

**Investigating the common barriers that high-skilled Asian
immigrant entrepreneurs face in the western countries**

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Abstract

This study investigates the barriers that high-skilled Asian immigrant entrepreneurs have in the process of starting their entrepreneurial ventures outside of Asia. The study interviewed eight high-skilled Asian immigrant entrepreneurs from Sweden, Germany, France, and USA. The study uses five theoretical frameworks to investigate the barriers, which are: cultural barriers, social capital, human capital, financial capital, and regulations. The study suggests that the intensity of the obstacles varies, and depends on entrepreneurs' individual background, personality and the period in their host countries. Furthermore, the most significant findings are, firstly, that the local language barrier is a common barrier that high-skilled Asian immigrant entrepreneurs face in pursuit of starting their businesses. Language barrier also was mentioned during the discussion of other barriers, such as human capital, social capital and regulations. This implies that a language barrier could be the main barrier high-skilled Asian immigrant entrepreneurs face when establishing their ventures. Therefore, language can be marked as an the important role in the study of high-skilled Asian immigrant entrepreneurs in order to gain better and deeper understandings of their barriers. Secondly, the study suggests that high-skilled Asian immigrant entrepreneurs do not form their community, nor do they necessarily help each other. This potential finding appears to be in opposition to a previous study from Saxenian (2002), in which it is suggested that high-skilled Asian immigrant entrepreneurs typically build their community and provide support for each other. However, Saxenian's study is based on high-skilled Asian immigrant entrepreneurs in Silicon Valley in USA, whereas this study focuses mostly on high-skilled Asian immigrant entrepreneurs in Europe, with only one case study from New York, USA. Nevertheless, this study could be an initial approach to a further study in high-skilled Asian entrepreneurs living in Europe.

Key words: high-skilled Asian immigrant entrepreneur, immigrant entrepreneur, barriers.

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CHAPTER 1. Introduction

1.1 Background

An entrepreneur is a person of very high aptitude who pioneers change, and possesses characteristics found in only a subtle fraction of the population. According to another definition, anyone who wants to work for himself or herself is considered to be an entrepreneur (Drucker, 1985). Drucker also suggested that the work of the entrepreneur is to innovate and to manage innovation successfully. In the present age, an interconnected world allows everyone to travel across countries. In many advanced countries, especially large cities have become the bridge for the international and local residents, bringing immigrant communities all over the world (Rath, 2006). Such a change in interconnectedness has resulted in the birth of immigrant entrepreneurship, which offers huge potential for a bridge to be built between host and home countries (Nkongolo-Bakenda and Chrysostome, 2013). It is common to see the immigrant entrepreneur choosing to open a small restaurant offering food from home or a shop selling products with the cultural image, which are both linked to the entrepreneur's origins. Kloosterman (2010) suggests that those people are more likely to come across barriers or barriers when they start up the business because of the different set of resources at their disposal, namely the lack of access to human capital financial capital, alongside legal barriers to starting a business that do not affect nationals in the same manner.

Earlier studies suggested that different factors are influencing an entrepreneur. Accordingly, entrepreneurs from foreign countries have different backgrounds and experiences that shape their worldview. Their bounded rationality, limited information, and ambiguity may become problematic when the entrepreneurs seek business opportunities (March, 1978). Furthermore, immigrant entrepreneurs have a smaller local social network, which means they face challenges finding a business partner, or even finding a local network to join (Aldrich & Kim, 2007).

This paper's authors, entrepreneurship students from Thailand and China, with aspirations to establish ventures in Europe, are prime examples of the entrepreneurs that will be studied in this research. In this research, we want to understand which barriers exist and how to overcome or manage them. Additionally, we want to identify what an Asian immigrant entrepreneur needs to do to start his or her business, in order to seize an opportunity to become an entrepreneur in the western world.

We will investigate Asian immigrant entrepreneur in different dimensions, including culture, human capital, social capital, financial capital, and regulations for immigrants in their host countries. Among them, culture can be addressed in various dimensions, such as language proficiency, traditions, norms and costumes, which were brought from host countries by immigrants (Azmat, 2013; Strier & Abdeen, 2009). When discussing human capital issues, training or work experience, and the possession of a formal or informal education are the main factors. For example, lacking a management background can be a major barrier for entrepreneurs starting or developing their business (Azmat, 2013; Collins & Low, 2010). Social capital can be referred to as the network between individual entrepreneurs and other local or immigrant people. Rath (2006) argues that in order to connect their customers and suppliers, immigrant entrepreneurs would try to build a network from either inside or outside the business circle. As financial capital is a dimension of interest, we will also interview our participants about their financial resources, including the way they earn or earned their startup capital, and if it is a barrier to them. For example, we will investigate financial barriers from an approach that looks at financing methods like bootstrapping, securing a bank loan, or personal savings. Furthermore, regulation is another dimension to be included in the interviews as it is an important issue during the registering and operating process. Previous research also has provided discussion and different arguments about barriers as laws, rules and regulations.

1.2 Problem Statement

Rath (2006) suggested that with the highly competitiveness in labor market, immigrants choose to be self-employed. By starting their own business, immigrant entrepreneurs create their jobs, which enables them to circumvent some of the barriers they may encounter in looking for a job. For example, these barriers can include the lack of or the feeling of lacking educational qualifications, the lack of sufficient access to relevant social networks, or discrimination by local employers. Immigrant entrepreneurs generally run small businesses such as a restaurant or a shop (Kloosterman, 2010; Busa and Goswami, 1999). Lindh and Ohlsson (1996) also argue that immigrant entrepreneurs typically choose to engage in restaurant management and management of retail shops because of their experience and education. However, unlike some under-educated entrepreneurs who usually stay in the low-level industry, many Asian immigrant entrepreneurs in Silicon Valley created their own network according to language, culture, and experience, which helped them successfully start their ventures in a high-technology industry (Saxenian, 2002).

The study from Evans (1989) has shown that immigrant entrepreneurs with high English proficiency are better at creating local network and resources. Accordingly, in many cases it is suggested that a company lacking financial capital is capable of starting a business by relying more heavily on their social capital (Portes and Sensenbrenner 1993; Panayiotopoulos 2006; Kloosterman, 2010). Furthermore, there are studies from Saxenian (2002, 1999), which focus on high-skilled Asian Immigrant entrepreneurs in Silicon Valley. She found that foreign-born engineers and scientists are increasingly visible as entrepreneurs. More than a quarter of Silicon Valley's highly skilled workers are immigrants. Moreover, she suggests that highly educated Asian immigrant entrepreneurs have abilities to create a local network and become a bridge between two countries, which proves that they have more advantages than less-educated Asian immigrant entrepreneurs. In this study, we are aiming to study the high skilled Asian

immigrant entrepreneurs, who have broken the norms of immigrant entrepreneurship (i.e., owning a restaurant or cleaning company), by entering an advanced industry. We do this in the hopes of contributing to future research, by conducting a qualitative study on Asian immigrant entrepreneurs.

1.3 Purpose

The purpose of this research is to investigate and analyze the common barriers that high-skilled Asian immigrant entrepreneurs face when they start a business outside their home country. Fairlie (2012) explains that immigrants in developed countries are more likely to start their own businesses, which are generally small businesses such as a restaurant or a retail shop, according to Kloosterman (2010) and Busa and Goswami(1999). Besides, Marchand and Siegel (2015) also suggest that the limitation of human, social and financial capital may be the reason why immigrants manage to start their businesses. Furthermore, Efendic, Andersson and Wennberg (2015) suggest that human capital is shown to be associated with revenue growth in firms owned by immigrants. Being good at connecting social, human, and financial capital is an essential skill to immigrant entrepreneurs. Accordingly, we would like to investigate those immigrants who have better resources (human, social and financial capital). In this case, we specifically focus on Asian immigrants with higher education backgrounds (a university degree or higher) or in other words, high-skill Asian immigrants.

As has been briefly mentioned, there have been studies of high-skilled Asian immigrant entrepreneurs from Saxenian (2000, 2002). These studies took place in Silicon Valley, California, in the United States. The studies suggested that many highly educated immigrants from Asia in Silicon Valley created their networks among themselves according to language, culture, and experiences, which helped them start technology firms. The studies also suggested those high-skilled professionals works successfully with the combination of their traditional culture and required high skills that help them create professional networks and generate information exchange. Therefore, we would

like to investigate these findings from Saxenian (2002) with high-skilled Asian immigrant entrepreneurs who started their venture outside of their home country.

The aim of this study was to investigate the two research questions:

1. What barriers do high skilled Asian immigrant entrepreneurs have when they start a business?

2. How do they overcome them?

To investigate these questions, we have developed the framework based on Azmat's (2013) conceptual frameworks, which are culture, social capital, human capital and regulations. The previous study of Azmat(2013) has specifically studied immigrant women entrepreneurs. The study has shown that there are barriers in; 1. Accessing to information, links and contacts of local (social capital). 2. Lack of skills and experiences (Human capital). 3. Linguistic skills, local norms and values (Culture). 4. Accessing to institutional regulation, support factors (regulations). We are certain that these four frameworks of barriers are applicable to our study that specifically focuses on high-skilled Asian immigrant entrepreneurs. Moreover, we reckon it is critical to investigate a financial barrier regarding immigrant entrepreneurs. Kloosterman (2010) argued that immigrant entrepreneurs typically have a hard time accessing to funds and financial capital. Therefore, we also added another framework, which is financial capital. As a result, we use five frameworks to study the barriers that high-skilled Asian immigrant entrepreneurs face.

