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**AALBORG UNIVERSITET**

**Immigrant Entrepreneurship in Denmark- Motivations and challenges: case study of Nepalese Entrepreneurs.**

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**Abstract:**

This study investigates the Motivation and challenges of the Nepalese immigrant entrepreneurs in Copenhagen. For the purpose of this research, 5 entrepreneurs were interviewed in Copenhagen. The finding of the research shows that the factors that motivates Nepalese immigrant to pursue entrepreneurship are Independency and autonomy, to increase their income, ego satisfaction, language barrier and social motivation for community. The finding also shows that Nepalese who came in a student visa to Denmark supported their education working in jobs related with cooking and developed the knowledge and skills of cooking which later become another motivating factor to start their own restaurant business. peer pressure, and self-esteem/ not losing face were also the motivating factors for the Nepalese entrepreneur.

The finding also shows that Nepalese entrepreneur faces the challenges to access the capital required to begin their business along with attracting the local customer due to lack of social Network. The entrepreneurs poor command over the Danish language appears to be an obstacle to handle the relationship with customer along with acquiring the information. Competition was another challenge which was with the non-ethnic entrepreneurs rather than their own co-ethnic entrepreneurs. The Nepalese entrepreneurs do not employ their family member in their business and thus faces the problem of recruiting labour also. Recruiting labour was challenging because the entrepreneurs tried to hire workforce from same ethnic community so that the work can be done with lower wages inorder to keep the price of food lower and maximise their profits. However, the major challenge for the Nepalese immigrant entrepreneur was to raise the flow of local Danish customer.

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# CHAPTER 1

## 1.1 INTRODUCTION:

The focus of this thesis is to identify the motivation that drives the Nepalese immigrant to start their own business in Denmark instead of doing job for others. Moreover, this thesis will also investigate the challenge that these Nepalese entrepreneurs are facing to run their business.

Developed countries have observed the large inflow of immigrants in the last few decades because of the war, moderate immigration policies, globalisation and the open labour markets (Rana & Nipa, 2019). Therefore, immigrant entrepreneurship is seen mostly in the developed countries which attract people from the poor and less developed countries. Immigrant entrepreneurship is defined as the process of starting a business by an immigrant in a host country or the country where the immigrant has settled down which is not the country of origin of immigrants (Fatoki & Patswawairi, 2012). The immigrants come to the developed countries in search of better life than they are having in their country of origin. During the stay of immigrant in the country of residence they face various challenges to get the job which may be because of the poor language skills, insufficient educational qualification or lack of work permit (Cieřlik, 2017). Nepalese being an immigrant in Denmark who came to Denmark for the purpose of studying in a student visa also came in search of better life like any other immigrant coming from poor and less developed countries. However, after their many years of stay in Denmark some of them have started to do their own business and therefore the author of this research paper find it interesting to investigate the factors that are driving these less number of Nepalese to do their own business instead of doing jobs and the problems they are facing while running their business.

This thesis is divided into various chapter and the introduction chapter is followed by the problem formulation. After the problem formulation, the figure to show the entire structure of this thesis is presented along with the short description. Then the literature review chapter is introduced where the author has presented the concepts of entrepreneurship and immigrant entrepreneurship in order to understand the Nepalese immigrant entrepreneurship. This chapter also shed light on immigrant entrepreneurship theories like cultural theory and the labour disadvantage theory. As the goal of this thesis is to identify the motivation and challenges of the Nepalese immigrant in Denmark. Therefore, the research on motivation and challenges of

immigrant entrepreneurship by different scholars and researchers are discussed in order to fully understand the terms entrepreneurial motivation and challenges. Then the methodological chapter is introduced where the author has explained the process with which the research is carried on.

The analysis and discussion chapter will start with the description of the Nepalese business owner background who were interviewed to gather the data for this research. The background of the interviewees includes various information regarding the year of migration, level of education, visa status and the work they have been doing in Denmark. The participant background information will be followed by investigating the reason to come to Denmark. Nepal being a poor country and the people of Nepal coming for the purpose of education only did not sound right to the author and hence the author dig inside to find the real reason to come to Denmark which will further ahead help to deduce the reason or factor of motivation as well. The next section of the analytical chapter will discuss the type of business the Nepalese immigrant possessed and cost to acquire or to start those business along with the size of the business. After the detail discussion on background of participant and their business profile, the author investigated the factors or reasons which induces the immigrants to start their business instead of doing jobs. Several motivational factors are discussed which varied according to the participants motivation and finally the analytical chapter came to end after the discussion of several challenges that the Nepalese immigrant are facing in the new business environment far from their home country. At the end, after the analysis of motivation and challenges of Nepalese immigrant in Denmark, the overall discussion of the paper is presented which is followed by the limitation and recommendation for future and finally the whole thesis is concluded in the conclusion part.



## CHAPTER 2

### 2.1 Problem Formulation:

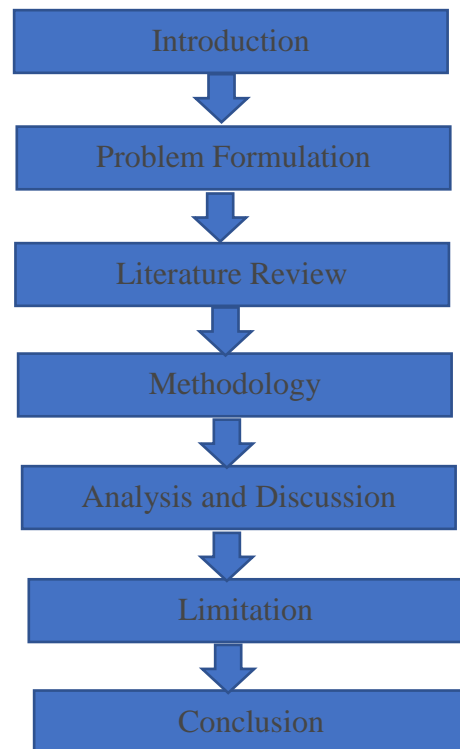
Immigrant entrepreneurship is mostly visible in the developed countries because people from poor countries migrate to the developed countries in search of better life which they cannot have in their home country (Cieřlik, 2017). These people come to the developed countries either as a refugee, via the student visa, work permit or any others. In most of the cases in Denmark, Nepalese are coming only via student visa and after completion of their study the real struggle of life begins. i.e to find a job. Furthermore, the author of this thesis is curious to know about all the factors that are playing role in motivating the Nepalese to start their own business in Denmark and the challenges that they are facing. Thus, the aim of this thesis is to seek the reason behind immigrant entrepreneurship by investigating the Nepalese immigrant entrepreneur in Denmark. This research will focus on the reason and motivation that drives the Nepalese immigrant to pursue entrepreneurship in Denmark. Furthermore, the author will also try to dig inside the research to know about the challenges that these entrepreneurs are facing while doing business in Denmark. Inorder to analyse the whole scenario of immigrant entrepreneurship among Nepalese in Denmark, the following problem statement was developed:

**Immigrant Entrepreneurship in Denmark- Motivations and challenges: case study of Nepalese Entrepreneurs.**

## 2.2 Structure of the thesis:

The entire structure of the thesis is presented in the figure below. The structure of the thesis will help the reader to see the flow of the information in this research paper.

**Figure 1: structure of the Thesis.**



**Source: own creation.**

This thesis begins with the introduction chapter followed by the problem formulation. Subsequently the literature review chapter will be introduced which will help to understand the terms related with the research topic and also the immigrant entrepreneurship theories. After then the methodological chapter will be presented to discuss the research approach and data collection procedure. The methodological chapter will be followed by the major chapter of this thesis known as the Analysis and Discussion chapter. In this chapter the research problem will be investigated. After the analytical chapter, the limitation of the research will be presented

along with the recommendation for future research that the author faces while doing this research paper. Finally, the thesis will be concluded in the last conclusion chapter.

## CHAPTER 3

### 3. Literature Review:

This chapter explains about the literature being reviewed for the thesis. This chapter includes the overview of literature regarding the immigrant entrepreneurship and the motivations of immigrant to practice entrepreneurship. There are various motives of an immigrant to pursue entrepreneurship in the country of residence and the factors that forces the immigrant to pursue entrepreneurship instead of doing job in the host country. The overview of different authors for the motivation of immigrant entrepreneurship is discussed in detail in this part of the thesis. Additionally, the thesis is also focused on finding the challenges that the immigrant faces while conducting their business in country of residence and that is why the opinions of different authors on challenges is also being reviewed in order to understand the territory of the problem statement. In order to understand the phenomenon of immigrant entrepreneurship, the theories related to immigrant entrepreneurship is also reviewed and explained in detail. Thus, this literature review part of this thesis will give the reader knowledge of topics that are in relation to the problem statement.

#### 3.1 Entrepreneur and Entrepreneurship:

The term “entrepreneurship” comes from the French word “entrepreneur”. Additionally, this term was first seen in the writing of Cantillon named as “Essai sur la Nature du Commerce en Général”. Entrepreneur means the person who buys some products at a known price in the market and later sell those products in the market again at a price which is not known, along with bringing balance in the market system. (Rusu, et al., 2012). An entrepreneur can also be defined as an agent who intentionally take risks for the development of the new projects. The

French economist named as Jean Baptiste who literally create the term “Entrepreneur” refers entrepreneur as a person who transfers the resources from the lower productivity person to the one who with higher productivity inorder to increase the profit thereby creating value. Thus, an entrepreneur possessed the characters like risk bearer, agent of change, distributor of resources and most importantly the innovator. Entrepreneur are people who built, develop and manages their business by taking risk on time, efforts and money for the purpose of achieving their business goal. Entrepreneur are those who recognise the moment of change and converts those into the business opportunities. Entrepreneurs can also be described as a person having extraordinary capacity to recognise and utilise the opportunity with the strong commitment and motivation along with the capacity to bear risks to materialise those opportunity into profitable business ideas. (Rusu, et al., 2012).

According to (Smilor, 1997) “Effective entrepreneurs are exceptional learners”. They learn from everything. They learn from customers, suppliers, and especially competitors. They learn from employees and associates. They learn from other entrepreneurs. They learn from experience. They learn by doing. They learn from what works, and more importantly, from what doesn’t work.” (Smilor, 1997). An entrepreneur is a person who identify the “entrepreneurial opportunity” and make use of those opportunity by forming a new enterprise. (Volkman, et al., 2010).

**Figure 2: Definition of entrepreneur.**

<b>Author</b>	<b>Definitions</b>
Schumpeter (1934)	An entrepreneur is a person making new combinations causing discontinuity. The realization of new combinations may include a new product or a quality of a product, a new method of production, finding a new source of raw materials or reorganization of the industry.
Hoselitz (1960)	An entrepreneur is a person who buys at a price that is certain and sells at a price that is uncertain.
Leibenstein (1968)	An entrepreneur is a person who owns all the necessary resources to produce and launch on the market a product which responds to a market deficiency.
Kirzner (1985)	An entrepreneur is a person who perceived the existence of profit opportunities and initiated some actions to complete the unsatisfactory current needs.
Bygrave and Hofer (1991)	An entrepreneur is a person who perceives an opportunity and creates an organization to follow it.

