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THE ROLE OF GOVERNMENT IN THE DEVELOPMENT OF ETHNIC ENTREPRENEURS.

A qualitative study on Vietnamese ethnic entrepreneurs in Finland

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1. INTRODUCTION

1.1. The ethnic entrepreneurship phenomenon in the context of Finland

During the World War I and World War II, the number of immigrants in Finland was booming. The percentage of foreign citizens increased rapidly from 0.52% to 3.2% in 20 years. This increase was the core factor causing the high rate of unemployment during that period. Decades later, immigrants in Finland continued to experience disproportionate rates of unemployment. According to Heikkila and Jarvinen (2003, 112), the unemployment rates of the immigrants were three times higher than those of the total population during the period 1990-2001. In 2015, the number of immigrants increased progressively when the Finnish government agreed to accept 30,000 immigrants. Segregated within economy and society, immigrants are often affected by negative displacement. In a society in which business is more easily exercised than political rights, immigrants often turn to entrepreneurship (Dollinger 2007, 57). Entrepreneurship has consequently become the most available means of economic and social survival for foreigners who are facing diverse challenges and are living in a dramatically different society.

In order to discuss the business in relation to a certain immigrant group, it is important to understand the notion of ethnic entrepreneurship. Ethnic entrepreneurship is defined as “*a set of connections and regular patterns of interaction among people sharing common national background or migration experience*” (Waldinger, Aldrich & Ward 1990, 3). Since the 1970s, increasing ethnic or racial variety has been defined as a typical feature of large cities in Europe and North America (Wang & Li, 2007). In more recent years, awareness of ethnic entrepreneurship has increased among the media and policy makers and the term itself has become more recognized. Ethnic entrepreneurs include first- and second- generation immigrants, men and women, youth and elderly people, volunteers and those who are forced to migrate. The contribution of ethnic businesses in Finland towards for the economic growth of local areas, from rejuvenating the neglected crafts and trades to participating in the provision of higher value-added services, is undeniable (Rath 2011, 5-11). However, in contrast to the wealth of studies

about ethnic entrepreneurship, particularly in multi-cultural countries, such as the United State of America (the USA) or other developed countries in Europe, recognition of ethnic entrepreneurship is still limited in Finland. This research therefore examines the development of ethnic entrepreneurship in Finland.

1.2. Vietnamese immigrants in the Turku region

In spite of the diversity of ethnic communities in Finland, in this research, the Vietnamese ethnic group is the primary subjects of this research for several reasons. Firstly, Vietnamese is the author's native language, which allows for easy communication with the Vietnamese population. Secondly, the connection within Vietnamese ethnic diasporas is considerably high, therefore, the author can utilize the relationship with Vietnamese fellows to seek for interviewees. Finally, in 2016, Vietnamese was one of the ten largest foreign-language groups in Finland and the number of Vietnamese people has reached nearly 10,000. This figure is relatively large given Finland's population of over five million people. In the Turku region, many Vietnamese immigrant live and manage business.

According to The US Census Bureau, an individual who was born in another country and later emigrated to the United States is defined as an immigrant or foreign born person. This includes "*naturalized citizens, lawful permanent residents, refugees, legal nonimmigrants (including those on student, work or other temporary visas), and persons residing in the country without authorization*" (Zong & Batalova 2016). This research similarly defines Vietnamese immigrants as Vietnamese people were born outside of Finland and later emigrated to the country. Thus, the second generation who was born in Finland are not taken into consideration.

After the Independence Day of April 30, 1975 - the mark of the end of war in Vietnam- many Vietnamese people had left the country and immigrated to other countries. The United State of America and European countries were the main destinations for Vietnamese refugees at that time. In 1979, Finland accepted the first Vietnamese "boat people" with approximately 100 people who were placed in the Helsinki regions. By the end of 2016, it was estimated that nearly 6,500 Vietnamese

people had permanently settled in Finland: the first and second generations of the “boat people”. In addition, there were approximately 5,500 Vietnamese students and workers with temporary resident permits. Figure 1 below illustrates the rapid increase of the Vietnamese population in Finland from 1991 to 2015.

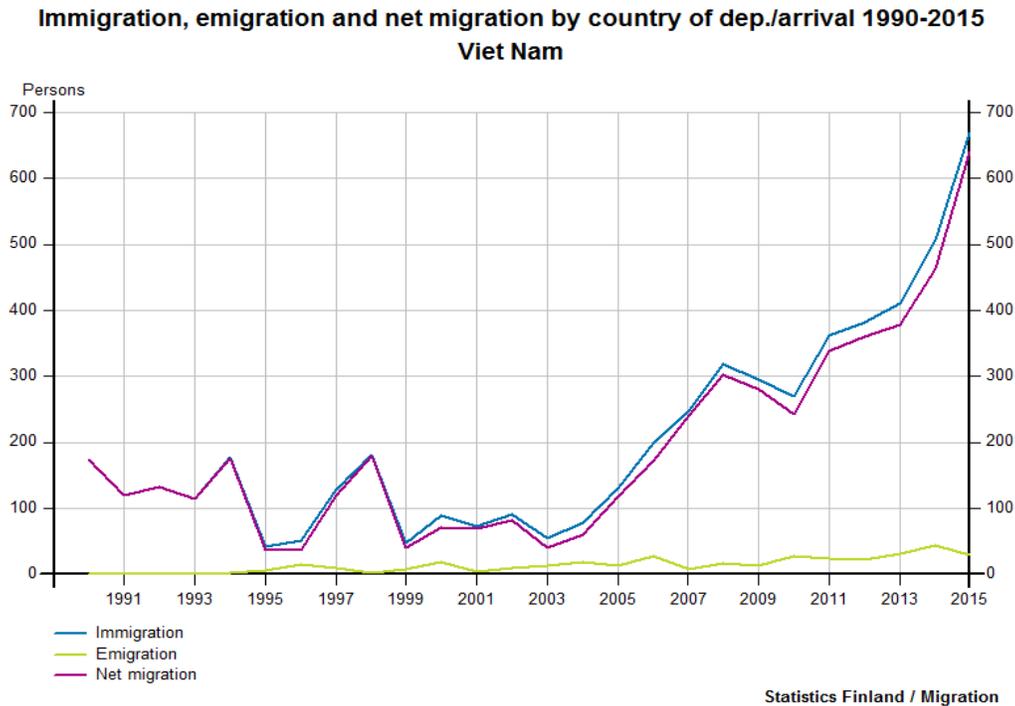


Figure 1: Immigration, emigration, and net migration by country of departure/arrival of Vietnamese people 1990- 2015 (Source: Statistics Finland)

The author selected the Turku region of Finland as the main research area to conduct interviews. Turku is currently one of the largest cities in Finland with approximately 180,000 inhabitants of than 130 different nationalities, and nearly 14,000 speak another language besides Finnish and Swedish (infopankki.fi). Since the early 1990s, the number of recorded immigrants in the Turku region has been rapidly raising. In addition, during the last decade Turku also received a number of foreign people who are foreign workers in the construction and shipyard industry as well as foreign students. The exact figures for these groups are unavailable; however, according to several reports, the number of these groups has also been rapidly increasing. As a result, it would be a huge advantage

to select Turku as the geographical aspect because it provides a variety of interviewee selection for the author. Furthermore, due to the growth of the immigrant population, the urgency of creating policies and programs for immigrant integration or ethnic entrepreneurship is particularly relevant for the Turku region.

1.3. The role of the Finnish government in ethnic entrepreneurship

While a large number of studies related to the development of ethnic entrepreneurship have already been published, only a limited number of articles have focused on the political environment and its effects on the ethnic entrepreneurship. Nevertheless, it is worthy to note that the interest from policy makers regarding the role of small, young, and innovative firms has been increased considerably in the recent years. This research explores the role of the Finnish government in the development of ethnic entrepreneurship.

Finland is a country located in northern Europe with a population of 5.4 million people. Finland has a regulated labour market with extensive labour legislation regulating working conditions and terms of employment, including legally binding minimum pay rates. Finland has a well-developed welfare state, which is similar to other countries in the Scandinavian area (Wahlbeck 2007, 544; Lundstrom & Stevenson 2001, 46). Finnish entrepreneurship policy is primarily focused on Small and Medium Enterprises (SMEs) in the industrial business area. A specific policy on the development of SMEs was introduced in 1992 (The SME Policy Program). The Ministry of Trade and Industry, in cooperation with other relevant ministries and organizations, assumed the main responsibility for those projects. In 2000, the policy focus significantly shifted from SMEs to entrepreneurial policies. Some specific policies are included in the written government program. The “Entrepreneurship Policy Program” was introduced in 2003 and the “Policy Program on Work, Entrepreneurship and Work-life” appeared from 2007 to 2011. (Heinonen & Hytti 2014, 152; Lundstrom & Stevenson 2010, 176).

The presence of an adequate institutional environment will govern the performances of entrepreneurs and thereby the economy (Kumar & Borbora 2015, 63). Institutional context shapes the activities of entrepreneurs in powerful ways with multi-faceted and

wide-ranging views. This can be extended from the state legislature to the provision of financial incentives, which means that institutional environment can both foster and limit the development of entrepreneurship. (Ram, Jones & Villares-Varela 2017, 10). On the one hand, many of the interferences have focused on promoting the activities of ethnic entrepreneurship. Providing training, coaching, and support in the field of entrepreneurial skills, social networks or finances can be considered the realm of micro-policies. Micro policies specifically target SMEs and entrepreneurs for the government support. These policies include giving network information to small firms, offering loans and grants, or providing information and advice (Hartog, van Stel & Storey 2010, 4). Other interferences have targeted at removing the barriers in the regulatory framework for SMEs or ethnic entrepreneurship, such as deducting the license requirements for entering the business or providing access to financial systems. The positive effects of entrepreneurship have been emphasized through these measurements. (Rath 2011, 6). On the other hand, the regulatory environment exercising its influences on the activities of ethnic entrepreneurship business may limit the occupational choices of immigrants. Therefore, the institutional environment and the wider policy context are the core factor of the research about immigrant or ethnic entrepreneurship development (Ram et al. 2017, 10).

1.4. Research questions and structure of the study

Several studies have been conducted about the ethnic entrepreneurship and the influences of governmental support of ethnic entrepreneurship. However, according to Baron (2006), it is important to understand the initial stages of the entrepreneurial process with the purpose of creating an integrative model and improving the supporting programs. Moreover, the government assumes the responsibility of raising the awareness of individuals to acknowledge the benefits of starting a business (Storey 2003, 476). Therefore, the focus and guiding research question of the present work is *how the Finnish governmental policies and programs have affected ethnic entrepreneurship during the initial stages of the entrepreneurial process*. Using the qualitative data collected from Vietnamese ethnic entrepreneurs in the Turku region, the role of Finnish governmental

policies and programs towards ethnic entrepreneurs is examined and described. The main research question is supported by the following sub-questions.

1. Which institutions or organizations support ethnic entrepreneurs during their entrepreneurial process?
2. How do ethnic entrepreneurs utilize the supporting programs and business services to develop their businesses?
3. In what stages of the entrepreneurial process do policies and programs most affect ethnic entrepreneurs?

For the purpose of this research, the author adopts the entrepreneur's perspective to evaluate the effects of government's policies and programs on ethnic entrepreneurship activities. In the first sub-question, it is essential to recognize the institutions and government-backed organizations that support for ethnic entrepreneurs during their early stages of the entrepreneurial process. The second sub-question analyzes how ethnic entrepreneurs use these supporting programs and services to develop their businesses in the initial stages. Finally, the third sub-question clarifies in what stages of the process those policies and programs most affect to the ethnic entrepreneurs. These three questions will essentially support the main question of this research.

The paper is organized into nine chapters. Following the introduction chapter, chapter two and three outline the theoretical background of ethnic entrepreneurship as well as the initial stages of the entrepreneurial process. Chapter four subsequently offers a discussion of the institutional theory as well as the supporting programs and policies towards ethnic entrepreneurship will be discussed in chapter four. In chapter five, the theoretical framework delineating the interventions of governmental policies and programs on the ethnic entrepreneurial process is discussed. Chapter six then presents the research including selection of the research method, selection of participants, collection analysis of the data, and the reliability and validity of the study. The empirical study is presented in chapter seven, which also introduces the modified synthesis based on the empirical study. Finally, chapter eight provides the conclusion of this study and chapter nine offers a final summary of the research.

2. ETHNIC ENTREPRENEURSHIP

The introduction chapter clarified that the ethnic entrepreneur is the central unit of this research. Vietnamese ethnic entrepreneurs are the specific research subject for the data collection process. Therefore, it is necessary to distinguish between the ethnic entrepreneur and Vietnamese ethnic entrepreneur. Vietnamese ethnic entrepreneurship is a logical combination between the concepts of entrepreneurship, ethnic entrepreneurship and Vietnamese ethnic people. Therefore, it is necessary to first review the current literature on entrepreneurship and ethnic entrepreneurship.

Figure 2 below illustrates the structure of chapter two with three sub-sections: entrepreneurship, ethnic entrepreneurship, and Vietnamese ethnic entrepreneurship. Entrepreneurship serves as the foundation from which the definitions and characteristics of ethnic entrepreneurs and Vietnamese ethnic entrepreneur are shaped. The purpose of chapter two is to outline the most important established knowledge on entrepreneurship and ethnic entrepreneurship. It is also important to demonstrate how Vietnamese ethnic entrepreneurship is perceived in this study.

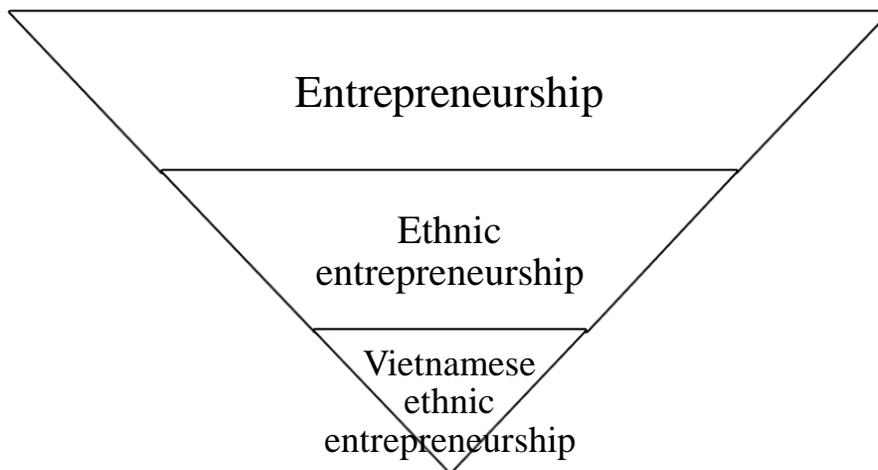


Figure 2: An illustration of framing the definition of Vietnamese ethnic entrepreneurship

2.1. Entrepreneurship

In the new global business environment, many large companies have downsized and outsourced due to the redundancies and insecurities in jobs. As a result, dozens of talented and creative people are willing to start their entrepreneurial activities. Likewise, Ries (2011, 16) stated “there are more entrepreneurs today than at any previous time in history because of the dramatic changes in the global economy.” As the number of entrepreneurs is continually growing, they are becoming the engine of economic development in every society throughout the world.

People often have misconceptions about the terms *entrepreneurship*, *small business*, *entrepreneur*, and *businessman* because they share various similarity concepts. Small business refers to the management in the limited scope of an established business or of a start-up business where the newness is not a necessary factor. Additionally, Abrugar (2011) has explained that business can be defined according to ownership structure, such as proprietorship, partnership, or corporation, while entrepreneurship comes from different kinds of radical forms, such as social entrepreneurship, ethnic entrepreneurship or institutional entrepreneurship. While most entrepreneurial firms are starting a small business, not all small businesses have the entrepreneurial characteristics. The entrepreneur is clarified as more innovative and revolutionary than the traditional businessman. Thus, innovation or creative thinking is mentioned as a core characteristic of entrepreneurship to distinguish from other forms of business.

According to Rusu, Isac, Cureteanu and Csorba, L. (2012, 5371), the term “entrepreneur,” which first appeared in “Essai sur la Nature du Commerce en General” by Cantillon, refers to a person who buys products at certain prices, sells them at uncertain prices, and brings the stability to the market. However, in the globalized world, the understanding of entrepreneurship has been transformed to adapt to the new global economy. Nevertheless, perceptions of entrepreneurship differ among researchers. Santos (2013, 30) provided a list of definitions of entrepreneurship in order to draw comparisons about the perception of entrepreneurship over time. In each period, definitions of entrepreneurship have evolved in response to changes in environment or technology. There is no limitation about how people have observed this phenomenon. The below

table cites several definitions of entrepreneurship that are relevant to the scope of this research.

