

SOMALI DIASPORA

- Entrepreneurial Landscape in Denmark



Master' s Thesis in MSC. International Business

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Abstract

This master thesis delves into the entrepreneurial landscape of the Somali diaspora in Denmark, focusing on the critical role of cultural, social, and institutional factors in shaping their success. The research addresses the question: *"How do cultural, social, and institutional factors shape the success of Somali diaspora entrepreneurs in Denmark, and what are the key dynamics that influence their success compared to other immigrant communities?"* Through detailed interviews with key figures such as Nouradiin S. Hussein, Mahad Yusuf, and Abdirahman Mohamud Idle, the study uncovers significant challenges faced by Somali entrepreneurs, including systemic racism, financial barriers, and educational hurdles. The findings highlight the importance of better access to capital, community-based support systems, and tailored educational programs. The research also contrasts the experiences of the Somali and Turkish communities, noting that Turkish entrepreneurs benefit from established social networks and stronger cultural integration, contributing to their relatively higher success rates. This study contributes to the understanding of diaspora entrepreneurship by integrating social capital theory, cultural theories, and economic theories, and offers practical recommendations for policymakers to develop more inclusive support mechanisms. Future research should expand the scope to include a diverse range of immigrant communities and explore the long-term impacts of tailored support programs.

Keywords: Somali diaspora, entrepreneurial success, cultural factors, social integration, institutional support, Denmark, immigrant entrepreneurship, systemic barriers, community networks.

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1.Introduction

In recent years, Denmark has become a vibrant patchwork of entrepreneurial initiatives, with diverse diaspora communities playing a significant role in enriching its business landscape. The Danish market emerges as a pivotal stage for diaspora entrepreneurship, in the evolving panorama of international business. The exploration of entrepreneurship within diaspora communities, unveils a multifaceted narrative of different factors, such as cultural assimilation, resource mobilization, and policy interaction (Elo, Minto-Coy, & Networks, 2019).

The entrepreneurial endeavors of diaspora communities have gained prominence, as the world becomes increasingly interconnected. In Denmark, the diaspora communities exhibit a wide spectrum of participation in entrepreneurial ventures, underscoring the diversity within these groups and illustrating that they are anything but monolithic. The diaspora entrepreneurship in Denmark, is characterized by a notable divergence, where some groups demonstrate exceptional achievements, are there others that appear to contend with a complex array of systemic and community specific hurdles (Elo, Minto-Coy, & Networks, 2019).

To understand Denmark's diverse diaspora entrepreneurship communities, it transcends the mere recognition of economic activity, and it demands a deep dive into the cultural, social, and psychological intricacies that mold the entrepreneurial experiences of various immigrant groups. The exploration is pivotal, as there exists a pronounced disparity in entrepreneurial success among these communities, a phenomenon that is not sufficiently illuminated within the existing body of research, which therefore creates a gap in the literature and highlights the importance of this master thesis research to address these gaps and contribute to the field (Elo, Minto-Coy, & Networks, 2019).

2. Research area

This chapter will clearly outline the research question and aim, helping the reader grasp the importance of the study. These elements are crucial as they form the foundation of the entire research project.

The study centers on the significant discrepancy, aiming to excavate the deep-rooted factors that underpin the varying degrees of entrepreneurial involvement among immigrant groups in Denmark. This raised the fundamental question of why certain diaspora communities are more successful than others in embracing entrepreneurial opportunities, and what institutional forces contour these varying trajectories. Additionally, it examines the relationship between the cultural mindset of immigrant populations and the institutional structures that either facilitate or hinder their entrepreneurial pursuits.

The exploration of diaspora entrepreneurship in Denmark engages with the multifaceted experiences of foreign entrepreneurs, in accordance with the micro-level discussions of psychological well-being and the individual entrepreneurial journey, and the meso-level business model innovation within familial and organizational contexts (Turcan & Fraser, 2018). The journey of diaspora entrepreneurs, can also be shed light on in accordance with the macro-level perspectives, including the national system on entrepreneurship and the ecosystem perspective, in underscoring the role of institutional support and policy in facilitating or hindering entrepreneurial success (Turcan & Fraser, 2018).

Embarking upon the exploration of entrepreneurship within diaspora communities unveils a multifaceted narrative of cultural assimilation, resource mobilization, and policy interaction. This master thesis examines the divergent entrepreneurial trajectories among different immigrant groups in Denmark. The focus will be on the Somali diaspora entrepreneurs, but contrasting the Turkish community's apparent success with the challenges faced by the Somali diaspora will appear in the discussion. These variations in entrepreneurial success raise profound questions about the root causes of such disparities and the effectiveness of institutional support mechanisms.

From a broad vista, the concept of diaspora entrepreneurship opens avenues to study the interplay between migrant cultural heritage and the host country's economic landscape. As discussed in the scholarly contributions from Turcan and Fraser (2018) on multidisciplinary perspectives in entrepreneurship, this research delves into micro-level individual entrepreneurial behaviors, extending to macro-level implications of national systems and policies on diaspora ventures.

Central to this inquiry is an examination of the psychological and sociocultural fabric that differentiates the diaspora communities. The psychological well-being theory suggests that an entrepreneur's quality of life and mental health are predictive of their entrepreneurial activity. This theory may provide insights into the internal resources and collective spirits driving the Turkish entrepreneurial ethos, compared to the reported internal discord within the Somali community, which may hinder their entrepreneurial unity and success.

At the meso-level, business model perspectives highlight the necessity of aligning entrepreneurial processes with the creation of useful business models. Organizational theories suggest that team dynamics and relational characteristics are critical in new venture creation, a potential area where the Somali diaspora might face obstacles (Elo, Minto-Coy, & Networks, 2019).

Moving to the macro perspective, this research will also scrutinize the role of Danish government policies and their implications on diaspora entrepreneurship. Institutional theory proposes that formal institutions, through policymaking, can both support and sabotage entrepreneurial activities. By examining the Danish government's measures, such as integration policies and regulations specific to business creation, this thesis will investigate whether these institutional efforts are indeed fostering an inclusive entrepreneurial environment or if they inadvertently contribute to the disparities observed between different diaspora communities (Elo, Minto-Coy, & Networks, 2019).

In sum, this master thesis aims to trace the contours of diaspora entrepreneurship in Denmark, which will shed light upon the successful integration and involvement of the Turkish community in entrepreneurial activities against the challenges faced by the Somali diaspora. By dissecting the influence of internal community resources, cultural dynamics, and external support systems, this research endeavors to uncover the root issues that shape the entrepreneurial landscape for immigrants in Denmark.

With an overarching aim to contribute to the discourse on diaspora entrepreneurship, this study will critically analyze the Danish government's policies, dissecting their efficacy in nurturing an ecosystem conducive to immigrant-led business ventures. It will offer a nuanced understanding of the intercultural challenges, socio-economic barriers, and institutional support mechanisms that shape the entrepreneurial landscape for diaspora communities in Denmark. By integrating the theoretical frameworks and empirical evidence drawn from the scholarly works, this research will endeavor to shed light on the multifaceted roots of entrepreneurial disparity among immigrant communities in Denmark and propose recommendations for policy enhancements that could level the playing field for all diaspora groups striving for entrepreneurial success.

2.1 Problem formulation

Within the framework of diaspora entrepreneurship in Denmark, a pressing issue arises concerning the varying success rates among immigrant communities. This research scrutinizes the complex tapestry that influences diaspora entrepreneurs as they integrate into the Danish business environment. To identify these issues, the problem is rooted in the understanding that these variations not merely stem from individual entrepreneurs' desires, but also arise from the interaction among cultural backgrounds, diaspora network structures, and the support or restrictive characteristics of institutional frameworks.

The study aims to uncover the root causes of the varying entrepreneurial outcomes among diaspora communities. It will explore the underlying reasons for the success of certain diaspora communities, and the challenges and struggles faced by others. Acknowledging the impacts of

cultural attributes, shared psychological dynamics and the extent of encouragement or hindrances provided by the institutional and policy structures in Denmark.

2.1.2 Research question

To explore the dynamics of diaspora entrepreneurship in Denmark and its implications for foreign diaspora businesses, the following research question is formulated. The research question aims to address gaps in the existing literature and guide the study towards a comprehensive understanding of the entrepreneurial landscape among immigrant communities in Denmark.

How do cultural, social, and institutional factors shape the success of Somali diaspora entrepreneurs in Denmark, and what are the key dynamics that influence their success compared to other immigrant communities?

The study aims to delve into the multifaceted narratives of diaspora entrepreneurship in Denmark, highlighting the diverse experiences and challenges faced by immigrant entrepreneurs. By focusing on the Somali diaspora entrepreneurs, but also contrasting experiences of the Turkish and Somali diasporas, the research seeks to uncover the underlying factors contributing to variations in entrepreneurial success within these communities in the discussions. Additionally, the study aims to analyze the role of institutional support mechanisms in shaping the entrepreneurial landscape for immigrant communities in Denmark and explore potential strategies for enhancing support and fostering inclusive entrepreneurship.

2.2 Motivation

The motivation for this master thesis is first and foremost deeply personal, and stems from the researcher's personal observation of diaspora resilience and entrepreneurship. A narrative mirrored in countless diaspora stories worldwide, likewise my parents' immigrant journey from Somalia to Denmark, with nothing but hope. They faced many challenges and barriers, like

absence of support network, language barrier and culture difference, but they managed to trump them and open a business. My parents' success story, emerging from their challenges in the beginnings, presents a striking difference to the broader Somali community's struggles within Denmark's entrepreneurial landscape.

This contradiction, presents and highlights a community-wide challenge, which sparks a curiosity about the roots of these outcomes within the Somali diaspora community. Motivated by a connection to my own familial background, I aim to delve into the Somali diaspora's landscape, exploring the complex network of hurdles they encounter.

The contrast in entrepreneurial success between the Somali community and other diaspora counterparts, like the Turkish community in Denmark are also very crucial. Identifying the foundational elements that hinder their business ventures and exploring potential solutions for overcoming these obstacles.

2.3 Scope

To ensure a thorough and in-depth analysis, the scope of this research is intentionally limited to certain predefined boundaries.

This research specifically aims to investigate the factors shaping diaspora entrepreneurship in Denmark, focusing on the entrepreneurial journeys of Somali communities. Additionally, it will examine the divergent entrepreneurial paths of the successful Turkish community for comparison.

The study seeks to uncover the root causes of the varying levels of entrepreneurial success, among the diaspora groups, considering factors such as cultural dynamics, internal community resources, and institutional support mechanisms.