1.4 Outline Of The Thesis

- Chapter 1: Background discussion. The research purpose and problem statement are presented.
- Chapter 2: Literature review. The chosen theory and literature that are relevant to the study are presented and discussed.

- Chapter 3: Methodology. Methodological considerations that are relevant to the study are discussed and presented.
- Chapter 4: Empirical Findings. Findings and data from the interview regarding the study are provided.
- Chapter 5: Analysis. The empirical findings are analyzed and compared with theory from the literature review
- Chapter 6: Conclusion. Providing conclusion from the empirical finding and analysis regarding the study.

CHAPTER 2. Previous literature review

The following discussion will focus on the general research state of Asian immigrant entrepreneurs. Next, the discussion will investigate the barriers, such as social capital, human capital, cultural, regulations and financial capital that Asian immigrant entrepreneurs experience. After that, the focus will center on Asian immigrant entrepreneurs with a high skill set. More specifically, it will look at which barriers they face when they become self-employed.

2.1 Immigrant Entrepreneurship

Immigrants in developed countries are more likely to be self-employed than natives (Fairlie 2012). Sweden has started accepting immigrants from all over the world since the mid-1970s (Hammarstedt, 2001, 2006). In recent years, there has been a rapid increase in immigration in Sweden. Along with this development, labors which are carried out by the immigrant population have increased from 1% to 7% during 1940 and 1970 (Hammarstedt, 2001). Include that, some of the immigrants choose to be self-employed, which creates more opportunities for the job market among various immigrant groups (Hammarstedt, 2001). As for the business activities, these immigrant entrepreneurs typically are either involved in restaurant management or retail shops according to their experience or educational background (Lindh and Ohlsson, 1996). And in other European countries, especially in Germany, there are previous researches on immigrant entrepreneurship. According to the researches, among all the factors, people identified marriage status, working experience, financial situation, personal abilities as determinants of becoming an entrepreneur in Germany (Constant and Zimmermann, 2006).

However, Silicon Valley has gathered many immigrants who have set up numerous technology businesses (Saxenian, 2002). Saxenian (2002) discussed how those immigrant engineers created local networks. From the 1970s to 1980s, many immigrants from Asia

who moved to Silicon Valley created their networks among themselves according to language, culture, and experiences, which helped them to start technology firms (Saxenian, 2002). Another study from Saxenian (2000) also provided additional insight about entrepreneurs in Silicon Valley. Unlike some less educated entrepreneurs who usually stay employed in low-level industries, those foreign entrepreneurs successfully establish themselves in high-technological industries (Saxenian, 2002). Different from immigrant workers, immigrant entrepreneurs can create more social capital in various forms. Those immigrant entrepreneurs can build bridges between outside and inside business circles due to their links to suppliers and customers (Rath, 2006). Besides this, those immigrant entrepreneurs can also generate new working opportunities, more tax for the community and benefit the global economy as well (Saxenian, 2002).

Efendic, Andersson and Wennberg (2015) once explained some of the factors shaping the performance of enterprises owned by immigrants in Sweden. Human capital can be shown in different aspects, such as in the form of education, where it can be associated with revenue growth in the firms owned by immigrants. In general, being good at connecting social, human, and financial capital is important to the immigrant entrepreneurs (Ram, 2008; Vershinina, 2011). Moreover, sometimes, breaking out from the major part of the market may allow them to solve the barriers and limitations set by the local market (Rusinovic, 2008). In addition to that, second-generation immigrants have an additional challenge in the form of breaking down the barriers of their parents (Ram and Carter, 2003).

2.2 Asian Immigrant Entrepreneurship

Foreign-born people will oftentimes encounter barriers in finding jobs; eventually self-employment is considered as an alternative solution for avoiding the heavy competition from the local labor market (Moore, 1983; Light, 1972). For instance, Kossoudji (1988) claimed in his study that immigrants from Asia often face problems in finding a job because of lacking English speaking or writing skills. The study from Bates (1997) has

analyzed the self-employment patterns like ethnic solidarity and social capital considerations among Asian immigrant entrepreneurs. Also, there are three concepts, which are linked to a theory of immigrant entrepreneurship behavior: resources from financial and human capital aspects, blocked mobility, and opportunity costs (Bates, 1997).

Changes concerning statistics for Asian immigrants have been discussed in many studies. By the mid-1990s, 53% of the science and engineering degrees were offered to Chinese students at the University of California, Berkeley, which is, much more than in previous decades, 35% in the late 1980s and 10% in the early 1980s. Therefore, another statistic shows that more Chinese students earned graduate degrees than the local students did. After graduation, 32% of Indian and 23% of Chinese students were employed in 1990, whereas, only 11% of local students got a job (Saxenian, 2002).

Unlike the United States, Australia distinguishes between employers and self-employed. Over the last few decades, many immigrants have moved into small businesses in Australia (Collins, Katherine, Caroline, Stephen and David, 1995). Among them, some immigrants from Korea and China have higher rates of starting their own business than the Australian-born entrepreneurs. Other entrepreneurs from Singapore and Malaysia have similar rates of entrepreneurship as local entrepreneurs, while immigrants from Japan, India, Indonesia, and Philippine have lower than the average rates (Collins & Low 2010).

2.3 High-skilled Asian Immigrant Entrepreneurship

There are Individual characteristics, which influence entrepreneurial behaviors: language use and skill, education and labor force experience. To begin with, better-developed English-language skills help immigrants to embed in local society, creating networks. Secondly, highly educated men have lower levels of entrepreneurship. The third is about labor force experience, for instance, those people who have more experience in labor force would have higher standards of entrepreneurship. On the opposite side, those

individuals who have more foreign labor force experience would have lower levels of entrepreneurship (Evans, 1989).

Besides the study above, Vidal (2013) addressed how important can regulation be for high-skilled immigrant entrepreneurs. In the United States, there are policies to support the high-skilled immigrant. According to the statistics of the percentage of resident Visa recipients each year, three percent of the number are high-skilled immigrant entrepreneurs. Considered those people as a unique group of immigrants, US has a policy named Startup Act 3.0, which aims at reducing the barriers for high-skilled immigrant entrepreneurs. And different from traditional low-skilled entrepreneurs who remain isolated in some low-wage industries like corner shops or a simple restaurant, new high-skilled immigrant entrepreneurs in Silicon Valley are highly educated technological professionals who are working in advanced industries. Those high-educated entrepreneurs create their local networks and become successful (Saxenian, 2002).

For example, the Chinese engineers in that region created a bridge between Silicon Valley and Taiwan in order to connect the technology communities. Additionally, Indian people became the middlemen. These networks crossing the Pacific Ocean prove that the high-skilled immigrants have the more advantages than those individuals who lack the language skills, or a higher education background in Asia. By the end of the 1990s, Chinese and Indian engineers owned 29 percent of technology businesses in Silicon Valley (Saxenian, 2002).

CHAPTER 3. Theoretical Approach

The theoretical literature offers a series of theories and concepts that help to identify and understand the barriers immigrant entrepreneurs face. Rath (2006) focuses on entry barriers such as a lack of educational qualifications or local networks, or discrimination from local workers. According to literature from Volery (2007) and Kloosterma et al. (2010), structural barriers are regarded as rules, regulations, and discrimination that might cause a problem or prevent new businesses from becoming successful. Moreover, Hammarstedt's (2001, 2006) research concentrates on immigrant entrepreneurs as individuals, looking at the reasons why they become self-employed. Furthermore, Bates (1997) focuses on the barriers faced by Asian immigrant entrepreneurs, namely, lacking a sufficient educational background, inappropriate previous working experience, and the limited ability to speak or write English.

To find a theoretical framework that coordinates with the purpose of this study, the frameworks in this thesis are developed of Azmat's (2013) critical considerations of his framework as a foundation, including social capital, human capital, culture, and regulations. Theoretically, it has been illustrated in previous research that these barriers are specific to immigrant entrepreneurs. We are certain that these frameworks are crucial to our study that focuses on high-skilled Asian immigrant entrepreneurs. To understand their behaviors and perspectives throughout the process of establishing their ventures, we have to investigate how the entrepreneurs settle in the host countries and how they establish local networks as social capital, also whether norms and different values would impact the entrepreneurs as cultural barriers. Moreover, according to Azmat (2013), human capital can be seen as skills and previous experiences, is one of essential factors for the entrepreneurs to build their business. Along with regulations, that might be a barrier for high skilled Asian immigrant entrepreneurs as accessibility to information and complexity of regulations for immigrants. Furthermore, we consider another framework

which is financial capital. We would like to investigate the accessibility of funds and finance of high skilled Asian immigrant entrepreneurs. It is one of important considerations for the study as illustrated in many studies such as Kloosterman (2010), suggesting that to be able to start a new business, an aspiring entrepreneur has to have the right kind of resource which are human, social and financial capital. The data on the barriers are collected through qualitative interviews, by gaining some deeper insights about this specific group of immigrant entrepreneurs, high-skilled Asians.

3.1 Culture

Ensign and Robinson (2011) suggest that cultural differences might act as a barrier, which immigrants need to overcome before they can enter the local market. Regarding cultural capital, there are many different dimensions which are brought by immigrant entrepreneurs from their home countries, such as habitation and costumes, religion and daily regulation, values, and skills (Azmat, 2013; Strier & Abdeen, 2009).