Table 1: Definitions of entrepreneurship (Adapted from Santos 2013, 31)

Stevenson and Jarillo, 1990	<i>“entrepreneurship is a process by which individuals – either on their own or inside organizations – pursue opportunities without regard to the resources they currently control” (p.23)</i>
Shane and Venkataraman, 2000	<i>“involves the study of sources of opportunities; processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them” (p.218)</i>
Shane, 2003	<i>“Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed (Venkataraman, 1997; Shane & Venkataraman, 2000)” (p.4)</i>
Baron, 2013	<i>entrepreneurship is defined as “the application of human creativity, ingenuity, knowledge, skills, and energy to the development of something new, useful, and better than what currently exists - something that creates some kind of value (economic, social or other).” (p.3)</i>

Based on the above table, entrepreneurship can be defined as the process of discovery, evaluation, and exploitation of opportunity through the involvement of an individual or a group of individuals who pursue opportunity without concern for the resources they currently manage. Entrepreneurship is the most effective method not only for creating new enterprises and offering new products and services to customers but also for filling the gap between sciences and the market places. However, it remains difficult to define the typical entrepreneur because they all come from different educational, cultural, and industrial backgrounds (Lee-Ross & Lashley 2009, 3).

2.2. Ethnic entrepreneurship

Building on the concept of entrepreneurship, the definitions and characteristics of ethnic entrepreneurship are formed. Borjas (1986, 486) defined ethnic entrepreneurship as referring to the business operated and maintained primarily by immigrant people or minority groups. Adapting from the previous stated definition of the entrepreneurship, ethnic entrepreneurship can be defined as the process of discovery, evaluation, and exploitation of opportunity involving an ethnic individual or a group of ethnic individuals. There are three terms used to discuss the non-indigenous entrepreneurs: ethnic entrepreneurs, immigrant entrepreneurs, and minority entrepreneurs. As shown in Table 2, Chaganti and Greene (2002, 128) outlined the distinctions between these concepts

Table 2: Conceptual of clarity of definitions (Adopted from Chaganti & Greene 2002, 128)

Concept	Definition
Immigrant entrepreneur	<i>“Individual who, as recent arrivals in the country, start a business as a means of economic survival. This group may involve a migration network linking migrants, former migrants, and non-migrants with a common origin and destination”</i> (Butler & Greene 1997a)
Ethnic entrepreneurs	<i>“... a set of connections and regular patterns of interaction among people sharing a common national background or migration experiences”</i> (Waldinger et al 1990, 3)
Minority entrepreneurs	<i>“Business owners who are not of the majority population. US Federal categories include Black, Hispanic or Latin American, Asian, Pacific Islander, American Indian, or Alaska Native descent. This group occasionally includes women. “</i>

In this research, which addresses people who are currently living in a country that is not their homeland and involved in a migration network with people who share a

common background, the term “ethnic entrepreneur” and “immigrant entrepreneur” are both applied. In the past decade, there has been a dramatic rise in studies on different aspects of the economics of immigration (Borjas 1994, 1668). Borjas (1986, 2) stated that since the 1960s, the ethnic enterprise has become a significant area for researchers and policy makers because the level of self-employment among the ethnic population is higher than average. Ethnic entrepreneurs include the first- and second- generation immigrants of different genders, ages, religions, levels of education, and motivations- whether voluntary or not- for migration (Rath 2011, 11). The first generation includes the immigrants who first immigrated to the host country from their homeland. This group was largely educated within their home country and thus entered the foreign markets with low remuneration jobs without mastering the host country’s language. Meanwhile, the second-generation immigrants were born in the host country, and thus received their entire education there. This group was more energetic and selective in choosing jobs. (Rettab 2001, 6). The purpose of this study is to examine the Finnish government’s support of the development of ethnic entrepreneurs who were born in the home country and moved to Finland to live permanently. Therefore, the study is limited to first-generation immigrant entrepreneurs who were born in Vietnam.

Waldinger et al. (1990, 15) emphasized a key component of ethnic entrepreneurship when he stated, “*ethnic entrepreneurship is important because it is one way immigrants and ethnic minorities can respond to the restructuring of Western industrial economics.*” Several characteristics of ethnic entrepreneurship from other groups. According to a 2008 European Commission report, the typical type of ethnic minority business is “micro business with no or very few employees”. The owner is often also the manager of the business and is usually a man. The size of the ethnic market share is the most important factor for the survival of immigrant business. The critical skills of ethnic entrepreneurs will become useless if the size of the market share is not large enough in order to generate sufficient sales to cover the costs of operating the business. The size of market share depends on the size of the ethnic community: if the ethnic community is large, the size of ethnic market share is also considerable (Chrysostome 2010, 145). Rath (2011, 1-3) has expressed the following rationale for the importance of ethnic entrepreneurship as below:

1) Entrepreneurs can create their own work. It is not necessary for immigrants from less-developed countries to fit in the job vacancies in the host country when they can start their own business. Moreover, entrepreneurs can easily create jobs for other people, such as friends, relatives, acquaintances, or the broader local population. The co-ethnics of an ethnic entrepreneur are particularly well- positioned to benefit as the opportunities for immigrants increase among people sharing the same national background. This is domino effect of ethnic entrepreneurship: it benefits for entrepreneur's immediate family, relatives, and in many cases the wider community (Birdthistle 2012, 11).

2) Vinogradov and Jorgensen (2017, 212) emphasized that the entrepreneur has superb knowledge resources and the capability to use these resources effectively. Moreover, unlike the indigenous entrepreneurs, ethnic entrepreneurs can understand the specific demands of ethnic communities and provide the proper foreign products because they have more expert knowledge on the specific demands and they can easily access to supplies of resources that relate to the ethnic community (Birdthistle 2012, 12).

Currently, many people decide to immigrate to a new country for a better economic environment; however, they have to face with various difficulties to enter the labor market. As a result, entrepreneurship, which is dependent on cultural baggage and previous working experience, is used as an alternative to generate high income. (Hormiga, Almeida & Lemes 2010, 69).

2.3. Vietnamese ethnic entrepreneurs

Vietnamese ethnic entrepreneurs are the population of interest in the data collection process. Vietnamese ethnic entrepreneur is a combination of the terms "Vietnamese ethnic people" or "Vietnamese immigrants" and "entrepreneurship", which involves a business operated and maintained primarily by Vietnamese immigrants. This study is limited to the first Vietnamese immigrant generation who was born in Vietnam and then moved to Finland.

At the time of immigration, the employment of immigrants or integration to the work force is often considered the most important question. The employment of ethnic groups is much more difficult than the main population, with the unemployment rate of ethnic

entrepreneurs in Finland estimated at approximately 50%. Although the refugees from Vietnam in the 1980s initially adapted well to the new Finnish environment, by the depression in the 1990s, 70% of Vietnamese people were jobless. A primary cause of this depression was the collapse of the Soviet Union in 1991 and the resulting increase in incoming immigrants and refugees. In addition, the development of technology industries requiring the skilled labor resulted in the unemployment for many unskilled immigrants. Furthermore, unemployment rates were affected by the negative attitude of Finnish people towards the immigrant population (Koivukangas 2003, 8).

In his research on self-employment among Southeast Asian ethnic groups in Canada, Johnson (2000) argued that the culture theory and disadvantages theory help to explain the reasons why immigrants become entrepreneurs. According to culture theory, individuals from a culture that is predisposed to business are likely to engage in business when they settle down in another country. Meanwhile, disadvantages theory suggests that immigrants with low education and limited language skill, will choose to start their own businesses. Johnson also found the discrimination within non-ethnic labor to be a reason for self-employment (Johnson 2000, 78). Robb and Fairlie (2008, 830) studied the case of Asian immigrants in particular. They found that Asian people exhibit higher rates of self-employed businesses than other ethnic groups. Their data revealed that 11% of Asians are self-employed in comparison with Hispanics (7.4%) and Africans (5,1%). In addition, Asian businesses tend to experience better business outcomes than other immigrant groups. Family support is also a significant advantage for Asian people, and particularly for Vietnamese ethnic entrepreneurs. Family businesses will provide opportunities for family members to achieve financial capital and thus form the intention to open more businesses. (Robb & Fairlie 2008, 839). This rise in entrepreneurial activities among immigrants has attracted the attention of the Finnish authorities.

3. THE ENTREPRENEURIAL PROCESS

While many studies have been conducted concerning the definition of “entrepreneurship,” few academic authors have defined the meaning of “entrepreneurial process” (Fayolle 2007, 118). According to Mishra and Zachary (2015, 252), the entrepreneurial process refers to how entrepreneurs identify their external opportunities, in combination with the resources at hand, to effectuate the entrepreneurial competence and create the sustained value. This study focuses on the initial stages of the entrepreneurial process in order to discern how and why individuals become ethnic entrepreneurs.

3.1. Initial stages of the entrepreneurial process

Fayolle (2007, 146) asserted that the entrepreneurial process is created from a combination of various decisions, actions, and orientations based on how entrepreneurs recognize and analyze the given situation, in accordance with their purposes, motivations, resources, and environments. As such, the entrepreneurial process is the involvement of all the functional parts, activities, and actions with the opportunity exploitation, and organizational creation to pursue them. Additionally, Sarasvathy (2001) introduced a theory of effectuation to describe the nature of the entrepreneurial process: it is the comparison between causation processes and effectuation processes. In the causation processes, a particular effect is given and the entrepreneur will choose the proper means to create that effect. Meanwhile, in the effectuation processes, the set of means are given and the entrepreneur will select the possible effects based on the available means. In short, Sarasvathy emphasized that the entrepreneurial process is an effectuation processes, not a causation processes.

In his research, Bygrave (2004) introduced an entrepreneurial process, based on the model of Carol Moore presented in “*Understanding Entrepreneurial Behavior*”, which included four stages: innovation, triggering events, implementation, and growth. Fayolle (2007) similarly divided the entrepreneurial process into three phases: the trigger phase, commitment phase, and survival/ development phase. The stages have been described in

further details by additional researchers (Bolton & Thompson 2004; Baron & Shane 2008). For example, Baron and Shane (2008) discussed the entrepreneurial process and categorized it into six stages: recognizing opportunities, deciding to launch a venture, assembling the resources, actual launching of a new venture, building a successful business, and harvesting the rewards. Moreover, Bolton and Thompson (2004) also introduced a model to describe the entrepreneurial process (Figure 3). This process was divided into 10 key roles to describe the characteristics of an entrepreneur (Bolton & Thompson 2004, 27). In which, each stage is carefully described. Creativity and innovation were identified as the backbone of the entrepreneurial process, crucial elements for the success of any enterprises.

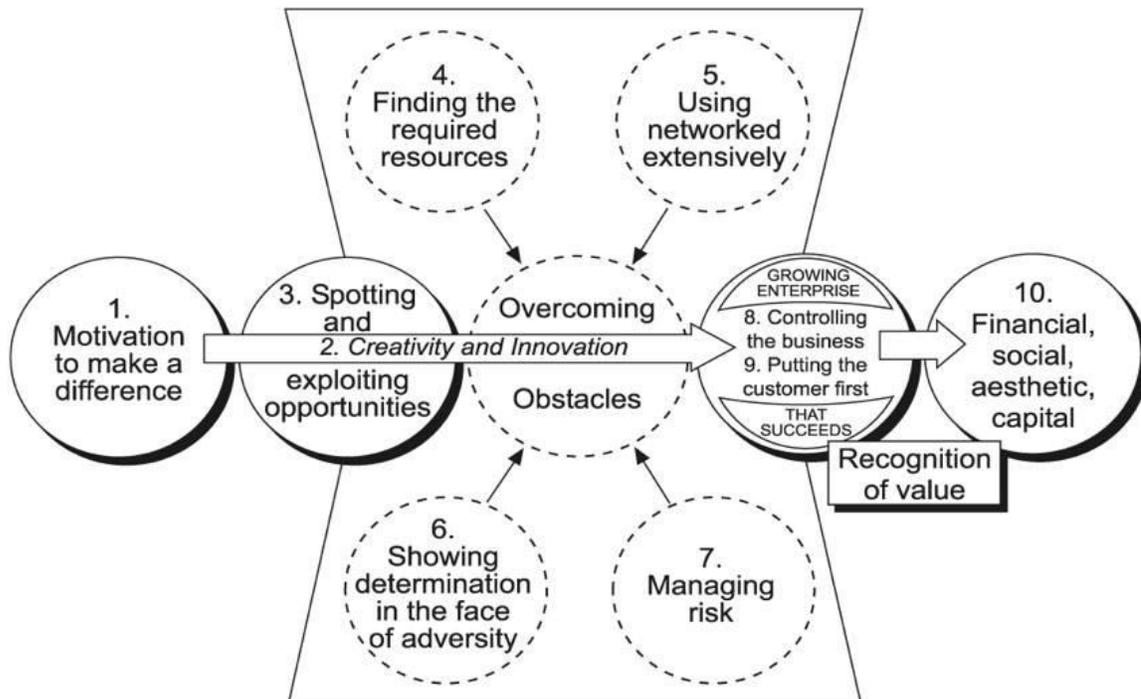


Figure 3: Entrepreneurial process (Adopted from Bolton & Thompson 2004, 33)

Innovation and creative thinking are the most important characteristics to distinguish between a businessman and an entrepreneur. Okpara (2007) described creativity in three aspects, including creative ability, creative attitude, and creative process. Creative

thinking means generating or inventing from mixing and changing for renovating from existing ideas. In the context of entrepreneurship, creativity is a continuous activity that always finds new ways to operate business, despite limited resources or other challenges. Creative attitude is the ability to accept the newness, innovation, and/or changes in environment, while creative process is the approach through which people work hard to improve their ideas and offer new solutions. Meanwhile, innovation is the key element to successful entrepreneurship, which triggers the creative ideas. Innovation creates new demand and entrepreneurship delivers it to the market. Creativity and innovation form the core of the entrepreneurial process, helping the entrepreneurs to bring the new and unique combinations of value. Moreover, creativity and innovation are also the motivation for entrepreneurs to seek another “mountain to climb,” as they become habit– something that entrepreneurs continue to pursue without specific reason (Okpara 2007, 12; Bolton & Thompson 2004, 28). Nevertheless, in order to make innovation happen, the entrepreneur cannot only have talent, knowledge, and cleverness; rather, the entrepreneur must be hardworking, must concentrate, and must have a clear goal (Duru 2011, 42). Innovative and creative entrepreneurs are the sources of great revolutions, the engine of economic development, the cause of providing employment opportunities, the choice of technology transmission, and the reason for removing market disorders in developed countries (Khaksar, Nawaser, Shakhsian & Jahanshahi 2011, 113).

As previously stated, this research focuses on the initial stages of the entrepreneurial process in order to identify the influences of governmental policies and programs on new start-ups. Baron (2006) also emphasized that it is important to recognize the initial stages of the entrepreneurial process in order to improve the current training courses and programs targeted at young entrepreneurs. In their research, Santos, Curral and Caetano (2010, 33) introduced a framework for the early stages of the entrepreneurial process in which the entrepreneurial process starts with the motivation and ends with the decision to launch a venture. However, it is important to acknowledge the recognition of business opportunities, as business opportunity recognition plays a mediating role to connect the entrepreneurial motivation to the decision to start a business. According to Baron and Shane (2008), assembling the resources is also among the initial stages before the actual decision to launch a venture. For this research assembling the resources is considered

within the initial entrepreneurial process after the decision to launch a venture.

The four initial stages of entrepreneurial process in this study are illustrated in Figure 4 below, including motivations to become an entrepreneur, opportunities recognition and exploitation, decision to launch a venture and assembling the resources. Each stage is described in the subsequent sub-sections. In addition, the ethnic element is discussed in parallel as ethnic business is the main focus of this research.

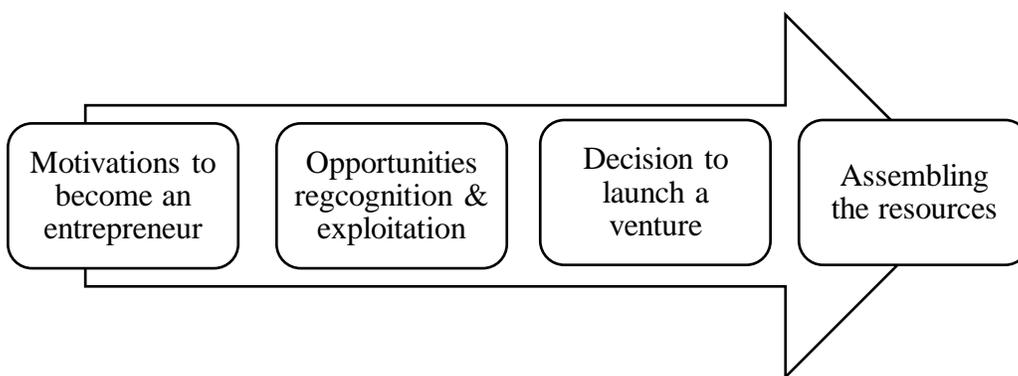


Figure 4: The initial stages of the entrepreneurial process

3.2. Motivation to become an entrepreneur

Motivation to become an entrepreneur is pointed out as the starting point in the entrepreneurial process. Entrepreneurs are more willing to “*forgo income and to bear costs, including through increased risk levels, in order to engage in independent ventures*” (Litch & Siegel 2006, 515). The motivation of start-up companies consists of the entrepreneurial intentions that drive a business person to become an entrepreneur. (Obaji & Olugu 2014, 111).