The scope of this research includes an analysis of the psychological and sociocultural factors that differentiate the Somali community approach in Denmark. An examination of the meso-level dynamics within diaspora entrepreneurship, including business model and organizational characteristics. There will also be an evaluation of the Danish government's policies and their implications on diaspora entrepreneurship, with a focus on their effectiveness in fostering an inclusive entrepreneurial environment. This will lead to an identification of intercultural challenges, socio-economic barriers, and institutional support mechanisms. This will help us understand the entrepreneurial landscape for diaspora communities in Denmark.

While this study provides insights into the entrepreneurial experiences of the Somali and a bit of the Turkish communities, it does not extend to a broader examination of additional immigrant groups or entrepreneurial ventures beyond the scope of diaspora entrepreneurship in Denmark. Additionally, the research does not delve into macro level discussions of national systems or policies beyond their direct relevance to diaspora entrepreneurship.

3.Literature Review

In this chapter there will be presented a comprehensive literature review, which is a review of already existing research that is relevant to this topic and study area. A literature review is a crucial part of any research projects, as it critically helps with evaluating both past and current studies. This will help by identifying any gaps in the knowledge base, which provides a clear justification for the new research and guiding the formulation of research questions aimed at addressing these gaps. Additionally, will this review clarify and define key terms according to the Somali diaspora entrepreneurs in Denmark, which will be used throughout the study, ensuring a solid foundation for understanding the whole research context.

3.1 Diaspora Entrepreneurship

Diaspora entrepreneurship refers to the entrepreneurial activities undertaken by individuals who are part of a diaspora. The meaning of this is they have migrated from one country and are maintaining strong ties to their homeland. These entrepreneurs have more leverage and a more unique position because they draw resources, knowledge, and networks from both their country of origin and their host country to manage and create business opportunities. The form of this entrepreneurship is important as it contributes to economic development, cultural exchange, and innovation in the home and host countries (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

In the global context, diaspora entrepreneurship has become an important and powerful force that drives both economic integration and international business together. An example of that, is that the diaspora entrepreneurs in many instances introduce new products and services to their host countries, which led them into tapping niche markets and creating job opportunities. In Denmark,

diaspora entrepreneurship plays a significant role in enhancing economic integration and diversity, contributing to the country's multicultural and inclusive business environment (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

3.2 Historical Perspective:

The concept of diaspora entrepreneurship has evolved notably over the past years. Historically diaspora communities have consistently engaged in entrepreneurial activities, leveraging their cross-border connections to facilitate both commerce and trade. Nonetheless, it's only in recent decades that the formal recognition and academic study of diaspora entrepreneurship as a distinct field have gained a crucial momentum (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

Some of these key developments in the history of diaspora entrepreneurship include the increased mobility of people driven by globalization, advancements in communication technologies, and the growing recognition of the economic potential of diaspora communities. For instant, in the late 20th and the early 21st centuries, researchers started exploring systematically how diaspora networks could be leveraged to foster economic growth and business development in both home and host countries (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

Recent trends highlight the strategic role of diaspora entrepreneurs in leveraging economic links between Denmark and their countries of origin. The increasing focus on digitalization, innovation, and the emphasis on sustainability in Denmark's economy has created new opportunities for diaspora entrepreneurs to make significant contributions, which is why this topic field is essential to investigate in this research paper (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

This literature review will delve deeper into the theoretical foundations, key characteristics and impact of diaspora entrepreneurship, especially focusing on the experience of diaspora entrepreneurs in Denmark (Elo, Minto-Coy, & Networks, 2019) & (Turcan & Fraser, 2018).

4. Theoretical Frameworks

This chapter will present and explain the theories and frameworks, which are relevant to understanding the dynamics of Somali diaspora entrepreneurship. The Social Capital Theory, Cultural Theories, and Economic Theories will first be explained and presented. An overview of the demographic and historical context of diaspora communities in Denmark will be provided. This will be followed by an outline of the challenges Somali diaspora entrepreneurs face. Overall, will the Business Model Canvas be introduced as a practical for analyzing and addressing these challenges.

4.1 Social Capital Theory

Social capital theory is an important framework to understand the dynamics of diaspora entrepreneurship. This theory postulates that social networks, trust, and norms within communities significantly impact entrepreneurial activities. According to the author (Portes, 1998), social capital refers to the ability of individuals to secure benefits, by virtue of membership in social networks and other social structures. Within diaspora communities, social capital is reflected in close-knit networks that offer support, resources, and collaborative opportunities (Portes, 1998).

Diaspora entrepreneurs frequently rely on their community's social capital to access financial resources, such as loans or investments from community members, that can be challenging to obtain from formal financial institutions. In addition to the networks, it can facilitate the sharing of valuable knowledge and information about market conditions, business opportunities, and different regulatory environments in the host country. The network reduces transaction costs and fosters cooperation, in accordance with trust which makes it more convenient for entrepreneurs to navigate the complexities of starting and managing a business (Portes, 1998).

(Bourdieu, 1986) and (Coleman, 1988) further detail that social capital within diaspora communities includes not only economic support but also emotional and moral support, which

can be significant for entrepreneurial resilience. The support helps the diaspora entrepreneurs to overcome barriers such as discrimination, cultural differences, and lack of familiarity with the local market. Hence, social capital plays a pivotal role in shaping the entrepreneurial environment for diaspora communities, empowering them to utilize collective resources for both individual and communal achievements (Bourdieu, 1986) & (Coleman, 1988).

4.2 Cultural Theories

Cultural theories provide valuable insight on how cultural values and norms shape entrepreneurial behavior and achievements. Hofstede's cultural dimension theory stands out and is particularly relevant. The theory identifies crucial cultural elements impacting entrepreneurial activities, such as individualism versus collectivism, uncertainty avoidance, and power distance (Hofstede, 1980).

In cultures that prioritize individualism, individuals are inclined toward entrepreneurial activities as they value personal achievement and independence. In contrast, in collectivist cultures, emphasize group harmony and support, which can also foster entrepreneurship through community driven initiatives. Diaspora communities often retain cultural values from their home countries, which can influence their entrepreneurial behavior in the host country (Hofstede, 1980).

Analyzing how cultural values and norms shape entrepreneurial behavior and success is crucial. For instance, the Turkish diaspora in Denmark may utilize collectivist values to establish family-run enterprises, where trust and cooperation among family members are prioritized (Aliaga-Isla & Rialp, 2013). Conversely some diaspora communities, like the Somali community might encounter obstacles if internal conflicts or conflicting values emerge within the community. Comprehending these cultural dynamics is crucial for assessing the diverse entrepreneurial behavior and success rates across different diaspora groups (Aliaga-Isla & Rialp, 2013).

Moreover, cultural theories underscore the significance of cultural adaptation. Diaspora entrepreneurs must manage the cultural differences between their home and host countries, adapting their business strategies to align with local norms and consumer preferences. This ability to adapt culturally can be a critical determinant of entrepreneurial endeavors success or failure.

4.3 Economic Theories

Economic theories related to entrepreneurship and migration, in certain those involving push and pull factors, offer a comprehensive framework for comprehending the reasons behind individuals migration and their involvement in entrepreneurial activities. Push factors, such as economic hardship, political instability, and limited opportunities in the home country, motivate individuals to pursue better opportunities overseas. Pull factors, such as favorable economic conditions, supportive policies, and the promise of improved prospects in the host country attract migrants and facilitate their entrepreneurial pursuits.

(Zimmermann, 1996) elucidates that these economic motivations are very central to the entrepreneurial activities of diaspora communities. For instance, the economic instability in Somalia acts as a push factor, driving individuals to migrate to Denmark in search of better opportunities. Once in Denmark, the relatively stable economic conditions and supportive business policies serve as attractive factors, motivating these migrants to initiate their entrepreneurial business ventures.

These economic theories also emphasize the influence of the host country's economic conditions and shaping entrepreneurial success. A conducive and supportive economic environment, characterized by access to finance, favorable regulations, and market opportunities, can significantly enhance the prospects of diaspora entrepreneurs. Conversely, economic obstacles

like elevated taxes, stringent regulations, and market saturations may impede entrepreneurial endeavors (Zimmermann, 1996).

Furthermore, economic theories suggest that diaspora entrepreneurs bolster the host country's economy by generating employment opportunities, fostering innovation, and stimulating economic growth. This contribution underscores the importance of integrating diaspora entrepreneurship into broader economic policies and development strategies (Zimmermann, 1996).

4.4 Diaspora Communities in Denmark

Demographics and background

Denmark hosts a diverse array of diaspora communities, and in this paper the focus will be on the Somali communities. The Somali community, predominantly located in urban hubs such as Copenhagen and Aarhus, has witnessed substantial growth since the 1990s, due to refugee resettlement programs and family reunification policies (*International migration -denmark*). This community contributes to the multicultural tapestry of Danish society, enriching it with distinct cultural customs and traditions.

Historical context

The historical trajectory of diaspora entrepreneurship in Denmark mirrors global trends while also showcasing distinctive local characteristics. This is intertwined with the migration history of diaspora communities in Denmark, marked by specific waves of immigration and settlement patterns. In the 1970s and 1980s, Denmark experienced notable immigration waves, predominantly from Turkey, Pakistan and Yugoslavia; they were driven by labor demands (FitzGerald, 2021). These early immigrants in Denmark often faced considerable integration challenges including language barriers and cultural adaptation, but the communities gradually

began establishing small business, facilitated by their ethnic networks and entrepreneurial spirit (Roberto P. Q. Falcão, Bernardo Silva-Rêgo, & Eduardo P. Cruz, 2024) & (OECD, 2021).

In contrast, the 1990s and 2000s marked a major diversification of the immigrant population in Denmark, the increasing number of immigrants were refugees from Somalia, the Middle East, and Eastern Europe (Syppli Kohl, 2016). In response to the demographic shift, the Danish government implemented various integration policies aimed at fostering social and economic inclusion (Danish Ministry of Immigration and Integration, 2020). Nonetheless, discrepancies in entrepreneurial achievements surfaced among various diaspora communities, with the Turkish community notable obtaining substantial business successes, while others, such as the Somali community faced enduring challenges and hurdles (Syrett & Yilmaz Keles, 2022).

Challenges Faced by Somali Diaspora Entrepreneurs

Diaspora entrepreneurs each encounter a range of different challenges, with the Somali community encountering unique obstacles rooted in various factors, such as access to capital, social integration, and market entry barriers.