Furthermore, according to a study from Fairlie and Lofstrom (2013), with limited English language ability, it might be difficult to communicate with potential customers and suppliers, and learn about regulations. Also, limited English proficiency may cause difficulties in starting a business. Moreover, Lofstrom and Wang (2009) and Fairlie and Woodruff (2007) argue that even those who have experience of self-employment in their home country might still find it difficult to start a business because of limited English language abilities. Nonetheless, Saxenian (2002) claimed that unlike some low-skilled entrepreneurs who usually stay in low-level industries, some high-skilled professionals are now working in Silicon Valley's technology industries successfully. Those people combine the advantages of their traditional culture with required high skills, which helps them create professional networks and generate information exchange.

3.2 Social Capital

Collins and Low (2010) suggest that expanding one's social network and developing relationships is crucial to entrepreneurs. Though it is hard to assess the importance of these cultural aspects, the possible set of resources that are commanded by entrepreneurs may be widened by adding social capital (Kloosterman, 2010). Bates (1997) analyzes entrepreneurship patterns among Asian immigrants without direct reference to factors such as ethnic solidarity and social capital considerations that dominate the social science literature on immigrant entrepreneurship. Also, Rath (2006) suggests that social capital is the ability to make use of resources (financial, information, labor) from other members of the same social network, which turns out to be important in determining the success of a business. Social capital and trust may significantly reduce transaction costs and impact the rate of survival and chances for expansion of a firm. Moreover, Saxenian (2002) suggests that high skilled Asian immigrant entrepreneurs usually help each other out within the community. A good example would be older engineers and entrepreneurs in Silicon Valley who represent both the Chinese and the Indian communities. The older professionals provide help to younger entrepreneurs who come from the same origins.

3.3 Human capital

Basu and Goswami, (1999) studied the motivations of self-employment which are “push” factors which force some people to opt for self-employment, and “pull” factors which attract people into businesses. Pull factors include the desire for independence, higher social standards, better market identification, financial conditions and better use of human resources, previous experience and research showing strong growth potential. Push factors include the inability to find salaried employment, discrimination in the labor market and underpaid salaried work. Human capital can be necessary requirements for entrepreneurs to start a business, including previous experience, educational background, and training condition (Azmat, 2013; Collins & Low, 2010). Besides these, some other factors also affect immigrant entrepreneurs. For example, their language skills might be a

barrier for becoming successful entrepreneurs and human capital could also affect the chances for business ownership. (Evans, 1989) Therefore, these studies argue that immigrant entrepreneurs might face more barriers starting the business if they do not have enough working experience or a good educational background (Azmat 2013). Accordingly, the entrepreneur's educational attainments are one of the several keys to successful venture growth (Basu and Goswami, 1999). Also, a study from Zolin and Schlosser (2013) suggested that characteristics of the immigrant entrepreneur in advanced industries usually show a tendency toward working in teams, possession of a higher education, international experience, technical capabilities, and previous industry and entrepreneurial experience.

3.4 Financial capital

Klosterman (2010) suggests that to start a particular venture in a market where a demand seems to exist, an aspiring entrepreneur has to have the right kind of resources, which are financial, human, social capital. This statement has been supported by many studies such as Bates (1977), claiming that self-employment is possible in any small business in most industries, only if the aspiring entrepreneur assembles sufficient financial capital to buy the essential equipment and supplies to begin operations. Moreover, a study from Basu and Goswami (1999) suggested that personal financial commitment in starting the business, and reliance on bank finance at start-up are one of the several keys to successful business growth. While Klosterman (2010), on the other hand, argues that Asian immigrant entrepreneurs tend to lack financial resources or do not have easy access to significant funds. Especially those entrepreneurs without a strong educational background are heavily dependent upon friends/family/former owners for loans while those who have a university degree can easily get access to bank loans (Bates, 1997). Furthermore, Saxenian (2002) argued that high-skilled Asian entrepreneurs help finance and mentor younger entrepreneurs from the same ethnic background.

3.5 Regulations

The institutional environment is about the operating rules, regulations or level of discrimination in society, which can either support start-ups or create obstacles to new businesses. Regulatory barriers, for example, can be referred to stipulate opening hours, set the range of products, location, size, and type of office accommodation, skill requirements and educational qualifications (Kloosterman, 2010). Another study also mentions that certain regulations that are not easily understood might prevent immigrants from starting up their businesses. There are also institutional barriers related to immigration laws governing businesses becoming self-employed; some of these rules or general discrimination might be disadvantages for this set of entrepreneurs (Hammarstedt, 2001, 2006). Zolin and Schlosser (2013) also found that in an advanced industry, immigrant entrepreneurs are more likely to have a university degree than local entrepreneurs, which makes sense regarding immigration policies where skills and education may be required for the many categories of immigration visas.

The study from Miera (2008) showed that there are different levels in Germany. On the national level, Polish immigrants and the local people had different prerequisites to start up a business. Besides, moreover, on the Federal State level the entrepreneurs tried to make it easier to start a company. Furthermore, according to Koklu (2011), Germany can be regarded as an immigration country, because for high-skilled immigrant entrepreneurs, the immigration policy in Germany was directing to the financial interests.

CHAPTER 4. Empirical Research and Methodology

4.1 Research Approach

Saunders (2009) suggested that people research to find the outcome of something in a logically systematic way to increase their knowledge in a particular area. As stated earlier, the purpose of our study is to interpret the findings that we gain from high-skilled Asian immigrant entrepreneurs to understand their situation and barriers. Accordingly, their perspective and behaviors are tremendously influenced by many factors, and the complexity of their thinking processes is difficult to identify in the specific form. We decided to use a qualitative approach, which allows us to understand and investigate the social reality in natural settings along with social orders through conversations and interactions (Bryman & Bell, 2015). However, the result of the qualitative method cannot be generalized to a larger group, and relies on the researcher's interpretation (Bryman & Bell, 2015). Nonetheless, instead of analyzing and investigating the findings from fixed responses and quantifying them by numbers, it is more suitable for our study to use a qualitative method that gives the interviewees the opportunity to respond in their words. To present the outcome of the research, we applied abductive approach where theories are presented before the empirical data is collected. Nonetheless, there may be needs of further theories when the data is collected. "This involves back-and-forth- engagement with the social world as an empirical source of theoretical ideas in order to achieve the most suitable outcome." (Bryman & Bell, 2015, p. 27).

4.2 Research design

In the process of carrying out qualitative research, we will use semi-structured interviews to investigate and understand individual entrepreneur's behavior. "Semi-structured interview refers to the uniform requirements of the core elements of the interview content

without other regulations. For example, the per-designed questions and the random questions made by the examiner. This allows the researchers to keep the participants open mind about what they need to know about” (Bryman & Bell, 2015, p.13).

Our participants are highly educated Asian entrepreneurs (in possession of a university degree) who have been running their businesses and/or who had their business running in the past (business failure case) in an advance industry outside their home country. As we are focusing on the barriers during the whole entrepreneurial process, including the startup and developing period, the year of the participant’s company will not be considered to be an major factor. Our research is set to investigate what kind of barriers they have when they try to start or develop their own business as a high-skilled Asian immigrant entrepreneur and how they manage to overcome these barriers. We carried out face-to-face interviews in Lund with entrepreneurs in Sweden and online interviews with entrepreneurs from other countries outside Asia. Our target participants are people who are highly educated and are not in low-skill industries like the restaurant industry or operating corner shops. Our main goal is finding out what are the difficulties that high-skilled Asian immigrant entrepreneur have. The questions are designed according to five categories: culture, social capital, human capital, financial capital and regulation.

Furthermore, we investigate the entrepreneur as a case study, which is

“a method for doing research, involving an empirical investigation of a particular contemporary phenomenon within its real life context using multiple source of evidence. With an ability to generate the answers to the question; why, what, and how. A case study provides rich understandings of the context of the research and the processes being achieved” (Saunders P.145-146, 2009).

Nevertheless, there is a shortcoming in the case study method. Yin (2003) argues that case studies do not represent the general population. However, studying a particular group of entrepreneurs will help us investigate their natural behavior, and help us to understand more about their situation and barriers.

4.3 Data Collection Method

“Data collection, a key point of the research project, has some different methods like interviewing and questionnaires” (Bryman & Bell, 2015, p.12). For this research, we choose less structured methods of data collection. The data was collected through eight semi-structured interviews conducted in English and Thai. The duration of interviews lasted up to three hours. For these interviews, the methods will help us keep an open mind while gaining knowledge and understanding of the entrepreneurs’ movement for dealing with the barriers. The face-to-face interviews took place in Lund, Sweden, and the other interviews were held online.

Selection of respondents

As our focus is high-skilled immigrant Asian immigrant entrepreneurs, we decided to look for Asian immigrant entrepreneurs with a higher education who have been residing outside Asia. We have looked for those who are in the process of starting a business, or who have run a company that generates cash flow because we would like to understand their thought processes and actions regarding barriers faced and strategies utilized. In this research, we would like to have a variety of entrepreneurs from different parts in Asia in order to receive diversity in the data obtained from them. To find entrepreneurs, we decided to use a snowball sampling technique where we ask our interviewee to recommend another subject that is relevant to our study (Bryman & Bell, 2011).

Interview

The interviews were conducted in a semi structure approach, allowing the respondents to extensively talk about their experiences, behaviors and perspectives with open-ended questions (Bryman & Bell, 2011). The interviews lasted approximately from one hour to three hours. Two interviews were conducted in Lund, Sweden. The rest of the interviews were conducted through Skype. The interviews were conducted by both of them members; one person is responsible for asking the questions and keeping the pace of the conversation, while the other records with mobile phone and jots down the important

findings. The interview guide consisted with eleven open-ended questions. The interview guide was sent out to the respondents beforehand in order to let them prepare. The questions (Appendix 2) covered the general information about the respondents and barriers regarding five frameworks; culture, social capital, human capital, financial capital and regulations. The interviews started with a brief explanation of the purpose of this study.