Motivation has been traditionally studied according to three questions: *What activates a person, what makes the individual chose one behavior over another and why do different people respond differently to the same motivational stimuli?* Many researchers employ drive theories and incentive theories to answer these questions. Drive theories suggested that an individual seeks a way to increase the tension caused by internal factors such as sadness or anger. In contrast, incentive theories suggest that certain goals will

pull a person towards them (Carsrud & Brannback 2011, 11). In the previous research, many authors believed that generating benefits was believed as the main motive for people to start their business in the past. However, many researchers have since proven that the entrepreneurial motivations are more diverse because the development of entrepreneurship is driven by various factors, such as entrepreneurs' characteristics, socio-economic conditions, etc. (Islam 2012; Kirkwood 2009). Motives can generally be divided into two groups: push and pull factors. According to Hofstede et al. (2002, 167), pull factors are viewed as the expectation of being better off as an entrepreneur, while push factors are often concerned with some levels of dissatisfaction and conflict between the one current and one's desired state. However, Kirkwood (2009, 357) presented differing views in his findings on the push and pull factors of entrepreneurs. He found that there are four crucial push factors, including dissatisfaction with the current job, motivations from children, changing the working environment, and being helped by an employer. The last two factors may have more positive implications and "act like a trigger point", which can be combined with other factors.

Most of the established research has demonstrated that people who are dissatisfied with their job often intend to start a business in a different field. However, there are still some cases in which people will start a business in the same field. Kirkwood argues that those people intend to show their former employers how to set up and manage a business efficiently. He also argues that the two predominant pull factors that were frequently discussed than other factors are independence and money. Dawson and Henley (2012, 713) affirmed Kirkwood's position, finding that independence and "wanted more money" also attracted high responses among their study participants. However, they identified a small difference when separating the internal and external within push and pull factors (see Figure 5). Self-employment is framed by two dimensions: external- internal factors and push-pull factors. One person can be influenced by several factors to become an entrepreneur. Secondly, Dawson and Henley (2012, 714) stated that "*the distinction between pull and push factor is an ambiguous one*" as resources and financials appear in both push and pull factors. Moreover, they found gender to be an important mediating factor in push and pull factors (see Figure 5).

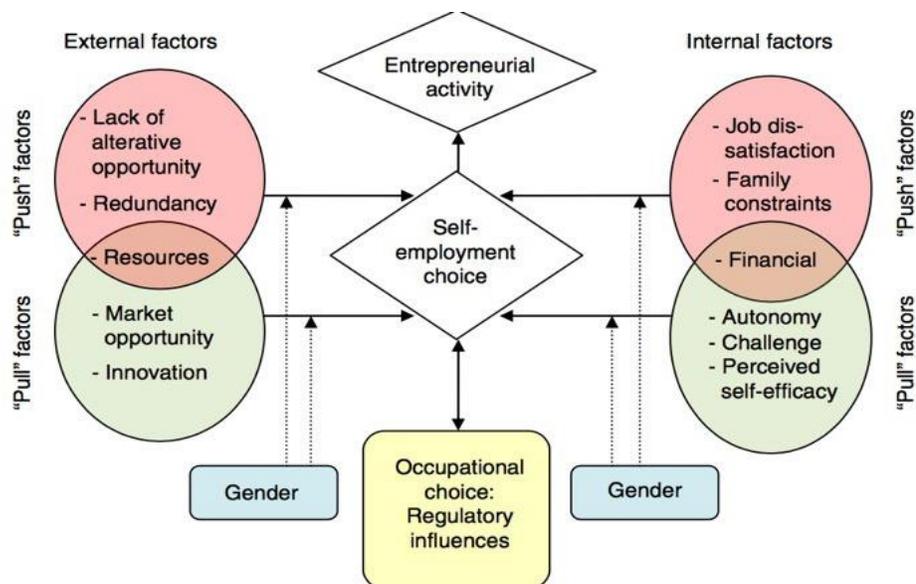


Figure 5: Pull and push factors of entrepreneurship (Adapted from Dawson & Henley 2012, 714)

In regards to the motivations of ethnic entrepreneurs, many researchers have assumed that the background of ethnic groups and their vulnerable markets would push them into self-employment. Others have stressed that the advantages of ethnic entrepreneurship will pull individuals into self-employment in order to improve their social and economic position in the host countries. Aaltonen and Akola (2012) contended that there are various reasons for starting up a business; however, they particularly emphasized the lack of employment opportunities. People rarely start a business in the field in which they have a PhD or Master's, but instead start a business where they can exploit the opportunities from their national background or from markets with low barriers to entry. For example, individuals can leverage their foreign languages or ethnic networks (Rettab 2001, 4). Aaltonen and Akola (2012) further argued that it is difficult to clearly distinguish between push and pull factors. In most cases, helping family is the main factor motivating people to pursue entrepreneurship.

Ullah, Rahman, Smith and Beloucif (2016) provided more insights about the factors influencing ethnic entrepreneurs' decision to start their own business. According to their research, unemployment, redundancy, and dissatisfaction with the previous job are the

main push factors for immigrants to choose entrepreneurship as their career. Money and personal wealth creation are the most important pull factors. Entrepreneurship offers a solution not only for the emotion challenges, but also for many personal problems that surround immigrant entrepreneurs. In addition, Ullah et al (2016) highlighted autonomy as a pull factor in combination with the unhappiness in previous jobs. The result is the belief that the time and exertion of being an employee can be better applied to operating one's own business (Ullah et al. 2016, 1090).

3.3. Opportunities recognition and exploitation

Schumpeter (1934) and Kirzner (1979) held differing points of view about the creation and recognition of the opportunity. While Schumpeter supported the possibility of creation of opportunity, Kirzner argued that an opportunity exists independently of an entrepreneur and that opportunity discovery is therefore a necessary process (Hang, Garnsey & Ruan 2013, 8). There are three views of entrepreneurship opportunity, which have been previously analyzed by Sarasvathy, Dew, Velamuri and Venkataraman (2003, 145): opportunity recognition, opportunity discovery, and opportunity creation. The difference between these views is based on the existence of supply and demand. If both supply and demand exist, the opportunity to bring them together has to be "recognized". Opportunity discovery happens if only supply or demand is present; thus, the other factor need to be "discovered". Finally, creation is necessary when both supply and demand do not exist. This research adopts the perspective of opportunity recognition.

It is necessary to define entrepreneurial opportunities and the process of recognizing and exploiting the opportunity. Shane and Eckhardt (2003, 165) defined entrepreneurial opportunity as "*situations in which new goods, services, raw material, markets and organization methods can be introduced through the formation of new means, ends, or means- ends relationships.*" It is important to acknowledge that it is the collective cognition of a number of internal and external signals including a set of ideas, actions, beliefs that creates the future goods within the market. The whole process is built from the combination of small pieces of information. Duru (2011, 45) claimed that most of the beneficial opportunities do not suddenly appear. Rather, it is the result of an

entrepreneur's alertness to possibilities and also the establishment of mechanisms to identify the potential opportunities.

Entrepreneurial opportunity is also observed in Timmons framework (Timmons & Spinelli 2007, 110). His model is divided into three primary components: opportunity, entrepreneur, and resources. Timmons emphasized that the process begins with the opportunity, not with money, strategy, business plans, or other factors. The opportunity is evaluated as the heart of the process. Entrepreneurs and founders serve to maintain the balance of all critical. Uncertainty and capital market context are the factors that disrupt the balance. Timmons further emphasized the important role of opportunities when he said that there is a three-pronged strategy for the growth of entrepreneurship, which includes developing the ability of entrepreneurs, focusing on searching for the entrepreneurial opportunity, and raising the balance between the entrepreneurial capacity and opportunities from the small firms to growth companies. For ethnic entrepreneurship, the market opportunity often comes from a niche in their immigrant community, in which entrepreneurs can provide ethnic goods and services. The ethnic groups that create a strong entrepreneurial group can become of great economic significance for the whole community through job and opportunity generation (Rettab 2001, 19).

Baron (2006) concluded that the process of opportunity recognition is not a simple one. During the early stages, the entrepreneur has to take repeated steps with the purpose of clarifying the suitable opportunity for their business model. Moreover, it is believed that opportunity recognition is strongly influenced by the "*active search for opportunities, alertness to opportunities and prior knowledge*". Thus, Baron proposed a model of pattern recognition was created to integrate the related factors (see Figure 6).

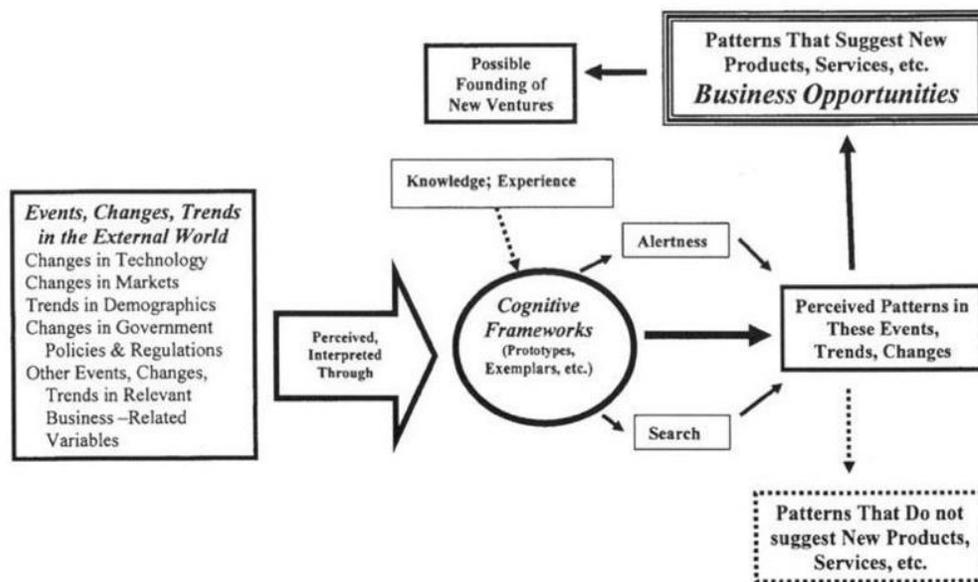


Figure 6: The potential role of pattern recognition in opportunity recognition (Adapted from Baron 2006, 112)

Baron (2006) explained that the pattern recognition occurs when an entrepreneur perceives the external changes, such as changes in markets, changes in technology or the changes in government and policies. After this point, knowledge of a certain field, alertness to the signal of changes, and searching for the opportunity are key in the process of opportunity recognition. Wang, Ellinger, and Wu (2013, 260) similarly stated that the characteristics of an individual, such as self-efficacy, prior knowledge, and social networks, are important in the opportunity recognition stage. They found that self-efficacy and social networks are the most significant elements, especially in an Asian business context.

After recognition of opportunity, entrepreneur must conduct opportunity evaluation, which involves the consideration of opportunity characteristics. The business owner forms judgements to discern the best opportunity for the value creation. Wood and Williams (2014, 589) found that entrepreneurs employ rules such as novelty, resources, efficiency and the worst-case scenario to evaluate the opportunities. Opportunity evaluation will be more positively when the opportunity has *“high novelty, high resources efficiency and a mild worst-case scenario”*.

3.4. Decision to launch a venture

There can be no entrepreneurship if the decision is not taken to developing the perceived opportunity. Thus, the next stage of the initial entrepreneurial process is the decision to launch, or not to launch, a business (Santos, Curren, Caetano & Baron 2015, 534). *“Entrepreneurial decision making refers to the choices made by entrepreneur when faced with entrepreneurial opportunities”* (Miao & Liu 2010, 357). Volery (2007, 32) found that the business entry decision has strong influences on the development of ethnic entrepreneurial theories. The question of whether cultural or structural factors affect the decision to launch a business is particularly prevalent in ethnic entrepreneurial theory. Proponents of the cultural influence believe that immigrants who are affected by culturally determined features will have strong intentions toward self-employment. On the other hand, proponents of the structural influence contend that the external factors in the host country, such as discrimination and barriers in the labor markets, are the main reasons pushing people into entrepreneurship. According to Santos et al. (2015, 531), the decision to launch a venture is based on two dimensions: feasibility and motivation. The feasibility dimension concerns the assumption that there is a profitable market opportunity and the financial viability of business ideas. The role of resources is emphasized in this process. The motivation and intuition of entrepreneurs about the success of business- as well as advice from friends, family, experts, or consultants- are crucial during this stage.

Many start-ups never reach establishment, and the majority have to close their business within one year after it was founded. High risk and uncertainty always come with the development of a business, especially for entrepreneurs. Although some start-ups survive and start to grow with high profits, many challenges can still persist. The common challenges to new start-ups include financial resources, business experiences, knowledge in the working field, and strong networks (Evers 2003, 34). This research focuses on the difficulties of ethnic entrepreneurship in the stage of deciding to launch a venture. Many researchers have studied the various barriers for entrepreneurs and ethnic entrepreneurs. In the entrepreneurial process of Bolton and Thompson, entrepreneurs face various obstacles for entrepreneurs, such as finding the required resources, managing

risk, using the network extensively, and showing determination in the face of adversity. Beyond this, individuals from ethnic minorities experience specific challenges to realize their business opportunities. In their research on the challenges and issues facing ethnic entrepreneurship, Rahman, Ullah and Thompson (2018) identified financial access, communication skills, labor market access, regulation, and management skills as the primary relevant challenges. This analyzes some of the most prevalent difficulties of new ethnic start-ups.

Finding the financial capital support is one of the first challenges that an entrepreneur must face when starting his or her business (Kanchana, Divya & Beegom 2013, 74; Klapper, Laeven & Rajan 2004, 2). The entrepreneur is the one who knows the business idea and it can be difficult to convince the investor of its potential. In his study in Zurich, Bosswick (2010, 25) found that the local authority will provide the start-up credit in the range of 5-7%. However, the credit is not easily accessible by immigrant entrepreneurs because they might not present a careful business plan or securities for the loan. A typical bank in Switzerland often concentrates on the remittances management and on real estate investment of origin. Therefore, the financial support for immigrants is mainly from their community networks and their families.

In addition to finance, the labor is also an important element of network relationships with co-ethnic groups (Nijkamp, Masurel, Tastan & Vindigni 2002, 242). Most employees want to work less and get paid above what they can do, so business entrepreneurs often face difficulty in finding hardworking and trustworthy employees. However, finding good employees is a minor task in comparison with gathering them into a good teamwork. (Kanchana et al. 2013, 74). Therefore, ethnic entrepreneurs rely heavily on labor from the family members who are trustworthy (Nijkamp et al. 2002, 243).

Language barriers also make it difficult for ethnic entrepreneurs to access the necessary information. Lack of language proficiency in the host country is particularly notable among first-generation immigrants. Bosswick (2010, 2) posited that immigrant entrepreneurs face the problems with the bureaucracy and related papers, even if they can communicate fluently of the language. The challenges of ethnic entrepreneurs in comparison in the native language. The challenges of ethnic entrepreneurs in comparison

with native entrepreneurs are the lack of familiarity with the traditional business process in the country, lack of awareness of local regulations and legal requirements, and the limited experience with traditional financial tools and procedures (Pinkowski 2009, 46). Besides, Waldinger et al. (1990, 133) emphasized that having information and advices about the market, as well as accessing and understanding premises and regulation, is essential for entrepreneurs. Rath (2011, 45) similarly stated that a significant obstacle for new entrepreneurs is their lack of information about regulations and procedures upon starting of their business because of the low education and language barriers. Furthermore, the lack of prior skills and management experiences are common weaknesses of many ethnic entrepreneurs because coming from developing countries prevents them from gaining education and business skills. Rath (2011, 61) noted that ethnic entrepreneurs often feel challenged in running a business due to their lack of business management skills and competences. The European Commission (2008,11) found that a lack of business skills is observed in many cases in which the creation of business was more necessity-based rather than opportunity driven. Additionally, lack of language proficiency in the host country is notable within the first-generation immigrants.

Additional obstacles that all new ethnic entrepreneurs must overcome include the misjudgment of their potential markets, client acquisition, and the lack of marketing competence, which is related to the limits of their local network and language skills (Bosswick 2010, 25). Therefore, it is difficult for the business owner to connect with local people. They have to face with the prejudices of potential customers because of their immigration background. It also takes them a long time to become professional and get the trust from indigenous customers (Bosswick 2010, 25).

Furthermore, ethnic entrepreneurship needs specific protection due to the lack of awareness among ethnic entrepreneurship of governmental policies and inspections. In many cases, ethnic entrepreneurs cannot fully understand all of the regulations and laws affecting their activities. Regulations are often complicated and unclear. Beyond this, over-regulation of commerce also restrains entrepreneurs from growing. Over-regulation can make entrepreneurship impossible by creating high entry barriers in certain fields. This is compounded by tense competition between ethnic groups or between ethnic groups and indigenous groups (Waldinger et al. 1990, 151; Kritikos 2014, 7).