The Somali community faces a significant challenge in accordance with social integration. A majority of the Somali immigrants struggle to assimilate into Danish society. The reasons for that is, due to cultural differences and language barriers, which can first and foremost adversely hinder their customer relations and business operations (Dansk flygtningehjælp, 2022). An additional persistent issue for the Somali entrepreneurs in accessing capital. Somali entrepreneurs frequently encounter discrimination in financial markets and often lack the collateral needed to secure loans, which lead to challenges in securing the obligatory funding for their business ventures (European commission, 2008). Market entry barriers further complicate their entrepreneurial efforts, with Somali business often struggling to navigate Denmark's regulatory environment and establish a presence in the mainstream market, (Elmi, 2010).

Policy and Practical Implications

The current Danish policies are designed to promote economic inclusion and support for immigrant business owners. These policies often fail to adequately address the specific needs of diaspora communities. It's especially in accordance with access to capital, social integration and regulatory challenges (Danish Ministry of Immigration and Integration, 2021).

For instance, while the Danish Integration Act emphasizes employment support and language training, it does not focus or offer initiatives for fostering entrepreneurship among minority groups (OECD, 2020). The financial institutions in Denmark tend to be more cautious about lending to immigrant entrepreneurs, further complicating their efforts to secure necessary funding, (OECD, 2021).

Best Practices

Examining successful international models uncovered several strategies that Denmark could adopt and support to be beneficial for diaspora entrepreneurship if applied in Denmark. An example of that, is Canada's Start-Up Visa Program, which effectively promotes immigrant entrepreneurship by offering streamlined visa procedures and facilitating access to venture capital (Major, 2024). Correspondingly, The UK's Migrant Entrepreneurship Program offers tailored business mentorship and training, notably enhancing the success rates of immigrant owned enterprises (Trevor Jones, Monder Ram, Yaojun Li, & Paul Edwards,).

These practices underscores the important value of comprehensive support systems, that include beyond financial aid assist with training, mentorship, and streamlined administrative processes (Ionescu-Somers & Coduras, 2022).

4.5 Business Model Canvas

Business Model Canvas in the context of Diaspora Entrepreneurship:

The Business Model Canvas (BMC) is a model that serves as a strategic management tool that helps assist entrepreneurs, which include the diaspora communities. It provides a guideline for them, in a systematic way with the help of understanding and designing their business models. The framework divides the business model into nine key components: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure. The analysis in this paper will be based on the BMC, and it will follow the structure provided by the model (Harima & Vemuri, 2015).

Customer Segments: The Customer Segments identifies the various groups of individuals or organizations that business aims to reach and serve. For diaspora entrepreneurs, these segments may encompass both the broader market and their specific ethnic communities (Harima & Vemuri, 2015).

Value Propositions: The Value Propositions describes the distinct products and services the business offers to create value for specific customer segments. For diaspora businesses, the entrepreneurs provide more unique and cultural products or services that aren't regularly originated in the mainstream market (Harima & Vemuri, 2015).

Channels: The Channels describes the methods that the business employs and delivers its value proposition to their customers. For diaspora entrepreneurs, could it be delivered on online platforms, community events, and involve physical stores (Harima & Vemuri, 2015).

Customer Relationships: The Customer Relationships is about the relationships the business forms with its customer segments. For diaspora entrepreneurs' community involvement and personal relationships are often very pivotal for them (Harima & Vemuri, 2015).

Revenue Streams: The Revenue Streams is regarding how the business earns an income from each customer segment. For diaspora entrepreneurs, it might encompass different income forms, such as traditional sales, subscriptions, or culturally specific revenue models, as remittance services (Harima & Vemuri, 2015).

Key Resources: The Key Resources, identifies the most important assets, as financial resources, human talent, intellectual property, and cultural knowledge, which are required to operate in the business model to work (Harima & Vemuri, 2015).

Key Activities: The Key Activities are described as the most essential actions a business must undertake to function effectively. For diaspora business, this could include maintaining a strong community tie or sourcing authentic products (Harima & Vemuri, 2015).

Key Partnerships: The Key Partnership, is described as the network of suppliers and partners that contribute to the business's success. For diaspora entrepreneurs, partnership or collaboration with other diaspora business, or community organizations can bestow with notable support (Harima & Vemuri, 2015).

Cost structure: The Cost Structure, analyzes the costs involved in operating the business, counting fixed and variable costs. For diaspora entrepreneurs there could be additional costs, correlated with importing goods or navigating diverse regulatory environments (Harima & Vemuri, 2015).

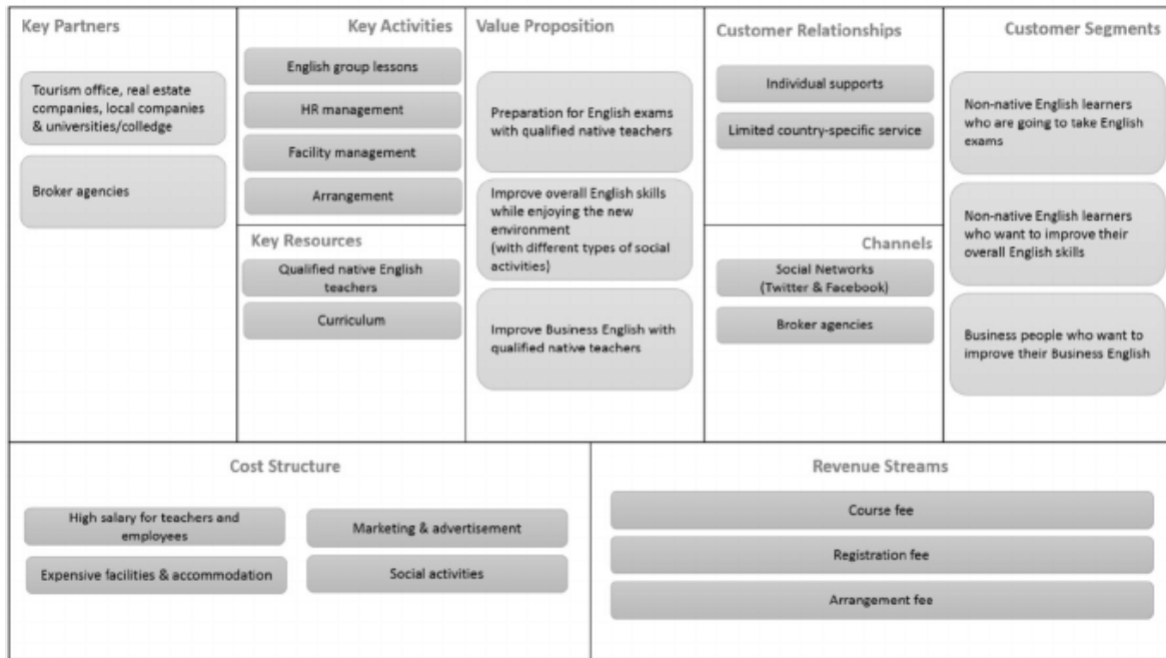


Figure 1, The business model of Conventional English Schools - Diaspora English schools in the Philippines:

According to Kachkar and Najdi (2015), diaspora entrepreneurs often innovate by integrating their cultural heritage with local business, creating unique value propositions that can appeal to the broader market and their ethnic community. The diaspora entrepreneurs can with the help of cultural networks utilize it, so they can cultivate strong customer relationships and establish trust within their communities. Nonetheless, can the diaspora entrepreneurs face crucial challenges, such as navigating regulatory landscapes and achieving awareness and visibility in the mainstream market. Therefore, according to Kachkar and Najdi (2015), the diaspora entrepreneurs require a solid partnership and strategic planning (Harima & Vemuri, 2015).

For that reason, the BMC can be extremely practical, in the context of diaspora entrepreneurship. In accordance with this research, the BMC can be useful in addressing and identifying the barriers and challenges for Somali entrepreneurs in Denmark (Harima & Vemuri, 2015).

This chapter has explored crucial theories, such as the Social Capital Theory, Cultural Theories, and Economic Theories, which provided a better understanding on Somali diaspora entrepreneurship. Social Capital Theory highlights the importance of social networks and trust within communities, which provide vital support for entrepreneurs. Cultural Theories, particularly Hofstede's cultural dimensions, explain how cultural values shape entrepreneurial behavior and emphasize the need for cultural adaptation. Economic Theories, focusing on push and pull factors, clarify the motivations behind migration and entrepreneurial activities.

The demographic and historical context of the Somali diaspora communities in Denmark provides a backdrop for understanding the entrepreneurial landscape. Key challenges faced by Somali entrepreneurs, such as social integration, access to capital, and market entry barriers, have been identified.

The Business Model Canvas (BMC) offers a practical tool for addressing these challenges, providing a structured approach to business development. This literature review informs the study's research questions and methodology, highlighting the complexities and nuances of Somali diaspora entrepreneurship in Denmark and guiding the analysis and interpretation of data.

5. Conceptualization

This chapter will present a brief conceptualization to enhance the notion of abstract, concepts, and constructs that this research will address. As a result, the significant theories, models, and concepts will be identified and integrated into this section.

There has been identified a gap in the literature within this research. Based on this gap, certain concepts and terms need to be defined, discussed, and justified to gain a deeper understanding of how they can be analyzed and used to develop an integrated conceptual framework. The relevant concepts that are discussed are Somali diaspora entrepreneurs, other immigrant communities, cultural, social, and institutional factors, and success in Denmark. The gap illustrates the influence cultural, social, and institutional factors have on Somali diaspora entrepreneurs in Denmark compared to other immigrant communities and how institutional factors shape their success.

For this research, the conceptual framework is built on key factors that influence sustainable success of Somali diaspora entrepreneurs in comparison to other immigrant communities in Denmark. To illustrate the above mentioned, relevant points from the literature can be applied. By applying the points, the paper can have a more general approach to the success of immigrant diaspora entrepreneurs.

