneurs interviewed had some ways of finding their own niche in the Norwegian society. The stories from Lenny, Camille, Emily and Carlos only confirm the diversity of searching for belongingness in the new community. However one thing matches these intrigues because they all want to start a better life no

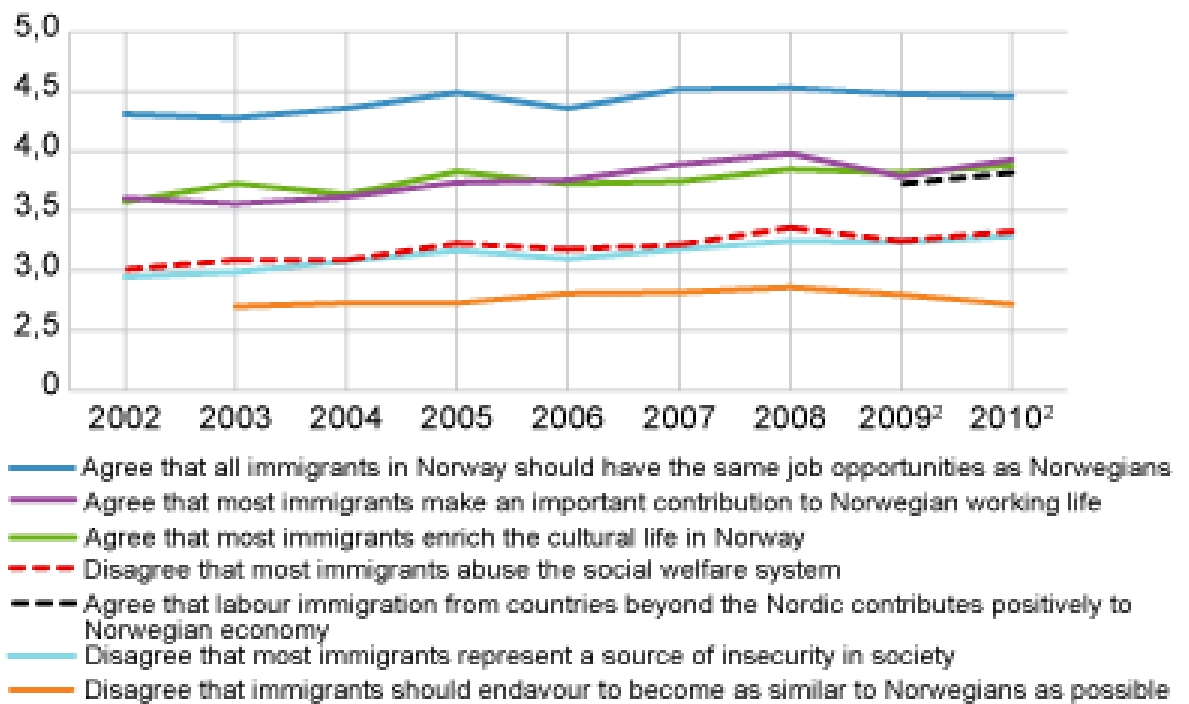
matter the cost or consequences.

### **Norwegian's attitude towards immigrants**

As much as narrating stories on immigrant entrepreneur's social integration, it is also important to draw out some thoughts from the Norwegian point of view. Statistics Norway compiled some gauges about Norwegian's attitude towards immigrants in general questions about contribution to labor market, cultural diversity, social welfare system and availability of jobs for immigrants (see Figure 5.1). There is an increasing appreciation of immigrant's contribution to the labor market and Norwegian society. The appreciation for immigrant's contribution to working life is seen in the ratio that three out of four think that immigrants make an important contribution to Norwegian working life. This is the highest proportion ever recorded. Only 13 per cent hold the opposite opinion (SSB 2010).

At the same time there is also increased support for integration as immigrants in Norway are wanted to be as similar to Norwegians as possible. According to SSB this increased support for assimilation may be an expression of the Norwegian population's reaction to attitudes towards some immigrant communities that could be understood as a challenge to social values that Norwegians look up to such as gender equality and freedom of speech. Although the statistics are generalized, the Norwegians' outlook towards immigrants would still vary according to some basic background such as gender, age, place of residence and educational attainment. It was said that women are often more tolerant than men while the most elderly (67-79 years old) are the most skeptical towards immigrants and immigration policies (SSB 2010). Norwegians who have more contact with immigrants also have more positive feelings towards them such as residents of the urban region in Akershus, Oslo who are more generous towards immigrants than those in other parts of Norway.