3.5. Assembling the required resources

After making decision to exploit an opportunity, an entrepreneur takes action by first seeking the required resources for the new enterprise. Only when the opportunities reasonably match the resources can opportunities be properly exploited to create more value (Ge, Sun, Chen & Gao 2016, 502). Having the ability to recognize an opportunity and finding the required resources to exploit the opportunity are critical entrepreneurial capabilities in order to launch a business. Assembling the required resources is therefore a critical stage before the actual launch of the new venture. According to Dollinger (2008, 35), *“resources is anything that is useful, tangible or intangible”*. There are six types of resources mentioned: physical resources, reputation resources, organizational resources, financial resources, intellectual and human resources, and technological resources.

The effectuation theory of Sarasvathy (2001) and Baker and Nelson’s (2005) entrepreneurial bricolage are both useful in describing entrepreneurial action in seeking resources. Sarasvathy (2001, 245) defined effectuation as a process by which an individual *“takes a set of means as given and focuses on selecting between possible effects that can be created with that set of means”*. The entrepreneurial bricolage was defined by Baker and Nelson (2005, 333) as *“making do by applying combinations of the resources at hand to new problems and opportunities”*. This research applies the entrepreneurial bricolage to explain the resources constraints of ethnic entrepreneurs. Table 3 describes the environment domain in which bricolage was used to create something from nothing. Ethnic entrepreneurship generally lacks these kinds of resources such as labor, skills, customer, and markets. Thus, using entrepreneurial bricolage is one of the methods, which help to overcome the resources constraints.

Table 3: The environmental domains in which bricolage was used to create something from nothing (Adopted from Baker & Nelson 2005, 349)

Domains	Description
Physical	By imbuing forgotten, discarded, worn or presumed “single application” materials with new use value, bricolage turns valueless or even negatively value resources into valuable materials
Labor	By involving customers, suppliers, and hangers-on in providing work on projects, bricolage sometimes creates labor input
Skills	By permitting and encouraging the use of amateur and self-taught skills (electronics repair, road work, etc.) that would otherwise go unapplied, bricolage creates useful services.
Customer/markets	By providing products or services that would otherwise be unavailable (housing, cars, billing system, etc.) to customers (because of poverty, thriftiness, or lack of available), bricolage create products and markets where none existed.
Institutional and regulatory environment	By refusing to enact limitations with regard to many “standards” and regulations, and by actively trying things in a variety of areas in which entrepreneurs either do not know the rules or do not see them as constraining, bricolage creates space to “get away with” solutions that would otherwise seem impermissible.

Resourceful behaviors such as bricolage play a key role in shaping the entrepreneurial results - for better or for worse. The theory of entrepreneurial bricolage suggests that the tools or services that the entrepreneurs use, in regards to enacting or testing and counteracting limitations, will form the connection between bricolage activities and the growth of the organization. However, while the entrepreneurial bricolage activities can help to overcome the resources pressure, they can also prevent the firms from their development. (Fisher 2012, 1027). Senyard, Baker and Davidson (2009, 6) further affirmed the idea that entrepreneurial bricolage is not all good nor all bad.

Access to financial resource is one of the most critical factors, and challenges, to form a business (Santos et al. 2015, 531). Finding financial resources is particularly crucial for ethnic entrepreneurs who come from developing countries with very limited capital. The financial capital can be sought from different resources (see Table 4). An entrepreneur with a weak network will have difficulty in operating their business, while an entrepreneur with stronger networks will have more opportunities to access the market and open their own business.

Table 4: Funding sources of immigrant entrepreneurs (Adapted from Kushnirovich & Heilbrunn 2008, 169)

Equity	Personal savings: Money brought from home country	Informal	Ethnic
	Money saved in host country		Non-ethnic
Debt	Family and friends	Formal	Ethnic
	Rotating credit associations		Ethnic
	Government financial support		Non-ethnic
	Banks loans (from ethnic or non-ethnic banks)		Ethnic or non-ethnic
	Credit company		Non-ethnic
	Trade credits (from ethnic suppliers or non-ethnic suppliers)		Ethnic or non-ethnic
	Other sources		Non-ethnic

Education levels and the share of co-ethnic clients are factors that influence the ability to access to financial capital. More educated immigrant entrepreneurs will invest less in their business. These two factors have different impacts on the financial capital. While education only affects the scope of start-up capital, the share of co-ethnic clients influences the proportion of capital required for business operation. (Kushnirovich & Heilbrunn 2008, 182). In addition, the place of residence also has a large impact on the development of a business startup. People living in an urban city can easily access to

financial capital in comparison to people living in a rural area. Therefore, Marshall and Samal (2006, 16) suggested that workshops or business programs should be designed to encourage the development of business start-ups in rural areas. Moreover, the rural authorities also need to provide a better education and business management programs in order to foster the business formation and growth in their communities.

4. INSTITUTIONAL ENVIRONMENT

4.1. Institutional theory

Institutional theory is considered as a theoretical framework used for analyzing social phenomena in recognition that the social world consists of institutions, which conducts the rules, regulations, and structures setting conditions to actions (Lawrence & Shadnam 2008, 2289). North (1990, 1) stated that “*institutions are the rules of the game in ta society, or more formally, are the humanly devised constraints that shape human interaction.*” Institutional theory in organizations has likely entered a phase of more intentional development, followed by efforts aimed at self-assessment and combination after a period of swift growth and high creative energy (Scott 1987, 493). Immergut (2010, 2) explained that the meaning of the term “institution” derives from different aspects, such as “habits”, “customs”, and “conventions”. A “habit” is described as a repeatedly action of nature, which is acknowledged by self-conscious actors. A habit is shared by members of society becomes a “custom”. The agreement upon process subsequently creates “convention”. Language is the convention adopted by vast numbers, which produces a collective binding. Finally, the transformation from informal to formal marks “institutionalization”. Zucker (1977, 728), she defined institutional theory as:

Institutionalization is both a process and a property variable. It is the process by which individual actors transmit what is socially defined as real and that, at the same time, at any point in the process the meaning of an act can be defined as more or less a taken-for-granted part of this social reality. Institutionalized acts, then, must be perceived as both objective and exterior.

Based on the studies of Zucker (1977) and Meyer & Rowan (1977), Scott (1987, 496) had summarized the various definitions of institutionalization and concluded that institutionalization is considered as the social process by which individuals accept common definitions of social reality with the independent of legal conceptions. Scott (2001, 33) stated, “*Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviors. Institution are transported by various carriers- cultures, structures, and routine- and they operate at*

multiple levels of jurisdiction". The first pillar emphasizes the regulative aspects of institutions, which uses a stable system of rules, laws, and sanctions to influence the future behaviors. Fear, force, and expedience are considered as the ingredients of this regulative pillar. Values and norms are included in the normative system. These normative rules are used to entitle and enable social action, but at the same time, but also exert pressure on the social behaviors. The last pillar describes the rules that consist of the nature of reality and the frames in which meaning is shaped (Scott 2001).

Morgan (2007, 128) explained that the institutional environment begins with the ideas that economic rules are institutionalized by different kinds of capitalism. Therefore, the societies have to develop institutions, which help to reflect their own way of operating the economic relations. Institutions are therefore located within specific social contexts and conditions. Moreover, institutions depend upon the social compromise between labor and capital. When entering the market in a host country, immigrant firms need to identify and understand licensing to new businesses, employing new workers, laws and regulations for the acquisition of property, importing goods of productions, taxes, government licenses, and fees (Henisz & Delios 2000, 7-8). Research on institutional theory mostly focuses on the institutional context- sets of institutions and their interactions with other social factors (Lawrence & Shadnam 2008, 2289). In his research, North (1990, 6), he found out that, in order to reduce uncertainty in human interaction, establishing a stable (efficient or inefficient) structure is the main role of an institution. The human action is guided by rules; when actors- the players of the game - individuals or organizations- have to face with interaction problems, the rules will assist their decision making and behaviors by structuring expectations about how to behave successfully in these situations, "*reducing their behavioral uncertainty*" (Skoog 2005, 20).

4.2. Policies and programs in the institutional environment

Institutional factors play a crucial role in the development of entrepreneurial activities, especially in concern to immigrant entrepreneurship. Over the last few decades, western countries have been the primary destinations of immigrants, who mostly come from Asia,

Africa, and Latin America. Thus, the influence of the immigrants on Western economies has increased. In this study, policies are viewed from the government's perspective. Fuduric (2008, 5) defined the notion of policies and programs according to the 2007 OECD report. He defined policies, which are created by high-level of institutions, are the set of long-range goals and principles framing the institution's actions. Meanwhile, programs are the set of actions designed to reach the policies' goals. Governments enact policies and programs to support for their activities (Chrysostome 2010, 149). According to Marchant and Siegel (2015), apart from market conditions, personal backgrounds, and characteristics, policies and programs are considered as one of the most important factors influencing the success of entrepreneurs (see Figure 7). The set of rules strongly impacts opportunities for entrepreneurship by controlling the access of ethnic people to market exchange. The set of rules sometimes in some cases presents challenges for immigrants, especially for people with low skills who have to face with the complex regulations of their new countries (Rath 2011, 17).

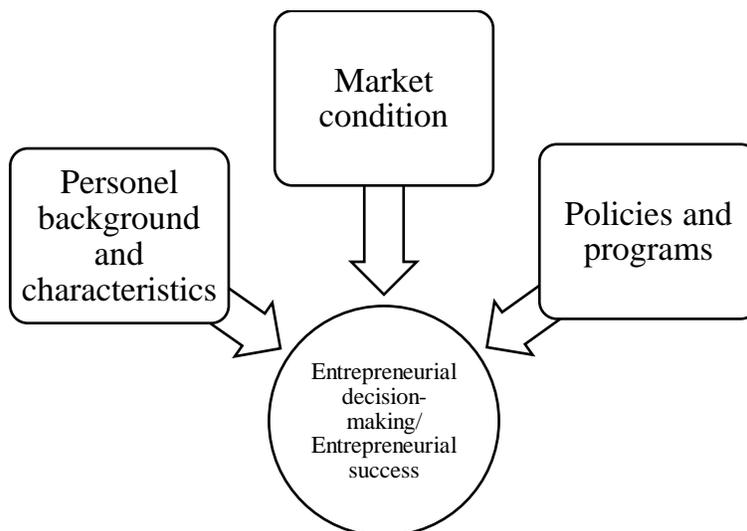


Figure 7: Factors influencing entrepreneurial decision-making and success (Marchant & Siegel 2015, 7)

According to UNCTAD research, the start-ups are established in developed countries because their founders receive business opportunities that are supported by their

government. It is important to understand the current status of entrepreneurship in Finland and to identify its main challenges and opportunities. The purposes of entrepreneurship policies are to address the barriers faced by entrepreneurs when starting a business, to guarantee the effectiveness of market conditions in order to eliminate the market failures, and to construct a context that allows organizations to assume reasonable risks in their business operations. Business educational programs or entrepreneurial training programs are designed to boost entrepreneurial and business skills, which require the governments' attention (Fuentelsaz, Gonzale, Maicas & Montero 2015, 248). While some governments may focus on their education systems to improve the necessary managerial or technical skills, other governments may find that the current business regulations or the financial systems are too complicated for entrepreneurs. Obaji and Olugu (2014, 113) stated that the entrepreneurial success of any nations primarily depends on the government's policies. Most governments, particularly in developing countries, prioritize economic development. Therefore, they consistently support for entrepreneurs in various ways, such as providing infrastructural, financial, and fiscal aid.

Government policy intervenes in the relationship between antecedents of entrepreneurship and economic development. Gorter, Nijkamp and van Delft (2000, 20) has identified three focal points for the promising policy research and actions, which include the potential of socio-cultural and ethnic networks, the importance of training and education, and the information on facilities and the access to financial resources. They highlighted that a higher unemployment rate coincides with a lower success rate of policies. Concentrating on these points will therefore facilitate improved policy performance. Rath (2011, 7) emphasized on two specific types of policies that directly enhance the success of immigrants in starting a business. The first one focuses on social capital: "*the ability to make use of resources (financial, information, labor) from other members of the same social network*". Rath contended that policies should aim to replicate or match the social network of native entrepreneurs so that immigrants have a chance to reach a newer and larger market. Social capital and trust are critical in deciding the success of a business: they help not only to reduce transaction costs, but also to increase the rate of survivals and opportunities for expansion of a company. The second type of policy according to Rath focuses on the demand sides as well as opportunity

structures: it is the reduction of rules and regulations towards the start of a business. Immigrants will have benefits when the policies lower the qualifications needed to start a business or when they produce a new regulatory framework suitable to the needs of small businesses. Chrysostome (2010, 142) argued that some immigrants are more predisposed to become entrepreneurs depending on the value system with which they recognize themselves in the host country. Equality of opportunity should be guaranteed for all categories of people: male or female, white business owners or immigrant business owners. However, in order to secure equal access to resources or markets, the formal institutions must be available for certain groups.

4.3. Policies and programs to support ethnic entrepreneurship

There are many policies that have affected the development of entrepreneurship in general, and ethnic entrepreneurship in particular. According to Desiderio (2014), it is emphasized that there are two important groups of policies that support for the development of immigrant entrepreneurship: business-support programs and structural policies with different objectives. While structural policies target the creation of a productive environment for the development of entrepreneurship and innovation, business-support programs will empower entrepreneurs by providing the financial aids, actively enforcing favorable conditions for starting and developing the business.

4.3.1. *Business- support programs/ business development services*

Business-support programs, or business development services (BDS), are known as products or services that provide business advices or training skills for entrepreneurs at different stages of their businesses. In generally, these programs are defined as

Services that improve the performance of enterprise, its access to markets, and its ability to compete. The definition of business development service includes an array of business services [such as training, consultancy, marketing, information, technology development and transfer, business linkage promotion, etc.], both strategic [medium to long term issues that improve performance] and operational

[day-to-day issues]. BDS are designed to serve individual businesses, as opposed to the larger business community. (Committee of Donor Agencies for Small Enterprise Development, 2001, cited in Pinto 2004, 5)

Business support or development services are extremely important to support for the development of micro or SMEs, especially in the early stages. In addition, the assist SMEs to manage the business more effectively, access the financial sources, and/or meet security requirements. Although there is a wealth of public information and guidance, which is available on the Internet and in books, such sources of information must be systematic and structural in order for new entrepreneurs to easily follow up. Entrepreneurs who are at the first stage of business are in need of expertise on types of business, management implications, and other topics (Villarreal 2010, 65). This expertise can help the firms to find suitable employees, accessing the financial sources, meeting security requirements, and/ or contribute to economic development.

Furthermore, those business-support programs mentioned above are crucially necessary for the improvement of rural areas and vulnerable communities (Pinto 2004, 5). In addition to business services for entrepreneurs and SMEs, business development programs also focus on immigrant entrepreneurs, helping them to overcome their specific obstacles in the early stage of their business. (Desiderio 2014, 8). Business development programs targeted for immigrant entrepreneurs appeared many years ago in developed countries, such as the United States of America (the USA) or several European countries. As reported by Sonfield (2014, 201), the support for ethnic entrepreneurship has been steadily available from various states and local government agencies since the 1960s in the US. Those programs initially focused on the African-Americans and later targeted at woman and other ethnic communities. Several European countries, such as the United Kingdom (the UK), have expanded their business programs and policies in recent years. The demand for business development policies and programs was not recognized until the steady growth of ethnic entrepreneurship in the 1990s. Sweden began to support immigrant entrepreneurs through dedicated programs after the support for immigrant rose strongly in the US and the UK. Sweden created exceptionally strong impact though offering more opportunities for small firms. Swedish policy makers increasingly

promoted the advantages of small enterprises and the political- economic environment also became more friendly for small firms (Hogberg, Scholin, Ram & Jones 2016, 245).

Immediate political necessity is not the only reason for governments to pursue the business development programs. The development of ethnic business is consistent with the widespread economic growth. It is therefore necessary to encourage the birth of new firms in order to accelerate the growth of the economy (Waldinger et al. 1990, 181). The intervention of governments in this domain is primarily located in the early stages of business start-ups. Outside of the government aid, additional agencies, without governmental support, also play an important role in promoting entrepreneurship. Creating competition among potential private providers is a component of government' strategies (Villarreal 2010, 65).

4.3.2. Structural policies

The second policy type outlined by Desiderio (2014), is structural policies for high-value-added business ventures managed by immigrants or native people. Structural policies focus on developing the environmental for entrepreneurship, and immigrant entrepreneurship. However, it is difficult for policymakers to specify the objectives of enhancing immigrant entrepreneurship beyond broad economic goals in the areas of “*general administration, taxes, labor market regulations, economic and industrial development, education and research*”. Based on the report Structural Policies Priorities of OECD (2005, 19), there is some evidences that the institutional systems and policies will foster the market competition between organizations. Therefore, the structural policies play a crucial role in leading firms to look for efficiency gains and helps to improve the product and market regulations. Since the 1990s, there have been some significant improvements in various structural areas, such as barriers to entrepreneurship and trade, control of economic activities, and foreign direct investment.

According to Desiderio (2014, 12), there is a range of structural policy interventions that contribute to creating a better business environment for ethnic entrepreneurs, including the following examples.