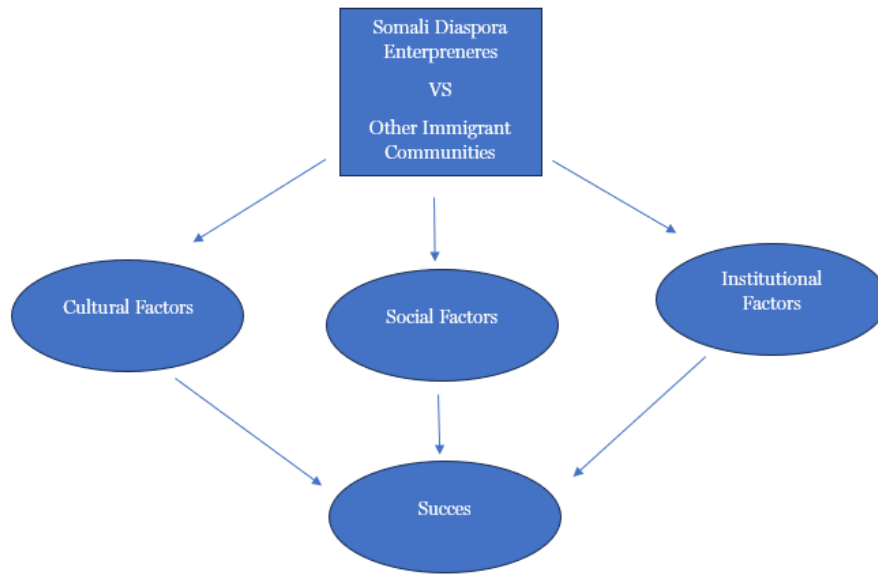


Figure 2: Conceptual Framework - Factors that influence the success of Somali Diaspora Entrepreneurs and Other Immigrant Communities (Own creation)

The analysis will highlight the differences and similarities in the success dynamics between Somali entrepreneurs and other immigrant communities. This involves understanding how cultural, social, and institutional factors interplay uniquely for Somali entrepreneurs and how these factors compare with other groups.

To conceptualize the impact of these factors, several theoretical frameworks will be utilized. Cultural Theory helps in understanding how cultural identity and community influence entrepreneurial behaviors and resilience. Social Capital Theory analyzes the importance of social networks, trust, and reciprocity in facilitating business success. Institutional Theory investigates how formal and informal institutions, including regulatory environments and market conditions, affect entrepreneurial activities.

The conceptual framework integrates these theories to examine how cultural, social, and institutional factors collectively influence the success of Somali diaspora entrepreneurs in Denmark. This framework will serve as a guide for empirical investigation and analysis.

Understanding these dynamics has practical implications for policymakers, business support organizations, and the entrepreneurs themselves. It can inform strategies to enhance entrepreneurial success among Somali diaspora and other immigrant communities by addressing specific cultural, social, and institutional challenges.

In the analysis section, the Business Model Canvas will mainly be utilized to systematically examine and compare the business models of Somali diaspora entrepreneurs with those of other immigrant communities. However, only the factors most relevant to answering the research question will be considered. These factors include value proposition, channels, customer relationships, key activities, and key partners. This focused approach will help in understanding how cultural, social, and institutional factors shape these specific components of the business model, providing a detailed view of the entrepreneurial landscape and highlighting significant impacts.

The research aims to provide a nuanced understanding of the factors that shape entrepreneurial success among Somali diaspora in Denmark. It will offer insights that could be generalized to other contexts and communities, contributing to the broader field of immigrant entrepreneurship studies.

6. Philosophy of science

This chapter will delve into the research philosophy and its foundational positioning, outlining the key considerations involved. The aim of discussing the philosophy of science is to help give the readers insight into the underlying assumptions and principles that guide the research process, additionally it will clarify the nature of knowledge and its implication. Furthermore, the upcoming section will provide a comprehensive overview of the methodology which will be employed in this paper, which will detail the approaches used to investigate the research question and describe the specific methods utilized.

6.1 Paradigm

To address the research question, in this project a scientific perspective will be employed in this paper, and our influences of our understanding of this project, knowledge acquisition, and our overall worldview.

In terms of ontology, this paper subscribes to an objective perspective, asserting that reality exists independently of researchers. This aligns with a realistic understanding of the world, reflected in the analysis of how diaspora entrepreneurs navigate the international landscape and the specific obstacles they face in foreign markets (Phair & Warren, 2021).

Epistemologically the paper integrates both objective and subjective perspectives. Objectivity is appreciated for its ability to provide a thorough understanding of issues and consistent patterns, while recognizing the subjectivity inherent in the researchers' perspectives and the valuable insights gained from individual experiences. This dual approach balances positivism and anti-positivism (Burrell & Morgan, 1979).

This master thesis aims to uncover and explore the divergent entrepreneurial trajectories among different immigrant groups in Denmark, with a primary focus on the Somali community. Additionally, it contrasts the apparent success of the Turkish community with the challenges faced by the Somali diaspora. These variations in entrepreneurial success raise profound questions about the root causes of such disparities and the effectiveness of institutional support mechanisms.

The researcher gathers insights from existing literature, focusing on analyses derived from interviews with Somali rooted politicians and diaspora business owners. The insights are essential in addressing the research questions, offering guidance and clarity for both researchers and readers in thoroughly exploring the root causes and variations in entrepreneurship among different diaspora communities in Denmark (Phair & Warren, 2021).

6.2 Critical realism

Aligned with the critical realist perspective in the philosophy of science, this master thesis resonates with its understanding of knowledge and the world. Within this framework, the exploration delves into the dynamics of diaspora entrepreneurship's expansion into international markets, contrasting the experiences of the Somali and Turkish communities in Denmark. The approach embraces both the intransitive dimension, emphasizing the independent extensiveness of the world, and the transitive dimension, focusing on socially constructed knowledge.

Ontologically, the thesis aligns with the notion that reality exists independently of human knowledge about it. The exploration is guided by three domains: the empirical domain, factual domain, and deep domain, allowing for a transition from observable to fewer observable phenomena while maintaining structural consistency.

This ontological perspective informs the understanding of diaspora entrepreneurship's navigation through internationalization and challenges within foreign markets. The comparative analysis

aims to uncover the root causes of entrepreneurial disparities among immigrant groups, focusing specifically on the Somali community's challenges and successes in Denmark. It aims to identify the factors driving diaspora entrepreneurs to internationalize their ventures and illuminate the specific encounters they face abroad.

Epistemologically, the study acknowledges the underlying mechanisms shaping the correlation between diaspora entrepreneurship and internationalization challenges. It aims to identify and shed light on the challenges influencing diaspora entrepreneurs' decisions to entrepreneur, recognizing that reality exists independently of perceptions, while knowledge is shaped by cultural and social contexts (Buch Hansen & Nielsen, 2005).

Drawing insights from existing literature and interviews conducted with Somali diaspora entrepreneurs and politicians etc., this research provides guidance and understanding for readers by comprehensively addressing the multifaceted aspects of diaspora entrepreneurship's internationalization and challenges in foreign markets.

7. Research Methodology

This chapter outlines the research methodology, detailing the considerations involved. The objective of the research methodology is to clarify the rationale behind the chosen approach for conducting the study.

According to (Snyder, 2019), three commonly employed methods for conducting a literature review include the systematic review, integrative review, and semi-systematic review. This paper adopts a literature review methodology to provide a comprehensive and impartial summary of available evidence relevant to the research question.

(Snyder, 2019) outlined three commonly utilized methods for conducting a literature review: the systematic review, integrative review, and semi-systematic review. These approaches encompass various guidelines and are typically tailored to address specific research questions. Additionally, there are several review strategies that consistently incorporate components from different approaches into a single review.

The systematic literature review functions as a rigorous research approach, synthesizing diverse research findings through a structured process of data collection, assessment, and analysis (Snyder, 2019).

In contrast, the integrative literature review shares similarities with the semi-systematic approach, synthesizing findings from both qualitative and quantitative studies (Snyder, 2019). Unlike the systematic review, the semi-systematic review is a less rigid method. Prior to commencing this review, a well-formulated search strategy is essential. This type of review includes a systematic literature search and provides a comprehensive overview of a research topic, assisting in mapping existing literature, identifying crucial concepts, research gaps, and theories. It emphasizes these elements rather than focusing solely on quantitative data. These

review methods serve as valuable tools for gaining historical perspectives, establishing theoretical frameworks, and mapping research landscapes within a specific field (Snyder, 2019).

For this paper, the semi-systematic review approach was chosen over the systematic and integrative approaches due to its emphasis on quantitative articles and the specificity of the research question. This approach combines aspects of both systematic and integrative methodologies, allowing for an examination of research articles through a pre-established search strategy.

7.1 Research design

A research design serves as a strategic framework that translates a research concept into actionable steps (Kuada, 2012). It functions as the guiding structure for carrying out the study. This design helps the reader to fully grasp the scope of the study and understand how the initial research question is systematically addressed leading to the final conclusions (Kuada, 2012). Taking this into account, the research design for this study is detailed as follows:

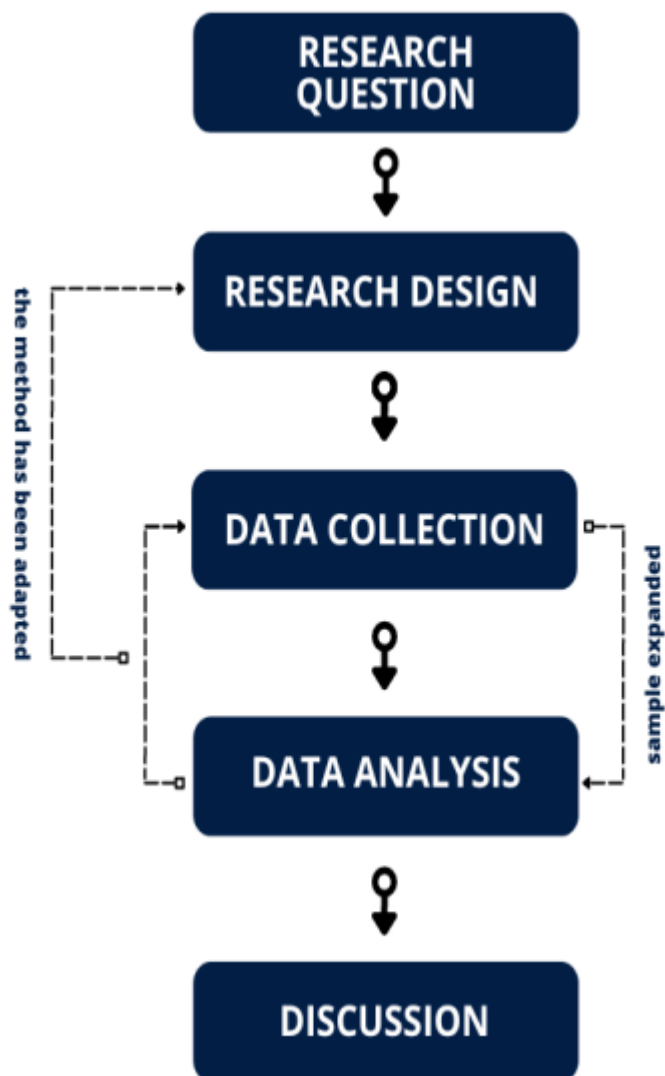


Figure 3: Research Design

7.2 Research approach

When considering research methodology, two primary methods are often employed: the inductive and deductive approaches (Phair & Warren, 2021). The inductive approach involves developing theories based on observations and data gathered from various sources, rather than starting with a pre-established theory. Conversely, the deductive approach begins with an existing theory and seeks to test or expand upon it through research and analysis (Phair & Warren, 2021).