**Figure 5.1** Attitudes towards seven statements about immigrants and immigration (2002-2010) Mean values on five points scales<sup>1</sup>.

Notes:

<sup>1</sup> High values indicate “immigrant sympathizing or liberal attitudes. ‘Don’t know’ answers are coded missing.

<sup>2</sup> Weighted values so that the distribution of educational levels is equal in the gross and net samples.

## **6. Discussions of the Results and Conclusions**

The objective of this thesis is to develop more understanding about immigrant entrepreneurship and how this opportunity can stand as a valued social role in social integration. As discussed in the beginning, the focus is delivered through presenting the immigrant entrepreneur's motives in starting a business, how they sustain the business operations and the extent of its influence in their social integration. Key findings based on the empirical evidence are presented in this chapter and the interpretations are discussed in light of the theories and concepts presented in chapter two. Hofstede's cultural dimension will be used to explain the aspect of culture in social integration. Social role valorization will be applied to give an interpretation of the thoughts of immigrant entrepreneurs about their status as businessmen and managing their everyday lives as well as an additional support for social integration. The Norwegian policies and theory about path to self employment will expound the specifics around the business aspect.

### **Managing the way of life**

Trying to survive in a new community with limited personal resources and knowledge about the surrounding can be a threat as well as a depressing factor for many immigrants. For immigrants in Norway especially non-western immigrants would experience double the hardship in adapting as evident to the cultural dimension scores of Hofstede (refer to Fig.2.1). Non-western countries have a relative bigger cultural dimension difference compared to Norway in terms of its value on power distance, masculinity, individualism, uncertainty avoidance and long term orientation. Although this research does not study the comparison of western and non-western immigrants, it can be generalized that the more cultural difference exist means the more challenges that a new immigrant may have to cope up in Norway. This generalization is proved by the fact that some

immigrant entrepreneurs interviewed like Wong and Camille expressed that immersion into the Norwegian society seems unavoidable but total integration is impossible due to the culture root difference. For Wong who had lived in Norway for over 20 years, he tried all ways to build a new life and a new social circle but there are just some things deep within him that he cannot change or totally leave behind. This does not exclude him from the society or from working in Norway and eventually build a business however he will always be different from the Norwegians no matter how good his Norwegian language or how successful his business becomes. As Camille said, a third culture is born where immigrants like her stand in between what she is accustomed with and with what is around her right now.

Is it true or not that good things in life are most likely to be experienced by people who holds valued roles in the society? According to the theory of SRV, social valued roles support individuals to fairly gain the benefits of the society they are living in. Being an entrepreneur is a new opportunity for immigrants whom are often misplaced in the labor market with jobs that does not match their qualifications and abilities. The immigrant entrepreneurs interviewed for this research each started their own business with different motivations and goals but each asserts that the business let them feel independent and stronger that they are able to provide for their family. Therefore it can be generalized that entrepreneur can be a determinant role and a source of independence that immigrants can look into finding value for their everyday lives. Being an entrepreneur can be more challenging than an employed status since the responsibilities are self taken and the risks are also self evaluated.

It is definite that good things in life are most likely to be experienced by people who hold valued roles in the society but only true to people who are willing to perceive their roles positively. This also means that opportunities and chances may often be available but for only those who are willing to seize the moment and value what they

have. In a society where power distance is relatively low, Norway has a culture that expects and accepts power relations. In a work setting, it is easier to reach to the top management and regular employees are able to voice out their concerns in a democratic manner. Typically, this also means that individuals who hold low skill jobs or skilled jobs are mostly treated equally and earning fairly despite of job differences. In the context of Norway, valued roles are more or less determined by the strength of engagement one has in the role and how well it is performed rather by the value it is generally perceived by the public. One example is my personal experience with my part time job as a waitress. This role is typically not important in my country and not valued as a source of good income. However, to be able to have a part time job as a waitress in Norway is not easy and it is also a good source of income for students. Fellow students would admire the opportunity I have to work as a waitress and it also made me feel more secured to have a source to support myself.