- *Reducing the required process for business registration:* Cutting down unnecessary procedures, systematizing text documents for access via computers and online systems that users can remotely use, and simplifying registration procedures.
- *Building supportive fiscal regimes for entrepreneurship and investment:* Developing new tax systems, cutting taxes for start-ups, and attracting investors to promote development.
- *Allowing resilience in the labor market to enhance recruitment:* Reducing employment rules, developing flexible working environments, cutting down social contributions for firms and start-ups in innovative fields, and promoting training programs.
- *Fostering business education and training:* Offering entrepreneurship courses to primary or high school student so that they can familiarize themselves with the concept of entrepreneurship, improving students' interactions and insights into entrepreneurship to enable future development.
- *Promoting business research and innovation activities:* Engaging researchers to develop R&D, building research with a modern investment facility in order to increase the effectiveness of research, and providing financial support for research works in the field of economic and social benefits.
- *Supporting entrepreneurial culture:* Enhancing people's understanding of entrepreneurship as well as creating the right environment for both immigrant entrepreneurs and indigenous entrepreneurs.

Structural policies are generally considered as a special tool used by the government to encourage the development of entrepreneurship and ethnic entrepreneurship. The role of government is strongly emphasized because they are in charge of the structural economic transformation. The development of financial funds, business incubators or technology centers are included in the structural policies.

4.4. Supporting programs during the entrepreneurial process

Based on the literature review, the entrepreneurial policies and programs have affected to the activities of ethnic entrepreneurship in the whole entrepreneurial process. The government provides instruction regarding what should be done and what should be not, for example, what legal activities are allowed, what procedure should be followed (Kumar & Borbora 2015, 61). In below sections, the literature about interventions of governmental policies and programs in each stage of the entrepreneurial process is reviewed.

4.4.1. Education and training programs

In their study, Kim-Soon, Ahmad and Ibrahim (2016) emphasized that the youths who have the sincere intention to become entrepreneurs can be recognized through government entrepreneurship intervention initiatives. The effects of government interventions on the push and pull factors of entrepreneurial motivations differ. Entrepreneurship policy is structured around the predominance of pull factors in order to raise the long-term awareness of entrepreneurship and support for the start-up activities through human, physical, and working capital provision. Dawson and Henley (2012, 715) emphasized the importance of policy intervention, especially in the beginning stage of entrepreneurship, in understanding the underlying motivating factors for self-employment. Education and training are significant tools that influence the motivations of entrepreneurs. Male students have shown greater intention to become entrepreneurs than female students. According to Bolton and Thompson (2004, 321), educational and training activities are the beginning of the journey for entrepreneurs. Entrepreneurship courses can be categorized into three groups: *entrepreneurship as a subject*, *entrepreneurship as an activity*, and *entrepreneurship enabling*. Established research concerning the impact of entrepreneurship program on the entrepreneurial intentions of student has found that these programs introduce student to entrepreneurship and inspire reflection on their current preference for employment. For example, Mark Cuban, the billionaire owner of a basketball team and a co-owner of HDnet shared that the best class he ever took was an entrepreneurship class at Indiana University 's Kelly School of

Business. The class motivated him to start business more than any other courses in marketing or finance. (Dollinger 2008, 40).

In general, the relationship between universities and enterprises is affirmed through the activities of efficient public institutions, such as universities or research centers. Therefore, policy makers and educators ought to consider the elements affecting the desirability of entrepreneurs with the purpose of encouraging their intention towards entrepreneurship.

4.4.2. Bonding the entrepreneur with opportunity

There are many differences in the public policies among different countries (not only for immigrant people but also for the general fiscal, trade, and labor markets). For example, the Anglo- Saxon countries with “market-driven” economies offer a favorable market environment for immigrants based the broad scope of free market. In contrast, in European countries with more developed labor regulations and generous welfare rules, immigrants face significant barriers in entering the market of independent labor. (Martinelli 2004, 12). According to Kritikos (2014, 8), such challenges from governments will prevent innovation-driven activities. The opportunities for entrepreneurs are greatly expanded in open markets due to their activities’ flexibility and adaptability to constant change.

Bolton and Thompson (2004, 303) suggested that the business-training programs are an important support in bonding the entrepreneurs with opportunities. For example, the Prince’s Trust business development center in the UK has successfully support many people to start their own business. People who already have entrepreneurial drive or who were motivated by education or school have to take initiative to start a business. Business development centers organize various activities to create and bring the opportunities to entrepreneurs. Although they are conducted in diverse ways, business development centers share a general purpose to assist entrepreneurs in spotting and exploiting opportunities. A planned intervention supported by experts or mentors is crucial for entrepreneur to become aware of the opportunities. An important component of business development centers is conducting activities that target the early stage of the

entrepreneurial process. As a result, the entrepreneurs have enough time to evaluate before moving to other stages in their initiatives. The evaluation helps entrepreneurs to identify whether or not an idea can become a probable opportunity. It is better to discontinue or adapt the opportunity at the early stage because it will cost more time and money when it comes to later stages. (Bolton & Thompson 2004, 303).

4.4.3. Developing entrepreneurial business services

Business support services, including legal, financial, technological, community based, formal and informal networks, are important supporting factors for the decision-making of small businesses and entrepreneurships. The goals of these supporting programs are to help individuals to distinguish between a good business opportunity and a weak business one, and to assist with the start-up process. As a result, the launch of new businesses is encouraged. An improved understanding of the business obstacles can help business services providers to develop better entrepreneurship program (Van Auken 1999, 185).

The Table 5 below collects information to provide a clear view of which services of business development programs can help ethnic entrepreneurs to overcome their challenges. The name of the services was listed in the first column, from legal advice to entrepreneurial training, mentoring, and support in accessing business networks. The second column provides the description of each services. For example, entrepreneurial training is applied to support entrepreneurs in business planning, marketing, finance, business regulation, or information technology training. The last column presented the related obstacles which can addressed by each service. The purpose of this table is to demonstrate the role of services provided by business development services in helping ethnic entrepreneurs to overcome their challenges.

Table 5: The descriptions of services provided by business development programs/agencies (Desiderio 2014, 7)

Name of the services	Description	Obstacles of ethnic entrepreneurs
Entrepreneurial training	Supporting in developing business plans or marketing, finance as well as business regulations, information technology training	Lack of information and skills
Counseling	Tax regulations, labor law and social security obligations	Political attack and competition with rivals
Legal advice	On licensing and intellectual property	Political attack
Mentoring and support in accessing relevant business networks	Establishing the connection with potential clients or suppliers	Manage network with customers and suppliers
Help in raising start-up capital	Support to get the loans or financial credits from local banks	Obtain capital
Help with the fulfillment of administrative procedures for business setup	Help with the business registration	Lack of information Political attack

4.4.4. Funds from financial institutions and private accelerators

Lin, Rogoff, Foo and Liu (2015, 204) concluded that the available of capital, government-backed funding, and financial guarantee programs have large impacts on the development of young businesses. Fiscal measures, such as tax reductions or exemptions, also play a key role. In their research on immigrant entrepreneurship in Israel, Kushnirovich and Heilrunn (2008, 182) found that the governmental support in the form

of designated loans is the most significant factor influencing the financial capital. It is pointed out that these loans are supporting for ethnic business not only in the early stage, but also in the growth stage. State programs for expanding business are widely accessible for all entrepreneurs, both immigrant and non-immigrant. However, the communication between ethnic entrepreneurship and public institutions is inefficient, which makes it difficult for immigrants to realize the existence of these supports. Additionally, immigrant may face challenges in accessing these programs due to the language or information barriers.

In a survey of immigrant entrepreneurs in Greece, only 11.3% of the entrepreneurs participated in Greek and EU funding programs. The entrepreneurs applied for these funds in order to secure large initial capital for starting businesses. However, it is difficult for immigrant entrepreneurs to receive these supports because they cannot provide all of the necessary papers and permits for opening a business. In some cases, it is impossible for them to receive the funds from financial institutions because of their illegal status (Piperopoulos 2010, 153). Because financial support for ethnic entrepreneurship from public institutions is difficult in most countries, accessing funds from financial institutions is often disfavored among entrepreneurs (Bewaji, Yang & Han 2014, 726)

Beyond the funds from financial institutions, the private accelerators can also support entrepreneurs during their early stages. The government often endorses these accelerators to encourage the economic growth and to guide the entities to concentrate on the specific aspects of regional impact, such as education or job growth. The applications for this type of accelerators' funds are opened for any founders who wish to receive financial support. In addition, participants gain skills to develop their business through educational courses or training programs. The purpose of these accelerators, besides exchanging the equity from start-ups, is to boost the activities of entrepreneurs. (Ferder, Yu & David 2018)

5. SYNTHESIS

The preceding chapters definitely assert the role of governmental support and programs during the initial stages of the entrepreneurial process. “*Support development of entrepreneurship has created favorable conditions to undertake and conduct business activities, especially supporting micro entrepreneurs and small and medium entrepreneurs*” is the responsibility of local government (Skica, Bem & Daszyńska-Żygadło 2013, 3). Desiderio (2014) identified the business support programs and structural policies are considered as the main supporting policies and programs for the ethnic entrepreneurial process in the host country. Policies and programs affect the initial stages of the entrepreneurial process through different interventions: education and training, bonding entrepreneurs with opportunity, entrepreneurial business services, and funds from financial institutions or private accelerators are respectively taken into account as the main supporting activities for the development of ethnic entrepreneurial process. During the first stage of the entrepreneurial process - motivation to become an entrepreneur, education and training are suggested as the main supporting methods for the development of ethnic entrepreneurship in this stage.

According one study on the impact of education on the success of ethnic groups (Hussain, Scott & Matlay 2010, 654), it is believed that the entrepreneurship education has a significant influence on the career choices and related-economic activities of students among ethnic groups. However, not all education programs offer specific courses towards ethnic minority students. This study therefore recommends that the education programs should be customized in order to reach the specific needs of those ethnic groups. This will help to assure not only the survival, but also the development, of ethnic business.

The general purpose of the business training programs is to assist entrepreneurs in the early stages of the entrepreneurial process to identify and exploit opportunities. With the purpose of helping individuals to distinguish between good business opportunities and weak opportunities, and to assist with the start-up process, business supporting programs importantly inform the decision to launch the venture and should therefore be further developed. Finally, financial institutions and private accelerators play key roles in

providing funds to support for entrepreneurship based on the government's regulations. For each different stage, the support activities are also in different ways. This thesis therefore offers a synthesis to integrate all the relevant factors (See Figure 8), serves as a guide for the empirical study about the role of the Finnish government, especially in the Turku region, in the development of Vietnamese ethnic entrepreneurs.

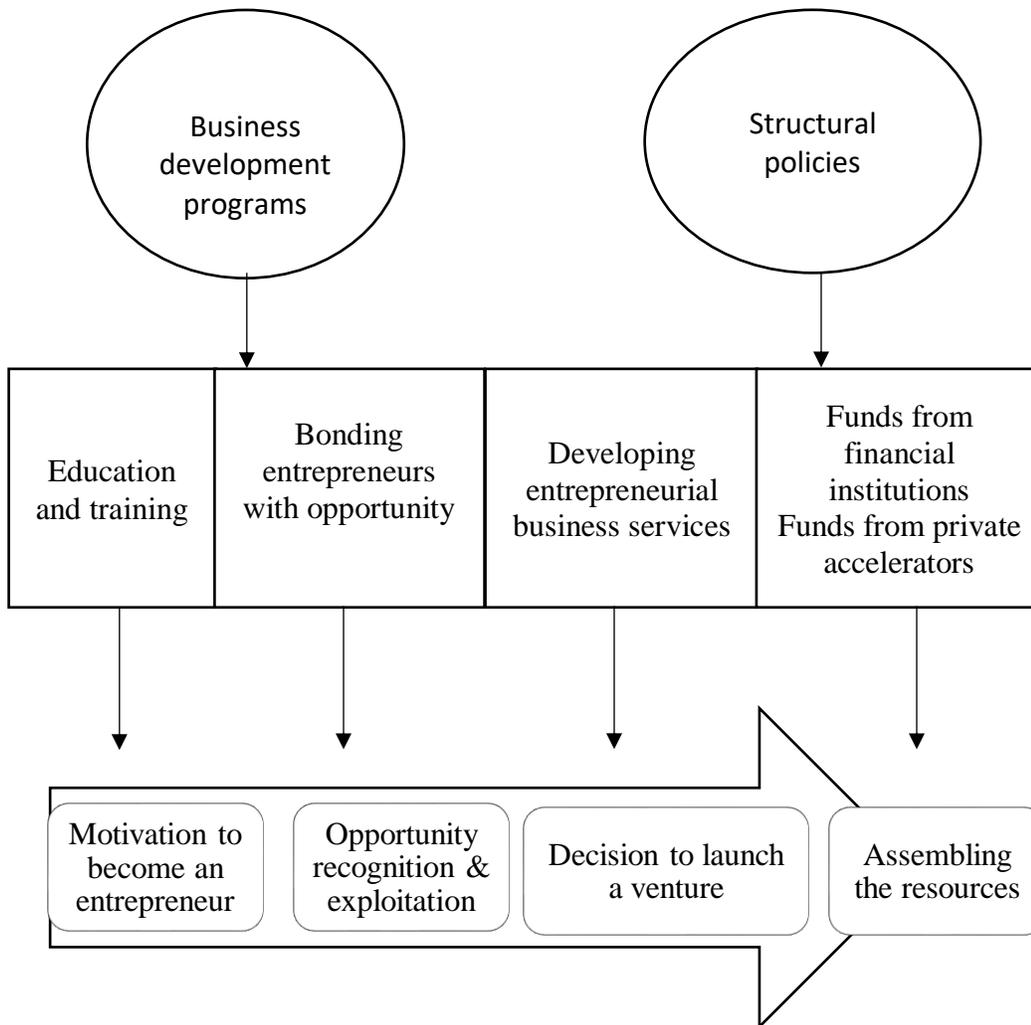


Figure 8: The intervention of governmental policies and programs to the initial ethnic entrepreneurial process

6. RESEARCH DESIGN

Research design is an essential component of the whole research effort because it facilitates the flow of diverse research operations; therefore, the efficient use of effort, time, and money is critical. The research design must be carefully prepared, as any errors can invalidate the entire project (Kothari 1990, 32). The preceding chapters offered a review of the literatures on ethnic entrepreneurship and the institutional environment in the Turku region. This chapter describes the methods employed for gathering the information and analyzing the data for the empirical study on ethnic entrepreneurship towards the supporting policies and programs of the governments.

6.1. Research approach

The two primary types of research approach are the qualitative method and quantitative methods. These research methodologies differ not only in their philosophy, but also in their methods of data collection, models, and procedures applied in data processing and analysis. This study adopts qualitative research as the primary research method. Patton and Cochran (2002, 2) have defined qualitative research as follows:

Qualitative research is characterised by its aim, which is related to understanding some aspect of social life and its methods which (in general) generate words, rather than numbers, as data for analysis.

The qualitative approach is used to identify the different aspects of participants, to explore the meaning of phenomenon, or to discover a process cautiously (Patton & Cochran 2002, 7). There are several reasons for choosing a qualitative approach as the main research methodology for this research. Firstly, the main research question is how the government has affected different initial stages of the entrepreneurial process among ethnic entrepreneurs. Thus, the qualitative method, which is often used to explain the complexity and different perspectives of issues, is indeed necessary to identify the various aspects within the development of ethnic entrepreneurship. Moreover, with a long history in sociology, the qualitative method allows the researchers to investigate the meanings of human behaviors, actions, and their relationships. The flexibility of the

qualitative method is the second reason for employing it in this study. With mostly “open-ended” questions from this method, the interviewees can freely choose their own words and tell their own stories. This is a significant advantage in this research because the information from their stories can be useful to analyze their business development process. Moreover, this research also focuses on how people react and reach their decision, and qualitative research is often adopted in the social sciences for collecting and gathering information, which is especially crucial for the behavioral sciences because they investigate interviewees’ underlying motivations through in-depth interviews. Other methods, such as word association tests, sentences association tests, or story completions test are also used for behavioral research. The qualitative method helps to analyze miscellaneous factors that motivate people to behave in a specific manner. (Kothari 1990; Crossman 2017). The final reason for choosing the qualitative methodology is the lack of hypothesis and statistical data. The consideration between qualitative and quantitative method depends on the availability of projectable data.

6.2. Data collection

6.2.1. Selection of informants

As previously mentioned, the main purpose of this research is to analyze beneficial government interventions in ethnic entrepreneurship. Thus, qualitative interviews were chosen as the approach to collect data on participants’ experiences with supportive policies and programs. The questions were in open-ended, which requires more thought than simple answers with “yes” or “no”. This method allows interviewees to tell their stories and helps researchers to ensure that the insights collected from participants adhere to the intended research questions and themes. The researcher drives the interview (King 1994, 15-17; Turner 2010, 755-756). For this study a series of relatively unstructured interviews will be conducted according to an arranged timetable. (Savenye & Robinson 1996, 1056). The process of constructing a qualitative research interview with structured open-response can be divided into the following steps (King 1994, 18):

- *Creating the operationalization table*

An operationalization table is an important element for conducting interviews. It includes a list of questions, topics, and issues related to the research topic (see Appendix 2). According to Turner (2010, 757), creating effective research questions is also an important part of the interview process. In this research, the questions were carefully formulated with the purpose of obtaining and collecting as much data as possible. There are 31 interview questions in total (see Appendix 1), covering all research questions in this study. Questions of “how” and “why” were often used in order to allow participants to choose their own words in answering. Asking the questions one at a time and using clear words to ensure that the participants can understand the questions properly is also an important skill during the interviews.