**Source:** (Mishra & Kumar, 2000).

Entrepreneurship is the process of forming an organisation or reorganising an already existed organisation. The process of putting an individual quality of ideas such as creativity, risk

taking, innovation into practice by forming an organisation and managing the organisation in an effective way so that the goal is achieved is referred to as Entrepreneurship. Entrepreneurship is the process in which the opportunities are identified by the entrepreneur and then those opportunities are converted into fruitful results with the ability that the entrepreneur possessed. (Rusu, et al., 2012). Entrepreneurship is the act of creating a business or business by taking risks and uncertainty (Volkman, et al., 2010). Entrepreneurship also means bringing social change by making the innovative products which are useful to solve the daily problems and creating life changing impact on people.

**Figure3: Definition of Entrepreneurship.**

Author	Definitions
Cole (1968)	The entrepreneurship is an activity dedicated to initiation, maintenance and development of a profit oriented business.
Drucker (1985)	The entrepreneurship is an innovation act who presupposes the endowment of the existing resources with the capacity of producing wealth.
Gartner (1985)	The entrepreneurship is the creation of new organizations.
Hisrich and Peters (1989)	The entrepreneurship is the process of creating something different, with value, by allotting the necessary time and effort, presupposing the taking of financial, social and physical risks, and obtaining monetary rewards and personal satisfaction.
Stevenson et al. (1989)	The entrepreneurship is following an opportunity irrespective of the existing resources.
Kaish and Gilad (1991)	The entrepreneurship is first of all a discovery process and secondly is the process of acting on an opportunity of lack of balance.
Herron and Robinson (1993)	The entrepreneurship is a set of behaviours which initiate and manage the re-allotment of economic resources and whose purpose is the creation of value by these means.

**Source:** (Mishra & Kumar, 2000).

From the definition mentioned above, it is seen that the definition of entrepreneurship is consist of great diversity. However, all the definitions are closely related to terms like “innovation”, “opportunity recognition”, “profit”, “venture creation”, Risk taking. (Mishra & Kumar, 2000). Thus, (Mishra & Kumar, 2000) defines entrepreneurship as the process of recognising opportunity and then building an organisation inorder to exploit those opportunity. (Mishra & Kumar, 2000).

### 3.2 Immigrant Entrepreneurship:

The concept of immigrant entrepreneurship is defined by understanding who an immigrant is. There are different terms which is used to define an immigrant such as “foreigners”, “foreign born individuals”, “culturally different people” and “people on the move” (Dheer, 2018). In Denmark, immigrant is defined as “person born abroad whose parents are both (or one of them if there is no available information on the other parent) foreign citizens or were both born abroad.” (Anon., 2017). Additionally, if there is no information on whether the parents or the person is born abroad then in that case also the person is defined as immigrant in Denmark. (Anon., 2017).

Immigrant entrepreneurship is defined as the process where the immigrants recognise and exploit the economic opportunity by forming a new venture in the country where the immigrants have move or country of residence. (Dheer, 2018). Immigrant entrepreneurship is about forming new organisation by the immigrant in the country of residence by identifying the business opportunity there and making profit from there by being self- employed.

Immigrant entrepreneurship is also used interchangeably with the terms like ethnic entrepreneurship, Transnational entrepreneurship, returnee entrepreneurship, minority entrepreneurship, international entrepreneurship. However, there are meaningful differences between these terms (Drori, et al., 2009).

Transnational entrepreneurship is referred to “entrepreneurial activities that are carried out in a cross-national context, and are initiated by actors who are embedded in at least two different social and economic arenas” (Drori, et al., 2009). These transnational entrepreneurs are those individuals who has migrated from one country to the another maintaining their business relations in the country of origin (COO) and the country where they have migrated known as the country of residence (COR). Transnational entrepreneurship gives the opportunity of using

the resources that is based in the immigrant home country. Transnational entrepreneurs most often travel to their home country for the purpose of their business and maintain the business relationship (Dheer, 2018). This is the type of entrepreneurship where one entrepreneur is benefited from the business opportunities arising from both the home country and the country where they have migrated and is residing. Transnational entrepreneurship operates in two geographical location and this is the reason why the transnational entrepreneurs are provided by unique flow of information and because of the operation of their business in two distinguish geographical location, they are in a situation to identify and exploit the opportunities that might not be otherwise recognised (Drori, et al., 2009). This means that transnational entrepreneurs because of their unique geographical position, they get to exploit the opportunities which is unseen and unavailable for the entrepreneurs which are situated in a single geographical locations (Drori, et al., 2009). The individual entrepreneur who operate their business in dual context leveraging the resources from their home and host country are Transnational Entrepreneurs (Decker, 2015).

Ethnic entrepreneurship refers to the process of starting and managing businesses, whose “group membership is tied to a common cultural heritage and is known to out-group members as having such traits” (Zhou, 2004). Ethnic entrepreneurship is the process of doing business among the people who have same cultural heritage and share same national background and the migration experience. Thus, ethnic entrepreneurship is primarily focused on satisfying the need and demand of their own culturally connected people also called as ethnic consumers. These ethnic consumers are the one who creates demand of product and services from their country of origin while they are residing in the country of residence. The individual among the same cultural group sees the rising demand of product from their ethnic group and eventually start doing business as ethnic entrepreneur (Dheer, 2018).

The term ethnic group is defined as the group who are a part of a larger society having common origin and the culture. The term ethnic entrepreneur is also alternatively used as immigrant entrepreneur which includes the individual who actually have migrated for the past few decades only and that is why this term does not include the members of the ethnic minority groups who have been residing in the country for many centuries like “Afro-American in the USA” and “Jews in Europe”. However, “ethnic” does not excludes minority groups or immigrant (Volery, 2007).

Ethnic enterprises are often small and medium size business owned by the ethnic or immigrant entrepreneur in the country of residence. These ethnic enterprises are often run with the help of co-ethnic owners and family members. The barriers to enter the market for the ethnic entrepreneur is usually low because of the required capital. The ethnic entrepreneur production level is also low and their business category is specially levelled as high labour intensity. Thus, lower entry level to market leads to excessive competition. These factors lead to higher number of start-ups and ultimately the failure rate is also high. In order to avoid and sustain the business in the market, these entrepreneurs most often apply the informal business practices in relation to taxes, labour regulation. Giving employment to immigrants who do not possess the necessary document to work is found in this entrepreneurship along with hiring children and paying low wages are found in abundant manner in these cases (Rath & Kloosterman, 2002).

The literature on ethnic entrepreneurship differentiates on two types of ethnic entrepreneur named as middleman minorities and enclave entrepreneurs. Middleman minorities are those type of ethnic entrepreneurs who does business in between societies elite group of people and the poor ones called as masses. Historically they were the travellers, who mostly engage in doing business which generates the profit quickly and later utilise those earned money elsewhere, mostly being returned to the home (Bonacich, 1973). Thus, they usually do their business in poor minority neighbourhood or immigrant slums in the urban areas which usually lacks the business owners from the dominant group of the society. However, in recent days, these entrepreneurs are not only doing business in the poor neighbourhood but also in the wealthy urban neighbourhood. Middleman minorities entrepreneurs does not have strong ties to the social structure and the social relation of the local community in which they are doing their economic activities (Zhou, 2004).

On the other hand, enclave entrepreneurs are those entrepreneurs who operate their business often in immigrant neighbourhood which is populated by their own Co-ethnic group members. A Chinese immigrant who operate their restaurant in a Latino-dominant neighbourhood will be considered as middleman minority entrepreneur but the same Chinese immigrant can be considered as enclave entrepreneur when he come back to his other restaurant in china town. Thus, this means that enclave entrepreneurs are the one who conduct their business in a particular area which is surrounded by their own culturally related people and coming back from the same country of origin sharing the common culture and the beliefs. However,



middleman minorities are the one who start their business in an area where they are the minority among the other member of the society (Zhou, 2004).

### 3.3 Immigrant Entrepreneurship Theories:

The immigrant entrepreneurship theories are explained using Ethnic enclave theory, labour disadvantage theory and the cultural theory.

#### 3.3.1 Ethnic enclave theory:

The term “ethnic enclave” referred to as “immigrant enclave” where the immigrant workers are being given job by the members of the same ethnic group business owners (Lee, 2003). The ethnic enclave theory focus on the presence of immigrant enclaves in the host society. There are various ethnic enclave in the host society as different cultural background people must have moved to the host country leaving their own home country and thus the enclave entrepreneurs in the host society utilises the opportunities to begin the new business for their similar ethnic people. The ethnic enclave theory also propose that the enclave entrepreneurs are benefited by the intra- group solidarity, shared values and norms which facilitates the economic activities (Auster and Aldrich 1984; Zhou and Logan 1989 as cited in Peroni, et al.,2016). There are two conditions for the settlement of ethnic enclave entrepreneurs. Firstly, the start-up capital and secondly the steady supply of ethnic labour. The ethnic enclave entrepreneurs mostly acquire the capital for their start-up via immigrant network. They acquire the capital for their business by taking help from the members of their own enclaves. These entrepreneurs also acquire capital from their country of origin (Peroni, et al., 2016).

Ethnic business usually begins when the entrepreneur starts serving the other member of the same ethnic community. The entrepreneur and the member of the ethnic community shares the same cultural and religious beliefs and thus the goods they usually use are common in nature. Here comes the role of ethnic entrepreneur who identifies the demand of his own ethnic members and start a business serving those specific needs and demands. This process of ethnic

business is usually succeeded only in the case when the large ethnic groups lives in a geographically dense area (Volery, 2007). Thus, the function of ethnic business is to serve its own ethnic consumers in the host society.

The enclave theory also says that, Enclaves are most often seen as an outsider and separated from the resident population. The reason of enclaves being seen as separated is because of the difference in cultural values and this is why there may be the condition where the enclaves might feel discriminated which ultimately may leads to conflict between the immigrant and non- immigrant population (Peroni, et al., 2016).

### 3.3.2 Labour Disadvantage theory:

The disadvantage theory focuses on the relation between the disadvantage between the labour market and self-employment. The disadvantage theory states that immigrant pursue entrepreneurship because of the disadvantage in the labour market among the native born. The disadvantage may arise from various sources in the labour market which induces an immigrant for the self-employment. The disadvantage for an immigrant in the labour market can arise from the poor human capital and also because of the discrimination by the host society (Volery, 2007).

The human capital like language skills can be one of the major hindrances for an immigrant to get white colour job in the host country (Volery, 2007),. This language barrier is one of the most visible disadvantages for an immigrant in the labour market and which leaves the immigrant with no other option than being self-employed. Moreover, the education of an immigrant which one has acquired in their home country can also be one reason of the immigrant not getting salary jobs and which forces one to be self-employed. Sometimes the work experience that the immigrant has acquired in their home country cannot be utilised in the host country because of the difference in the language between the home and the host country. Thus, language play very important role in the transferability of skills that the immigrant has acquired in their home country and because of the poor language proficiency of the host country, an immigrant is not able to transfer their skills to the host country and as a result is force to do their own business (RAIJMAN, 1996). Apart from the human capital

disadvantage in the labour market, Discrimination faced by the immigrant in the labour market is another set of disadvantages that forces the immigrant to be self-employed.