The example of Emily shows that even if she and her family owns a chain of successful restaurants and live a good life, but if she does not perceive such success as a valued role it would not support her social integration into the Norwegian society. Many other immigrant entrepreneurs interviewed expresses also the fact of having few to almost no Norwegian friends. Kevin who grew up in Norway since 12 years old is more comfortable in the midst of people from his culture but at the same time he admits that his business should be drawn towards Norwegian customers as well to be able to succeed. In Kevin's case, he values his being businessmen and uses the opportunity to get in contact with Norwegians and the Norwegian society. Carlos who was an employed bus driver before becoming an entrepreneur also explains that Norwegians are not easy to get close to but once trust is established then the connection will always be there. Norwegians are usually responsive to friends and they love socializing with people they know therefore it is just a matter of creating a rapport and finding ways to

flourish it. This fact can be somehow explained by the nature of the Norwegian society to be more inclined to individualism which is similar with other Western countries like UK, USA and Australia. An individualistic society emphasizes personal achievements and character that can clarify the general behavior of Norwegians where they are not inhibited to express themselves and are more cautious of collective events.

The level of an immigrant's integration not only depends on their status and role but also on other types of factor that are unchangeable. For example man vs. woman or western culture vs. non-western culture. When talking about distribution of roles between genders, the Norwegian society is not strongly masculine but rather a more feminine culture where materialism, competitiveness and assertiveness are played down. There is also more equality between males and females when it comes to roles at work or at home. Some immigrant entrepreneurs coming from a masculine society may find this strange as the example from Mr.Sambar and Natasha in chapter 4.3. Because of these factors, a male or female immigrant from different countries would feel differently in the same situation due to the difference of their society of origin. For an immigrant entrepreneur, managing their way of life counts on their own ability to adapt and see through the differences to cope up using ways that could benefit their business as well as securing their part in the society.

### **Success and failures in business**

Everyone is interested to hear about the success of a business but beyond colorful stories are sometimes untold tales of failure and hardship. Kevin, who owns a grocery store, told me that his father was once betrayed by his partner and completely lost his business. He said it does not need to be as bad as it sounds because his father knew that although he was cheated, he was able to help that friend establish the business and survive in Norway. There are of course total hopeless failure in which entrepreneurs

permanently damage their reputations, go broke and alienate people they ever worked with. This kind of situation was not experienced by the immigrant entrepreneurs that I interviewed but I personally encountered such story when I was searching for my own business venture. It was a seafood restaurant for sale near Trondheim train station and I was told that the previous owner gave up the business after more than 10 years of running it because of bad business resulted from poor management and the owner's inability to adapt to changes. I would not elaborate too much on the details but the point of this example is that things can get really worse to the point that an entrepreneur has to give up everything that he has and may not be able to stand up again. When this happens, what can they do and does the Norwegian integration policy say something that can help struggling immigrant entrepreneurs?

“Everyone living in Norway shall have equal opportunities to contribute to and participate in Norwegian society”. That is stated as the main purpose of Norwegian integration policies. The Norwegian government takes action by focusing on employment, childhood, education, language and gender quality. From the stories of the immigrant entrepreneurs interviewed, they had minimal benefit from any of the government's integration policies and only one was able to attend a course on business start up. The framework, documents and thoughts are present but the implementation especially towards immigrants are on a very minimum interaction. There are agencies and platforms that help entrepreneurs start their business but not everyone is equipped in helping a foreigner. It is determined by the Norwegian government that learning the language is a basic foundation for anything else to follow afterwards but ensuring employment for everyone is still a major challenge. Therefore to be able to balance the society and reduce social differences, the government has to take steps in working for a more inclusive society where entrepreneurship is encouraged to immigrants. This means sources for capital including financial, human and social are made more available and

obtainable.

The immigrant entrepreneurs interviewed each have their own successful business right now however, other aspiring immigrant entrepreneurs usually do not have a starting point to do business in Norway as documents are scarcely available in English and authorities do not have clear information on inquiries. Although statistics in the introduction of this thesis presents Norway with highly suitable environment for entrepreneurs, it is not perceived by immigrants in the same way. This gives a dead end and a failure to an aspiring entrepreneur even before the business started. However, I'm still positive that somewhere and somehow one of my million ideas will eventually work even if there is language and social barriers. This goes the same for many other immigrants and immigrants who are already entrepreneurs but still struggling to work out their business.

Certainly, self employment has different level of risks, uncertainty, stress, and the greater responsibility that the individual can handle but at the same time it is balanced by greater flexibility and potential earning. The self employment is also secured during economic crises and outsourcing. It gives more human and technological support and structures for personnel development. This independent entrepreneurship would partially serve every need of the Norwegian market and ultimately helping to avoid the burden of unemployment of the country. The self employment path of individuals will definitely help the economic standing of Norway and simply supporting to move forward while creating more career opportunities all around the country. As an overall conclusion, I will provide a summary by answering the research questions stated in the beginning of this thesis and finishing it with a wrap up paragraph of the discussions.