In alignment with the formulated research question exploring the varying entrepreneurial success among different diaspora communities in Denmark, where the main focus is on Somali diaspora entrepreneurs, this study employs a deductive approach. This choice is driven by the need to build upon existing empirical evidence and theoretical frameworks to understand the underlying cultural, social, and institutional factors influencing entrepreneurial trajectories.

The deductive method provides a structured framework for investigating how cultural, social, and institutional factors shape the success of Somali diaspora entrepreneurs in Denmark. By beginning with already established theories, such as the Social Capital Theory, Cultural Theories, and Economic Theories. The research aims to validate and expand these frameworks through detailed empirical analysis. This approach enables a comprehensive understanding of the key dynamics influencing the success of Somali entrepreneurs compared to other immigrant communities. By focusing on how social networks, cultural values, and economic conditions impact entrepreneurial activities, this methodology offers valuable insights into the broader context of diaspora entrepreneurship in Denmark, highlighting the unique challenges and opportunities faced by the Somali community (Phair & Warren, 2021).

7.3 Validity and reliability

Ensuring the validity and reliability of research is an important factor in any study. Validity refers to the accuracy of the findings and whether the research truly measures what it intends to measure, while reliability relates to the consistency of the results when the research is replicated under similar conditions (Arbnor & Bjerke, 2008).

In this study, qualitative methods, particularly interviews, were used to capture an accurate representation of the realities faced by Somali diaspora entrepreneurs in Denmark. To ensure reliability, the study was designed so that other researchers conducting similar interviews would likely obtain comparable results (Arbnor & Bjerke, 2008).

The validity of the research was enhanced through the careful selection of interviewees. Individuals were chosen based on their political background, their identity as Somalis, their role in the Somali community, and their deep understanding of the subject matter due to their political work and knowledge. This strategic selection ensured that the interviewees had a keen insight into the entrepreneurial dynamics within their community. Structured questions were directed at these knowledgeable individuals to align the research objectives closely with the interview responses.

To further ensure the study's reliability, multiple sources were utilized to comprehensively examine the relevant factors. This included integrating scientific papers to establish a solid theoretical framework for the project. Additionally, relevant excerpts from course materials were incorporated to strengthen the overall analysis. This multi-faceted approach aimed to provide a robust and reliable foundation for understanding how cultural, social, and institutional factors shape the success of Somali diaspora entrepreneurs in Denmark and to compare these dynamics with those influencing other immigrant communities.

7.4. Data Collection

Data collection methods vary significantly depending on the types of data, which involve the collection process, and its relevance. The data can be classified broadly into two groups, primary and secondary categories (Arbnor & Bjerke, 2008). The primary data is referred to information that is gathered directly by the researchers, where the secondary data is collected by others and utilized by the researchers (Arbnor & Bjerke, 2008).

In this master thesis research, primary data was collected through interviews that offered both qualitative and quantitative insights. The firsthand insight that the interviews provided for the research, was very crucial for the research, which also were highlighted in the previous part. On the other hand, was the secondary data sourced from peer-reviewed articles, empirical studies, reports, books, websites, frameworks, and theories, that mainly provided the qualitative insights. The secondary data provided diverse sources of evidence and offered a deeper understanding of the research topic.

7.5.1. Interview

The interview method is a well-established approach for many factors such as acquiring knowledge, used to collect information, opinions, experiences, and insights from individuals with relevant expertise on a specific subject (Symon & Cassell, 2012) & (Kvale & Brinkmann, 2015). Based on the knowledge researchers seek to obtain, various interview types that serve as distinct purposes (Symon & Cassell, 2012) & (Kvale & Brinkmann, 2015). Despite all the differences in the interview form, they all share the characteristics of being structured conversations with a defined goal (Kvale & Brinkmann, 2015) The interview forms can be categorized by their level of structure, which are structured, semi-structured or unstructured (Symon & Cassell, 2012).

Structured interviews are adhered to a fixed set of questions, offering a little or no flexibility for additional inquiries under the interview (Symon & Cassell, 2012). The semi-structured interviews use a predefined set of questions but provide a greater flexibility for follow-up questions and deviation from the script (Symon & Cassell, 2012). . Conversely, the unstructured

interviews have few, if any predetermined questions, that allows the interview to flow more naturally, which can be very similar to an everyday dialogue (Symon & Cassell, 2012).

7.5.1.1. Semi-structured interview

After carefully weighing the pros and cons of the three interview types, the semi-structured format was chosen for this master research. That is due to the structured interviews being highly standardized leaving a little gap for deviation from the interview questions, that may restrict the research's breadth (Symon & Cassell, 2012). Conversely were the unstructured interviews not chosen due to the too open ended and lack of direction, which potentially could lead to inconsistent results (Symon & Cassell, 2012).

The reason for the choice of the interview type fell on the semi-structured type is, due to it striking a balance between the structured interview and the unstructured interview, using a predetermined set of questions to guide the discussion while also allowing flexibility, in form of spontaneous conversions and follow-up questions based on the interviewee's responses (Symon & Cassell, 2012). The semi-structured approach was therefore considered as the most suitable for the interviews that were conducted in this research due to its adaptability and ability to provide in depth insights (Symon & Cassell, 2012). The script of the interview questions can be found in Appendix A of this research.

7.5.1.2. Interviewees

The interviews were conducted with three key individuals, who play a significant role in the Somali community. These interviewees were carefully selected for their background, expertise, and knowledge in the research area. Their insights, experiences, and perspectives are very essential and valuable for this master thesis research.

The first interviewee is Mahad Yusuf, who is a member of the Radikale Venstre party, has since January 2018, been a dedicated member of the Aarhus City Council. He serves as a chairman of the Children and Youth Committee, and as a member of the Social and Employment Committee. Mahad's deep understanding of the business dynamics among Somali diaspora entrepreneurs are informed by his extensive experience and active involvement in both local governance and community development (Aarhus Kommune,). The interview with Mahad was conducted in his office at City Hall Square in Aarhus.

The second interviewee is Nuuradiin S. Hussein. Nuuradiin was elected to the Social Democrats and has been chairman and member of the Aalborg City Council since 2014. His focus areas are Job and Welfare, as the alderman for that he focuses on issues as employment and social welfare. His role is very crucial for the challenges faced by various minority and immigrant communities in socioeconomic. His experience and insights are significant for understanding the dynamics of Somali diaspora entrepreneurship in Denmark, in the form of his active role in accordance with his work on policies and initiatives supporting more job creation and social welfare (Aalborg Kommune,) The politician's insights are very crucial into integrating Somali business into the broader Danish market, which offer a comprehensive view of the challenges and opportunities these entrepreneur's encounter. The interview with Nuuradiin was conducted on Zoom, due to his busy schedule.

The third interviewee is Abdirahman Mohamud Iidle, who is a very prominent figure in the Somali community in Denmark, especially in Aarhus. He works as a bilingual schoolteacher and school home counselor in Aarhus municipality. Abdirahman plays various roles, including serving on the integration council of Aarhus municipality and working as an education and job advisor. He is a member of the Council for Ethnic Minorities, where he in 2016 was awarded the title of Housing Social Pioneer of the year in Aarhus municipality. He is very engaged in the Somali community, by organizing workshops, providing mentorship, and facilitating networks (Civil Samfund,). The interview with Abdirahman was conducted in his office at the school he teaches and advises in.

7.5.1.4. Transcription

All interviews were recorded with the consent of both the interviewees and the researcher, that was to ensure accuracy in the analysis. The intention behind the recording was to capture all significant points and statements during the interviews. The interviews were transcribed by the researcher, adhering to general guidelines which were established for consistency. The emphasis on the transcription was placed on capturing the content, rather than a verbatim transcription, so elements such as laughter and background noise were excluded, as they were not important and essential to the information being sought. The interviews were conducted in Danish according to the preferences of the interviewees. However, it has been translated into English for this document. The interviews are included as appendices to this master thesis research.

7.6 Bias

Bias is an unavoidable element in any research, and acknowledging its presence is crucial to enhancing the validity and reliability of the findings. According to (Simundić, 2013), bias is defined as *"any trend or deviation from the truth in data collection, data analysis, interpretation, and publication which can cause false conclusions."* Bias can infiltrate at any stage of the research process, whether intentionally or unintentionally, making it essential to account for it throughout the study (Simundić, 2013).

When conducting interviews, bias can be particularly prevalent as both the interviewer and the interviewees bring their subjective perspectives to the conversation. Human beings, influenced by their backgrounds and experiences, inevitably have varying views of reality. This can impact the honesty and completeness of the information shared during interviews. For instance, interviewees might present a favorable perspective of their organization, driven by personal or institutional interests, which could skew the data.

In this research, interviews were conducted with key figures in the Somali community, including politicians Nuuradiin S. Hussein and Mahad Yusuf, and community representative Abdirahman Mohamud Iidle. Each interviewee brought valuable insights based on their experiences and roles within the community. However, it is important to recognize that their perspectives might be influenced by their positions and personal experiences.

Nuuradiin S. Hussein, as a member of the Aalborg City Council, provided insights shaped by his role in employment and social welfare. His perspective might emphasize the positive aspects of institutional support due to his involvement in policymaking. Mahad Yussef, a member of the Aarhus City Council, shared his views based on his extensive experience in local governance and community development, which might reflect his commitment to portraying his community in a positive light. Abdirahman Mohamud Iidle, deeply involved in the Somali community in Aarhus, offered insights influenced by his active engagement in community support and integration efforts.

Despite these potential biases, efforts were made to mitigate their impact. The interview questions were designed to encourage open and honest responses, and the diverse backgrounds of the interviewees provided a more comprehensive view of the challenges and successes faced by Somali entrepreneurs in Denmark. Additionally, the research methodology included cross-referencing interview data with secondary sources to ensure a balanced and accurate representation of the findings.