Thus, the labour disadvantage theory clearly shows how the lack of human capital and the discrimination in the labour market induces an immigrant to be an entrepreneur rather than seeing entrepreneurship as a path to be successful (Volery, 2007).

Therefore, in terms of disadvantage and discrimination, it would be worth examining whether the immigrants in Denmark are motivated for the entrepreneurship for the same reason or not. Since mostly the language spoken in Denmark is Danish and so language barrier could be the possible reason to practice entrepreneurship by the immigrants because to get job one has to speak Danish language.

### 3.3.3 Cultural Theory:

One does not only pursue entrepreneurship because of the language barrier and the discrimination in the host country but also practice entrepreneurship because of the culture they possessed. Culture has an influence on entrepreneurship. Culture can be defined as set of shared values, beliefs and norms among the group or community. Hofstede defines culture as “culture is the collective programming of mind that distinguishes the member of one group or category of people from others” (Hofstede, 2011).

The cultural theory proposes that the immigrants possess more culturally determined characteristics which is very essential for the economic success and entrepreneurial attitude such as: immigrants are inclined and dedicated to do the hard work, immigrants possess strong sense of membership in their ethnic community, immigrants are more inclined to accepting the risk and the orientation toward the self-employment is more found in the immigrant groups (Masurel, et al., 2004). The culture theory suggests that the Asian people have more tendency to go for the self-employment as compared to others (Volery, 2007). Thus, we can see that the immigrant group consist of the major entrepreneurial attitude of accepting the risk and committed to the hard work which ultimately leads an entrepreneur to the path of economic success. Therefore, it will be interesting to see that whether the cultural theory holds true in the case of Nepalese immigrant entrepreneurs in Copenhagen which is an Asian immigrants here

in Denmark. This research will try to get in deep insight via the interview with the Nepalese immigrant entrepreneur in Copenhagen whether they are doing entrepreneurship based on the cultural aspects of characteristics or others.

### 3.4 challenges for immigrant entrepreneurship:

There are many problems that the immigrant or local resident faces while doing their business. Additionally, many of the problem that the immigrant and the native have to face while starting and doing their business are similar. However, there are some specific challenges that affect the immigrant entrepreneurship. The language of the host country can be one specific challenge for the immigrant entrepreneur. Similarly, the skill that immigrant has acquired in their home country is not easily adapted to the host country (Desiderio & Mestres-Domènech, 2011).

For any business to start, accessing to finance is very vital. A business cannot begin without the sufficient amount of capital. And accessing to the capital is the major challenge for the immigrant as compared to the local resident of the host country. Immigrant faces the problem of adequate finance to start their business because bank do not grant loan to the immigrant enterprises. The reason bank does not grant loan to the immigrant business is because of the higher failure rate of immigrant business as compared to the local which exposes the bank to high risk. Additionally, the immigrant business also lack the credit history because of short existence. As a result of all this, most often the immigrant relies on their family, friends and the ethnic community to obtain the capital to start their business (Desiderio & Mestres-Domènech, 2011). Immigrant enterprises also face the huge competition from their own co-ethnic business. Lack of job opportunity in the host country forces many immigrants to look for business opportunities. And thus, this leads to the rapid increase in smaller business in the ethnic market which make the competition fierce in the ethnic market (Aldrich & Waldinger, 1990).

There was a study done on immigrants in Britain, France, states, Germany and Netherlands by Roger Waldinger in 1990 and he came to find out the following seven challenges which are common for immigrant entrepreneurship (Roger Waldinger,1990 cited in Pinkowski 2009).

- How the immigrants acquire the necessary information to start their business and to sustain and survive in the market.
- How to obtain the required fund in order to begin their business.
- Running a business requires necessary training and skills and thus an immigrant entrepreneur faces the challenges of finding a place to acquire the necessary business training and skills to operate their small enterprise.
- How to recruit an employee for their enterprise along with proper management of the recruited employee. Moreover, the recruitment plays a vital role and thus it is a challenge for an entrepreneur to recruit competent and affordable workforce.
- Managing customer and supplier relationship is another challenge for an immigrant entrepreneur especially because of the reason that the immigrant is running a business in a completely new environment along with different language and business model.
- Business environment is not free of competition and which creates a huge challenge for an entrepreneur to survive the competition.
- Protecting themselves from the political attacks is another challenge that the immigrant entrepreneurs has to face (Pinkowski, 2009).

The language plays a major role in immigrant entrepreneurship as it is the only way to communicate with the supplier and the customer. However, the immigrant entrepreneur can easily communicate with their own ethnic group of customer but the business cannot grow larger if the entrepreneur focus on their own ethnic group and thus the entrepreneur faces the challenges of not having proficiency in the host country language. Moreover, the business-related information are mostly in the host country language so one finds it challenging to understand the rules and regulations properly. Since in the case of Denmark, most of the information related with the taxes and other business-related information are in Danish language and it makes the entrepreneurial process harder for the immigrant.

According to Basu and Altinay (Basu & Altinay, 2002) there are some other challenges for an immigrant entrepreneur which can be in the form of Discrimination in the host context. Lack of access to capital can be another huge hindrance for an immigrant entrepreneur. As most of the immigrant come to the developed countries in search of

better life and the income they made during their stay are sent back to their home country for their parents and as result one cannot save enough money to start the business. The other challenges added by (Fatoki & Patswawairi, 2012) include lack of access to capital, weak market, lack of skills and support.

- **Lack of trust and social capital:**

Lack of social capital and trust is another set of challenge faced by the immigrant entrepreneur in the country of residence (Satu & Elisa, 2012). Social capital can be defined as the actual or potential resources that can be acquired through social network. In the immigrant entrepreneurship, social capital is referred to the resources that the immigrant gained either from their own ethnic community in the country of residence or back home in the country of origin. When an immigrant starts the business in a new country then the customer that their business are getting are not from their own ethnic group of people but also from the customers from different culture and in that scenario social network play a vital role in order to reach to the customers via social network (Satu & Elisa, 2012).

According to Janine Nahapiet and Sumantra Ghoshal (Nahapiet & Ghoshal, 1998) Social capital is defined as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network”. There are three dimensions of social capital: the structural, the relational and the cognitive (Nahapiet & Ghoshal, 1998). The structural system deals with the structure of the social system and relations of the social system as a whole. The relational dimension refers to the personal relations between people and finally the cognitive dimension refers to “those resources providing shared representations, interpretations, and systems of meaning among parties” (Nahapiet & Ghoshal, 1998). Social capital live in the relationships between the persons. Additionally, social capital is not owned by a single person in a relationship but it is owned together by everyone involve in the relationship. Although social capital have value, the usage of social capital does not reduce instead the more it is used the more it is enhanced. One of the another important features of social capital is that it helps to meet the end results. That means to say that without the use of social capital, end results can be obtained at the expenses of extra costs.

social capital and the networks are considered as an important asset for an immigrant entrepreneur as it helps to start-up the business in a new environment. When an immigrant starts the business in a new country then in that case they lack the network of relationship with friends, school friends, and their relatives which is regarded as a vital asset while starting the business. Immigrant owner is also unaware of the culture of the host country which prevents the immigrant entrepreneur to bond with customers. Bonding with the customer helps to increase in the business and thus lack of social capital like these is a huge challenge for an immigrant. However, when a local start the business then in that case the local entrepreneur has advantages of having strong social capital in the form of strong networks of friends, relatives and also known culture which helps one to bond with the customer.

Winning the trust of the people in the host country is another big challenge for an immigrant entrepreneur (Satu & Elisa, 2012). The term trust can be referred to as the synonym of social capital and it can be viewed as form of social capital as well as it can be seen also as source of social capital. Trust plays a vital role in increasing the business of the immigrant as it increases the sale of business. However, gaining the trust of the people in the new country is very challenging job and takes time and real hard effort because of the cultural distance between the immigrant and the native people (Satu & Elisa, 2012).

### 3.5 Entrepreneurial Motivation:

Immigrants are pushed into entrepreneurial activity due to the barriers such as lack of fluency in language of host country and discrimination in the workplaces and which pushes the highly educated immigrant to do the low level of jobs. However, pull factors like individual achievement and opportunity in the market also drives immigrant for entrepreneurship. some research shows that immigrant opt for entrepreneurship by seeing the opportunity to provide goods and services to their own ethnic group of people. Since same ethnic community of people have same culture so the product they use are common and immigrant from the same ethnic group sees the opportunity to serve with their ethnic goods and services and thus this is also

one of the motivations for the immigrant for entrepreneurship. However, there is a challenge of not getting enough customers because of minority population of the ethnic immigrants in the country of residence (Rametse, et al., 2018). Push factors are those factors that are often characterised by the external factors and deals with the negative motivation. The factors which deals with the push factors can be unemployment, job dissatisfaction, getting helped by the employer, changes being occurred in the workplace and the children (Kirkwood, 2009). The push factors arise out of necessity. Racism and discrimination in the labour market are also push factors of motivations (Orhan and Scott, 2001 as cited in Rametse, et al., 2018) (Rametse, et al., 2018).

However, pull factors are those factors that is motivated by seeing the opportunity in the market to do the business and it depends upon the internal motives of an individual which can be need for independence, monetary motivation, self-realization, need for achievement and lifestyle. Thus, pull factors are considered as the positive motivations (Kirkwood, 2009). The pull factors focus on opportunity in the market, independence and autonomy, monetary and non-monetary rewards (Orhan and Scott, 2001 as cited in Rametse, et al., 2018) (Rametse, et al., 2018).

According to Kirkwood (Kirkwood, 2009) there are four key drivers for entrepreneurial motivation. First driver to become an entrepreneur arises from the motives to become independent and independence leads one to have autonomy in the work and also to have greater control in their work. The second driver for motivation can be monetary motivation which means that one is engaged in the entrepreneurship for the sake of making money. The third motivation to be an entrepreneur can be issues related with work such as unemployment, lack of job, redundancy. And finally, there are motives for the family related matters for the entrepreneurship which means that one tries to get better lifestyle to their family via the entrepreneurship and one is in entrepreneurship because they can have flexibility in their working hours if they are self-employed. This means that one can work from home for their own business and be there for their kids when in need especially in the case of women entrepreneurship. Thus, to balance the work and family also, one can be motivated for the entrepreneurship (Kirkwood, 2009).

Immigrant entrepreneurship is a fast process of accumulating huge amount of wealth and this is the motivation to do entrepreneurship as compared to being employed in someone else business. Thus, earning money and accumulating more wealth can be one reason of immigrant



entrepreneurship (Pinkowski, 2009). However, making profit alone cannot be the motivation for entrepreneurship. The following mentioned reason can be the motivation for immigrant entrepreneurship (Pinkowski, 2009).

- **Opportunity in new business:**

An individual might see great opportunity in doing their own business instead of working for someone else company. An individual may possess special kind of knowledge or may have access to information which one think that could be exploited in their own business. Sometime individual may feel that their superior are using their knowledge without being accomplished properly and which induces them to start their own business. Additionally, immigrants have unique knowledge regarding the market, consumer and the competition from their home country which they can use in the country of residence to get benefit for themselves.