4.4 Data Analysis

“Qualitative data analysis procedures allow us to develop theory from your data” (Saunders, 2003, p.480). All the interviews were recorded and transcribed. We investigated the data to see which theme or issue to follow up and concentrate on. We also wrote down the main life phenomenon and behaviors according to the frameworks during the interviews. When all the interviews were transcribed, the data were quoted and categorized to our framework, which we used to study the findings. We went back-and forth from the empirical data and the theories that we had when analyzing. We also looked for more theories when a new concept or question has arisen during the analyzing process.

4.5 Validity and Reliability

One criticism suggested by Bryman & Bell (2011) is that a small sample size may not be able to generalize the larger population. However, we still believe that while the finding of the study is limited because the study sample size is small, the insight from the study still can be valuable for further research. Another criticism is that case study’s ability to accurately reflect the general population can be questionable, yet the case study approach is for generating a new perception, not to prove a theory (Yin, 2013). The purpose, once again, of this research is to study and understand what barriers the Asian immigrant entrepreneur faces when establishing their ventures.

CHAPTER 5. Analysis and Discussion

The aim of this study was to investigate the two research questions:

1. What barriers do high skilled Asian immigrant entrepreneurs have when they start a business?

2. How do they overcome them?

To reach these aims, we analyzed the content of eight interviews conducted in March and April 2016 in the city of Lund and online interview. The barriers and strategies are discussed and analyzed in this chapter.

- **Hanway T.**

Hanway was born in the Philippines and once immigrated to the United States. When he was five years old, his family immigrated to Sweden. Because of his experience, he can speak three languages: Swedish, English, and Mandarin. He has six years of working experience as a retailer, P.R, marketing person and another five jobs. After Hanway had obtained his master's degree in accounting, he started his first business, a biochemical company which collects biochemical data for understanding behavior. Over the last two years, he has started three different companies.

- **Micheal Y.**

Micheal was born and raised in China, and began studying in Sweden in 2013. He joined FENA, an entrepreneurial student organization when he was carrying out his master project in economic history at Lund University. He met his partner in FENA and started their Swedish food export company in 2015. Before he came to Sweden, he was studying in Shanghai, China and had six jobs in two years to test himself.

- **Chotip T.**

A case of business failure, Chotip, a Thai-born, was a fashion entrepreneur in Paris. Having her first BA in Japanese from the best university in Thailand; Chulalongkorn

University, and her second BA in Fashion design in Paris. After three years of studying and working in Paris. Chotip, along with her Japanese friend decided to start her fashion venture, specializing in knitwear. Unfortunately, their business failed a year later.

- **Prangchat S.**

Prangchat was born in Bangkok, Thailand. After she got her MA in Fashion Design from Chulalongkorn, where she also got her BA in Art Education, she went to New York to pursue a diploma in illustration. After working for seven years as a menswear designer in New York, she started her accessory brand specialized in men's accessories. The company has been growing for three years now.

- **Pitpatchara K.**

A Paris-based Thai designer. She moved to the United States for four years to have her first Bachelor's in fashion design and moved to Paris after graduated, to have her second degree in fashion design. She has been living in Paris for 3 years. Currently, she is working as an assistant designer at Givenchy, also having her own brand "Pitpatchara" for 3 years, selling online and through concept stores.

- **Jiab P.**

The founder of a Berlin-based brand called "Jiab". She has been running her business in Berlin for six years. Jiab has her BA in Filmography and worked for an advertising agency in Bangkok for three years before she moved to London, U.K. to explore herself. After living in London for a year, she moved to Berlin, Germany in 2009 to pursuit her dream in creative arts.

- **June K.**

She is the founder of "Hum with me" Berlin-based stationary and accessories brand. She has her BA in law from Thailand and became a diplomat of Royal Thai embassy in Romania. After she had quit her job at the embassy, she moved to Berlin, Germany to obtain her MBA, while studying she worked as an intern in project and process management team in a corporate company in Singapore. However, she started her brand

“hum with me” selling designed stationary and accessories online and wholesales in Berlin in 2010. Until now she has been commuting between Berlin, Germany and Rome, Italy for 11 years.

- **Aey R.**

Aey was born in Thailand and has her BA in nursing science. She worked as a nurse in the hospital in Thailand for several years. She moved to Jena, Germany 11 years ago, where she started her venture as a design concept store. She has been running her business “Room: living and giving” for four years now, selling home decor and housewares from Scandinavia and other parts of Europe.

5.1 Culture

According to Ensign and Robinson (2011), cultural differences could be regarded as a barrier that immigrants need to solve before they can enter the local market. Eight interviewees all talked about their experience when they first met people in host countries, touching on various cultural aspects like traditions, language skills, and behaviors. To understand how cultural differences can influence immigrants’ entrepreneurial activities, Dhaliwal and Kangis (2006) and Kupferberg (2003) found that some cultural norms such as labor and thrift could support immigrant entrepreneurs to create their businesses. Nonetheless, Ensign and Robinson (2011) also mention that these factors can become barriers in the process of self-employment.

The participants, who have experienced similar situations, also mentioned cultural norms as a potential barrier, with two of the participants suggesting that where they come from, people are flexible and would solve problems in different ways, whereas Swedish people follow the rules exactly which makes them feel difficult sometimes. One commented:

Hanway: *“When you want to open a bank account, you need a Swedish ID. You have a social number, official transcript, and visa; you still need an ID. Even you bring the official transcript from the tax office; they will still say no - you need a Swedish ID. In*

Sweden, people exactly follow the rules; then they don't need to worry about making mistakes."

From this aspect, it appeared that the participant felt frustrated with the way people handled things in host countries. The frustration came from the inability to solve the problem in an alternative way. For example, when opening a bank account in his home country, there are different ways to identify people legally. However, according to rule in Sweden, the bank only accepts a Swedish ID as legal proof. Consequently, it is different for non-EU people to create a business in Sweden than EU citizens.

Regarding culture, Chohip also still has obstacle even though she has been in Paris for more than three years and her partner has been in Paris even longer. She mentioned:

Chohip: *"My partner is Japanese, and I am Thai. Even though we both are Asian, when we were working together, conflict can still occurred. Our perspectives don't go together sometimes. We see things differently sometimes."*

The open-mindedness of lack thereof from locals is another important factor. Three participants shared the experience they had about discrimination.

Prangchat: *"when I started the business I was already familiar with American cultures and the way they work. Also, I personally think New Yorkers are quite open-minded, so I don't really get discriminated."*

Pitpatchara: *"I don't think French wholesale market is not very open minded yet. I got turned down many times because of I am an immigrant."*

June had opposite situation when she was in Berlin and Rome. She said:

June: *"There're many young entrepreneurs in Berlin, so distributors are quite used to being asked for feedback which makes them quite welcoming and open-minded. And in Rome, I have never been in a situation that I got turned down because I am Asian. Or*

perhaps, I did a good research to approach those who seemed to be open-minded and friendly. ”

When focusing on barriers, five of the participants suggested linguistic skills could be a major barrier to their entrepreneurial activities. Fairlie and Lofstrom (2013) argued that it could be difficult to communicate with potential customers and suppliers, or learn about regulations with limited English language ability. Furthermore, a lack of fluency in spoken English might limit opportunities for creating businesses. To better prove this, Lofstrom and Wang (2009) and Fairlie and Woodruff (2007) mentioned that even for people who had experience of self-employment in home countries might still meet obstacles when a starting business in an unfamiliar place. Two participants talked about how language became the main barrier for running a business in Sweden.

Hanway: *“When I came, at first, I only knew little about Swedish and spoke some broken Chinese. It was pretty difficult because people preferred to speak Swedish to each other. One of my friends, when he got the file from the tax office, it’s all in Swedish and he couldn’t read Swedish. When he realized, he was already late for the payment.”*

Michael: *“People need to feel comfortable to buy things. When you’re speaking a different language, no matter how good you are, they probably won’t feel comfortable. Then they are not willing to buy your products. After I learned some Swedish, sometimes when the customer has difficulties speaking English, I will encourage them to use Swedish words which makes them feel much closer to me. It is defiantly more difficult and complicated without speaking Swedish here.”*

Along the same lines, more participants shared their feelings of how it was difficult for them to build contact or sell products without speaking native languages in their host countries. They mentioned:

Pitpatchara: *“I’ve tried to do and learn everything according to French culture in order to make my brand trust-able. However, I would have been a lot better if I could speak French fluently.”*

Jiab: *“In Germany, language proficiency is the main problem. Everything would have been easier if I could speak better back then. When I first got here, I wanted to find a job but I couldn’t because I couldn’t speak German. No one would take me. That’s one of the reasons why I ended up creating my own job – my brand.”*

Aey: *“When I first arrived here I couldn’t find any job because I didn’t know German. And the official language (German) in the documents was difficult to understand which made all the procedure difficult. It took me three years to learn the language. However, when I went to trade-show in other parts of Europe, there still could be an obstacle that I didn’t speak the local language.”*

On the other hand, Chohip and June from Thailand also proved the same theory. They felt it was much easier to settle in the host country and run a business as they could speak local language frequently.