- *Selecting interviewees and number of cases*

Selecting the interviewees is another crucial step in preparing the interviews. Samples in qualitative research are often purposive. Snowball sampling, a type of purposive sampling, was applied in this research. To generate a set of useful data, the author carefully selected the participants. It is critical to maintain clear objectives when selecting cases, rather than choosing a case due to convenience or simplicity of access (Goodrick 2014).

The interviewees were selected based on the following requirements:

- ✓ The participants are Vietnamese immigrant entrepreneurs
- ✓ The business operates in Turku region, Finland
- ✓ The participants have experienced or acknowledged the governmental supports and services

After identifying features of interviewees, the number of cases is important to consider. Patton (1990) stated that “*there are no rules for sample size in qualitative inquiry*”. However, according to Goodrick (2014, 4), in order to have a deep understanding of each case, the number of cases should be limited. It is believed that the larger the quantity of cases examined, the less depth can be achieved when analyzing the patterns across cases. Therefore, in this study, the author selected five Vietnamese entrepreneurs for the data collecting process. Searching for the Vietnamese ethnic entrepreneurs who utilize the ethnic network in Turku was relatively simple. The participants who could participate or contribute to the study were selected through the

social networks. The author received the contacts of three entrepreneurs (B, C and E) when working and studying in Turku: friends and former employers who immediately agreed to help with this thesis effort. Entrepreneur A was contacted through an introduction by a friend and entrepreneur D was the author's teammate during a business training program.

6.2.2. Conducting the interviews

In order to collect data, social scientists apply a number of data collection strategies, such as surveys, experience, and quasi-experience. In a qualitative approach, the data collection strategy should be properly used with the purpose of collecting a large amount of data from a small number of samples. The technical methods primarily utilized for qualitative approaches are in-depth interviews, participant observation, and focus groups. (Hox & Boeije 2005, 593). The most popular method is qualitative interviews. In this research, the author employed qualitative interviews with five participants. A short summary of each participant's personal information is presented in Table 6.

Table 6: Short information about interviewees' personal background

Entrepreneurs' name	Working field	Duration of business operation	Duration of stay in Finland	Highest education (conducted in Finland)
Entrepreneur A	Café and restaurant	5 years	10 years	Bachelor
Entrepreneur B	Retail sales	1.5 years	5 years	Bachelor
Entrepreneur C	Information technology	2 years	4 years	Master
Entrepreneur D	Information technology	1 years and 7 months	4 years 9 months	Bachelor
Entrepreneur E	Retail sales	8 years	45 years	Bachelor

According to Hart (1991, 191), the interview process includes five significant tasks: *arranging dates, arranging times, the handling of the interview, timing the interview, and directing the content*. An interview timetable with dates and times was formulated to fit the schedule of each interviewee. After receiving confirmation from participants for the interview timetable, the interview questions were sent to the interviewees prior to the interview. All interviews were conducted in Vietnamese and were later translated into English lately for analysis. The 31 interview questions were divided into different themes according to the research questions (see Appendix 1). Each interviewee was asked the same questions to ensure the consistency of the data. There were a sequence of related questions in each research theme. If the respondents did not respond to one question in a certain theme, the subsequent questions were not asked and the interview progressed to the next theme. Each interview lasted approximately 1.5 to 2 hours for each interviews. Some interviewees shared more interesting and in-depth stories about their business, which took more time than simple answers to the questions. Four out of the five interviews were conducted face to face, and only one interview with interview D was conducted via Skype because the participant was not in Finland at that time. A topic guide is defined as a list of key questions that the interviewer would like to cover. In addition, several useful prompts were used to encourage the interviewees to discuss special issues if they did not naturally arise. After each interview, the author transcribed the audio data into text. Text offers several advantages during the analysis process. For example, reading and finding the keywords in the text is much easier than listening to the audio. After the transcription, the audio recordings were kept for further data analysis of audio cues such as the tone of voice, hesitations, or. The transcriptions were sent to the respective interviewees to confirm the information, which served to reduce mistakes during the transcription process. Upon receiving the feedback from interviewees, the researcher finalized the transcriptions for the data analysis process.

6.3. Data analysis

After collecting all the necessary information, data analysis is the next step in the research process. Qualitative data analysis is described as “*the classification and*

interpretation of linguistic (or visual) material to make statements about implicit and explicit dimensions of meaning-making in the material and what is represented in it” (Flick 2013, 5). This is the central step of qualitative research in which the researcher combines all the raw data, analyses it based on research techniques, and forms the outcomes of the research. As previous stated, the author noted and recorded all the information during interviews for further analysis. Data transcription in text is a useful material for data analysis. The first step is to review the collected data. The author re-read all of the notes and divided the answers into different themes according to the research questions, ensuring that all of the necessary information was included and organized. However, because the interview questions were already divided into preliminary research themes, significant time was saved in this stage.

There were two approaches to analyze the data (Flick 2013, 11): reducing the complexity in the data and writing in addition to the original text. With an abundance of raw materials, reducing the complexity in the data is extremely important because it helps the author to organize all of the information. The author employed the data coding technique, which requires labeling the collected information according to different categories based on the themes of the conceptual framework. There are four stages of the entrepreneurial process; thus, the author used these stages as the categories of the collected data. The unnecessary or irrelevant information was also filtered in this stage. The author subsequently translated all the materials from Vietnamese into English. A second individual then confirmed the translations to ensure correctness. Once all of the data were properly coded and organized, descriptions and interpretations were produced. In this stage, the author described and explained the findings to ensure that general readers could understand and easily draw their own interpretations. The information gained from the interviews was then compared with the current literature in order to draw the conclusions.

6.4. Trustworthiness of the study

The evaluation of the trustworthiness of a study is essentially; it measures the success of research based on its validity and reliability. The trustworthiness of qualitative research is

often questioned by positivists, who have different concepts of validity and reliability in naturalistic work (Shenton 2004, 63). According to Guba (1981), there are four criteria to measure the trustworthiness of one research: credibility, transferability, dependability, and confirmability.

Credibility, informed by internal validity, is considered as the key criteria by positivist researchers. There are a number of provisions for researchers to improve the credibility of research, including the meticulous establishment of research methods, the adaptation with organizations or participants' cultures, random sampling, triangulation, and strategies to ensure the honesty of participants. (Shenton 2004, 64). In this research, choosing the interviewees from different fields was a meticulous strategy chosen to provide diverse perspectives about the phenomenon. Because the interviews were semi-structured and open-ended; the participants were able to freely discuss their ideas and experiences without fear of losing credibility, as there were no right or wrong answers for these questions. The independent role of the researcher was also important here. Furthermore, the sensitivity for the ideas and concepts at hand was guaranteed as the participants and the researcher were in the same country and spoke the same language.

Transferability, is informed by external validity, is the second criteria of a study's trustworthiness. Transferability refers to the extent to which the findings of one research can be generalized in different situations and to which the readers can understand the research from their own context. (Shenton 2004, 69; Morrow 2005, 252). However, it is argued that the findings of qualitative researches are fit for small numbers of environments and individual, thus, it is arguably impossible to apply qualitative research findings to other different fields and environments. In order to achieve the transferability, it is suggested that the researcher should provide information about the research context, participants, and processes. According to Shenton (2004, 70), additional information should be considered before any attempts at transferability are made, such as information about the organizations (where they are from and what are they doing), any restrictions in the type of participants who contribute data, number of participants, the data collection methodology, and the period of data collection. The data collection method and period of collecting the data for this research were carefully described in the previous sections. In the subsequent sections the data is carefully analyzed and compared with prior literature

to arrive at the findings. The topic of the role of governmental policies and programs on the development of ethnic entrepreneurs is expected to be transferable to other groups of immigrants and other living environments, outside of Turku or Finland.

The third criteria, dependability, deals with the core issue that verifies the consistency and stability in the research process. In order to ensure the dependability, the research processes should be properly conducted. Thus, the research design should be viewed as the “prototype model” and the reader should achieve a thorough understanding about the methods and their effectiveness. There are some areas, such as “*research design and its implementation, the operational detail of data gathering and reflective appraisal of the project*” that researchers can follow to achieve the dependability (Shenton 2004, 71-72).

Confirmability is the last criteria in assessing the trustworthiness of the study. In qualitative studies, the data collection and data analysis are conducted by the researcher. The presence of the researcher also affects the validity of the data; thus, the findings can be influenced by the researcher bias. (Brink 1993, 35-36). In addition, bias from informants can significantly affect the findings of the research. Shenton (2004, 75 offered the following suggestions in order to increase the validity of responses:

- Building trust between researchers and informants
- Comparing the results with other sources of information
- Confirming findings and analysis with informants
- Ensuring that informants clearly understand the topic of research
- Making detailed notes and showing them to an outside researcher
- Interviewing the same informants for several times and in different occasions

All the participants were chosen based on the ethnic network of the author; therefore, the trust between the researcher and informants was high. During the interviews, the author carefully noted carefully all the information and compared it with the records. After translating all the information from Vietnamese into English, the notes were sent to all participants for confirmation, ensuring confirmability from both researcher and informants.

7. EMPIRICAL STUDY

The purpose of this chapter is to present the empirical study conducted after the processes of data collection and analysis. This chapter discusses the interventions of governmental policies and programs on the entrepreneurial process through the examples provided by interviewees in order to answer the first sub-question will be conducted: *Which institutions or organizations that support for ethnic entrepreneurs during their initial stages of the entrepreneurial process?* This question is directly related to the second sub-question: *How do ethnic entrepreneurs utilize the supporting programs and business services to develop their business?* The discussion then progresses to the third sub-question: *In what stages of initial stages of the entrepreneurial process do policies and programs most benefit ethnic entrepreneurs?* The empirical framework is subsequently compared to the theoretical framework in the prior section in order to answer the main question: *How have the Finnish governmental policies and programs affected the development of ethnic entrepreneurship in the initial stages of the entrepreneurial process?*

7.1. Motivations of Vietnamese ethnic entrepreneurs

As emphasized in the literature review, the governmental policies and programs have affected ethnic entrepreneurs' motivation through education and training about entrepreneurship. Dollingers (2008) found that the education and training programs provide an indicator for students about entrepreneurship. Moreover, Hussain et al (2010, 654) contended that entrepreneurship education influences on the career choice of students in the university. During the interviews, two out of five interviewees reported that they were motivated by entrepreneurial training and education to start their own business.

“I never had any idea about doing business before I went to a pitching competition which was held by BoostTurku. After listening to the speeches of some guests, I could feel

their devotion and started to think about entrepreneurship in a different point of view.” (Entrepreneur C).

“I was interested in doing business since I was in Vietnam; however, I was too young at that time to know what to do and how I need to do it. After that, I came to Finland and studied at Turun AMK with international business as my major. To tell the truth, I was disappointed at the beginning because the courses at school were quite general. However, there were many interesting events and activities, which were held by school and other organizations. Through these events and also some given training courses, I know what I have to do” (Entrepreneur D).

Entrepreneur C graduated with a Master’s degree and Entrepreneur D graduated with a Bachelor’s degree. Entrepreneur D is currently pursuing a Master’s while running the business. He shared that it is necessary to improve his skills and that university is the best place to learn. Therefore, it can be deducted from these findings that students with higher levels of education are strongly influenced by training courses and programs at schools. Entrepreneurs C and D noted that the information about these courses and programs are easily accessible at schools.

“It is easy to find out about these events at school because they put the advertising posters everywhere. Sometimes, they came to school and asked us to join the events or training programs without fee. I think they are quite efficient in attracting people, especially new students. Some of the organizations that I know are BoostTurku, Sparkup, Startupsauna, Turku Science Park, etc.” (Entrepreneur D).

In a discussion with the chairperson of BoostTurku (personal communication, 30/10/2017), she revealed that BoostTurku primarily concentrates on support for students in higher education people and that there is no particular course for immigrant entrepreneurs. The chairperson emphasized that BoostTurku need to broaden their target audience to attract people from other educational backgrounds.

“In order to provide services to all students in higher education who might have an interest in entrepreneurship or business, we are currently broadening our target audience. We want to make sure that more people from more educational backgrounds can find our team and services useful. We have formed an English- speaking community, hence, foreign students can approach us and join in our workshops and events that we host” (BoostTurku chairperson, personal communication, 30/10/2017)

Other participants cited different sources of their entrepreneurial motivation. For entrepreneur E, the motivation came from his family when he needed money to support for his children. In Vietnamese culture, the responsibilities of the husband/ father are extensive, which is a significant source of motivation. Unhappiness with the previous job can also be considered as a motivation. According to Ullah et al (2016), unhappiness with the previous job is a push factor, while money is a pull factor. Therefore, it is hard to distinguish between the push or pull factors of an entrepreneur.

“My wife and I simply needed to do something after I was fired from my previous job because of missing some shifts. It was a terrible time and we still had to feed our children. We decided to start our own business rather than working for someone else.” (Entrepreneur E).

Meanwhile, entrepreneurs A and B cited hobbies and the desire to bring a new thing to the city as their motivations to start a business in Turku. Their stories did not emphasize the role of government in their motivation was not emphasized.

“At the time I started my business, BoostTurku was not founded yet, and there were just a few events about business at school. Moreover, I did not study about business so it is understandable that I did not receive any training or education about entrepreneurship.” (Entrepreneur A)

The impact of governmental support through education and training generally does not play an important role in the motivation of Vietnamese ethnic entrepreneurs. The

previous regulations and underdevelopment of business support programs are likely the main reasons for this feeble impact. However, with the development of business incubators in the recent years as well as the expansion of entrepreneurship courses at universities, it is clear that new entrepreneurs with high levels of education have been influenced more by governmental support more than entrepreneurs who started their business long time ago. This means that the support from government through education and training on ethnic entrepreneurship, particularly the training courses from business incubators and entrepreneurship courses at university, is growing quickly. In addition to training courses, business competitions or meetings with experienced entrepreneurs were also mentioned by participants as a trigger to start their business.

7.2. Opportunity recognition and exploitation

The government affects ethnic entrepreneurship in the stage of exploiting opportunity though connecting entrepreneurs with opportunities. Bolton and Thompson (2004, 303) argued that business training is an efficient support in connecting the entrepreneurs with opportunities. The interviews in this study revealed that the network and support from the Finnish government for entrepreneurship played a crucial role for entrepreneur. For example, Entrepreneur C was working with BoostTurku to exploit her ideas and to bring them to the market.

“During the event, we have learned how to trigger our ideas and how to turn them into the real products or services. I had an idea about creating one website that allows finding a repairman with cheap price in Turku and that was the beginning of our journey.” (Entrepreneur C).

With experience in building websites and writing website contents, Entrepreneur C and her friends have built a website and operated it for more than two years. She still occasionally participates in BoostTurku’s training courses to learn more about entrepreneurship and business management skills. Entrepreneur C also highlighted Startup Sauna, an accelerator focusing on raising the valuation of seed-stage startups, as

the place where she learned business skills. Startup Sauna provides courses for early-stage start-ups on products, market, HR, and fundraising. Entrepreneur C shared that she prefers the role of these business incubators over school or university because they provide more practical entrepreneurship courses and programs.

According to the research of Baron (2006, 12), changes in technology, changes in the market, or changes in government policies and regulations will play a key role in the process of opportunity recognition. For example, the support for start-up had rapidly increased in Finland in recent years, which marks a chance for ethnic entrepreneur to utilize the governmental support. Entrepreneurs B aimed to exploit the opportunity from government support.

“I would like to find a job in Finland rather than coming back to Vietnam. However, the job market in Finland is quite demanding and hard for foreigners to enter due to different reasons. After a bunch of rejections from companies I applied to, I decided that I needed to find another way. Start-ups are now supported a lot by the government and I know that this is my opportunity. It is hard, but at least we have a chance.”
(Entrepreneur B)

Building and expanding their network helps ethnic entrepreneurs to move beyond their own ethnic community into different markets. Not only the network within ethnic communities, but also networks with Finnish friends or other entrepreneurs are extremely important for developing business. Entrepreneur can obtain information about business supports, job openings, or business opportunities through these valuable networks. Entrepreneur C, for example, emphasized the strong networks she has built with other entrepreneurs during the business events, which she participated.

“During the time I had at the business events, I have built a strong network with other entrepreneurs who definitely gave me a lot of advice on my business. They introduced me to some investors who could help when we first launched the website. It was the hardest time, but I started to believe that maybe it could work.” (Entrepreneur C).

The support from business services centers also helps entrepreneurs to evaluate the opportunities in the early stages. It will be better to discontinue or change the opportunity in the early stages because it will cost more time and money when it comes to further stages (Bolton & Thompson 2004, 303). Encouragement from business incubators is a motivation and a tool for ethnic entrepreneurs to exploit their opportunities and to turn ideas into real products and services. Interviewees strongly emphasized the role of network during this stage in potentially bringing unexpected opportunities, which would otherwise not be found.