- **Corporate culture:**

Corporate culture and conformity can be another motivation for the entrepreneurship. People who work for large corporation might get frustrated of the office politics and organisational bureaucracy. The want to innovate new products but their decision are often constraints by other in the firm and which leads to frustration and one start to think of doing own business to have more control on innovation. Immigrants may bring their own family members in the organisation and can pass their legacy to their coming generation as well.

- **Philanthropic opportunity:**

Entrepreneurship also provide the opportunity of philanthropy. If one is financial very successful then one can decide to give certain portion of their wealth to the community. This process of changing other people life through the philanthropic activities may be personally rewarding and motivation for entrepreneurs. When an immigrant gets the

opportunity to help their own country fellows then in that case the immigrant can integrate socially and economically.

- **Ego satisfaction:**

This can be another motivation for the entrepreneurship and ego satisfaction can be more important than making money for some entrepreneurs. Through entrepreneurship entrepreneurs have the opportunity to be seen in their own community. Being member of chamber of commerce, getting business awards, being in corporate board of directors increase the self -esteem and satisfaction and motivates one for the entrepreneurship.

Some other common entrepreneurial motivation by Rana and Nipa (Rana & Nipa, 2019) are illustrated below:

- ❖ **“Achievement, challenge and learning”:**

This motivation explains the desire to enhance the personal development through entrepreneurship. This means that one pursues the entrepreneurship for the purpose of learning via creating and managing own business. Starting a business is a challenging job and one gets the opportunity to learn a lot via challenging task of running the business (Edelman, et al., 2010).

- ❖ **“Independence and autonomy”:**

This shows the entrepreneurial motivation of having control over an individual work and personal life. The entrepreneur motivation for independence means that one can have freedom to the work on their own way and also to enjoy the flexibility for personal life. Independence allows the entrepreneur to choose their way of approach to carryout the business operations. Independency also gives the benefit of taking independent decision to the entrepreneur (Edelman, et al., 2010)

- ❖ **“Income security and financial success”:**

Financial success is one of the most obvious reason for starting a business. Entrepreneur starts a business with the intention of making money and to be financially secured with maximum accumulation of wealth via their own business. Making money and earning

profit would be the first motivation of any entrepreneur while starting a business (Edelman, et al., 2010).

❖ **“Recognition and status”:**

This explains that the individual seeks social status and recognition from their friends, family and the community people by being an entrepreneur. Entrepreneurship also makes one known to all in the community receiving higher recognition and status via his/ her product and service to the community and also the amount of wealth one possessed.

❖ **“Family and roles”:**

The reason behind entrepreneurship can also be the desire to continue the family tradition of running a business. It is often seen that the children follows their parents profession and thus one can pursue to be an entrepreneur to follow the tradition of their family. Some can pursue entrepreneur to follow their role models to whom they admire. This motivation of following the role model who is an entrepreneur can also influence one to go on the path of entrepreneurship (Edelman, et al., 2010).

❖ **“Dissatisfaction”:**

One can be motivated to do the entrepreneurship because of being dissatisfied with their previous work arrangements. The reason of dissatisfaction can be the poor organisational culture, extreme level of office politics, not being promoted and not given accomplishment for their work. Dissatisfaction may also arise due to lack of personal enjoyment and also when not able to practice creativity and innovation and when one’s ideas is not being approved. In some cases dissatisfaction may also arise because of lack of social prestige from the work (Kirkwood, 2009); (Rana & Nipa, 2019).

❖ **“Community and social motivation”:**

This motivation to be an entrepreneur includes the desire to contribute to the community where the entrepreneur live and operate their business. Entrepreneur can donate or contribute certain portion of their wealth for the well -being of the community form

their business (Pinkowski, 2009). In a broader sense the social motivation to be an entrepreneur is to better take care of their employee and also to be an environmental friendly company (Jayawarna et al. 2011 cited in Rana & Nipa, 2019).

## CHAPTER 4:

### 4. Methodology

#### 4.1 Research Design and research approach:

A Research design can be defined as the framework or blueprint for conducting any research. A Research design is the one which provides the framework or plan of action for carrying out the research. Research design specifies the entire process and method for gathering and analysing all the required information to carry out the research. The main objective of research design is to show to the reader how the author has carried out the entire research process. That is to say, which method is used in the research and what type of data is being used in the research. Thus, the objective of research design is not only confined to present the finding and conclusion of the research but also to show the reader about all the method and technique used while collecting the data and also to show the reader how the quality of data was secured (kuada, 2012).

Therefore, when the topic of research was decided then the author designed the research in order to have the framework or blueprint to conduct the research. The author also has explained about the approach of this paper. There are two types of research approach known as inductive and deductive approach (Bryman & Bell, 2007) which are explained below:

#### **Inductive approach:**

Inductive approach to a research begins by collecting data by the researcher which is relevant to the topic. After the collection of sufficient amounts of data, the researcher starts to analyse the collected data and start to look for pattern in the data and develop a theory which could explain those patterns. Thus, when a researcher adopts an inductive approach then in that case the collection and observation of data leads to the development of the theory. Therefore, in

inductive approach, the researcher moves from the data or observation/finding to theory (Bryman & Bell, 2007).

Observation/finding —————> Theory

### **Deductive approach:**

Deductive approach is a research approach which begins with the theory and on the basis of the theory, Hypothesis are set. Then after setting the hypothesis, the data are collected in order to check the developed hypothesis. After the collection of data, hypothesis are either accepted or rejected on the basis of results of data being collected. Thus, in a deductive approach, the researcher moves from theory to finding (Bryman & Bell, 2007). Therefore, deductive approach is the method of testing the theory based on the collected data unlike the generation of theory in inductive approach.

Theory —————> findings

This research paper has adopted the inductive approach. This means that the author collected the data related to the research topic which is about the motivation of immigrant entrepreneurship and the challenges Nepalese immigrant entrepreneurship are facing to run their business in Denmark. The required data to reach the conclusion or to answer the raised problem formulation were collected by interviewing the Nepalese entrepreneurs and after the completion of all interviews, all the interviews were analysed and on the basis of analysis of those interviews, the problem formulated was answered and the conclusion was derived from the collected data unlike the acceptance or rejection of hypothesis selected. Thus, the factors that motivated the Nepalese immigrant entrepreneurs and the challenges these entrepreneurs are facing were concluded at the end and this shows that the characteristics of the inductive approach.

## 4.2 Research Method:

While doing the research it is very vital that the researcher shows the methods that is being used to conduct the research in order to reach the conclusions. The problem formulated should be answered using the right research method. There are two types of research methodology i.e Qualitative research method and Quantitative research method which are explained in detail in this part of the thesis and after the discussion of both methods, the appropriate method for this thesis is determined.

### 4.2.1 Qualitative research method:

Qualitative research method is a method that usually stresses more on words instead of the quantification while collecting and analysing the data. In other words, it can also be said that it is a research method in which non-numerical data are collected. Qualitative research method can be defined as a research method which leads the research to reach the conclusion by not using any kind of statistical data (Bryman & Bell, 2007). This method includes inductive approach which focus on the generation of theories instead of testing of theory in the deductive approach. Thus, this method is the way of gaining newer insights of the phenomenon instead of detecting for the confirmation of the existing theories (kuada, 2012).

Moreover, qualitative research method sees reality as changing and thus it entails reality as subjective and thus reality is influenced by the researcher opinions (Bryman & Bell, 2007). Qualitative research is mainly exploratory research and it is used to obtain the understanding of underlying reasons, opinions and motivations. This is a method which help to find out the new trends and to conduct in depth analysis of the problem (DeFranzo, 2011). Qualitative research method is a holistic approach which involves the discovery. This method can also be described as a model that occur in a natural setting and which induces the researcher to find out the detail by being involved in the actual experiences. This is the method in which the investigation is done from the participants viewpoints (Williams, 2007). There are three techniques to collect the data in qualitative research: Focus group; Observation and interviews (kuada, 2012).

#### 4.2.2 Quantitative research method:

It is a research method that focuses more on numbers rather than words while collecting and analysing the data. In other words, it can be said that it is a research method that emphasises on quantification in the process of collecting and analysing the data. This method entails the deductive approach which means that the hypothesis set are tested using the quantitative data and either the hypothesis set are accepted or rejected in order to reach the conclusion. Quantitative method also sees reality as objective which means that there is one concrete reality and the opinion and feelings of the researcher are kept aside during the research. Thus, quantitative research method is independent of the researcher (Bryman & Bell, 2007). This is the method in which all the data collected are in the form of number so in order to analyse these data and reach to the conclusion, these data are usually organised in the form of charts, tables and figures. This is a method which is used for quantifying the behaviour, attitude and opinion of people in order to generalise the results from a large number of sample population (DeFranzo, 2011). Questionnaire, surveys and interviews are some of the techniques to collect the data in the quantitative research (kuada, 2012).

From the above discussion of both the qualitative and quantitative research method, it can be identified that this thesis is based on the qualitative research method. Since the qualitative research method focuses on words rather than the number and also the opinion of the participants interviewed is not quantified in number to analyse the participants opinion about the motivation of pursuing the entrepreneurship and the challenge they are facing so this research is based on a qualitative research method. Also, the research approach of this thesis is inductive which means that the hypothesis are not tested in this research instead a conclusion or finding of motivation of immigrant entrepreneurship is determined based on data collected via interviewing the entrepreneurs which is aligned with the research method i.e qualitative research method.

### 4.3 Data collection:

There are two ways of collecting the data which are primary and secondary data. All the research are carried out based on some resources which may be either the primary sources or secondary sources. In this research the author has primarily used the primary data for finding out the results of the research paper. However, both the primary and secondary data are explained below in this part of the thesis.

#### 4.3.1 Primary data:

Primary data are those data that are collected at first hand. Primary data are those data that are being collected by the researcher himself or herself to solve the specific research problem. Primary data means the raw data and it is collected first time by the researcher or the person who is in need of it. Primary data can be collected via focus group, observation, interviews, questionnaire, surveys, experiment (Hox & Boeije, 2005).

For the purpose of this thesis, primary data is the major source of data which is collected via interview with the Nepalese entrepreneur in Denmark. A face to face interview is a way that is used by the author in order to collect primary data. According to John Kuada (Kuada, 2012), there are two types of interviews: 1) standardised interviews and 2) Non- standardised interviews. However non- standardised interviews can be again subdivided into two types known as semi-structured and in-depth interviews.

Standardised interviews are questionnaire type of interviews. In this interview, the interviewer reads each question for the interviewee and then all the response of the interviewee is recorded on a standardised schedule. All the questions are well prepared in advance in structured interviews and the session of interviews is more like of question and answers (Kuada, 2012). Thus, in a structured interview, the researcher or the interviewer follows the same guidelines prepared ahead of meeting and also the interviewers does not talk freely in the case of structured interviews. Unlike the structured interviews, semi-structured and unstructured interview is flexible.



In Semi-structured interviews the interviewer will have the list of question but the order of question may not be the same. The order of the question may vary depending on the flow of conversation with the participant in the face-face interview. Not only the order of question is varied in this method, but also the questions are changed from one interview to another depending on the participants (kuada, 2012). This method is flexible as compared to the structured interviews. However, the interviewer has the guideline for the interview but the interviewees are allowed to answer freely in this interview technique.