Chohip: *“I don’t have any problem regarding language proficiency for contacting. My suppliers are from Paris and London, and I speak both French and English. So does my partner. She’s even better than me. But, yes, I would agree that if we couldn’t speak French, I would be really difficult.”*

June: *“I have been living in Berlin for quite a while before starting my business, so I don’t really have cultural and language barriers then. It’s quite subtle to me.”*

From the responses above, local linguistic skills play an important role in immigrant entrepreneurial activities, which is similar to the arguments from Collins and Low (2010). The research has shown that accent and fluency in English language could shape opportunities in entrepreneurial activity or labor market. To overcome this difficulty, participants had different solutions: learning the local language, doing things as native people do or creating a name in the local language. The participant, Hanway believed that a Swedish name could help during the conversation.

Hanway: *“People felt uncomfortable and difficult to remember my name when they could not say it frequently. So I have a Swedish name now.”*

June: *“I believe that everything is about how you behave yourself – like when in Rome, you do it like the Roman – so I learn the cultures and behave accordingly.”*

Jiab: *“Every time I have to contact with suppliers, I always choose those whom I think they are international and welcoming enough to do business with an Asian woman. I try to avoid facing cultural barriers, you may say.”*

Moreover, besides language itself as a barrier in the cultural aspect, language can also be related to other factors, such as human capital, law, and regulation. For example, when participants were asked about social capital barriers, one participant argued that he felt isolated by the Swedish community because sometimes he could not fully understand the words and might slow down the conversation due to translation. In addition to that, participants also related language obstacle to regulation and law issue. Jiab from Thailand argued:

Jiab: *“There were so many problems when I was documenting tax registration, trademark and so on. I couldn’t speak German, and no one spoke English at the tax office. Personally, I think I think people are a bit robotic in working. They would do what I asked for, but they wouldn’t guide me or offer any further help.”*

Therefore, we believe that linguistic skills should play an essential role in the study of entrepreneurial barriers for immigrant entrepreneurs as an important factor while discussing barriers. From the interviews, firstly, it can be implicated that not being able to speak local language can be a major barrier. The future immigrant entrepreneurs should prepare themselves better before going aboard. Secondly, culture can be related to other factors such as social and human capital. So, during entrepreneurial activities in a host country, language improvement should be considered as an important factor.

5.2 Social Capital

It is important for entrepreneurs to participate in networking events to expand their social network and develop relationships (Collins & Low, 2010). As Rath (2006) stated that social capital is the ability to make use of resources (financial, information, labor) from other members of the same social network. This is vital in determining the success of a business that most of the participants have always been involved in networking events. They suggested that expanding their network is important in order to be successful. Two participants who are now running businesses in Sweden, mentioned:

Michael; *“Some people from previous FENA got me involved. And that’s how I started to think about my business.”*

Hanway; *“When I started two years ago, I knew no one. I knew my classmates, my friends. But if I want to have a business network, It can not be friends, classmates who were in the same range. They were still growing as me. At the beginning, it was difficult. Then I had some suggestions to join some events and get connections with those whom I have never met.”*

Moreover, three of the participants always tried to be easy-going and friendly to make it easy to have connections with locals. They claimed that these characteristics significantly helped them to settle in the host country.

June: *“Berlin in 2009, I could see the emerging of start-ups that I felt inspired. I have a friend working at “Hub” – rental space for start-ups where often held networking activities that I usually participated. And, everywhere I go I try to make friends because I might need help in the future. This is like I establish connections beforehand. Moreover, if I needed help from someone or wanted to work with them, I would just email them and declare my intention, set up a meeting and talk about work. Also, I always bring a sample set of my product everywhere I go so if I met someone who could be interested in my product, I would do the selling right away.”*

Chotip: *“I tried to attend meeting or networking event as many as I could. Even though I knew that I may not be working with those people, but it’s better to have more contacts than have nothing.”*

Besides them, Pitpatchara also suggested that a friendly and easy-going personality could be a vital asset for an Asian immigrant entrepreneur to settle in the host country. She claimed that if the entrepreneur had those characteristics, it would be easier for them to embed in the new context.

Pitpatchara; *“ I always socialize because I know it’s better to know lots of people than no one. Getting embedded in the new culture and country depends on one’s personality, I reckon. I am really friendly and outgoing so it’s not that difficult for me.”*

Furthermore, one participant, Michael recognized his business idea while he was the member of networking group. He commented that networking could be a place where entrepreneurs get together and explore their opportunities. Especially, when those entrepreneurs are not in their home country, socializing and networking are considerably important.

Michael: *“when I was a president of Chinese student community, I noticed that there were a lot of Chinese international students asked me what to buy as souvenirs. That’s how I came up with this business idea as a gift basket in a food industry.”*

From these findings, it appears that participating in networking activities and having friendly characteristics could be a platform for Asian immigrant entrepreneurs in order to settle down in host countries. Also, expanding and developing relationships could be some of the factors leading to a successful business.

Some participants have shown that they tremendously valued their network. They always made use of any resources available from people in their network. They claimed that when they first arrived in their host country, they tried to talk and establish a relationship

with everyone who would be involved in their businesses or who were in the same industry they were entering.

Prangchat: *“Whenever I can, I always try to establish a relationship with fashion bloggers in order to get my brand noticed.”*

Jiab: *“I started my brand off at a flea market. In the beginning, I asked my German friends where to start. And I found this huge flea market called Mauerpark Flea Market. I chose to start from here because of its diversity. The market is quite intentional. I could increase my brand awareness and the people there are really open to new things.”*

Aey: *“Every time I go out shopping for home decor from a local store, I always make sure to ask them how they have the piece that I like – whether they import it or design it themselves. One time, the owner explained to me how he got the item – all the process; first, I had to be a representative of a company and signed up for the trade-show event where I can buy those products. That’s how I learn about this business procedure.”*

June’s case is also noteworthy since she chose to go to the country where she already knew someone there. She suggested that it would be better if she chose to go where there was someone she knew than a place without anyone.

June: *“I decided to go to Berlin because I knew someone there so I knew that I wouldn’t be alone. And there’s going to be someone who could help me.”*

Moreover, five of the participants had a full-time job before they started their businesses, and that was where they initiated relationships between local, which became a valuable asset to their businesses.

Prangchat: *“I gained a lot of connections from my full-time job here in New York, suppliers and trend forecaster, for instance. Mostly until now, I still do everything by myself. However, I have made some connections for outsourcing in case, I cannot finish everything in time. This is a benefit from my full-time job where I made these connections.”*

However, I am trying to do everything by myself because that means all the profit will go to my account.”

June: *“Lots of connections here in Germany, I established from schools I attended.”*

Pipatchara can be a prime example of making the most of her network. She used her connections as an open door to expand her network and acquire business deals.

Pipatchara: *“When I first started to contact concept stores, I tried many ways - walk in, email and reaching them through my friends. The best and easiest way was to reach them through my networks, which would make them perceive me as a trustable brand. The worst was to walk in. If I didn't speak French, it's done. Moreover, I usually asked my friends regarding business knowledge then they would suggest me to talk to someone they know, who was professional. It's a great way to get help.”*

Saxenian (2002) suggested that high-skilled Asian immigrant entrepreneurs typically help each other out within the community such as in Silicon Valley, where older engineers, and entrepreneurs from both the Chinese and Indian communities help each other through mentoring and even financing. However, all of the participants disagreed with this theory. None of them felt like they have ever received a specific help from other Asian immigrant entrepreneurs. Two of the participants argued that Asian immigrants are isolated, and not homogeneous at all.

Michael: *“ I don't think that people help each other in the community. I believe so that they are isolated. Let alone being discriminated. If you are talking about minority as the ethnic group, there are fewer possibilities that they are in the key position that can help you.”*

Hanway: *“ I don't think Asian people here are homogeneous. They are quite isolated and stick with those who have the same background, not origins.”*

Meanwhile, in the major cities like Paris and New York where there are a significant number of Asian immigrants, Asian communities are formed. However, Asian immigrant

entrepreneurs do not specifically help each other. Four participants suggested that the reason behind this could be that the entrepreneurs are working in a different industry, which is unlikely for them to help each other. They commented:

Chotip: *“I can say that Asian community in Paris is quite big. Anyway, I didn’t expect to get help from anyone because I didn’t think they could help. Either they were students just like me or they weren’t in that professional position that could help.”*

Prangchat: *“ There’s a Thai community here in New York, but I don’t really think they really help each other. It can be that we work in a different field, so it’s not easy to get help. For example, I am working in Fashion industry, and there’s not many Thai working in the industry.”*

Pipatchara: *“There’s a great amount of Thai people in Paris. But, I don’t think they help each other as a community. I know that there’s an artist community, but I don’t really necessarily get help from them. They are artists. I work in fashion. It’s a different house, different profession. When I get help, it’s more like a friend help out a friend, not as a community and yes, I always ask for help from my friends in Thailand.”*

June: *“There’s no Asian community here. I don’t get any specific help from Asian people. I think we are working in a different industry, so it’s not common to help each other.”*

One participant even argued that she has never looked for any help from people who came from the same country. She would rather find the solution by herself.

Prangchat: *“I don’t really ask for help when it comes to finding new sources. I mean I received help sometimes. For example, one of my friends once told me where I could find the materials but when I went to the supplier, the price was too expensive, and the material was not really suitable for the brand. I reckon that I’d rather find it myself so it’d be what I want and I can also find my choices and compare. ”*

Furthermore, even though Jiab agreed that Asian people do not help each other concerning business and there is no a Thai community. However, she still has an intention to create the community to profit herself and other Thais.