### **What are the motivations for immigrants to start their own business?**

There are various reasons for starting new ventures but it is clear that immigrant

entrepreneurship does not emerge only because of lack of job opportunities. As I have categorized my informants according to the aspect of business start up as a necessity, opportunity, social or lifestyle below are some main factors to be self employed among many others,

- Courage to implement business idea (Opportunity)
- Financial independency (Necessity)
- Time independency / being your own boss (Lifestyle/ Opportunity)
- Grabbing opportunity (Opportunity)
- Support for family and job creation (Social / Necessity)
- Converting hobby or talent into something financial beneficiary (Lifestyle)

### **Why be self employed despite of high risks and difficulties?**

The motivations of immigrant entrepreneurs to start their own businesses exceed their fear of challenges and difficulties. Prior to business start up, limited support and unfamiliarity to the new community usually puts immigrant entrepreneurs to a disadvantage. However, those who eventually succeed in being self employed are satisfied with their decision and enjoy managing their own work. The motivations to be self employed are also decisive push factors despite of high risks and difficulties. For example some of the immigrant entrepreneurs interviewed was employed before starting their own business. The experience they garnered through employment gave them further ideas and courage to think of starting their own business. In most cases, the support of family and the plan to use the business as source of income for other family members provides a goal that the immigrant entrepreneur invests into. To be self employed as shared by some informants is a kind of proof that they are financially independent and capable of managing business by themselves. The self employment status frames a valued status for the entrepreneurs as he/she evolves to be more



respected and considered to contribute positively to the society. As SRV theory puts it, if a person holds valued social roles then he/she is most likely to experience “good things” in life. Therefore despite of uncertainty and challenges, immigrant entrepreneurs choose to start their own business in order to receive “good things” from the society in material, financial terms and social well being.

### **What is the extent of support from family, friends and Norwegian government in business start-up?**

There are available government supports to entrepreneurs in Norway but the range of support mechanism usually fails to reach immigrant entrepreneurs. Even with the limited government resources available, most immigrant entrepreneurs interviewed are not aware of such benefits and some even do not mind to search for such support with prior impressions that it won't be of help to them. Resources are mostly self-earned and patiently gathered with support from family and sometimes friends of the same culture. None of the informants imply of Norwegian friends' support or help in business start up. Generally, the extent of support from the government and Norwegian friends are very minimal while support from family and friends of the same culture origin are mostly utilized.

Perhaps Norwegian government policies can be modified to address the needs of the entrepreneurs especially the immigrant businessman. Should the access to finance for example getting loans from bank and other government support (NAV, Innovation Norway etc..) be reviewed to correct measures that is currently seem to exclude immigrant entrepreneurs? It can also be considered to ask whether laws on labor and tax are difficult to follow. Is the overall position not in favor of entrepreneurship? Maybe due to a strong welfare state nation, it seems rather difficult to enforce better support for entrepreneurship particularly towards immigrants. But solutions still exists to counter

the challenges suggesting a start from simple ways such as providing training and information support to potential immigrant entrepreneurs.

### **How is business success related to the social integration of a self employed immigrant?**

Business success gives security and a sense of accomplishment to immigrant entrepreneurs. The achievements in the business confer value to the being of the self employed immigrant. Since entrepreneurship entails total responsibility and risk upon the owner, its success confirms the hard works of the immigrant entrepreneur putting him/her in an appreciated and respected role in the society. Business success also means financial independency as well as time independency. Natasha (accountant turned restaurant owner) says that running her own business empowers her and proves that woman can be independent. Gina (housewife turned ethnic restaurant owner) also states that having her own restaurant to manage gets her out of the usual routine at home making life more exciting. Generally, social integration is further applied after the basic needs of the immigrant entrepreneurs are met. Business success assures self reliance that an immigrant reflects in their role of being an entrepreneur. Some of the informants say that business and social integration is two different things that are not related to each other. However, we find out later on in their stories that their business is a kind of platform towards integrating into the Norwegian society. Learning the Norwegian language, taking further studies and discovering various connections for business start up are just some of the many activities that lead to social integration. In chapter two, SRV describes that it is vital for immigrants to re-establish themselves in the new environment and rebuild social life. The connection between social well being and how immigrants re-establish themselves through a business confirms the fact from SRV theory that business success of immigrant entrepreneurs relates in parallel to their social

integration.