Unstructured interviews are more informal as compared to the semi-structured interviews. The interviewer does not have prepared list of questions in this method. In unstructured interviews, the interviewer asks the questions and the interview answers it freely and in deep ways. The interview is more like a conversation session rather than question and answer sessions. Thus, this method is used usually to get the deep understanding of the phenomenon being study.

This research has used the semi-structured interview because of its feature and the chosen method of study which is qualitative method. Structured interviews are useful for collecting the data that can be used for the purpose of quantitative analysis. And since this thesis is based on the qualitative analysis and not on quantitative analysis so standardised interviews were not taken while collecting the data to know the motivation and challenges of Nepalese entrepreneurship in Denmark. However, semi-structured interview which is useful for collecting the data that can be used for the purpose of the qualitative analysis is selected while interviewing the Nepalese immigrant entrepreneurs.

Altogether five interviews were taken for the purpose of this thesis. The participant for the interview were chosen from different business background. For example: the participant for the interviews were restaurant owner, remittance owner, and a newly started design and renovation company owner. The name of the business was obtained using the social network as the author himself is also from Nepal so he used his social network to find out the ventures name own by Nepalese immigrant.

The interviews were divided into four parts. The first part was about the immigrant background and reason of immigration. The 2<sup>nd</sup> part was about the business type, costs and size of business. The 3<sup>rd</sup> part was about to know the motivation of starting the venture in Denmark and finally the 4<sup>th</sup> part was about to know the challenges that entrepreneurs are facing to run the business.

All the five interviews were recorded and were taken in the native Nepali language. The author took the interview in Nepali so that the interviewee can answer freely and provide deep information and also will be comfortable to answer as the author of this paper is also from Nepal. Additionally, the author asks for the permission to record the interviews before starting the interviews in all cases.

#### 4.3.2 Secondary data:

Secondary data are those data that are second hand data and is already collected by someone else which means that it is a data that is readily available for the researcher (Hox & Boeije, 2005). Unlike primary data, secondary data are not useful to solve the specific problem of the research. one of the major advantages of secondary data is that it is cheap and less time consuming as compared to the primary data which is very expensive and time consuming at the same time. On the other hand, secondary data can be collected via various sources like government publication, journals, articles, books, company annual reports etc. The databases like springer, Scopus, sage Journal, google scholar were used to find the articles and Journals to gain the knowledge regarding immigrant entrepreneurship. The key words which were used inorder to find the papers were “entrepreneurship”, “immigrant entrepreneurship”, “motivation of immigrant entrepreneurship”, “challenges of entrepreneurship” et cetera. The information which were obtained via these methods were used to develop the theory and knowledge regarding the research topic and also to get insight about the immigrant entrepreneurship in general. However, only primary data were used inorder to answer the research question of this paper.

#### 4.4 Data analysis:

Since all the interviews were recorded by the author of this paper. So, the data analysis was done by listening to the interviews again and again. During the analysis of data, at first the author focused on understanding the motivation behind the entrepreneurship of Nepalese immigrant. Then in the next stage the author focused on analysing and finding out the challenges that they are facing in running their business. Since the author of this paper share the same cultural background and the country of origin with the interviewee so the author has also used his own perception while analysing the data.

#### 4.5 Research quality:

The qualitative research is usually validated on the basis of trustworthiness and authenticity (kuada, 2012).

- Trustworthiness is further assessed with the help of following four dimensions.

##### **a. Credibility:**

Credibility determine the level to which the author has followed the procedure of qualitative investigations. The credibility of the research can be higher by sending the transcripts of the interviews to the participant of the interviewee to confirm that the author has understood the viewpoints of the interviewee in the interview. Thus, the research achieves the higher credibility when the participants of the interview validated the data that the author has collected (kuada, 2012).

During the interview the author has recorded the session by asking the permission of the interviewee so in this case it is not important to transcribe the whole interview session and send back to the participants of the interview to validate the primary data that is collected. Moreover, the interview session was semi-structured so the interviewee was speaking more and saying their stories and thus session were usually more than 45 minutes. Therefore, the credibility of this thesis paper is very high as all the interview sessions are recorded and the author listen to the session again and again inorder to understand the viewpoint of the participants of the interview process.

##### **b. Transferability:**

Transferability means that the author has to provide the detailed account of the context in which the research has been carried out. Transferability will help the other researcher to compare their study with this research so that the future researcher can compare their research with this research and find out the whether their research findings matches with this research or not in the same context (kuada, 2012).

##### **c. Dependability:**

Dependability means that the author of the research has to keep the record of all the level of research process. For instance, interview transcripts, selection of research

participants, notes taken during the interview et cetera. These all will mean that the author of the research have done the research in the prescribed way (kuada, 2012).

**d. Confirmability:**

Confirmability will further strengthen the above mention three criteria.

The confirmability measures whether the author has acted in a good faith while doing the research or not (kuada, 2012). To put it in other words, the intention of the author during the research should be only to know the reality of the research. In other words, the author intention throughout the research should be only to investigate the problem that has been raised during the problem formulation and nothing else.

Thus, the confirmability of this paper is very high as the author tries to investigate only about the motivation of the Nepalese immigrant to do business in Denmark and the challenges that they are facing while running their business.

- **Authenticity:**

This is another criteria to evaluate the paper. The authenticity of the paper refers to the extent to which the research process was fair. This means that whether the author of the research has included the relevant people in the research or not. Additionally, authenticity also depends on whether the viewpoints of research participants is presented in the paper or not (kuada, 2012).

The authenticity of this paper is very high and the research is very original as the author of this research has only interviewed the people who are Nepalese immigrant and they own their own business in Denmark. The author of this paper has interviewed only the owner of the business in order to identify their motivation to do business and the challenges they are facing rather than interviewing non-business Nepalese immigrant. To increase the originality of this research paper, the author has kept all the recordings with him to ensure that the right people were interviewed during the investigation. Additionally, the finding of this paper is based on what the business owner said during the interviews and the author own opinion is kept aside to keep the paper originality higher.

## Chapter 5:

### 5. Analysis and Discussion:

This chapter is divided into four sections. The first section is about the profile of the interviewee participants. This first part focuses on knowing about the background of the participant related to their education level, migration year et cetera and why they migrated to Denmark. The second part of this chapter provides the insight that is related with the business which is about the business type, and the cost that was invested to start the business and finally the size of business in which the information regarding the number of employees the business possessed is mentioned.

And then the author has discussed about the different factors that motivated the Nepalese immigrant to start their business and final section provides the insight into the challenges that the Nepalese entrepreneurs are facing to run their business in Denmark.

#### 5.1 Immigrants Background (profile of interviewee participants):

As it can be seen from the table below that there were five participants in the interview and all of them were from Nepal who are self-employed in Denmark. Out of five participants for the interviews, one was female and the rest of four were male self-employed Nepalese immigrant. All the five participants came to Denmark as a student and thus the visa that they use to come to Denmark were student visa. None of the participants came in work permit visa or green card scheme to Denmark.

The migration year of the participant varies from 2004 to 2008. Therefore, all the participants had spent at least 11 years in Denmark. The shortest time that the participants had spent in Denmark is 11 years and the longest is 15 years. The one who has spent 15 years in Denmark has received the Danish citizenship in the year 2012 and is a building engineer by profession and is running a renovation company. The rest of the three participants have got the permanent residency in Denmark which allows them to work and stay in Denmark permanently. However, one of the participants is still on work permit visa.

Out of five participants, three of them have the Bachelor's degree from Nepal and one has completed master's degree in rural development before coming to Denmark. However, one

came to Denmark after finishing the high school in Nepal. Most of the participants came to Denmark to study the lower level of course than that they have acquired in Nepal which means that none of the participant came for master's degree in Denmark. However, during their 11 to 15 years of stay in Denmark, 3 participants continued their study in Denmark and achieved the master's degree from Aalborg university and the university of southern Denmark in courses like global refugee studies, construction and architect, and marketing. However, two of them did not continue their education further ahead in Denmark and thus the highest level of education that they have acquired in Denmark is Diploma i.e Design technology in text tiles and multimedia.

All of the five participants are living with their wife and kids in Denmark and owns their own home in the capital of Denmark, Copenhagen. Out of five participants, 3 of them have their own car and one said that he still prefers to ride the bike instead of car. All the participants can communicate in Danish language and is able to understand the language but is not fluent to communicate like English. All the participants were in job like cleaning, dishwashing, kitchen helper during their stay in Denmark before they have started their own business.

**Figure4: Immigrants background.**

<b>participants</b>	<b>Year of migration</b>	<b>Highest level of education in Denmark</b>	<b>Highest level of education before coming to Denmark (In Nepal)</b>	<b>Permanent Residence year (current visa status)</b>	<b>Works before starting the business</b>
NP1	2008	Masters in Refugee management.	Master in Rural Development.	2014	Worked in kitchen.
NP2	2007	Master's in Marketing.	Bachelor's in Education.	2013	Worked in kitchen.
NP3	2005	Design Technology in Text tiles.	Bachelor's in Business management.	2016	Travel and tours.
NP4	2007	Multimedia.	Bachelor's in Arts.	Work permit	Worked in kitchen as a cook.
NP5	2004	Master's in engineering.	Intermediate (came during bachelor in Nepal).	Danish citizen since 2012	Worked in kitchen, work in office as an engineer.

**Source: Based on Interviews.**

### 5.1.1 why did the Nepalese immigrants come to Denmark?

Although all the five participants who were interviewed came to Denmark in a student visa, there could be also other reason that drives them to come to Denmark. As out of 5 participants, 3 had already completed their Bachelor's degree in Nepal and one has completed master's degree before coming to Denmark and one was studying the bachelor. After the completion of Bachelor and master's degree in Nepal, all of these five participants came to Denmark for a degree which is lower than that they have acquired in Nepal and thus the author was curious to know what was the reason behind these participants coming to Denmark? Although all the participant came from the same nation, the reasons that they mention during the interview to come to Denmark was different. And the reason that these participants has mention during the interview are stated below:

One of the participants NP1 who is running a restaurant business said that “after the completion of master's degree, I did not see the job opportunity in Nepal. Even though if I find the job, the salary paid would be very low. I was running an NGO in Nepal but due to the Nepalese Civil war also known as “Maoist Conflict”, it became difficult to continue that also and then I thought, I have a young age and it's time to move abroad” (NP1, 2019).

Another participants NP2 who is also running a restaurant and catering business mentioned that “I came to Denmark so that I can earn some money and study also and then will go back to my home country. But when I came here then everything went up and down. I was running a boarding school and I was a shareholder but there was a trend of going abroad and so I also applied and came to Denmark” (NP2, 2019).

A woman participants NP3 who is a running a remittance mentioned that “I definitely came for study only in Denmark because I have already lived two years abroad. But to be honest there was less opportunity in Nepal at that moment because of the Nepalese Civil war also known as Maoist conflict and thus inorder to seek the better opportunity I came to Denmark” (NP3, 2019).