By acknowledging and addressing the potential biases in this research, we aim to provide a more nuanced and reliable understanding of the entrepreneurial landscape for the Somali diaspora in Denmark.

8. Analysis

This analysis is going to be based on the Business Model Canvas (BMC) for Somali diaspora entrepreneurs in Denmark. The analysis enables the BMC to examine the business strategies for the Somali communities. With the help of the BMC, the analysis aims to identify the unique challenges and opportunities that are faced by the unique challenges and opportunities that are faced by the Somali diaspora entrepreneurs, that the strategies use to create value and maintain their business operations. The findings aim to inform factors, such as support mechanisms and policies to improve their business success and sustainability in Denmark.

8.1 Business Model Canvas

The Business Model Canvas (BMC), as stated in the literature review a strategic management tool that aids the entrepreneurs in designing and understanding their business models (Harima & Vemuri, 2015). In this analysis, the BMC will be employed to framework, examine, and assess the business dynamics of Somali Diaspora entrepreneurs in Denmark. By deconstructing the business model into its fundamental components, the BMC facilitates the identification of strengths, weaknesses, opportunities, and challenges which are specific for diaspora entrepreneurship.

In this analysis will the focus be on the most pertinent components of the BMC for Somali diaspora entrepreneurs. The focus will be on these components: Customer Segments, Value Propositions, Channels, Customer Relationships, Key Activities, and Key Partnership. These components were selected due to their direct influence on customer engagement, collaborative potential, market reach, and operational efficiency. The analysis aims to focus and provide an in-depth understanding of how the Somali entrepreneurs operate and succeed in the Danish business landscape.

Customer Segments:

In accordance with the Customer Segments, it's significant to identify and understand Somali entrepreneurs in Denmark. The diaspora business generally should serve both their ethnic

communities and the broader market, which in this case would be the broader Danish market (*Harima & Vemuri, 2015*). Reaching a broader segment while also addressing the unique needs of the diaspora communities is crucial (*Harima & Vemuri, 2015*).

Mahad highlighted that *“Most Somali-owned businesses tend to focus on the Somali community, with about 95-98% of their customers coming from this background”* (*Mahad Interview, p. 4, 00:40-00:50*). This strong emphasis on the Somali diaspora community can have positive and negative implications. This approach guarantees a loyal and reliable customer base, as Somali businesses address the distinct cultural and social needs of their community. This focus within their community can help cultivate a robust sense of community and mutual support between their clientele and the Somali entrepreneurs.

However, Mahad pointed out the strong emphasis within the Somali community, which can restrict their market expansions and diversification for Somali businesses. By primarily serving their own ethnic community, Somali-owned businesses may miss opportunities to tap into the wider Danish market. Mahad noted, *“It’s difficult to penetrate the larger Danish market because many entrepreneurs tend to cater solely to their community, limiting their growth potential”* (*Mahad Interview, p. 7, 03:24-03:39*). This narrow approach can hinder their growth potential in the broader Danish market and increase vulnerability to economic changes within their community. The political insights highlight the significant role Somali entrepreneurs should have in balancing their community-centered focus with strategies that promote broader market engagement and better sustainable growth.

An additional point highlighting the former part is from Nuuradiin, who underscored the importance of accessing both the local and broader markets. He addressed, *“Diaspora entrepreneurship is vital both globally and locally, as it introduces diverse skills and enhances the labor market both economically and socially”* (*Nuuradiin Interview, p. 1, 00:25-00:51*). The outlined approach can aid Somali entrepreneurs in Denmark by developing a more sustainable business model utilizing cultural distinctive heritage to appeal to a broader audience. The Somali diaspora entrepreneurs could gain an opportunity by engaging with the local market, which allows them to integrate better into the Danish market and economy. They will gain more

awareness and understanding of local consumer preferences, leading to expansion in their customer segment. This approach enhances their resilience to economic fluctuations affecting their ethnic community.

Additionally, reaching broader markets enables Somali diaspora entrepreneurs to showcase their unique cultural products to new customer segments. Nuuradiin noted, *“Integrating cultural heritage with local practices creates unique value propositions that stand out in the broader market”* (Nuuradiin Interview, p. 1, 00:38-00:51). By balancing both local and broader market engagement, it will promote sustainable growth. This will diversify their customer base more and reduce risks of market saturation and economic downturns. This point was also highlighted under the interview, where Nuuradin emphasized the importance of this balance for long-term sustainability, *“To ensure long-term sustainability, it is crucial for Somali entrepreneurs to diversify their customer base and adapt to the needs of the wider Danish market while maintaining their cultural identity”* (Nuuradiin Interview, p. 2, 07:16-07:27).

Value Propositions:

The value propositions of Somali diaspora businesses typically center on providing unique cultural products and services, and these products and services are often rare in the mainstream market they operate in. The offerings can be different things such as beauty products, foods, and traditional clothes, which resonate and hold cultural significance for them. As Mahad pointed out in the interview, *“Many Somali businesses offer products that are hard to find elsewhere, like traditional Somali beauty products, unique foods, and clothing”* (Mahad Interview, p. 3, 03:25-03:36). The niche products they offer help the Somali diaspora entrepreneurs create distinctive value propositions for their community.

Nuuradiin further elaborated in another interview that Somali entrepreneurs have the opportunity to innovate by integrating their cultural heritage with the broader market. This fusion can create unique value propositions for them. He stated, *“Combining cultural heritage with local practices results in unique value propositions that stand out in the broader market”* (Nuuradiin Interview, p. 1, 00:35-00:51). This approach enables diaspora entrepreneurs to differentiate and distinguish themselves in a competitive landscape.

Channels:

Effective channels are very crucial for the Somali diaspora entrepreneurs by distributing and communicating their value propositions. The channels include different areas such as physical stores, online platforms, and community events. Mahad highlighted the importance of embracing modern channels. He noted, *“Social media has made it easier to create relationships and networks, which are crucial for business success”* (Mahad Interview, p. 5, 06:24-06:33). The use of social media and other online platforms can help the entrepreneurs to reach a wider audience, create more awareness, and improve market penetration.

Additionally, Nuuradiin highlighted the significance of exploiting community events to build more trust and gain more awareness within their ethnic community. Nuuradiin stated, *“Community events are essential for showcasing products and fostering a sense of trust and connection with customers”* (Nuuradiin Interview, p. 3, 07:16-07:27). These events provide opportunities for direct interaction with customers and can help reinforce the business’s cultural relevance and authenticity. Mahad further added, *“Community events are essential for networking and showcasing our unique products, which helps in building a loyal customer base”* (Mahad Interview, p. 6, 09:01-09:12). Such events not only enhance visibility but also provide a platform for customer feedback and engagement.

As an example, Mahad shared, *“During local festivals, we set up stalls to display our products, and this has significantly increased our visibility and sales”* (Mahad Interview, p. 4, 07:26-07:36). This active participation in these community events helps the Somali entrepreneurs to engage with new customers directly, gather immediate feedback, and foster and gain a strong loyal customer base.

Another channel that was highlighted under the interview was by Nuuradiin about the importance of online platforms in expanding market reach. *“Utilizing online platforms has enabled us to connect with customers beyond our immediate community, creating new growth opportunities”* (Nuuradiin Interview, p. 4, 08:10-08:19). The digital channel presence is critical for modern business, which will offer access to a broader audience and facilitate more effective marketing strategies. Incorporating a variety of distribution channels allows Somali

entrepreneurs to balance engagement with their local community while also reaching a broader market. By leveraging physical stores, online platforms, and community events, the Somali diaspora entrepreneurs can develop a comprehensive strategy that supports their business growth and sustainability.

Furthermore, Mahad noted, *“Social media platforms like Facebook and Instagram have been crucial in promoting our products and connecting with younger demographics who are more active online”* (Mahad Interview, p. 6, 09:30-09:42). This underscores the importance of adapting and embracing technological advancements and consumer behavior trends to remain competitive in the market. The Somali diaspora entrepreneurs can achieve more success by utilizing diverse distribution and communication channels. By using physical stores, online platforms, and community events, they can increase visibility, foster trust, and grow their customer segments, ensuring long-term business sustainability.

Customer Relationships:

The Business Model Canvas (BMC) explained the importance of Customer Relationships, as a part of one of the key components. For Somali diaspora entrepreneurs, it's fundamental to foster these relationships in accordance with their business strategy. Strong customer relationships are often built on trust and community support, which are not only important for initial business survival, but also crucial for long-term growth and sustainability, and also in overcoming the challenges the community faces.

Addressing the challenges Somali diaspora entrepreneurs face in relation to systemic racism is crucial for understanding their customer relationships. Many Somali entrepreneurs encounter difficulties in opening business accounts at banks due to systemic racism and lack of trust from financial institutions. Mahad highlighted, *“It's often harder for us to open business accounts because banks don't fully understand or trust our business models”* (Mahad Interview, p. 8, 12:34-12:45). This lack of trust and understanding significantly impacts their ability to build and maintain customer relationships, as financial stability is essential for sustaining business operations and fostering customer trust.

Additionally, the portrayal of Somali businesses in the media often reflects systemic racism, which can influence public perception and trust. As Mahad pointed out, *“The media sometimes portrays us in a negative light, which makes it even harder to gain the trust of the wider community”* (Mahad Interview, p. 8, 13:15-13:25). Overcoming these negative perceptions is essential for Somali entrepreneurs to build strong, trust-based customer relationships.

Many Somali diaspora members face literacy challenges due to the disruptions caused by the civil war in Somalia. Abdirahman explained, *“Many of us had to drop everything and flee during the civil war, which means a lot of Somali diaspora members are illiterate. This makes it difficult to understand the legal system and manage business requirements”* (Abdirahman Interview, p. 2, 15:10-15:25). This literacy challenge further complicates their ability to navigate the legal and regulatory landscape, impacting their customer relationships and overall business operations.