### **Does belonging to a religious organization help the newcomers adapt to their new home?**

Settling into a new community means re-building all aspects of life which includes the social circle, work, education, and even family connections. It can be therefore concluded that interactions and membership in some clubs, organizations or groups facilitates significant access towards adapting to the new environment. Belonging to a religious organization was shared by one of the informants to be the most important help they can ever get. Not only have they found new friends but it was the connection towards assurance and security that there will always be someone to call upon. The fear and loneliness vanishes because of the care that the members of the religious organization provide. Looking at Hofstede's cultural dimensions (see fig.2.1), it can be clearly distinguished that my informants' culture of origin is highly different from Norway. In view of belonging to organizations or certain groups, Norway scores highly as an individualistic society rather than a collectivist society that most of my informants are from. The new immigrants from a collectivist society would then seek to act as part of an interrelated culture but could not find such belonging because of Norway's nature of being more individualistic. Thus, any kind of group related identity such as being in a religious congregation would definitely ease the needs of an immigrant coming from a collectivist culture.

From the research literature and the informants of this thesis, it is common to see that immigrants are often put into an employment position that is not equivalent to their skills and qualifications. It is one of the major reasons to start their own business and gain financial independency. Of course self employment is not the only solution for immigrants. Doing business that corresponds to the creativity and resources of the

immigrant should be utilized as well as employment opportunities should correspond to their qualifications. The desirable situations are what the Norwegian government policies can be shaped into achieving such balance. From this research, my conclusions correspond to the idea of Social Role Valorization theory. Society tends to classify people who are different and in this case, the immigrants are labeled as such. By enhancing their social images and personal competencies through entrepreneurship, the immigrant entrepreneurs are given better opportunity in the society. The social integration of immigrants is much affected by their culture of origin as evident in the differences of culture dimensions in Hofstede's research. Although not all informants mentioned about culture root, the common factor in their stories in trying to blend into the Norwegian society reveals reasons caused by such culture differences. Only some immigrant entrepreneurs are able to realize that understanding the basis of culture difference can ease their way into social integration. Even for immigrants who have settled in Norway for a long time, which we mean more than 20 years. They still feel that immigrants will always be different no matter if they have mastered the local language and participate in Norwegian culture.

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## 8. Appendix

### Appendix 1. Sole proprietorships, by economic activity and national background

Economic Activity	Enterprises total	Actors total	Norwegian National background	Non Norwegian
<b>Total</b>	<b>27 675</b>	<b>29 849</b>	<b>79.0</b>	<b>21,10</b>
B - Mining and quarrying	27	32	90.6	9,30
C - Manufacturing	836	900	80.2	19,80
D - Electricity, gas, steam and air conditioning supply	10	20	90.0	10,00
E - Water supply, sewerage, waste management and remediation activities	12	12	83.3	16,70
F - Construction	3 483	3 666	64.7	35,30
G - Wholesale and retail trade, repair of motor vehicles and motorcycles	3 040	3 431	75.2	24,80
H - Transportation and storage	1 208	1 275	64.5	35,40
<b>I - Accommodation and food service activities</b>	<b>610</b>	<b>683</b>	<b>44.2</b>	<b>55,80</b>
J - Information and communication	2 212	2 514	88.6	11,40
K - Financial and insurance activities	67	92	94.6	5,40
L - Real estate activities	465	636	95.3	4,70
M - Professional, scientific and technical activities	4 424	4 659	86.6	13,30
N - Administrative and support service activities	2 035	2 182	69.6	30,40
P - Education	1 689	1 740	86.1	13,80
Q - Human health and social work activities	3 066	3 189	81.8	18,10
R - Arts, entertainment and recreation	3 020	3 306	90.0	10,00
S - Other service activities	1 426	1 465	76.9	23,20
T - Activities of households as employers, undifferentiated goods- and service producing activities of households for own account	17	18	83.3	16,70
Unknown	28	29	79.3	20,60

Source: Statistics Norway (Sole proprietorships, by economic activity and national background. New established enterprises. 2009)

### Appendix 2. Interview Guide

The purpose of the interview is to get to know the background of the immigrant's business, how the business started, how the business is still going on and the stories on social integration that the immigrants are willing to share and narrate. What are the challenges faced by immigrants in starting their business and maintaining it. Also, what are their future plans for themselves and their family? The guide questions are not chronologically arranged.