The interviewee NP4 said that “I was successfully running my own business in Nepal but there was a trend to go in Nepal and so I thought let's go abroad and see what happens” (NP4, 2019).



The last interviewee who is a Danish citizen now mentioned that “there are various factor which forces the Nepalese to go abroad, for example the society, the environment around us. We keep on hearing the success stories of people going abroad. There is not a learning environment in Nepal. But if I will go abroad then I will fund my education by working hard and that will motivate to study and this is why I came to Denmark” (NP5, 2019).

From the interviewee response above it is clearly seen that the participants came to Denmark in search of better life and seeking new opportunity which is lacking in Nepal. Due to the poor economic situation of the home country, Nepalese civil war (Maoist conflict), political instability, trend of going abroad for further studies and the societal pressure, the participants move to Denmark so that they can earn better and have a qualitative lifestyle. Apart from the motive to earn money in Denmark there is another reason why these participants move to Denmark and that is the political instability in the country. Because of the Nepalese Civil war (Maoist conflict), the country was not a safe place to live and which forces many people to seek better life abroad. However, 3 out of 5 participants motivation to come to Denmark is a trend of going abroad in Nepal and thus these participants also came to Denmark in the form of going abroad anywhere to follow the trend going on in society.

## 5.2 Information regarding the business: business type, size of business, costs of business.

### 5.2.1 Business type:

Out of 5 participants, three of them are running a restaurant and one of the female Entrepreneur is running a remittance firm and one of the Nepalese immigrants who obtain the Danish citizenship in 2012 is running a renovation and design company. All the three Nepalese restaurant and take away are serving Nepali and Indian cuisine. However, one of the take- away has recently started to do catering business as well and is taking order from the Nepalese community and is doing very well by serving the Nepali community. All the restaurant business and take away major cuisine is Nepali food and also the Indian food. One of the reason that these Nepalese restaurants are serving Indian food is because the culture and food of India and Nepal are similar and it is convenient and easy for the Nepalese owner to prepare and serve the Indian food and also because of the popularity of the Indian cuisine all over the world.

The participant NP3 who runs the remittance firm was started by a student in 2008 is now a full fledged business and the owner of the remittance firm claims to be one of the biggest agent of the reputed money transfer company named “Ria money Transfer”. This business is doing their transaction by sending money from Denmark to Nepal. This is one of the only business among the five business of participants who is doing extremely well in the market and the performance of the business is extremely high as the owner said during the interview that “ sometime there is line of customer in a que outside the office” (NP3, 2019).

The participant NP5 is running a newly started renovation and design company which is carrying the works like designing and renovating the kitchen, works related with bathroom renovation like tiles, floors et cetera. This is newly started firm in 2019 but has already got few projects.

#### 5.2.2 Cost of starting/acquiring business:

The cost of starting the business were relatively higher in the case of restaurant business as compared to the remittance business and the newly started renovation and design company. The participant NP1 who own a restaurant has invested 1.4 million kroner to begin his restaurant which is the highest amount out of 3 restaurant and the takeaway. The other two restaurant and takeaway and catering owner has invested only about 500000 kroner to 600000kroner which is far below as compared to the owner NP1.

In contrast to the highest investment done in the restaurant business, the lowest amount invested was by the remittance owner which is equal to 20000 kroner in 2008. In 2008 the owner used to run the remittance from her home and that is why the investment done in the office material was saved. However, the owner opened the office in Norreport Copenhagen in 2010 and the further investment on office equipment were done which was not stated by the owner.

The cost of starting the newly started renovation and design firm is however low as compared to others which is about 80,000 – 90,000 kroner. The initial investments are only on materials like computer, dresses and other constructions equipment. The owner is running the office from his own home as it is a start-up and that is the reason why the investments is very low in this case.

### 5.2.3 Size of business or number of employees:

One out of five business is a family business and that is the remittance business. The remittance firm owner said that she is running the remittance firm alone by herself and her husband and niece are helping her in the peak season or hour. However, she has two sons and they are too young to help her in the business. Thus, she is the only one running the remittance except some help from family members in peak season. Apart from the owner, she has a Danish accountant who work for her to maintain the book of accounts and taxation at the end of the month. This Danish employ can be regarded as part- timer only.

All the restaurant owner, takeaway and catering owners themselves work for their own business and are self -employed. Moreover, the number of workers these restaurants employed varied from maximum of 4 worker to minimum of 2 workers. All the worker in the restaurant are usually only for part-time and the owner is only working full time in the restaurant. However, the participant NP4 stated that he and his business partner see only outside work and is not involved in the kitchen work directly. Apart from the people working in restaurant, all the three restaurants have accountants who does accounts and taxation for them as a part-time employee. The only business in renovation and design run by the Nepali owner however stated that they do not have fixed people working for them as the business is new. Their business hire people on the basis of contract they get and thus basically this renovation business have occasional workers only. All the restaurant owner has family and kids here in Denmark but none of them are taking any kind of help from their family members. Thus, none of the 4 business except the remittance business have involvement of family members in the business.

All the worker working in the restaurants are from Nepali community only. The reason behind hiring the Nepali worker only is common among all the three owners which states that, it's easy to communicate and work with people coming from the same cultural background and since the cuisine serve in the restaurant are also Nepali and thus it's easy to prepare food by Nepalese worker.

However, one of the participants NP2 states that “it is cheap and easy to hire Nepalese worker” (NP2, 2019).

**Figure5: Business type, size and costs.**

<b>Participants.</b>	<b>Business type.</b>	<b>Establishment year.</b>	<b>Investments.</b>	<b>Number of employees</b>	<b>Nationality of employee.</b>
NP1	Restaurant	2019	1.4 million DKK	Owner +2	Nepali
NP2	Take away and catering	2016	600000 DKK	Owner+4 part-time	Nepali
NP3	Remittance	2008	20000 DKK and latter again in 2010	Only owner and family members	Nepali
NP4	Restaurant	2019	500000 DKK	3+ 2 waiter on weekend	Nepali
NP5	Renovation and design	2019	80000-90000 DKK	Depends on project	Nepali +foreign

**Source: Based on interviews.**

### 5.3 Immigrants Entrepreneur's motivation:

The participants who were interviewed were not motivated by one factor of motivation. In fact, there were many factors that motivated the Nepalese immigrant to start their own business in Denmark. None of the participant had thought of becoming entrepreneur in Denmark. All of them stated during their interview that they had never thought that they will start their own business in Denmark when they first came Denmark as a student. However, after living in Denmark for more than 11 years, they started to think about starting their own business and there are many factors that motivates them to do their own business and they are discussed below:

#### 5.3.1 Independency and autonomy:

Independency and autonomy allow the entrepreneur to have control in their personal and work life. When the individual is working for others then in that case one has to follow the rules set by their superior or boss and is not allowed to take the decisions freely and enjoy their independency. When the individual is self-employed then they are independent and enjoys the freedom of flexibility of working hours and decision making (Edelman, et al., 2010). All the participants who were interviewed were highly motivated by the independency factor except for the participant NP4 who is still working and managing the Indian restaurant along with his own Nepali restaurant. The way NP1, NP2, NP3, NP5 expresses independency as a factor of motivation to be self-employed is described below in their own words:

The participant NP1 stated that “I have to go to work when I was sick also but if I have my own business then I am not forced by anybody to work” (NP1, 2019).

The participant NP2 stated that “I have always had this feeling of working for myself and not for others. No matter whether the business is small or big but I always wanted to work for myself and I do not enjoy working under others. I don't feel pressure when I work for myself. There is different kind of joy when I work for myself. I'm the one who decide whether to open the take-away or not. For example, today I did not feel like opening and I closed it. Initially I used to open from 11 and now I am opening from 4:00 pm, this means I am free to take decisions” (NP2, 2019).

The participant NP3 stated that “I complete the job that is given to me but for me it is very difficult to sit and work under others” (NP3, 2019).

According to NP5 who was working in a five-star hotel states that “I was not happy and satisfied even though I was earning good amount of money there. I have always this thinking of to do something for my own. I cannot go for holiday whenever I want if I work for others. I was tired of waking up at 7 and coming home at 4. I had the same routine and I was bored by that. I was not able to give time to my family” (NP5, 2019).

### 5.3.2 Income security & Financial success:

The financial reason was one of the major motivational factors for the Nepalese immigrant to start their own business in Denmark. Among five participants, three of them got their master’s degree from the Danish universities and other two were bachelor’s graduates from back home but their educational background was non-technical and thus their educational background was not well received in the Danish Labour market. Except one female participant, all of them have been working in different kitchens as cook from long time and one cannot make the huge amount of money from that job and thus, they were induced or driven to make more money by starting their own business. Because of the language barrier and non-technical educational background, they were not able to get the higher level of job and working in lower level job as being a cook or assistant will never let them have enough money to be financially secured and thus, they begin their own business. As one of the participant NP2 says “ If I work for others then I will earn fix amount of money but if I will have my own business then either slowly or fast, there is a hope that I will earn good money in future” (NP2, 2019). This statement from the participant NP2 clearly indicated how he is motivated to make huge money by his own business which he can never make while working for others. Additionally, NP1 also mention that he is motivated by monetary factor to do business.

Similarly, NP5 who is an engineer mention during the interview that he was not getting paid enough as per his capability and if he is able to do his own business then sooner or later, he can make more money in his own construction company. The participant also mention that he quit the job also and one of the reasons to quit the job was less salary and was not happy with the money that he was making in his job.

This clearly indicates how much participant NP5 was motivated to make more money by doing his own business.

However, participant NP4 diverted the question and was not comfortable to answer whether he was motivated by financial factor to do his own business. However the author of this paper clearly sees that NP4 is motivated by monetary factor because he is still working in an Indian restaurant as a chef and still he is doing a part-time business by investing money and that cannot be only to make the Nepalese food known in Denmark as said by the participant NP4. However, the participant NP3, who is the only female participant and whose business is more successful as compared to others mention that she has never thought that she will reach to this position where she is now from her business. She started her business so that she can be independent and do not have to work for others but she did not started this business thinking that she will make more money from the business. However, she did not denied of being motivated by the monetary factor as well.

### 5.3.3 Language barrier:

The language barrier is the mostly seen disadvantage for an immigrant in the Danish market which pushes the Nepalese immigrant to pursue entrepreneurship. Out of 5 participants who were interviewed, three of them is highly educated and holds a master's degree. Despite having the master's degree, they were not able to get the official job as per their education after their graduation and which forces them to be self-employed rather than working in the lower level jobs like cleaning, dishwashing, kitchen assistant et cetera.

According to NP1, he applied in many jobs and even were called for the jobs but because of the poor command over the Danish language, he was not able to get the job.

The participant NP2 stated that "I applied in few job vacancies but I knew that I will not get the job as per my language command in Danish. No matter what, we cannot be fluent in Danish language. Then I got demotivated because of my own poor language skills and I quit on hunting white collar job and started to work whatever I find" (NP2, 2019).

On the contrary to participant NP1 and NP2, the participant NP5 stated that he was not able to get the job before he started his own business because there was no job opportunity in the market. Since he is an engineer by profession, so he did not feel that language was a barrier to

get the job and worked as a cook in some kitchen in Denmark. This implies that participant started his own business as a result of unemployment in the engineering field in the market. Moreover, participant NP3 and NP4 did not apply for the job because of their lower education level in Denmark instead of language barriers.