Building and maintaining strong customer relationships is critical for Somali diaspora entrepreneurs. Personal interactions and community involvement play a significant role in establishing trust and loyalty. Mahad emphasized the importance of trust and personal networks, stating, *“Many people prefer to do business with those they know and trust within their community”* (Mahad Interview, p. 5, 10:39-10:44). This reliance on personal connections underscores the importance of maintaining strong community ties. Nuuradiin also noted that the strong social networks within the Somali community can facilitate business growth by providing a support system and helping entrepreneurs navigate the business landscape (Nuuradiin Interview, p. 4, 09:47-09:55). These networks are essential for building and sustaining customer relationships, especially in the early stages of business development. Mahad explained, *“Our social networks are vital for spreading word-of-mouth and ensuring that we have a steady stream of customers who trust our brand”* (Mahad Interview, p. 5, 11:16-11:28). This word-of-mouth promotion is an invaluable asset for Somali entrepreneurs, as it fosters a sense of community and mutual support that is critical for business sustainability. Nuuradiin also added to the point, *“The community’s support is crucial; without it, many businesses would struggle to survive in their early stages”* (Nuuradiin Interview, p. 2, 03:06-03:24). These networks are essential for building and sustaining customer relationships, especially in the early stages of business development. Abdirahman also highlighted the role of trust and community in business

success. He stated, *“Trust and personal connections are the backbone of our customer relationships; without them, we can’t thrive”* (Abdirahman Interview, p. 3, 04:45-05:00).

In conclusion, building and maintaining strong customer relationships is crucial for Somali diaspora entrepreneurs.

However, they face significant challenges due to systemic racism and negative media portrayal. Mahad’s insights into the difficulties in opening business accounts highlight a critical barrier to financial stability and customer trust. Additionally, negative media portrayals make it harder for Somali entrepreneurs to gain the trust of the wider community. Furthermore, the literacy challenges stemming from the civil war, as explained by Abdirahman, complicate their ability to understand and manage the legal system, further impacting their customer relationships. Overcoming these obstacles requires Somali entrepreneurs to foster personal connections, actively counter negative stereotypes, and provide community support to navigate legal complexities. This analysis underscores the vital role of customer relationships in the entrepreneurial journeys of Somali diaspora entrepreneurs. Their ability to integrate cultural heritage with local business practices while engaging with both local and broader markets ensures their unique value propositions stand out, driving their business success in Denmark.

Key Activities:

The key activities for Somali diaspora businesses should include different factors to overcome the challenges, such as maintaining strong community ties, sourcing authentic products, and leveraging new sectors as modern technology and truck owners. Key activities for Somali diaspora entrepreneurs also include navigating the challenges posed by systemic racism in banking and media representation. These entrepreneurs need to engage in additional activities to mitigate the impact of these challenges. For instance, building personal relationships with bank representatives and seeking out financial institutions that are more understanding and supportive of minority businesses is crucial. Mahad mentioned, *“We often have to go the extra mile to build personal relationships with bankers to ensure our businesses are taken seriously”* (Mahad Interview, p. 8, 14:02-14:15).

Moreover, actively countering negative media portrayals through community engagement and positive publicity is essential. Nuuradiin noted, *“We need to actively promote our successes and*

contributions to the community to counteract the negative stereotypes” (Nuuradiin Interview, p. 4, 14:45-14:55). By focusing on these activities, Somali entrepreneurs can better navigate the systemic challenges and enhance their business operations and community standing.

Additionally, addressing literacy challenges is a key activity for Somali entrepreneurs. Providing accessible resources and support to help navigate the legal and business requirements is essential. Abdirahman emphasized, *“We need to create support systems that help our community members understand and manage the legal aspects of running a business, despite their literacy levels” (Abdirahman Interview, p. 3, 16:00-16:15).* This support can significantly improve their ability to operate businesses effectively and comply with regulations, ensuring long-term success.

Another point is many entrepreneurs have started new business opportunities that are new for the Somali community, such as IT services and smartphone repair shops, which cater to the increasing technological needs of the community (*Mahad Interview, p. 3, 07:25-07:36*). These activities are essential for ensuring business operations run smoothly and effectively. Nuuradiin highlighted the importance of adapting business practices to the local context while maintaining cultural authenticity (*Nuuradiin Interview, p. 2, 07:00-07:11*). This balance is crucial for creating a sustainable business model that can thrive in a competitive market. Mahad added, *“We need to constantly innovate and stay updated with market trends while keeping our cultural values intact” (Mahad Interview, p. 3, 07:38-07:46).* Nuuradiin gave a specific example: *“Adapting to the local business environment while retaining our cultural uniqueness helps us stand out and meet the needs of both the Somali and broader Danish markets” (Nuuradiin Interview, p. 1, 03:40-03:53).* In recent years, Somali entrepreneurs have also expanded into new sectors such as transportation. Abdirahman highlighted that *“Somalis have increasingly become involved as truck owners and taxi operators, which has opened up new opportunities for business growth and community employment” (Abdirahman Interview, p. 2, 05:15-05:30).* This diversification not only broadens the economic base of the Somali community but also integrates them more deeply into the broader Danish economy.

Key activities for Somali diaspora entrepreneurs extend beyond typical business operations. They must navigate systemic racism in banking and media representation, as well as address literacy challenges within their community. Mahad emphasized the need for building personal relationships with bank representatives to ensure their businesses are taken seriously, while

Nuuradiin highlighted the importance of promoting positive community contributions to counteract negative stereotypes. Additionally, Abdirahman stressed the necessity of creating support systems to help community members understand legal business requirements despite literacy challenges. By focusing on these activities, Somali entrepreneurs can better manage systemic challenges, ensuring their businesses' sustainability and long-term success.

Key Partnerships:

Key partnerships are crucial for Somali diaspora entrepreneurs, which should involve collaborations with other diaspora businesses and community organizations. These partnerships can provide essential support and resources, which are vital for business success. By leveraging these connections, Somali diaspora entrepreneurs can navigate the challenges of the business landscape more effectively and foster growth within their community. Utilizing these partnerships, including mentorship from experienced entrepreneurs and collaboration with local institutions, can significantly enhance their business capabilities and sustainability. For Somali diaspora entrepreneurs aiming to achieve greater success, actively engaging in and expanding these partnerships is a key strategy.

Mahad emphasized the importance of these networks, stating, *“The larger and stronger the network, the better the support system for the business”* (Mahad Interview, p. 7, 19:47-19:56). These partnerships are crucial for navigating the business landscape and achieving growth in the Somali community. Nuuradiin also noted that partnerships with local businesses and institutions can help diaspora entrepreneurs access new markets and resources, enhancing their business capabilities and sustainability. He stated, *“Collaborating with local businesses and institutions not only provides resources but also builds credibility and opens up new opportunities”* (Nuuradiin Interview, p. 3, 12:12-12:19). Mahad highlighted the role of mentorship and guidance from more established businesses: *“Mentorship from experienced entrepreneurs has been invaluable in helping us navigate the complexities of running a business in Denmark”* (Mahad Interview, p. 2, 08:23-08:30).

Additionally, Mahad explained, *“If there is demand from the Somali diaspora, I can help them, but they don’t ask that often. I have a leading position in the city hall and can guide them”* (Mahad Interview, p. 8, 22:00-22:15). He also gave an example of how he and other politicians, with the municipality's help, created a workstation in Aarhus Ø, where entrepreneurs can come and use the offices and equipment. Abdirahman also commented on the municipality’s involvement, explaining how they have worked with his organization in the past to support young entrepreneurs in diaspora communities, and that they should use their organizations or similar ones to come out to the diaspora communities. *“The municipality has collaborated with our organization before, providing crucial support for young entrepreneurs in the diaspora. Their involvement has been instrumental in helping these entrepreneurs establish and grow their businesses”* (Abdirahman Interview, p. 4, 23:25-24:58).

In conclusion, key partnerships are really crucial for Somali diaspora entrepreneurs. These collaborations with other diaspora businesses, community organizations, and local institutions provide critical support, resources, and opportunities for growth. The insights from Mahad, Nuuradiin, and Abdirahman shed light on the importance of a strong network, mentorship, and collaboration in overcoming business challenges and achieving sustainability. Engaging with these partnerships and actively seeking support from experienced entrepreneurs and local authorities can significantly enhance the success and impact of Somali diaspora businesses.

9. Discussion

The findings in the analysis revealed that Somali diaspora entrepreneurs in Denmark face unique challenges and opportunities. Interviews with key figures such as Nouradiin S. Hussein, Mahad Yusuf, and Abdirahman Mohamud Iidle highlighted issues like systemic racism, financial barriers, and educational challenges. These factors significantly impact their business operations and psychological well-being.

This chapter will discuss the impact of institutional support mechanisms, including government policies and community resources, on the entrepreneurial success of immigrant communities in Denmark. It will compare the entrepreneurial outcomes of the Somali and Turkish communities, examining how social networks, mentorship, and community support play critical roles. The discussion will offer suggestions for enhancing institutional support to foster a more inclusive and supportive environment for immigrant entrepreneurs, ultimately contributing to economic growth and integration in Denmark.

9.1 The impact of institutional support mechanisms on Immigrant Entrepreneurships in Denmark

Institutional support mechanisms, encompassing government policies and community resources, play a pivotal role in shaping the entrepreneurial endeavors of immigrant communities in Denmark. These mechanisms can either facilitate or hinder entrepreneurial success, depending on their accessibility, relevance, and effectiveness in addressing the unique challenges faced by immigrant entrepreneurs.

The Turkish community in Denmark, despite being relatively more established than other immigrant groups, encounters specific entrepreneurial challenges. Social integration issues are particularly pronounced for newer generations who must navigate the fine balance between their Turkish heritage and Danish societal expectations. This struggle for identity and acceptance can affect their confidence and willingness to engage in entrepreneurial activities.

Access to capital remains a significant hurdle for Turkish entrepreneurs, especially for small and medium-sized enterprises (SMEs). Although their access to capital is relatively better than that of the Somali community, it is still insufficient. Many Turkish entrepreneurs rely on community-based financing methods, such as informal loans from family and friends. While this can provide immediate financial relief, it also limits their growth potential due to the lack of substantial investment needed for expansion.

Moreover, Turkish entrepreneurs face market entry barriers, including bureaucratic hurdles and stiff competition from established Danish businesses. These obstacles can deter entrepreneurial efforts and limit the market presence of Turkish enterprises.

Institutional support mechanisms, encompassing government policies and community resources, play a pivotal role in shaping the entrepreneurial endeavors of immigrant communities in Denmark. These mechanisms can either facilitate or hinder entrepreneurial success, depending on their accessibility, relevance, and effectiveness in addressing the unique challenges faced by immigrant entrepreneurs.

Entrepreneurial Outcome of this is that Turkish entrepreneurs tend to achieve higher success rates compared to their Somali counterparts. This discrepancy can be attributed to the longer establishment of the Turkish community, which facilitates better access to capital and established community networks.