Jiab: "I didn't really get any specific help from Thai or Asian people here. It could be that not a lot of Asians are working in the same industry. But once I got help from a Thai friend, whom I become acquaintance with her on the market. She helped me finding sponsors from Thailand when I was conducting my exhibition. But we don't really have a community here. From my experience, when I was in London. There are many communities. They usually know each other from their hometown. That's how the community's established. But Berlin is not a big city like New York and London. People come and go. Therefore, it is difficult to form a community. However, I would like to do that. I wish one day I could gather Thai artists and form a community where I can create connections, and people can profit from it."

Instead of getting help from other Asian immigrant entrepreneurs, two participants tended to seek help back to their home countries. Moreover, one of them would love to be a bridge between her own country and her host country, which appears to be similar to Saxenian's (2002) argument that Asian immigrant entrepreneur tends to create a bridge between countries.

Michael: "I asked for help from some of my friends back in China, who were in international trade industry and food import/export industry. They taught my how to run a business or some regulations that I should pay more attention to."

Aey: " There is no such thing as an Asian community here, more like a group of friends due to the size of the city. And I don't get specific help or anything from Asian people here. I only employ them. And they are usually the second generation of immigrants. Nevertheless, I want to be a bridge between Germany and Thailand. I want to bring products of young designers in Thailand to Germany. Now I am in the process of finding

the products. I usually find them through the internet or ask for a suggestion from my friends in Thailand.”

According to the empirical data, it is apparent that high skilled Asian immigrant entrepreneurs utilize local network in order to successfully settle in their host countries. And they seem to differ from each other who come from the same origin. This could be the result of differences in industrial characteristics. However, the study has shown that high skilled Asian immigrant entrepreneurs ask for help from their home country from time to time. Some of our respondents also have a will to be a platform between their host countries and their home countries. Moreover, some respondents have shown that they would like to build their co-ethnic Asian immigrant community for their own benefits. To sum up, it is obvious that establishing a local network is one of the key to successfully settle in the host country that may lead to a successful business.

5.3 Human Capital

Efendic (2015) suggested that a fundamental resource for entrepreneurs is their general set of knowledge and skills as general human capital. Also, Azmat (2013) claimed that human capital could be an essential factor for entrepreneurs to start their venture, namely one's previous experience, education background, training condition. Therefore, human capital could also affect the chances for business ownership (Evans, 1989). Azmat (2013) also argued that immigrant entrepreneurs might face more barriers to starting the business if they do not have enough working experience or a good educational background. All of the participants are highly educated. All of them have at least bachelor's degree. They claimed that their education is applicable. They have made use of their academic more or less.

Prangchat: *“I have both my BA and MA in fashion design, but I want to pursue more in illustration, so I decided to take an illustration course in The US. Where I got my first job in Fashion design afterward.”*

Liab: *“I graduated from film school, but I have developed the love of arts since I was very young. My knowledge in filmography is applicable. I took courses in aesthetic and philosophy; I can apply my knowledge from those courses. Personally, I don’t think it’s that different in terms of the perspective of art.”*

Aey: *“I studied to become a nurse. I worked in the hospital. However, my education is applicable to what I am doing now more or less such as time management or even the habit of always being clean.”*

One participant, June, intentionally enrolled a master’s degree in Business as a preparation for her future venture. She has known for long that she wanted to become an entrepreneur. Therefore, she decided to equip herself with necessary skills. June: *“I decided to take MBA course because I knew that I wanted to have my own business. I realized that in order to start my own business, I should be well- rounded in business. Even though at the start, I didn’t really have wide networking, but I have knowledge in business, so I knew who to contact, how to deal with buyers and so on.”*

Two of the participants took it further, claiming that besides getting an education, they both tried different jobs to explore opportunities and widen their horizon. Both of them took at least six different jobs before becoming an entrepreneur.

Michael: *“I have my bachelor’s in international trade, and my master’s in economics history. I had 6 different jobs, just to test myself in a gap year before I came to Sweden.”*

Hanway: *“My bachelor is in Finance and Accounting. I had been working for 6 -7 years with eight different jobs; banking, retailer, P.R and marketing, restaurants.”*

One participant has recognized her ideas during her education. She suggested that when she was studying she had many opportunities to explore her ideas. Her education has enhanced her creativity, which resulted in her career these days.

Pipatchara: *“I started my brand “Pitpatchara” when I was studying in the States. I am really fashion oriented, so I wanted to do something creative. I have always been inspired my first project at school, involving leather. That’s how I started it.”*

One of the participants, Chotip from Thailand, intentionally tried to acquire necessary experiences as much as she could. She claimed that the more experience she has, the more well rounded she becomes. It is all for her entrepreneurial career in the future. She believes that work experience is significantly essential and considered as a high value. The more she has, the higher chance of becoming successful, she suggested: Chotip: *“I did a lot of internships and volunteering because I know that these experiences will be valuable for me in the future.”*

All participants agreed that education and experience are a great source when it comes to their entrepreneurial activities. They all believe that they have learned tremendously during their full-time job. And those experiences helped them overcome barriers in their business. Acquired skills from work are applicable. And they all have made use of it. They commented:

Michael: *“when you have your own business, especially in the starting stage, you can not effort to give up any opportunity. Every potential customer, you need to hold them and win them back, even if they don’t like you at the beginning. For example, I had a list of companies. When I was in conference selling, if I didn’t get through, I’d just pass, but having my own company, I cannot pass anyone. if they are not willing to cooperate or listen, you need to try again until they know what you’re doing. As I was trained as a reporter so I know how to ask questions or have a conversation leads to the point that I want. Also My coach course experience provides me how to get pass some topics and get to the core.”*

Prangchat: *“I really believe that education and career experiences are important. But personally, previous experiences make lots of impacts. For example, my full-time job experience has provided me a lot. American fashion industry is huge. I have learned a lot*

– *how to make a business deal, how to deal with buyers, how to branding your brand, what fashion timeline is. I think that if I didn't have this experience, I would have no clue in doing the business I am doing. I would say the experience I have, benefits me a lot. While the education I have is more like a tool that shaped me visually, theoretically.*”

Pitpatchara: *“Education and work experiences are extremely important. I am fortunate to get to work with huge brands. They have so many resources so I could learn what is right or wrong from them. For example, when you want to have your fabric printed on, every single detail must be provided – colors, references, everything. If I didn't work there, I would have thought that suppliers didn't need much of detail.”*

Jiab: *“My work experiences in Bangkok were really helpful. Also, when I was living in London, I used to work for a coffee company called Pret A Manger. I learned so much about business management. Personally, I think they are really good at management. They have all the guidelines and goal for their employees. As an employee with experiences, I learned a lot and adapted fast in the company. I can say that I got so much knowledge from this company regarding human resource management, inventory management etc.”*

June: *“I made a lot of use from my education and experiences. Working with many people before allows me to understand how an organization works. Also, my school has given me and ability to understand how business works; what question to ask, who to deal with, in general. Moreover, my MBA degree taught me so much how to calculate the margin, how to create a financial plan.”*

The study from Basu and Goswami (1999) has shown that to have successful venture growth, entrepreneur's educational attainment is one of several key factors. However, the lack of relevant management and an active professional skill can put immigrant entrepreneurs at a major shortcoming as they start their venture or exploit emerging opportunities (Collins & Low, 2010). Four of the participants have confirmed. They did not have essential knowledge regarding business processes such as sales, management,

forecasting, marketing and so on. The lack of these necessary skills caused them obstacles when they were running their businesses at the introduction stage. Without entrepreneurial experiences and formal business, knowledge could be problematic at the start.

Hanway: *“I overestimated my capability. In the beginning, I overestimated my capability and my knowledge. When I was young, I felt I could do everything. But I didn’t know anything about selling process. I had never thought of scaling. I didn’t know what I should do if I needed to grow big.”*

Prangchat: *“There’re lots of problems in the beginning. It’s like I didn’t know where to start – where to find the fabric etc. Or when I had to deal with packaging supplier, they somehow didn’t understand me because I didn’t explain it clearly how I wanted it, and I didn’t know that it wasn’t clear. I can say that I lacked real-world business experiences.”*

Prangchat elaborated further that being a designer having a one woman business without proper management knowledge prevents her from registering her company and expand her business.

Prangchat: *“One reason that is preventing me from registering as an LLC company because I think my management still is not ready to grow bigger yet.”*

Furthermore, Chotip’s case can be a prime example of business failure caused by a lack of essential skills. Chotip and her partner both are designers, entering the fiercely competitive fashion industry. Lack of business knowledge has slowed her business down.

Chotip: *“I didn’t have marketing and management skills so when it comes to business, I wasn’t confident what to do.”*

Chotip and her partner were confident with her artistic skills, but her beautiful product could not sell without marketing, branding and other necessary business knowledge. After a year, the lack of core competencies caused her business to fail.

Chotip: *“My education in fashion design and previous experiences as assistance designer, showroom intern, and fashion show backstage assistance has strengthened my artistic skills a lot. That’s why I was really confident creating the brand. But the truth is being a fashion entrepreneur more than just artistic skills. My partner and I are both very creative, but we both have little knowledge about business. I would say that it would be a lot better if I had a partner who was business oriented.”*

However, four participants who did not go to business school acquired business knowledge through self-learning and experiences. Four of them have said the same thing that they were self-taught, applying learning by doing method. They also read books regarding business management, asked for consultants through their network. They claimed that even though they did not have the formal knowledge from business school. These skills and knowledge could be learned. They suggested that because they always want to learn something new. These characteristics of theirs have helped them when it comes to learning.