7.3. Decision to launch a venture

Participants were asked questions about the obstacles or difficulties they were forced overcome during their launching stages and how they overcame these challenges. All interviewees emphasized the role of government support, especially the role of the Turku business development center Potkuri. The most prevalent challenges faced by entrepreneurs during the first stages of the business process were business procedures, laws and regulations, and language.

Business procedures were reported as the most difficult challenge for immigrant entrepreneurs, especially for young people without any business experience. Waldinger et al (1990, 133) argued that having information and advice about the market as well as regulations is essential for entrepreneurs. Potkuri was often mentioned by most of ethnic entrepreneurs who faced problems with procedures or business registration.

“When I asked my friends about the business procedures, every person suggested I come and ask Potkuri. It seems like Potkuri is the only place that can support you with this kind of problem.” (Entrepreneur D).

“Utilizing search engines and my contacts from the university, I got to know some advisors from Potkuri, where I knew some people to ask about Vero; where I got contact with the bank; where I got contact with accountants and insurance company, and so on” (Entrepreneur B)

Bosswick (2010, 2) stated that the challenges of ethnic entrepreneurs in comparison with native entrepreneurs include the lack of familiarity with the traditional business process in the country and lack of the awareness of local regulations and legal requirements. Pennix (2012, 30) contended that Finland is a strongly regulated welfare stage with a variety of regulations. Therefore, taxes and regulation related to business are a concern of most ethnic entrepreneurs. In many sectors, it is necessary to obtain the right license to establish a business. Furthermore, language is also a barrier for ethnic entrepreneurs when they would like to access to official sources (Bosswick 2010). Among interviewees, there are three new arrival immigrants who initially came to Finland to study and later decided to operate their business in Turku, Finland. Entrepreneur E is the only participant who could speak Finnish fluently since he has been in Finland for a long time. Without proficiency in the Finnish language, the participants barely understood law books or business regulations. Entrepreneur E was the only participant who could speak Finnish fluently because he has lived in Finland for a long time. Moreover, the information available on the Internet is flawed and inaccurate. As a result, ethnic entrepreneurs have to find a trustworthy place and the right people who know about business laws and regulations.

“They supported with the business plan and explained about the tax and some regulations related to entrepreneurship. I was a bit worried about the business registration at the beginning because I did not know too much about Finnish laws and regulation. However, with the support from Potkuri, everything is much easier for me.” (Entrepreneur C).

“I feel comfortable because all of them could speak English well. Before that, I was nervous because I could not speak Finnish fluently.” (Entrepreneur D)

“I have received lots of consultancies from Yrityspalvelupiste Potkuri, where they supported me with all the information I needed to start and run the company legally. They helped me with registering, VAT, Tax, and other financial matters, such as

accounting, bank accounts, bank loans or funding etc. I believe business services and governmental associations were there to put my company into the legal side of the jungle and keep it there. Most of my business activities don't have anything related to them, but I keep contacting asking for advice from those services and associations to keep my company on the right legal track.” (Entrepreneur B)

However, the role of Potkuri is only providing the necessary information, rather than orienting development strategy for ethnic business. Some entrepreneurs were disappointed because they did not receive specific directions. For example, Entrepreneur A mentioned Potkuri when she needed information about how to apply for government funding. However, the support she received from Potkuri was general instruction without specific details.

“They just gave general suggestions about my business plan, not an indepth analysis. I thought that I was expecting too much from their support.” (Entrepreneur A)

Regarding the case of Entrepreneur E, he is the only entrepreneur who did not receive any support from government at any stage. Support from family is the main reason why he did not need the support from government. However, sometimes, family support created challenges because he could not verify the information he received and some of its were outdated.

“We knew about these support programs, however, we did really need it because my wife has experience with these business procedures, tax. Her family also opened a restaurant in Finland so they provided us with information as well as neccessary advices. However, I still needed to check it by myself because some of the information was outdated.”

In short, the support from government business services helps ethnic entrepreneurs to be more confident with their decision to launch a venture. An better understanding about business obstacles can therefore help business services providers to develop better

program for entrepreneurship (Van Auken 1999, 185). Potkuri has played an important role in this stage to date as they supports with the business procedures, tax, and regulation.

7.4. Assembling the resources

Assembling the resources is the last stage of the initial entrepreneurial process. According to Santos et al (2015, 351), financial resources are an important factor to form a business. Therefore, as previously mentioned, the primary focus of this research will be on the financial resources. The availability of capital, government-backed funding, and financial guarantee programs have significant impacts on the development of young businesses (Lin et al 2015, 204). During the interviews, the entrepreneur reported strong support from the government for the financial capitals. Three out of five interviewees received financial support from the government.

“I have applied for the government funding, such as Finnvera or Tekes, so many times but it did not work. They have a clear intention, which mostly support for technology and education start-up. I work in the café and restaurant business so I am hardly able to receive the funds”. (Entrepreneur A)

In contrast, entrepreneurs C and D, who work in the technology industry, had more positive experiences with governmental funding.

“From my Finnish friends’ recommendation, I applied for the government support. I know that Finland always has good support for private entrepreneurship, as long as you can prove that you will do well. When I applied for Finnvera, I was not highly confident. I thought that they might have more interesting things to consider than mine. However, I still tried to explain about my ideas and show my financial calculation. After that, I came home, waited, and drew another plan if I could not receive the funding. Luckily, I received their email after 2 weeks that I could receive the money. It was a big surprise for me. After receiving the grant, I am more confident with my business.” (Entrepreneur D).

Entrepreneur D was overall satisfied with the support from the Finnish government. He also emphasized that he would apply for Finnvera again in the future if he needs money for his further business stages. Besides Finnvera, TE-palvelut was also mentioned by Entrepreneur B in regards to the financial support for his business in the early stage.

“I did get the Starttiraha from TE-palvelut, and you need to apply for it immediately when you open your first company. The grant was given to encourage new businesses. They will ensure the income for entrepreneurs during the early stages of business. The time for setting up and running the business needs to be carefully estimated in the business plan. They support around 30 euros per day. I received 10000 euros for my business. Contacting Potkuri when register a new company and asking them about the Starttiraha, they will guide details in the application.” (Entrepreneur B).

Although he did not receive any support from the government, Entrepreneur E still shared the story of his friend, another Vietnamese entrepreneur in Turku. However, an interview with his friend could not be conducted because he closed his business in Turku and moved to Helsinki.

“Although my company did not receive any support from the government, I know one Vietnamese entrepreneur who received 800 euros from the government so as to support for unemployed people who want to become an entrepreneurs during the start-up phrase. It was like a salary for new entrepreneurs to overcome their difficult time. The business plan must be submitted and accepted to get the grant.” (Entrepreneur E).

Beyond from the financial support for businesses, the services in Finnvera also makes things easier for ethnic entrepreneurs.

“I came to Finnvera and other banks to ask for the business funds. They were extremely friendly and devoted; they instructed me carefully about how to apply for the funds and what I need to prepare. I was totally surprised because in my own country, it is

hard to apply for some governmental funding. Sometimes, they will feel annoying when you ask about that". (Entrepreneur C).

In Vietnam, procedures to apply for governmental funding or bank loans are often extremely complicated and difficult. Most entrepreneurs invest their own capital to develop their business. However, in Finland, the application processes and the conditions are not overly complicated. Therefore, the interventions of governmental policies and programs have a clear impact on the development of business start-ups, especially with those in the technology industry. Most of the ethnic entrepreneurs realize the existence of this funding and they all at least attempted to apply for it. In the research of Kushnirovich and Heilrunn (2008, 182) stated that the communication between governmental officers and ethnic entrepreneurs is inefficient; thus, the entrepreneurs do not realize the existence of these supports. However, this research proved that the communication between ethnic entrepreneurs and the Finnish government is relatively uncomplicated. Furthermore, the information about funding is also updated by Turku business services, such as Potkuri, making it easy for ethnic entrepreneurs to discover these supports.

Financial capital support from the government and other financial institutions was strongly used by Vietnamese ethnic entrepreneurs. This affects not only the financial, but also about the motivation of Vietnamese ethnic entrepreneurs for their next stages, as they have more confidence in their business. The process to apply for funds is not overly complicated for Vietnamese ethnic entrepreneur, even for young people without business experience. Potkuri also played an important role during this period as a place to provide information and guidance to run businesses. In a survey of immigrants in Greece, the immigrants reported that it is difficult for them to receive the government funding because they did not provide enough necessary paper (Piperopoulos 2010, 153). However, the situation is different in Finland, where immigrants can get all the information from the business support services. However, it is important to consider the preparation for applying for these funds.

7.5. Synthesis of the empirical findings

This section addressed the main question of this dissertation: *How have the Finnish governmental policies and programs affected ethnic entrepreneurship during the initial stages of the entrepreneurial process?* Five Vietnamese entrepreneurs were interviewed for this research. Their stories and experiences about launching businesses were shared sincerely and in detail. The findings from the interviews were then synthesized to accurately describe accurately how Finish government policies and programs have affected the development of ethnic entrepreneurs. The modified framework is presented in Figure 9 below to reflect the empirical study in combination with the previous literature.

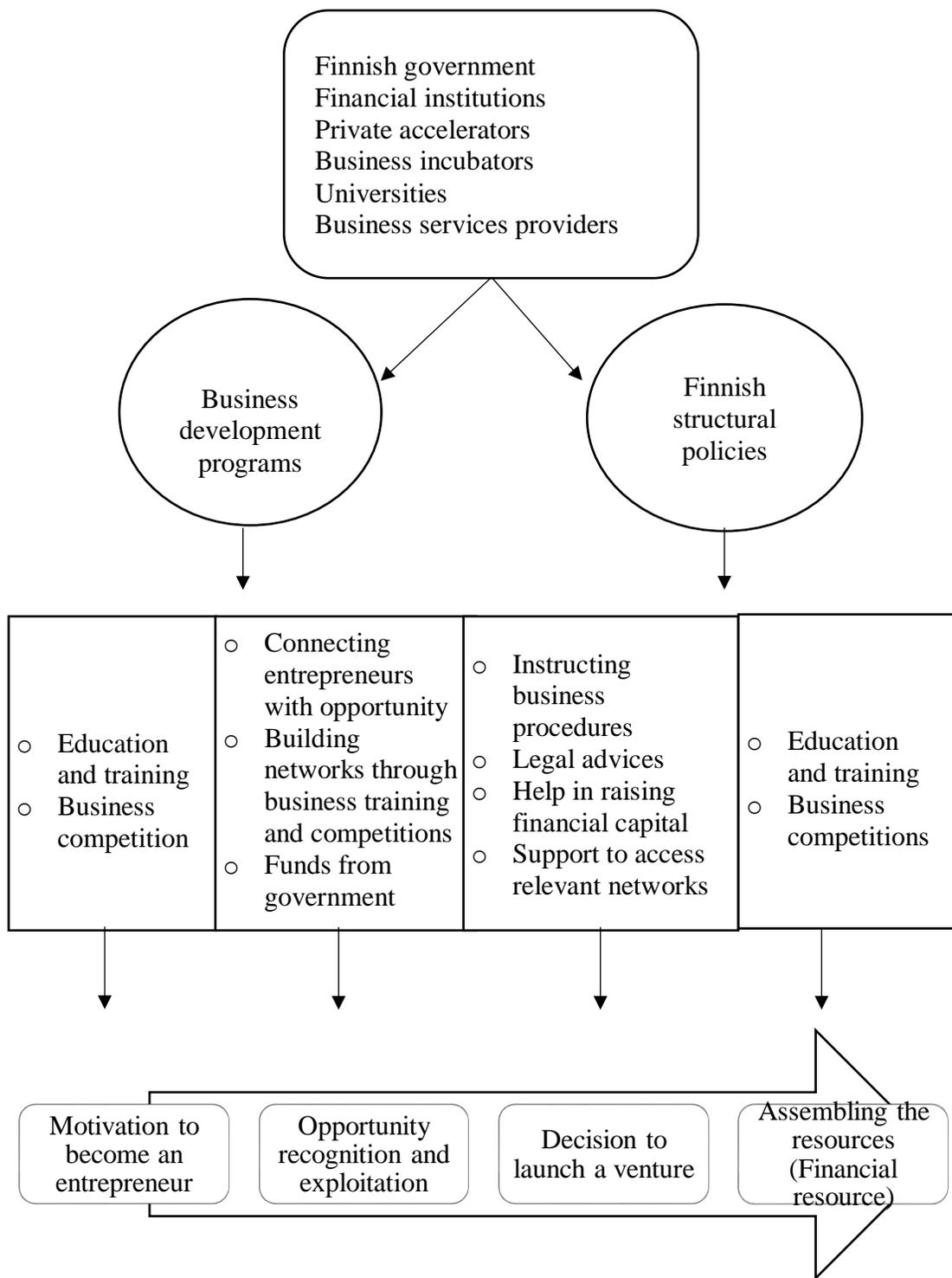


Figure 9: Modified synthesis regarding the role of Finnish government in the development of Vietnamese ethnic entrepreneurship

The modified synthesis is divided into four different components in order to answer the different research sub-questions. The first component lists the business services providers or institutions that were often acknowledged by ethnic entrepreneurs. The purpose of this component is to answer the first sub-question: *Which institutions and organizations that support for ethnic entrepreneurship during their initial stages of entrepreneurial process?* The Finnish government is at the top of the list because the country's support policies and programs are widely backed by the government, even in the cases of business incubators or business services providers. Furthermore, the development of entrepreneurship education or financial support for entrepreneurs during their initial stages primarily comes from the government action plans. In addition to the Finnish government, other business incubators, business services providers, financial institutions, private accelerators, and universities also serve to support ethnic entrepreneurs. For example, Turku Science Park and BoostTurku were often mentioned by interviewees. Turku Science Park supports businesses in creating business plans, finding finance aids, or conducting commercial research. The advantage of Turku Science Park is based on the support of high-level experts in business fields. Meanwhile, Boost Turku was established based on the idea of encouraging students into entrepreneurship and boosting up their business ideas. Boost Turku also connects with entrepreneurs, experts, and investors in their projects, so that those people can act as models to motivate students and new entrepreneurs.

Parts two and three of the modified synthesis describe the policies and programs used by the Finnish government and other organizations to support ethnic entrepreneurs and detail how they were used in each stage. Desiderio (2014) noted two policies and programs that are used to support for ethnic entrepreneurship: business support programs and structural policies. In the case of the Turku region, Finnish structural policies were issued by Finnish government in order to solve the sustainability gap and focus on growth potential and employment. Meanwhile, business development programs are known as the products or services targeted at business advices or training skills for entrepreneurs. The third component of the modified synthesis is described carefully in the theoretical conclusion according to each stage of the entrepreneurial process. The third part helps to answer the second sub-question: *How do ethnic entrepreneurs used the supporting*

programs and business services to develop their business? The impact of Finnish policies and business support programs is different in each stage. Finally, the fourth component illustrates the four initial stages of the entrepreneurial process, which serves to answer the last sub-question: *In what initial stages of the entrepreneurial process do governmental policies and programs most affect ethnic entrepreneurs?* The modified synthesis demonstrates the way in which the Finnish government influences the development of ethnic entrepreneurs during their early stages.

8. CONCLUSIONS

This chapter concludes the research by combining the theoretical discussion with the empirical findings. The theoretical conclusion will first conclude the discussion regarding the role of the Finnish government in the development of ethnic entrepreneurship in the Turku region. The study subsequently provides suggestions for policymakers as well as the board of business development centers or business incubators for further improvement in policies and programs towards ethnic entrepreneurs. The implications are also raised for entrepreneurs or business owners for their further improvement in the future. Finally, this chapter outlines the study's limitations and implications for the future research.

8.1. Theoretical conclusions

The dissertation was motivated by the following question: *How the Finnish governmental policies and programs have affected ethnic entrepreneurs during the initial stages of the entrepreneurial process?* From this question, three sub-questions were deduced. This section concludes the theoretical discussion of this study based on the findings.

In the first stage of the entrepreneurial process- motivation to become an entrepreneur, the impact of government through education and training was highlighted in the literature review. Yet, in the theory of ethnic entrepreneurship, many researchers fail to acknowledge education and training as motivating factors to become an entrepreneur. For example, Aaltonen and Akola (2012) claimed that there are various reasons for starting up a business; however, they primarily emphasized the lack of employment opportunities, neglecting the role of government. However, two out of five Vietnamese entrepreneurs in this study cited the support of universities and business incubators such as BoostTurku in their motivation to start a business. The Ministry of Education has launched a set of guidelines for entrepreneurship education in Finland including providing classes and instructions for all educational levels from primary to higher schools. Entrepreneurship was added as an element of the national education curriculum by the Finnish Board of Education. At the university level, the

entrepreneurship courses are taught not only in business school, but also in non-business schools in order to raise awareness about the entrepreneurship. Moreover, through the Entrepreneurship Project (2000-2002), Finnish government promotes entrepreneurship as the priority career choice (Lunstrom & Stevenson 2001, 59). Many competitions and campaigns among entrepreneurs have also been organized in order to raise awareness of entrepreneurship. Beyond this, most of the important information for start-ups is available on the internet or in several public agencies.