#### Personal Info:

Name, Age, Gender, Nationality, Religion (information not obliged to be obtained)

Studies or education in Norway? In homeland?

### **Family Background**

Civil status? Is your family living with you in Norway? Any relatives?

Did you get married in Norway or in your country? Siblings (if any)? Rank in siblings?

Any family business back in your country? Occupations of father and mother

### **Interview Guide questions:**

#### A.) On coming to Norway

1. What made you to come to Norway? Is it to study? Family reunion? Find job? Seek asylum?
2. Aside from Norway, was/ were there any other countries that you were considering? What made you finally to decide to come to Norway?
3. What were your dreams before coming to Norway? Have you achieved it and how?
4. What were your expectations of Norway before coming?

#### B.) On business

5. What is the business owned by the immigrant? Why choose this business?
  1. Any other business or branches?
  2. What is the motive for choosing to be self employed.
  3. Were you employed before? Did you work in any place in Norway first? If yes, what were your experiences on that work? Did you worked with Norwegians or with immigrants/ foreigners?
  4. Who has helped you to start your own business? What were his/ her contributions?
  5. What were the challenges when you first started the business and how you overcome those challenges?
  6. What did you do or prepare in order to launch this business? How long did you prepared for the business? What were the first things you do? Is there any formal business plan ?
  7. What were the other things that were important before you had this business?

#### C.) On integration

8. Do you speak and write Norwegian language? How did you learn?
9. How long did it take for you to be able to communicate in Norwegian and what other strategies did you use to learn Norwegian?
10. Did you read any Norwegian newspaper, book or magazine? How about television shows, movie and listening to radio station?
11. Do you have many Norwegian friends? Where did you meet your Norwegian friends?
12. How and how often do you contact your Norwegian friends? Do you just talk in person? Or is there any telephone, SMS, email communications?
13. Was it important for you to learn about Norwegian culture? What are the interesting things about Norway culture that you like or dislike?
14. Had there been some communication barrier or misunderstandings that led to difficulties in setting up your business?
15. Do you employ people from your county to work with you? Are any of your family members helping in the business?
16. How did you help your family to settle in Norway? Or have you recommended any other relatives or friends to come to Norway?
17. What is the key to your business success? Did your preparation on learning Norwegian language and culture contributed to the business success?
18. Have you considered social integration a part of your business success? If yes to what extent? Or how? If not, why do you think it is not important?
19. Do you feel the need to be integrated and be considered ONE of the Norwegians? Or Do you view the need to find your own culture friends of a necessity in Norway

**Appendix 3.** Profile of immigrant entrepreneurs informants

Profile of Immigrant entrepreneurs informants								
	Name	Gender	Civil Status	Place of Origin	Arrival in Norway	Location	Type of business (Year established)	Information gathering
1.	Emily	Female	Married	South Asia	2000	Stavanger	Restaurant (2008)	Participatory observation
2.	Mr. Sambhar	Male	Married	South Asia	1987	Stavanger	Restaurant (1993)	Participatory observation and Interview
3.	Mrs. Sambhar	Female	Married	South Asia	1993	Stavanger		Participatory observation
4.	Natasha	Female	Married	Southeast Asia	1992	Trondheim	Accounting firm (1999) Restaurant (2002), Import company (2004),	Interview
5.	Lenny	Female	Married	West Africa	2002	Trondheim	Cosmetics & Salon (2009)	Interview
6.	Kevin	Male	Single	Western Asia	1996	Trondheim	Grocery store (2007)	Interview
7.	Esther	Female	Married	Southeast Asia	1996	Trondheim	Fashion Clothes store (2010)	Interview
8.	Carlos	Male	Married	Western Asia	1992	Trondheim	Video Rental and Convenient store (1996 and 2005)	Interview
9.	Trinity	Female	Married	Southeast Asia	1997	Trondheim	Salon (2009)	Interview
10.	Abby	Female	Married	Western Asia	2002	Trondheim	Salon and Beauty shop (2002)	Interview
11.	Matt	Male	Married	East Asia	1985	Oslo	Travel Agency (1993)	Phone Interview
12.	Camille	Female	Married	East Asia	2002	Oslo	Consulting Company (2007)	Phone Interview
13.	Wong	Male	Married	East Asia	1980	Oslo	Restaurant and Cafe (1990)	Skype Interview
14.	Kristine	Female	Single	East Asia	1995	Trondheim	Restaurant (1995)	Participatory observation

## Appendix 4 Source of informants