Prangchat: *“I am self-taught in business knowledge. Considering all my education is art oriented. So I had to gain myself business knowledge. For example, I used to host my website with Shopify. They usually had that daily e-newsletters where I could learn about business – how to drive the traffic, how to deal with customers. It’s safe to say that I had to be enthusiastic about learning new stuff all the time.”*

Pipatachara: *“I am self-taught. I read a lot. I have both degrees in fashion design, so it was tough for me to do those business things – figuring out the fixed cost, the margin, and stuff.”*

Jiab: *“My first product is the tote bag. I knew nothing about it – I mean I didn’t know how to make it at all. But I am a fast learner. I just like to experiment things – starting from finding the material that I wanted, learning how to design, learning how to sew.”*

Aey: *“I didn’t have any business knowledge. I just tried to experiment as much as I can – learning by doing. All of my business knowledge comes from my experience.”*

It appears that human capital as skills and previous experiences are one of the crucial factors that help high skilled Asian immigrant entrepreneurs establishing their ventures in their host countries. Based from the interview, it can be seen that high skilled Asian entrepreneurs typically make use of their previous experiences. They tend to adopt their skills and previous experiences to their new venture creation. They seem to be able to see the link between their previous job experiences and their new business that they could exploit their previous job experiences and apply it to their business at the introduction stage. Furthermore, during the process of developing and expanding their venture, another obstacles regarding specific skills such as business knowledge may arise. The entrepreneurs tend to overcome it by acquiring the knowledge that they lack of. In other words, high skilled Asian immigrant entrepreneurs usually learn new skills that are benefit to their businesses.

5.4 Financial Capital

There was a study that measured financial capital as the sum of debt and equity capital invested in the start-up business (Bates, 1999). Additionally, Fairlie and Lofstrom (2013) argue in their research that financial capital could be a barrier that immigrant entrepreneurs had to solve. According to them, one of the most important obstacles that prevents entrepreneurs from starting their businesses was lacking access to financial capital. Another study from Bates (1997) estimated immigrant entrepreneurs from Korean and Chinese. When they had financial problems, the majority of their start-up capital came from financial institutions and family wealth. On one hand, financial capital can increase the opportunity of success when starting the business. However, on the other hand, gaining enough financial capital can be extremely tough for some immigrant entrepreneurs. According to previous research, limited access to financial capital might restrict immigrant business success, at the same time, it also explained why companies

owned by immigrant entrepreneurs were fewer than businesses owned by the local people (Kloosterman, 2002). Based on the findings from the study, we examined the questions for immigrant entrepreneurs about their access to financial capital. According to the interviews, most of the participants said that their first option was using their savings as the primary approach to getting the first amount of financial capital. Four of them mentioned:

Michael: *“I planned to get a loan from ALMI, but I didn’t. Because it wasn’t necessary as we didn’t need development fund.”*

Pitpatchara: *“ I only depended on my savings. Then I used the profit for the re-investment. If I really need extra money, I will borrow from people - depends on how much I need. If it’s a huge amount, I would have to take a load. But if I could choose and it’s not too much, I would borrow it from my family because it’s faster and easier and I wouldn’t have to pay the interest.”*

Jiab: *“I funded my brand with my own saving. I didn’t really want to borrow money from anyone. I started from small and let it grow organically. Yes, that could cause some obstacles. For example, I didn’t have much finance to rely on, so I couldn’t afford a manufacture sewing machine. As the result, the production process took longer time, and the selling process sometimes was delayed.”*

June: *“I used my savings to fund my business. I saved lots of money when I was working with the embassy. Moreover, I invested in land and properties in Thailand. When I was sure that I would be living in Berlin for good, I sold all land and properties in Thailand and saved the money as an emergency budget.”*

Chothip and Aey also chose to fund their companies in a similar way, using own savings and borrowing money from family.

Chothip: *“At some point, I had to borrow some money from my parents. I had put lots of my money into the venture. But the cost of material was quite high, and we haven’t made much profit, so I needed some money for living.”*

Aey: *“I started small with a funding of 10000 EUR as a limited company. So if I went bankrupt, I wouldn’t lose anything else besides my company. I borrowed my husband’s money sometimes when I needed to re-investment. I didn’t think of taking a loan because of the complicated rules came with it.”*

Besides the approach mentioned above, previous research had also shown different sources of financial capital: firstly, internal sources like own capital; secondly, external sources like family, friends, banks and venture partners (Kushnirovich and Heilbrunn, 2008). About bank loans, Hanway shared a similar argument that it could be too difficult for a new business to get loan from Bank; as he put:

Hanway: *“Bank loan is really difficult to get. They usually don’t give credit to small businesses. They need to make sure the payoff. I use my own saving and ask my parents for supporting. But I never ask for loan from my friends.”*

However, when the company enters the developing stage, more kinds of investment become necessary to grow the financial capital. Townsend (1999) clarified in the research that investment could be taken as the bank loan, money from private lenders, support from government programs and businesses associates. Prangchat and June from Thailand shared their experience when they faced the situation to develop the business.

Prangchat: *“I used my savings to fund my business, as the scale was not that big. However, I am planning to take out the loan right now in order to secure more inventories and let the business grows. It happened to me sometimes that buyers asked for more pieces, and I couldn’t provide them because I didn’t have enough money to stock to material. That’s why I am planning for taking loan for the inventory.”*

June: *“As a nascent entrepreneur, I tried to save every cent I made. So I did everything by myself, literally everything – design, finding materials, dealing with production, distributors and buyers, creating promotion and marketing, shipping, tax. It was so intense that I burnt out. I had to take a break for quite a while. I should have outsourced. It actually would have been better if I used those money from outsourcing, it would prevent me from being burnt out.”*

According to the responses above, when starting a small business, it is wise to use one’s own savings or bootstrapping from friends and family to avoid unnecessary expenses like interest. However, when a business grows rapidly, getting additional investments is critical for expanding.

Summary, financial-constrain can be a barrier to start or grow an business. For high-skilled Asian immigrant entrepreneurs, difficulties usually come from limited local networks for bootstrapping, limited records for getting a bank loan or limited resources for having other types of financial support. Therefore, all of the participants chose to use their own savings or adding extra help from family, because it was the easiest and most efficient way to earn enough financial capital in time.

5.5 Regulations

First of all, regulation should not be confused with legislation or with state regulation. Therefore, regulation is not just a matter of repression and constraining, but also of enabling (Rath, 2006). Some scholars argued that rules and regulations could be barriers in both formal and informal ways. Formally, it included legally preventing immigrants from creating businesses by not giving permits to foreigners. Also, informally, the example could be blocking aspiring immigrant entrepreneurs from office spaces (Kloosterman, 2010). According to the interviews, we also found that regulation could be an obstacle for business. Two of the participants shared their experience of having difficulties in starting a business in Sweden as their partners are not EU citizens.

Hanway: *“If you are a non-EU student here, that is a bloody night mare. We couldn't start the food company because my co-founder didn't have the Swedish ID. He had the resident number and paper. But people in tax office didn't accept the official transcript. If you are EU citizen. It is easy. If you are not, firstly you need the personal number, but even you have the personal number, it still can be extremely difficult.”*

Michael: *“There are some limits when it comes to immigrant laws and regulation. For example, I was trying to register my company with my name. But I was not able to do so because I needed a bank account to register the company. That required Swedish citizenship which I couldn't provide. Finally, I showed my Swedish ID; then they agreed to open a bank account for me.”*

Not only in Sweden, but other participants also proved that they had similar problems related to the regulation issue when starting their business in foreign countries. For example, according to the study, the migratory policy in France proved that it is favorable of the immigrant groups in self-employment (Gildas,1990). In different host countries, four of the participants mentioned that due to the complexity of the rules they chose not to register the company first in host countries in order to avoid this obstacle.

Chothip: *“If you are non-European, it's extremely difficult to start a business here in France. The regulation is way too complicated here, so we decide not to register it right away.”*

Prangchat: *“The regulations are quite complicated with the tax payment process, income report and other documents. Because of this, I once miscalculated the tax which made me have to use some of my next investment to pay. I am not ready for registering my company.”*

Pitpatchara: *“No, I haven't registered my company yet. I am still trying to make a decision whether I should register my company in Thailand or here. I mean it would be a lot easier to register my company in Thailand regarding the regulations. I'm not EU*

citizen, and I don't really understand regulations in France. I can just register it in Thailand to ship the procedure here."

Giab: *"I registered my brand and my trademark, but I didn't register as a company."*

From responses above, barriers from regulation could be caused by limited information about licensing requirements, lacking local organizational knowledge and having difficulty gaining information from the government department. To prove this, previous research from Moon, Farmer, Miller and Abreo (2014) has reported that many entrepreneurs posted upon their start date of business because of costly license, permit and regulation.

To overcome this barrier, participants had tried various methods. Giab from Thailand used to work a lot in London as an international student. However, she could only work maximum 48 hours a week when she moved to Berlin. Therefore, later she decided to start her own business. When she faced the barriers of the regulation issue, she had her solution.

Giab: *"Company registration offers both benefits and drawbacks. Also, if the day comes, I will register the company under my husband's name who is EU citizen. I first came here with the student visa, which provided me zero chance to do it under my name. But I am a citizen now. Even though, I still have no plan to register as a company because I don't want to deal with the complexity of the system."*

Therefore, even though regulation and rules can be a benefit to the business as a legal protection, it can be the main barrier to immigrant entrepreneurs if they do not have enough information or guidance when they need. This can also be proved in other way. In 2013, the president Obama once said in the state of union: "Cutting down the waiting time, reducing bureaucracy, and attracting the highly-skilled entrepreneurs will help create jobs and grow our economy." This approved that knowing the local regulation well is important to entrepreneurial activities.