#### 5.3.4 Ego satisfaction:

Ego was the motivational factor which was found in the participant NP1 and participant NP5. As the participant NP1 who was working as chef for some Pakistani owner starts to feel and have a sense of pride in his own work. The participant NP1 mention during the interview that if he can cook and manage the entire restaurant for others then why not for himself. The participant NP1 clearly states that “if I can do for others then why not for myself” (NP1, 2019) and thus started his own restaurant to satisfy his ego of running his own business.

Another participant NP5 develop a sense of ego from the company where he worked as an engineer after his master’s degree. The participant NP5 mention that the owner of that company was a marketing student and then he got motivated from that company’s owner. The participant NP5 mention that “if a marketing graduate can run a construction company, then why not me? As an engineer I have the skill and ability to run my own company. If he can do it then I can do it too” (NP5, 2019).

Thus, both of the participant has ego that if they can do for others then they can do for themselves as well and because of this ego and self-pride leads both the participant to start their own business. However, this factor was absence in all the other three participants.

#### 5.3.5 Community and social motivation:

This is the factor which arises to contribute to the community and society where the entrepreneur belongs. As a Nepalese immigrant in Denmark the participant NP4 mention that he wanted to contribute to the Nepalese community by providing Nepalese cuisine foods in a lower price and also to make the Nepalese food known in Denmark. He is very happy and



satisfied in his recent job but the only thing that motivates him to start his own restaurant is to serve Nepali community by serving food at a lower price. The participant also mention that he tried to serve Nepalese customer from the recent restaurant where he is working but his owner did not allow him to make Nepalese cuisine because these food has to be sold at a lower price and thus this factor motivates the participant NP4 to start his own restaurant as a part time business which serves Nepalese food. This enthusiasm and motivation to do something for the Nepali community in Denmark was found only in participant NP4.

Apart from the above mention motivations of immigrant entrepreneurship, this research paper has found some new finding in the case of Nepalese immigrant entrepreneurship in Copenhagen which are stated below:

#### 5.3.6 Development of Unique knowledge and skills:

Out of 5 participants, 3 of them are restaurant owner. All the 3 participant NP1, NP2 and NP4 came to Denmark as a student and to support their education they started to work in kitchen as dishwasher and as the time passes on they started to cook and later on became an expert in cooking and started to work as a chef. Looking back to the background of this participant reveals that they have been staying in Denmark for more than 11 years and over this time period they gain very good knowledge and skill of cooking. This knowledge of cooking is unique for the Nepalese immigrant because none of them were the student of cooking or hospitality management. They developed this knowledge during their stay in Denmark while studying and supporting their education themselves. After the possession of the unique knowledge of cooking, these participants started to think to exploit their knowledge of cooking in for their own business instead of working for someone else. Thus, they saw the opportunity to utilise their skill and went on opening restaurants and they also saw the opportunity to serve Nepali food to Danish market which will be completely new to Danish market.

#### 5.3.7 Peer pressure:

After the attainment of university level of education in Denmark, there is always a kind of pressure from the family members and relatives to do the white- collar job. However, because of the language barriers in Denmark, these immigrants are not able to find the job in office and are forced to work in the floor level job for the survival. There is a tremendous amount of

pressure from the friends, family members and relatives while working in the floor level jobs because if these immigrants return back to their home country Nepal, then they can easily get the white-collar job. And therefore, the only way to overcome the peer pressure is to do their own business so that they can proudly say that they are self-employed and running their own business as an owner. Thus, peer pressure is also the factor that motivates the Nepalese immigrant to their own business.

#### 5.3.8 Self-esteem and not losing face:

All the works are equal in the western society and people are respectful towards all kind of work whether it be the floor level job or the white-collar job. However, the scenario is totally different in the Nepalese context because people with no education are only doing the floor level job in Nepal. However, the Nepalese immigrant who are university graduates have to do the same job in Denmark which the illiterate is doing in Nepal. These immigrants feel disrespectful while working the floor level job and also are worried of losing their face in the community while working as the dishwasher and cleaner or cook assistant. Thus, to have self-respect among the family and friends, the Nepalese immigrant start their own business to protect their face in the community.

#### 5.4 Challenges or problems Entrepreneur are facing:

There are many challenges that the Nepalese business are facing which ranges from capital accessing in the beginning to hire and manage people to work after the establishment of the business. For any business to succeed, flow of customer is very vital and thus these Nepalese entrepreneur faces the challenge of not getting enough customer because of lack of social network in a completely new business environment with Danish language skill as an another major challenge because of which information access becomes complex and as business is not free of competition and thus these Nepalese business also face the competition which are all explained in detail in this part of this paper:

##### 5.4.1 Access to capital:

Access to capital is one of the challenges that the Nepalese immigrant faces before starting their business. Access to capital were a challenge for only participant NP1, NP2 and NP4. The participant mention that bank does not give loan to the immigrant to start their business because of lack of collateral to present at the bank. Therefore, all of the 3 participants had used their own saving and some of them has also taken help from their friends to acquire the required capital. Taking help from their friends is the informal way of raising capital in the immigrants groups and might be in the form of loan which they did not reveal during the interview. The participant NP1 whose investment is higher among all the 5 participants has used all his saving to start the restaurant and he also mention that he was able to save enough money because he had to never send money back to Nepal to his parents. The data from the in-depth interview reveals that all the three participant has a strong family background in Nepal and because of which they did not have to send money to Nepal to their parents and ultimately all of them were able to save enough money before they start their business. However, access to capital was not a challenge for participant NP3 and NP5 because of lower investment in their business.

##### 5.4.2 Attracting customer/ lack of social network:

This is one of the major challenges that all the participants are facing while running their business except the participant NP3. All the three restaurants business are serving Nepalese and Indian cuisine but their major customers are Danish customers or any other European or non-Nepalese customer because of the price factors and eating habit. The interviewees also

reveal that Nepalese prefer to eat more at home rather than coming to restaurant. Thus, their business relies more on local customers and attracting local customers are very difficult because of the lack of social network in the Danish Community. The participant also reveals that when a native start the business then in that case they have the advantage of having strong networks of family and friends which helps their business to have word of mouth advertisement which lacks for the immigrant. In the case of Nepali immigrants business they have strong network in their own community only but serving only to the Nepalese community cannot help to sustain their business because of lower number of Nepalese living in Denmark. Thus, attracting the non-Nepalese customers are major challenge for Nepalese business in Denmark. The participant NP5 also faces the same challenges as the other 3 restaurant owners. However, at present the participant NP5 is focusing only on Nepalese customers and he also mention that in the construction and design business there are some agents via which he can get projects after payment of certain charges. Thus, the participant NP5 did not consider lack of network would leads to less flow of customer in his business but would costs some extra expense to the business.

However, the participant NP3 business is money transfer so their potential customers are Nepalese only and because of strong social network in Nepalese community, NP3 business do not face any challenge regarding attracting the customer. The remittance owner mention that her business is based on trust and none of the Nepalese will go to other money transfer to send money back home via non- Nepalese agent. Moreover, the biggest threat to the remittance business depend on the lower flow of Nepalese coming to Denmark.

#### 5.4.3 Danish language:

Another challenge was the Danish language. None of the 5 participants are fluent in Danish language. Lack of fluency in the language of the country of residence pose a big challenge for all the business owners except for the participant NP3 and NP5 whose all customers are Nepalese only. Lack of Danish language skills create communication barrier with the customer which results in poor customer handling relation. For instance, the participant NP2 states that because we cannot communicate with the customer in Danish so taking feedback becomes difficult sometimes. Similarly, the participant NP4 reveals that, even though all the Danish customer have better command over English language as compared to the Nepalese but the satisfaction level would be great if we could communicate better in Danish language with the

customers and tell them about the Nepalese food in Danish language rather than explaining in English.

The participants reveal that handling the relation with the customer is not only caused by the lack of Danish language skills but also acquiring the information related with business is also tough because of the poor language skills. Some time it becomes difficult to acquire small information because of language barriers. Most importantly acquiring the information during setting up the business is very challenging because of many documentation and paper works and thus these owners hire a lawyer to set up their business which is not free of cost and added an extra cost to their business.

#### 5.4.4 Competition:

This is another major challenge that the interviewees stated. The participants state that they face competition from similar kind of business being run by non- Europeans. This means that this restaurant business does not face competition from Danish restaurants. However, their competitor are Indian restaurants, Pakistani restaurants and others whose focus is on food from their respective country of origin. The participants mention that they do not face competition from their co-ethnic business. None of the participant mention that their competition is among Nepalese business owners. The participant NP1 states that his competition is from the Durum makers, swarm makers and Thai Business et cetera.

#### 5.4.5 Keeping the price down:

Keeping the price of the food lower is another challenge faced by the Nepalese immigrant. According to the participants there are certain standard of food which have to be met in Denmark and when they tried to meet those standard then in that scenario the price of food rise. Additionally, the participants mention that the production and preparation time of Nepalese food takes more time and this increases the costs to the food and it is hard to even get the minimum profit. The participant also mention that this is the reason why it is difficult to sell the food to Nepalese because they expect the food price similar to that of Nepal and thus sometime the food that they serve has the same production and selling price. Thus, keeping the price of the food lower is a major challenge to the Nepalese restaurant owners.

The price competition that the participant NP5 face is from the polish construction and design company. According to the participant NP5, the polish owners brings the material from Poland in cheap price and thus they work at a lower price which is very hard to meet for him. The participant also mention that his competitors work at a lower per hour wages than he can afford and this is a major threat for his business. The participant NP3 claims that her money transfer business did not have any competitor till date.

#### 5.4.6 Recruiting and managing employee:

Recruiting the employee to work in a restaurant is another challenge mention by the restaurant owner participant NP1, NP2 and NP4. The participant NP3 do not have any employee and NP5 have people to work based on the projects which means that his business did not have fixed people to work. However, the participant NP1 mention that it's very hard to find the Nepalese cook who have proper cooking skills. The participant NP4 reveal the problem he faced while not getting dishwasher for his restaurant at some point and he had to do it by himself. The participant NP2 does not face as much problem as compared to NP1 and NP4 in relation to hire people to work for their restaurant.

The in- depth interview reveals that, one of the major reasons of not getting people to work sometime is because of low payment by the Nepalese owners which they do not want to say during the interview. Most of the Nepalese who work for these restaurant owners are student only and they do not have skills to cook and these restaurants owners cannot afford to hire people who have skills because skilled employee demand high payment. Additionally, these small restaurant owners do not have better business performance which could afford skilled employee and thus employee keeps on changing because of lower payment and ultimately sometimes they do not have people to work for. The Nepalese business owner stated during the interview that they did not use their family member as a labour force in their business except in once case of NP3 who deals with money transfer business.

## 5.5 Discussion:

The main objective of this thesis is to identify the factors that drives the Nepalese immigrant to do their business in Denmark and also to analyse the challenges that these entrepreneurs are facing.