The interviewees emphasized the role of schools during the motivation period. University of Turku, Turku University of Applied Sciences, and Abo Academy often open courses about entrepreneurship taught in English. This is an advantage for foreign students who are interested in entrepreneurship. The entrepreneurship courses can be easily found on the universities' websites because entrepreneurship is one of the most important majors at these universities. Furthermore, the business incubators, such as BoostTurku, Startupsauna or Turku Science Park, also play an extremely important during this stage. Their operations are closely linked with the universities to provide entrepreneurship training for students. Business competitions and campaigns are also organized by these business incubators. The purpose of these training programs is to foster the motivation and acknowledgement of students about the significance of entrepreneurship in globalized economy. There is currently no special courses or training programs for immigrants. However, with the strong development of ethnic entrepreneurship, many programs intend to expand to additional groups beyond university students.

In the stage of opportunity recognition and exploitation, bonding entrepreneurs with opportunity is one method used by business incubators to transform business ideas into real products or services. The interviewees also highlighted the importance of building networks through training sessions or competitions held by universities or business incubators, such as BoostTurku or Sparkup, also were highlighted during this period. Wang et al (2013, 260) suggested that self- efficacy and social networks are the most significant elements in searching for the entrepreneurial opportunity, especially in an Asian business context. According to the Finland's Government Action Plan 2017-2019, boosting competitiveness by improving the conditions for business and entrepreneurship

is the first key project. The purpose of this project is to improve the operation conditions of entrepreneurship. Actions to boost the entrepreneurship activities include building regional and national growth services to support for entrepreneurship, supporting training for young entrepreneurs, and evaluating the potential of immigrant business. Networking also play an important role because it offers ethnic entrepreneurs more opportunities, especially for expanding markets to Finnish customers or international customers rather than focusing only on the ethnic customers, such as other traditional ethnic businesses. Entrepreneur D added another interesting point; he stated that the financial support for the information technology industry creates a strong motivation and opportunity for people who are currently working in this field. Opportunities are not scarce for the development of start-up in Finland, and the strong support of the government is a motivation and opportunity for ethnic entrepreneurs to reach their goals.

In the stage of making the decision to launch a venture, the literature review suggests that the business development centers will help to support ethnic entrepreneurs through activities such as entrepreneurial training, counseling, mentoring, and supporting in accessing relevant business networks. Various researchers have found that the challenges from financial constraints, business regulations, or language skills will keep ethnic owners from starting their own business (Evers 2003; Rahman et al 2018). Therefore, the role of government in this stage is strongly highlighted. The empirical study revealed the importance of business support programs providing advisory services regarding the business opening. Interviewees often mentioned instructions about business procedures, tax and regulation. English is also used widely in these support service centers, which helps ethnic entrepreneurs who cannot speak Finnish fluently to still receive the proper information. Therefore, multi-language proficiency, especially English, is a huge advantage for business services providers to reach more ethnic entrepreneurs.

Interviewees particularly highlighted the role of Potkuri in influencing the decision stage. Turku's Regional Business Center, Potkuri, was established in 2005 and merged with Turku Science Park in 2017. The idea of Potkuri is to provide the free supports and services for all entrepreneurs. Through collaborating with eight different organizations in Turku city, Potkuri aims to provide advice and services to both established firms and prospective entrepreneurs who intend to start their own businesses. Depending on the

quality of business plans and the working process of immigrant entrepreneurs, Potkuri also assists them to grant a residence status (through Aliens Police), to ask for financial supports (through Finnvera), or to receive other start-up benefits. In 2009, there were 1500 customers and 782 new start-ups (15% were immigrant entrepreneurs) registered in Potkuri. (Pennix 2012). Although Entrepreneur A reported that she was not satisfied with the support from the business service center Potkuri because they did not give detailed instructions to modify her business plan, Potkuri is generally aligned with the literature review, which recommends that business services providers manage and share the necessary information related to entrepreneurship. Potkuri merged with Turku Science Park in order to provide more services for entrepreneurs. IStartup Community Sparkup, which is a part of Turku Science Park, provides a range of services related to product development, business strategy, marketing and sales, and human resources. This demonstrates that support services are increasingly developed to provide better services for future entrepreneurs.

Regarding the final stage of the initial entrepreneurial process - assembling the resources, particularly the financial resources, the literature review revealed that the funds from financial institutions are the primary support for entrepreneurs. The empirical findings emphasized the role of government in this stage. It is also important to note that Finnish financial institutions largely support new businesses that are operating within six months or one year, The Vietnamese ethnic entrepreneurs mentioned Finnvera, TE-pavelut and banks. Finnvera is one of the biggest banks in Finland and a special public risk financial company, which provides loans and guarantees for SMEs. After the economic crisis in 2008, public financiers has increased their roles and Finnvera has again controlled the authorisation of finance. In addition, the Finnish government has established the business support system, including bussiness support services and special programs, with the purpose of encouraging the entrepreneurship activities. Entrepreneurs are a diverse group with various backgrounds, experience, traits, and needs. This special group is a new focus of many countries, such as Finland, Sweden, Ireland, and the UK. In Finland, the support for female entrepreneurs as well as unemployed people has been increased since the recession in the 1990s. Other special groups, including ethnic entrepreneurs, youth, and the elderly, have also been increasing recognised by the

government; however, targeted measures have not been introduced (Heinonen & Hytti 2010, 1165-1166; Lundstrom & Stevenson 2001, 58).

Financial support in Finland is predominated targeted towards the information technology and education fields. This offers a large advantage for people who are working in these fields, such as Entrepreneurs C and D. However, Entrepreneur B who runs a retail shop, also received the fund from TE-palvelut. This finding indicates that the financial support can be flexible and that the business plan is the most important factor when applying. The preparation for business operations must be carefully conducted. Furthermore, this finding demonstrates that the communication between ethnic entrepreneurs and bank employees is natural. There is no sign of discrimination or unfriendly attitudes from the bank officers. The uncomplicated process and clear instruction from the financial institutions also helps ethnic entrepreneurs to be more comfortable.

8.2. Managerial implications

This study provides insight into the practices of Vietnamese ethnic entrepreneurs, which differs in part from theoretical implications. As such, this research can provide managerial implications for governmental organizations and policy makers who want to improve the development of the economy in general or the ethnic economy in particular. The following paragraphs note five specific managerial implications.

The first implication relates to how government influences the motivation of ethnic entrepreneurs. Government's policies and programs have clearly had a strong impact on the recognition of entrepreneurship. However, they largely target undergraduate and graduate students. The findings in this study indicate that the motivation of young entrepreneurs is largely derived from the support of government organizations through education and training or through business competitions. This study suggests that the government should broaden policies and programs to non-student immigrants, as students constitute a small portion of the current immigrant population. If immigrants also have the opportunity to interact with these supporting programs or services, they will have more motivations and opportunities to develop their businesses. This result in a better

economy not only for immigrants, but also for the city and the country.

The second managerial implication concerns the orientation of the business field. Ethnic entrepreneurs prefer working in business industries related to their ethnic community, such as restaurants, cafés, or grocery because the requirements for these businesses are uncomplicated. However, the current government policy of government primarily supports two sectors, education and information technology, as they bring various benefits not only for the economy, but also for the public. Choosing a business field is extremely important for ethnic business owners because it affects the development path. On the one hand, education and information technology should be fields of focus for future entrepreneurs in order to receive support from the Finnish government, especially through bank loans or financial supports. Young Vietnamese ethnic entrepreneurs are working well in the IT industry and making it more popular among others in the start-up field. Moreover, IT does not require Finnish proficiency, which makes it a good choice for ethnic entrepreneurs. Meanwhile, Finland is considered as one of the best countries for education in the world; thus, education requires much more investment than other business fields. If ethnic entrepreneurs can join this sector, the potential to develop is enormous. On the other hand, policy makers should also broaden the orientation of government policies and programs to other industries, such as ethnic restaurants or ethnic grocery. This will help the ethnic entrepreneurs to have more motivation to develop their own businesses and will facilitate diversification of multicultural environment.

Although there are a large number of business incubators and business services providers, Vietnamese ethnic entrepreneurs rarely acknowledged the existence of these programs and services in this study. According to Storey (2003, 476), the reasons for this information imperfection include the following:

- Individuals do not realise (or ignore) the existence of these support programs and services.
- Small businesses do not recognize the benefit of these “outsider” experts.
- The financial institutions are unable to accurately measure the viability of small firms; thus, the risk of lending money to this group is overestimated.

From these ideas, the final two managerial implications for both ethnic entrepreneurs and policymakers are subsequently outlined. Firstly, ethnic entrepreneurs should look for more support from the business support services or from the government. Searching for information on the Internet is one useful method, which can provide diverse information in multiple languages, such as English, Finnish, and Swedish. The second method is networking, especially with people who work in the business services or doing business. Such people can provide useful information which might not appear on the Internet. Secondly, the accurate evaluation of small business is extremely important for policy makers, who should more carefully consider the value of ethnic business in order to bring the benefits for both ethnic entrepreneurs and the broader economy.

8.3. Limitations and implications for future research

There are several limitations to this dissertation both in theoretical aspects and practical aspects. Firstly, the main targets of this research are the Vietnamese ethnic entrepreneurs in the Turku region. Thus, it is difficult to generalize the results for different ethnic groups or different regions. It is therefore recommended to extend future research to other immigrant communities, such as Russian, Chinese or Turkish immigrants who also have a large ethnic community in Finland. Moreover, conducting the research in other regions could create different results because of the differences in the governmental support in different regions.

The second limitation derives from the chosen perspective of this dissertation. Judging the effectiveness of governmental support from the perspective of ethnic entrepreneurs shapes the scope of the insights. Ethnic entrepreneurs often do not notice all of the supporting programs and services provided by the government. For example, supportive policies or programs could be offered in a short period of time. However, it takes a certain time for ethnic entrepreneurs to grasp the information: therefore, the support programs might end or be filled by other entrepreneurs before ethnic entrepreneurs even access the information. In addition, there are a number of support programs that are only available for Finnish citizens or EU citizens. Therefore, ethnic entrepreneurs with Vietnamese citizenship are not eligible to participate in these support

programs. In this study, the programs and support policies derived from the interviews are mostly popular among ethnic entrepreneurs; thus, there may be other support programs that are not mentioned. As such, an analysis from the perspective of government agencies or government representatives could be valuable for future research.

Finally, this thesis does not directly address comparisons of government support between ethnic entrepreneurs and indigenous entrepreneur. As reflected in the literature review and empirical study, most of available policies and programs are targeted at general entrepreneurs without any specific supports for ethnic entrepreneurship. Therefore, a comparative study of government supports for ethnic entrepreneurship and indigenous entrepreneur would be a compelling direction for future research. A comparative study among available policies and programs would not only help policymakers to improve their current policies and programs, but would also help young entrepreneurs to choose the most suitable programs or services.

9. SUMMARY

Many previous studies have examined the influence of government policies on the development of ethnic entrepreneurs. However, previous studies have largely focused only on a specific stage, such as motivation or finance, but not on the whole entrepreneurial process. Thus, this study is motivated by the main research question: *How have the Finnish governmental policies and programs affected ethnic entrepreneurs during the initial stages of the entrepreneurial process?* The main research question is supported by these following sub-questions.

1. *Which institutions or organizations support for ethnic entrepreneurs during their initial stages of the entrepreneurial process?*
2. *How do ethnic entrepreneurs utilize the supporting programs and business services to develop their businesses?*
3. *In what initial stages of the entrepreneurial process do policies and programs most effect ethnic entrepreneurs?*

In order to answer the research questions, the author have reviewed theories of entrepreneurship and ethnic entrepreneurship in the literature review. The theory of Baron (2006) and Santos et al. (2010) helped form the foundation of the framework of initial stages of the entrepreneurial process. The author subsequently introduced the institutional environment for entrepreneurship and ethnic entrepreneurship both on a large scale and specifically in Finland. This included the theory of the institutional environment as well as policies and programs that have been used to promote the development of the ethnic entrepreneurs. According to Desiderio (2014), such policies and programs have been extensively developed in other countries in two main forms, including structural policies and business development programs. In Finland, there are various organizations and institutions, particularly in the Turku region, that aim to support entrepreneurship and ethnic entrepreneurship. This study revealed the perspective of the ethnic entrepreneurs regarding the support that they received and how they experienced that support.

The research approach chapter in this study outlined the methodology and data collection process. With support from friends and the ethnic network, the researcher

conducted five interviews with Vietnamese ethnic entrepreneurs. The research requirements for selecting participants included the following:

- The participants are Vietnamese immigrant entrepreneurs
- The business operates in Turku region, Finland
- The participants have experienced or acknowledged about the governmental supports and services

In order to investigate the influences of governmental policies and programs, the interview questions were divided into different sections based on the initial stages of entrepreneurial process in order to collect all the necessary information. The interviewees focused not only on answering the certain questions, but also on sharing their stories about their life and their business. With the collected information, this study formed a modified synthesis to illustrate the influences of the Finnish government on the development of Vietnamese ethnic entrepreneurs during their early stages. The role of governmental policies and programs was emphasized in every initial stage of the process. Moreover, with the increasing immigrant population and ethnic businesses in the Turku region, it is likely that the support for ethnic entrepreneurship will continue to increase in the future.

The conclusion chapter of this text summarized the theoretical conclusion based on the empirical data. The discussion addressed each stage of the entrepreneurial process, including motivation to make a difference, opportunities recognition and exploitation, decision to launch a venture, and assembling the resources. In each stage, comparisons were drawn between theoretical frameworks and practical evidence. The result was an accurate illustration of the support policies and programs for ethnic entrepreneurship in Finland. Finally, the conclusion chapter provided the managerial implications as well as the limitations and implications for the future research. The managerial implications concentrated not only on the ethnic business owners, but also on the policy makers and other business support providers. In order to improve the performance of ethnic entrepreneurship, the efforts from both sides are extremely important.

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APPENDIX 1: INTERVIEW QUESTIONS

Interviewee:

Company:

PERSONAL AND BUSINESS BACKGROUND

1. In which country was you born?
2. How long have you been in Finland?
3. What is your highest level of education?
4. What is the level of your Finnish proficiency?
5. Please describe shortly about your current business (services/products, location, number of employees, number of founders, years of operation).
6. Have you ever received support from governmental policies and programs?
7. Which policies and programs that you have experienced?
8. If yes, please name some organizations and services that you have experienced.
9. What kind of help or support do you expect to have from the government when you start your business?
10. Can you say if it is helpful, or not so helpful or not helpful at all? Please explain why?

INITIAL STAGES OF ENTREPRENEURIAL PROCESS

Motivations

11. Can you describe shortly about how did you become an entrepreneur?
12. What did motivate you to become an entrepreneur?
13. Did you receive any education or training about entrepreneurship?
14. If yes, how did they support you?

Opportunity recognition and exploitation

15. How did you recognize your opportunity to start a business?
16. Which competing opportunity did you have?
17. Did you get any support from business services or governmental associations for exploiting your opportunity?
18. If yes, how did they support you to exploit your opportunity?

Decision to launch a venture

19. What were your challenges when you start your business?

20. What are your challenges during business operation? (language, laws and regulation, business registration, customers and suppliers, etc)
21. How do you overcome your challenges? (By yourself, family and friends, ethnic network or government)
22. For each challenge, how did you solve it?
23. Where did you get information or advices to start your business?
24. In which fields covered these advices- accounting, market information, regulation or something else?
25. If yes, how did they help you to overcome your challenges?
26. Why did you choose the Turku business services to get information but not from other sources?

Assembling the resources (financial resource)

27. Where did you obtain the financial for your business?
28. Did you borrow money from your ethnic community (family, friends, etc)?
29. Do you receive any financial support from government?
30. If yes, how did you get it?
31. In the future, if you lack of money, who or which organizations you will contact and why?

APPENDIX 2: OPERATIONALIZATION TABLE

Research problem	Sub problems	Themes	Concepts	Questions
How the Finnish governmental policies and programs have affected ethnic entrepreneurship during the initial stages of entrepreneurial process?	What institutions or organizations that support for ethnic entrepreneurs during their initial stages of the entrepreneurial process	Institutional environment, Supporting policies and programs	Institutional environment	7, 8, 9, 10
			Business development policies and programs	
How do ethnic entrepreneurs use the supporting programs and business services to develop their business?	How do ethnic entrepreneurs use the supporting programs and business services to develop their business?	Ethnic entrepreneur and business background, initial stages of the entrepreneurial process	Ethnic entrepreneur and business background	1, 2, 3, 4, 5, 6
			Motivation to become an entrepreneur	11, 12, 13, 14
			Opportunity recognition and exploitation	15, 16, 17, 18
			Decision to launch a venture	19, 20, 21, 22, 23, 24, 25, 26
In what stages of the entrepreneurial process that policies and programs have affected ethnic entrepreneurs?	In what stages of the entrepreneurial process that policies and programs have affected ethnic entrepreneurs?		Assembling the resources	27, 28, 29, 30, 31