In summary, the future entrepreneurs need to prepare themselves for regulation issues, such as gaining more information in advance, improving language skills to read or gaining necessary help from local networks. For people who works in local tax office or for the local government department, developing can be gained from offering information in translation or giving extra help to immigrants. If the entrepreneurs can know the local regulation well, it can also be an advance because there are different policies to support self-employed activities. However, if the entrepreneurs lack enough knowledge of the regulations, it can be problematic for running a business in a foreign place.

CHAPTER 6. Conclusion and Implications

The purpose of this study was to investigate the two research questions:

- 1. What barriers do high skilled Asian immigrant entrepreneurs face when they start their businesses?*
- 2. How do they overcome them?*

Our study was based on four frameworks from Azmat's (2013) framework, which are cultural, social capital, human capital, and regulations. We also added financial capital as one of the frameworks according to Klossterman (2010), suggesting that an entrepreneur has to have the right resources including the social, human and financial capital to have successful businesses. We focused on those common barriers in our theoretical approach. It appeared in our finding that high-skilled Asian immigrant entrepreneurs have commonly faced these obstacles during the process of establishing their entrepreneurial ventures. Collins and Low (2010) claimed that the extremity of barriers faced depends on professional, internal resources and background, which was similar to our findings. According to the interviews, we found that participants who were familiar with the local culture or had been successfully settled before starting their businesses faced fewer barriers than those who were new to the host countries. In this study, we also identified usual and innovative strategies used by those high-skilled Asian immigrant entrepreneurs to overcome the obstacles.

Our participants entered advanced industries including food export, fashion, biochemical and data analyzing companies, which involved close contacts with people like manufacturer, distributor, retailer, etc. Therefore, having good cooperation with the local community became an important issue in pursuit to start businesses. From interviews, culture biases were reported to be the most difficult barriers to overcome. Cultural competencies were reported as different ways to see things, different attitudes towards

work, limited language skills. And language skills were suggested to be the most common obstacle because it was always followed by other constraints from social capital and regulations. For example, difficulties came with an inability to understand the regulations or policies and build social network in foreign countries. From these findings, during the process of starting their business, those entrepreneurs suggested that language skills affects other aspects of their businesses and it is important to improve language skills. In this study, language barriers were mainly discussed in a cultural context. However, language barriers were also mentioned by some of the participants when it entered into the conversation in regards to barriers in social capital and regulations. Therefore, we believe that high-skilled Asian immigrant entrepreneurs should pay more attention to improving language skills like pronunciation and fluency. On one hand, language barrier appeared to be the most challenging to overcome. On the other hand, regulation biases were reported to be not as difficult to overcome. A possible explanation was because the entrepreneurs had alternative way to solve the problem. For example, Pitpatchara from Thailand reported that she was still in a process of making a decision whether register her company in Thailand or in France due to the complexity of regulations.

Another barrier mentioned by our participants was related to social capital. It appeared that the participants have shown that they see networking as a valuable asset to their businesses. They agreed that developing relationships between locals in the host country is crucial to the survival rate of their businesses. The more they develop the relationship, the higher rate of survival and becoming successful. These finding go in line with the study from Collins and Low (2010), claiming that it is essential to entrepreneurs to participate in networking activities in order to expand and develop their networks. All the participants admitted that they faced barriers when trying to settle in the host countries. It could be regarding cultural barriers, as they could not speak the local language at the beginning and the difference values they had. However, the participants suggested that

these obstacles could be overcome by staying open-minded and easy-going. They suggested that friendly characteristics make it easier to establish the relationship with the local community. Also some participants were working full time in the same industry in their host countries before starting their own entrepreneurial ventures. This was a benefit that they had already established connections from their full-time jobs. These findings can be seen as a confirmation of a study from Rath (2006), which has shown that social capital is an ability to make use of resources from others in the network. All participants made use of their friends and family regarding financial help, and business advisers. Some of them used their network as an open door to a business deal.

Furthermore, Saxenian (2002) who have studied high-skilled Asian immigrant entrepreneurs in Silicon Valley argued that there are high-skilled Asian immigrant communities in the USA. Those people typically help each other regarding financial capital and social capital. Nevertheless, according to our findings, high-skilled Asian immigrants in Germany (Berlin), Sweden (Lund), France (Paris) and USA (New York) are rather isolated from each other. None of the participants had received specific help from any other Asian immigrant entrepreneurs in the host countries. They all suggested that Asian immigrant entrepreneurs are working in different industries, therefore, it is not common to help each other. Moreover, most of them may not be in a higher position where they can provide support yet. However, one of the participants had a plan to build a platform to connect entrepreneurs both from where she lives in and where she comes from. Also two participants used to ask for help from their connections back in their home countries. This was similar to Saxenian's study (2002): high-skilled Asian immigrant entrepreneurs tend to build a bridge between their host country and home country. Furthermore, from our findings, high-skilled Asian immigrant entrepreneurs always make use of their training and work experience regardless of what field they have worked in, or studied. According to Efendic (2015) who suggested that education and work experience is a fundamental resource for entrepreneurs as their human capital, it

appears that high-skilled Asian entrepreneurs value their education background and work experience. Moreover, those entrepreneurs who lack of formal education in business faced barriers when they managed to do their businesses. These findings are similar to the study from Basu and Goswami (1999) and Collins and Low (2010) which suggested that an entrepreneurial education background is one of the keys to a successful business and those immigrant entrepreneurs who lack relevant skills such as management skills would face more obstacles regarding business establishment. However, with characteristics of a learner, the entrepreneur mentioned that this barrier could be overcome by gaining knowledge about business management, and also gaining more real world experience. For example, reading business-related books and articles could be helpful when they lack specific knowledge.

The findings of this study offer several implications. First of all, this study suggested common barriers that some high-skilled Asian immigrant entrepreneurs faced when they started businesses in different host countries. Secondly, other potential immigrant entrepreneurs can use this knowledge to be better prepared before starting businesses to increase their possibility of success. For instance, basic local language skills need to be acquired in order to settle in and start businesses. Additionally, cooperating with or partnering with native people can increase cultural competencies, social capital and reduce the immigrant regulation complexity. Thirdly, this study suggests that high-killed Asian immigrant entrepreneurs are a growing segment, which may require long-term studies including both quantitative and qualitative research in order to gain a deeper understanding.

Appendix:

List of participants.

Name	Age	Home country	Education Background	Industry	Year in Business	Year in EU/US
Micheal Y.	26	China	MA in Economics History	Food	1	2
Hanway T.	28	Philippines	BA in Accounting	Biochemical, Customer service, Food	2	23
Chothip T.	29	Thailand	BA in Fashion design	Fashion	1	3
Prangchat S.	30	Thailand	MA in Fashion Design	Fashion	3	10
Pitpatchara K.	27	Thailand	BA in fashion design	Fashion	3	7
Jiab P.	36	Thailand	BA in Film-geography	Fashion	6	7
June K.	42	Thailand	MBA	Designed stationary	6	11
Aey R.	45	Thailand	BA in nursing science	Designed house decor	4	11

Interview questions

What is your background as an entrepreneur?	General
How or why did you become a business owner?	General
What do you see as the main barriers you have faced in your entrepreneurial venture?	General information, which can lead to another question of the framework.
Does your education or experience play an important role in starting your business?	How relevant to their previous experience and education with their current business? As Azmat (2013) suggested that previous experience and education background are essential factors for an entrepreneur to start their business.
What is your perception about the institutional regulation for starting your business?	To test if the local institutional regulations affect their business or the venture starting process regarding Hammarstedt (2001, 2006) claiming that some local regulations are difficult to understand that might prevent the immigrant from starting their business. Also, some immigrant self-employed regulation can be a barrier for them.
How did you finance your venture?	To investigate how they finance their venture. If financing might be one of the barriers as well. As Kloosterman (2010) suggested that having the right financial capital is essential in order to establish a business. He also argued that Asian immigrant entrepreneur tends to have difficulties accessing to funding.
Do you think that the	How much do high-skilled Asian immigrant entrepreneurs

<p>immigrant community was central in your idea to set up a business?</p>	<p>rely on the immigrant community? Saxenian (2002) claimed that high-skilled Asian entrepreneurs typically establish their own community with entrepreneurs with the same ethnic. Rath(2006) also argued that social capital is important in determining the success of a business</p>
<p>Do you get specific help from people from your home country?</p>	<p>Do they specifically ask for help from people with the same origin? According to Saxenian (2002), high-skilled Asian immigrant entrepreneur tends to help each other out within their community.</p>
<p>Are there any cultural regarded as barriers to starting your business?</p>	<p>To test the assumption that cultural differences is also a barrier according to Ensign and Robinson (2011). Culture can be defined as habitation and costumes, religion and daily regulation, values and skills (Azmat, 2013; Strier & Abdeen, 2009).</p>
<p>Are there any barriers related to your language proficiency?</p>	<p>Would the level of language proficiency affect on the business when Fairlie and Lofstrom (2013) suggested that limitation of English language ability might act as a barrier to communicating with potential customers and suppliers, and learn about regulations.</p>
<p>Would you like to talk about any other things about your business?</p>	<p>General</p>

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