After reviewing the literature on immigrant entrepreneurship, the author of this paper came to the understanding that Nepalese immigrant entrepreneurship belongs to the ethnic entrepreneurship which are usually small and medium size business owned by the immigrants. Literatures on immigrant entrepreneurship says that ethnic entrepreneurs often run their business with the help of family members. However, in the case of Nepalese immigrant, they often run their business with the help of co-ethnic worker rather than their own family member.

The paper has also described about the theories of immigrant which are ethnic enclave theory, labour disadvantage theory and the cultural theory. Ethnic business usually begins when the entrepreneur starts serving the other member of the same ethnic community and this holds true in Nepalese immigrant entrepreneur as all the business of Nepalese immigrant are based on Nepalese food and to serve the people of own ethnic community. Additionally, ethnic business is usually succeeded only in the case when the large ethnic groups lives in a geographically dense areas and in Nepalese case, Nepalese are scattered all over Denmark and these business are only in Copenhagen so they do not get enough Nepalese customer and thus business are facing the huge challenge of not getting enough customer for their business and also the population of Nepalese immigrant living in Denmark is very low. Thus, ethnic enclave theory does not apply in the case of Nepalese immigrant entrepreneurship because there is a lack of sufficient number of Nepalese to form an ethnic enclave which can support the Nepalese business.

The disadvantage theory states that immigrant pursue entrepreneurship because of the disadvantage in the labour market among the native born. The disadvantage may arise from various sources in the labour market which induces an immigrant for the self-employment. The disadvantage for an immigrant in the labour market can arise from the poor human capital and also because of the discrimination by the host society. In the case of the Nepalese immigrant labour disadvantage theory holds true as the participants who were interviewed mention during the interview that how lack of Danish language skills hinders them to get the white colour job

and ultimately, they have to work on the floor level job. Thus, disadvantage in the market due to lack of host country language pushes the Nepalese immigrant to do their own business.

Cultural theory which states that immigrants are more inclined to take risk and is dedicated to do the hard work holds true in the case of Nepalese immigrant entrepreneurship as all the participants attitude towards risk were found high while interviewing. The participants mentioned that they have taken the risk of doing business because success rate among the immigrant business is very low. Knowing that the immigrants are not succeeding in business and still doing business shows the Nepalese immigrant attitude is inclined towards risk taking. As one of the participant NP1 also mention during the interview that “I came with one suitcase to study here and even if I will not succeed in my business then I will not regret because I have earned this money here but I wanted to experience once by taking risk” (NP1, 2019).

The literature reviewed on motivational factors that drives the immigrant to pursue entrepreneurship conforms in the case of Nepalese immigrants as well. However, this paper has added new findings on factors that drives the immigrant to pursue entrepreneurship like peer pressure, development of unique knowledge and skills, and the fear of not loosing face in the community. The Nepalese immigrants have the pressure to do white colour job after achieving the university level of education in Denmark but because of the language barriers they are force to be on the floor level job and thus to overcome the pressure from family and friends back home, they start to do their own business so that they can proudly say that they are doing business and protect their face in the community. Additionally, the Nepalese immigrant develops the unique knowledge of cooking skills while working part time as a student and this factors also drives them to later on open their own restaurant to utilise the knowledge and skills they have acquired which is not found in the literature on immigrant entrepreneurship.

The challenges that the Nepalese entrepreneur faces while doing business were similar to that of the challenges that has been found in the existing literature on challenges of immigrant entrepreneurship. However, there are some new dimension in the case of Nepalese immigrant entrepreneur. For instance, the literature says that immigrants often faces the problem of accessing to capital because the money that the immigrants make are sent back to their family back to their country of origin to pay the cost with which they have come but in the cases of Nepalese immigrant, the participants mentioned that they do not have to send the money back



home because of strong family background back home. Thus, accessing to capital was not that difficult in the case of Nepalese immigrant as compared to other immigrants. Lack of social network in the country of residence is a major challenge for the immigrants because of which it is difficult to attract the local customer and this was found in the case of Nepalese immigrant too which is similar to the existing literature on immigrant entrepreneurship. Lack of language of host country is also a challenge to the immigrant and so is the case with the Nepalese immigrant but the literature says that immigrant often acquire the information related with the business from their people of same community but the in the case of Nepalese entrepreneur, these owners hire the lawyer to often start their business because of poor language skills which is a new dimension in the case of Nepalese immigrant. Additionally, the existing literature on immigrant entrepreneurship says that immigrant faces the competition from their co- ethnic people because of lower cost of entry. However, the finding of the Nepalese case posits that, Nepalese faces the competition from immigrants of other ethnic community like Indians, Pakistanis, Thai et cetera because of low number of Nepalese immigrants doing business in Denmark. Recruiting and managing the affordable workforce was also the challenge for the Nepalese immigrant which is similar to the challenges found in the existing literature. However, keeping the price of the food lower is another major challenge that is found only in the case of the Nepalese immigrant. The time taken to prepare the food is longer and this increase the labour costs which ultimately increase the costs to the food and because of which it is difficult to get the consumers of own ethnic group. Thus, keeping the price of the food lower is also a major challenge found in the case of Nepalese immigrant which is not found in the existing literature on immigrant entrepreneurship. Thus, this research paper has confirmed the existing literature on immigrant entrepreneurship and also added some new finding like peer pressure, development of unique knowledge and skills, and self-esteem as the motivating factors to do entrepreneurship. When the author of this paper was looking for existing literature on immigrant entrepreneurship, then the author did not find any literature on Nepalese immigrant entrepreneurship despite the fact that number of Nepalese living abroad is increasing and thus the author of this paper tried to fill up that research gap by doing a research on Nepalese immigrant entrepreneurship.

## Chapter 6

### 6. Limitation and Recommendation for future research:

Every research has some limitation and so does this research. While doing this research the author faces the problem of collecting the name of the venture because there is no official information available on the number of Nepalese doing business in Denmark. Thus, the author of this paper has to rely on the information gathered through the social network on who is doing their business and where. The author has to make several calls and meet to Nepalese diasporas in Copenhagen and obtain the information of people doing business which was very time consuming. Thus, the number of cases presented in this thesis is based on information gathered through the social network and the author is aware of the fact that there might be other Nepalese entrepreneur as well to whom the author could not reach apart from the five cases mentioned in this thesis paper. Since the whole research is done on the primary data that is gathered via interviewing the entrepreneur, so it cannot be said that the information that the participants gave are not biased.

Since, this research on immigrant entrepreneurship in the case of Nepalese immigrant was done in Denmark. The same research can be done in the case of Nepalese immigrant doing business in other parts of the world like USA, Australia and other parts of Europe where number of Nepalese doing their own business are higher. Thus, this study can be compared with the future research done on Nepalese immigrant in any other country than in Denmark and compare and contrast the result taking this paper as the basis.

## Chapter 7

### 7. Conclusion:

This research was about the immigrant entrepreneurship. The case was about Nepalese immigrant entrepreneurship in Denmark. The main objective of this thesis paper was to investigate the various factors or reasons that drives the Nepalese immigrant to do their own business in Denmark instead of working as an employer. Business environment is never free of challenges and it is surrounded by various challenges. In the case of immigrant entrepreneurship, these challenges are even more because of the fact that the immigrant entrepreneur operate their business in a completely new business environment and thus this paper also identified the challenges that entrepreneurs are facing in country of residence.

There are very few Nepalese immigrants who are doing their own business in Denmark as compared to other immigrants. Most of the business these immigrants are involved in are the restaurant business. And thus, this paper also investigated three restaurants owner and to include the different types of business in the case, the author has also chosen one money transfer and one renovation and design company to have variety of business in this research. Inorder to investigate the motivation and challenges of Nepalese immigrant entrepreneur, primary data was gathered via semi-structured and in- depth interviews. This conclusion part is divided into two section:

Firstly, the author wanted to investigate main motivation to become an immigrant entrepreneur. As per the investigation and analysis carried out by the author of this paper, there are several factors that motivates the Nepalese immigrant for entrepreneurship. Independency and autonomy was one of the major factor that drives the Nepalese immigrant to pursue their own business rather than working for others. Moreover, the university level of education of the Nepalese immigrant are not well received in the Danish market because of the poor command over the Danish language and this forces the immigrant to work in the floor level of job from which they are not able to make enough money and thus financial success and language barrier also motivated the Nepalese immigrant to do their own business so that they can make more money and be financially stable in Denmark via their own business. Additionally, the Nepalese immigrants are also motivated by their own ego and pride of doing something by themselves. Thus, ego satisfaction was also a motivating factor. However, the social motivation to do

something for the Nepali community in Denmark by providing food at lower price and making the Nepalese food known to the Danish market is also the motivating factor that drives the Nepalese immigrant to pursue their own business.

Apart from the above mention motivating factor, some new motivating factor like peer pressure, development of unique knowledge and self-esteem/ not losing face are found in the case of the Nepalese immigrants. The Nepalese immigrants being the university graduates, they are forced to work in the floor level jobs like cleaning, washing and cooking which is different than the education that they have acquired in the university. And while working on the floor level jobs, these immigrants receives tremendous amount of pressure from their family and friends back home to do white collar job of their own field. Since the immigrant are not able to find the white- collar job so they start their own business to overcome the pressure from their family and friends and relatives. Similarly, there is a fear of losing face in the society while working in the floor level job and thus, self-respect and not losing face is another motivating factor that drives Nepalese immigrant to do their own business.

Secondly, the author wanted to investigate the challenges faced by the Nepalese immigrant entrepreneurs. The findings show that the Nepalese immigrant faces the problem to access the required capital to start their business and therefore they use their own saving and also obtain the fund from their friend circle in the Nepalese community. Raising the capital to start the business was not only the challenging task for the Nepalese entrepreneur but getting enough customer to run the business is one of the major challenging factors for the Nepalese entrepreneur in Denmark. As the Nepalese restaurant business serve the Nepalese food and because of low number of Nepalese living in Denmark and lack of social network with the local customer, these restaurants are not able to get enough customer. Thus, lack of social network and low number of Nepalese in Denmark is another challenging factor. Moreover, lack of fluency in Danish language becomes another challenging factor for the entrepreneurs. Lack of Danish language leads to poor customer relationships and also becomes challenging to acquire information related with business and this is why all the Nepalese owners hired a lawyer to acquire the information while starting their business which comes with an additional cost to their business.

The next challenging factor found in the case was the competition but the competition was not from co-ethnic or local Danish business but with the Indian, Pakistani and Thai business who

are in the same restaurant business with the food from their country of origin. Another major challenges for the entrepreneurs were the competition of price in restaurant business because the production time taken to make Nepali food was long and when worker are paid on hourly basis then the price of food rises and thus keeping the price lower was a challenging task because sometime they cannot even meet the production price. Price competition was also seen in renovation and design company case. The finding of this paper also shows that the Nepalese entrepreneur faces the problem of recruiting labour as their business do not take help from their family members and hiring the local turns to be expensive for the Nepalese owner and that is why they hire Nepali worker only at a cheap price. When the Nepali worker find the better payment somewhere else, they leave the previous one and that is why recruiting and managing labour is a challenging task for the Nepalese entrepreneur in Denmark.

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