9.2 Different roles institutional support play in facilitating or hindering entrepreneurial success

Danish **government policies** play a crucial role in either facilitating or hindering entrepreneurial success. Policies that offer financial support, such as microloans and grants tailored specifically for diaspora entrepreneurs, can significantly alleviate the financial constraints faced by immigrant entrepreneurs. Additionally, simplifying regulatory requirements and providing tailored business training programs can help address the unique challenges faced by these communities.

The importance of **social networks**, mentorship, and community support in fostering entrepreneurial success cannot be overstated. For the Turkish community, social networks provide vital support in terms of financing, mentorship, and business opportunities. Mentorship programs and networking opportunities offered by support organizations can integrate Turkish entrepreneurs into the broader business ecosystem, enhancing their entrepreneurial success.

Adaptation strategies and resilience are critical in overcoming the challenges posed by a new business environment. Turkish entrepreneurs often demonstrate considerable resilience by leveraging their community networks and developing innovative strategies to navigate bureaucratic and market entry barriers.

9.3 Suggestions to how the support can be successfully enhanced

When comparing the entrepreneurial outcomes of Somali and Turkish communities in Denmark, several key differences and factors influencing success emerge. Key factors contributing to the higher success rates among Turkish entrepreneurs include more robust community-based financing options, better integration into Danish society, and longer-established social networks.

Institutional support mechanisms, encompassing government policies and community resources, play a pivotal role in shaping the entrepreneurial endeavors of immigrant communities in Denmark. These mechanisms can either facilitate or hinder entrepreneurial success, depending on their accessibility, relevance, and effectiveness in addressing the unique challenges faced by immigrant entrepreneurs.

Establishing a network of legal services tailored for immigrant entrepreneurs can be immensely beneficial in helping them navigate complex legal and regulatory frameworks. This support can encompass CVR business registration, tax compliance, and intellectual property protection etc. The legal services could be bilingual staffed, who understands the languages and can help the communities to understand the legal and regulatory better. Many Somali entrepreneurs, particularly the older generation, face literacy challenges due to the disruptions caused by the civil war, as explained in the analysis. Simplifying regulatory procedures is also essential, as these can disproportionately hinder immigrant entrepreneurs. The Turkish community, having been in Denmark for many generations, is more integrated and familiar with the regulatory environment. In contrast, the Somali community is newer and faces more significant challenges in this regard.

The psychological impact of migration is another critical factor. The Turkish diaspora in Denmark primarily arrived due to labor demand, while the Somali community fled from war. This has led to different psychological challenges, with many Somali refugees experiencing

PTSD and other trauma-related issues, often unrecognized and untreated. Establishing mental health services for Somali entrepreneurs to address PTSD and other issues is crucial (Kahin, 2021). These services should be culturally sensitive and provided by professionals familiar with refugee experiences. Community-based counseling programs offering peer support and professional guidance can help entrepreneurs manage stress and improve mental well-being. Workshops on stress management, resilience building, and coping strategies can further empower entrepreneurs to handle the pressures of running a business while managing their mental health.

Access to capital is very different for the diaspora communities. The willingness to take interest based loans are different from the Somali and Turkish community. The Somali community tends to be more strictly observant of islamic principles. This is a major challenge for Somali diaspora entrepreneurs in Denmark, because they avoid interest loans, due to their islamic religious beliefs. The differences between the communities are varying levels of religious observance and integration in Danish society (Springer Open,). That restricts their financing options, and impacts their ability to grow and sustain their business. An alternative option, could be that the financial institutions can develop and promote alternative financing solutions, with interest free loans, to encourage the Somali community.

Implementing these measures can create a more inclusive and supportive environment for immigrant entrepreneurs in Denmark, fostering economic growth and integration. Providing alternative loans initiatives, legal and regulatory assistance, and addressing psychological well-being will help overcome significant barriers, enabling Somali entrepreneurs and other diaspora communities to thrive and contribute more effectively to the Danish economy.

10. Conclusion

This study has focused on the entrepreneurial landscape of the Somali diaspora in Denmark, with particular attention given to the insights provided by key figures such as Nuuradiin S. Hussein, Mahad Yusuf, and Abdirahman Mohamud Iidle. Through detailed interviews and analysis, the following research questions were aimed to be covered: *"How do cultural, social, and institutional factors shape the success of Somali diaspora entrepreneurs in Denmark, and what are the key dynamics that influence their success compared to other immigrant communities?"*

The findings revealed that Somali entrepreneurs face significant challenges, including systemic racism, financial barriers, and educational hurdles. Nuuradiin S. Hussein highlighted the importance of integrating Somali businesses into the broader Danish market to overcome these obstacles. He emphasized the need for better access to capital and community-based support systems. Mahad Yusuf pointed out the cultural and social integration challenges that Somali entrepreneurs face, stressing the necessity for stronger community networks and mentorship programs. Abdirahman Mohamud Iidle underscored the impact of educational barriers and the importance of tailored support mechanisms to address these specific needs.

The research also showed that government policies and institutional frameworks significantly influence the success of diaspora entrepreneurs. While Denmark has made efforts to support immigrant entrepreneurship, the policies often fall short of addressing the unique challenges faced by different diaspora communities. Somali entrepreneurs struggle with access to capital and navigating regulatory environments due to systemic racism and cultural barriers.

Economic theories related to push and pull factors explain that economic instability in Somalia acts as a push factor, while Denmark's stable economic environment serves as a pull factor for

Somali migrants. However, the strict adherence to Islamic financial principles limits their access to traditional financing options, which further complicates their entrepreneurial efforts.

In contrast, the Turkish community in Denmark, with a longer history, benefits from established social networks and stronger cultural integration, which facilitate better access to resources and support systems. Turkish entrepreneurs have demonstrated resilience and adaptability in leveraging their community networks to overcome financial and regulatory challenges, contributing to their relatively higher success rates compared to their Somali counterparts.

From a theoretical perspective, this research contributes to the understanding of diaspora entrepreneurship by integrating social capital theory, cultural theories, and economic theories. It underscores the importance of considering cultural and social integration, institutional support, and economic conditions in shaping entrepreneurial outcomes.

For practical implications, policymakers need to develop more inclusive and tailored support mechanisms that address the unique challenges faced by Somali entrepreneurs. This includes providing interest-free loan options for those adhering to Islamic principles, simplifying regulatory procedures, and offering culturally sensitive mental health services. Community organizations and support networks should focus on fostering stronger ties within and between diaspora communities to enhance resource sharing and collective resilience.

Investigating the long-term impacts of tailored support programs on the entrepreneurial success of different diaspora communities can help refine and improve these initiatives.

In conclusion, this study underscores the multifaceted nature of diaspora entrepreneurship and the critical role of cultural, social, and institutional factors in shaping the success of immigrant entrepreneurs. By addressing the identified challenges and leveraging the unique strengths of each community, Denmark can foster a more inclusive and dynamic entrepreneurial ecosystem.

Limitations

This chapter outlines the limitations encountered during the research process, focusing particularly on the Somali diaspora entrepreneurs in Denmark. Despite its contributions to understanding diaspora entrepreneurship, this study has several limitations.

Firstly, there is a notable scarcity of research and literature on Somali diaspora entrepreneurship. This lack of existing studies makes it difficult to compare findings or build upon previous research. The absence of extensive literature means that this study provides a pioneering perspective but may lack the depth that comes from extensive prior research.

Secondly, the data collection was limited in scope. The primary data was gathered through interviews with key figures and representatives of the Somali community, such as Nuuradiin S. Hussein, Mahad Yusuf, and Abdirahman Mohamud Idle. While these interviews provided valuable insights, the sample size was small and may not fully represent the broader experiences of Somali entrepreneurs in Denmark. This limitation affects the generalizability of the findings, as the perspectives captured might not encompass the diversity within the Somali entrepreneurial community.

Moreover, the focus on qualitative data from interviews introduces potential biases. The interviewees' personal experiences and viewpoints might influence their responses, and the researcher's own background and preconceptions could affect the interpretation of the data. Although efforts were made to mitigate these biases, they remain an inherent limitation of qualitative research.

Additionally, the study predominantly focused on the Somali and Turkish communities. While comparisons were drawn between these two groups, the findings might not be applicable to other diaspora communities in Denmark. The concentration on two specific communities limits the ability to generalize the results to the broader landscape of immigrant entrepreneurship.

Another limitation is related to the reliance on self-reported data, which can be subject to inaccuracies and exaggerations. The interviewees might have presented their experiences in a more favorable light or understated the challenges they face. This self-reporting bias can affect the reliability of the findings.

Lastly, the study captures only the current state of Somali diaspora entrepreneurship, without considering changes over time. A longitudinal study would provide more comprehensive insights into the evolving challenges and also successes faced by Somali entrepreneurs in Denmark.

Further research

To build upon the findings of this research, future studies should consider broadening the scope to include a wider range of immigrant communities in Denmark. Examining various diaspora groups would provide a more comprehensive understanding of the diverse challenges and opportunities faced by immigrant entrepreneurs. Conducting comparative studies across different host countries could also offer valuable insights into how varying institutional frameworks impact immigrant entrepreneurship, thereby revealing best practices and areas in need of improvement.

Longitudinal studies are particularly important for understanding the evolving nature of entrepreneurial success among diaspora communities. Tracking the progress and outcomes of tailored support programs over time would provide crucial data on their long-term effectiveness. Specifically, investigating the impacts of such programs on the entrepreneurial success of Somali entrepreneurs can help refine and enhance these initiatives, ensuring they are more effective and better suited to the community's needs.

Additionally, further research should explore the psychological aspects of entrepreneurship, especially among communities with high levels of trauma, such as Somali refugees. The impact of past trauma on current entrepreneurial activities is significant and warrants deeper examination. Studies focusing on mental health services tailored for diaspora communities, such as culturally sensitive counseling and peer support programs, can provide insights into how to support entrepreneurs in managing stress and improving mental well-being.

Moreover, examining the unique financing challenges faced by Somali entrepreneurs, who often avoid interest-based loans due to Islamic principles, can lead to the development of alternative financing solutions. Research into interest-free loan programs and other financial innovations could significantly enhance the financial inclusion and growth potential of Somali-owned businesses.

By addressing these areas, future research can contribute to creating a more inclusive and supportive environment for all immigrant entrepreneurs, fostering economic growth and integration within Denmark. This holistic approach will help policymakers, support

organizations, and the business community better understand and meet the needs of diverse entrepreneurial groups, ultimately leading to a more vibrant and resilient economy.

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