

Somali Entrepreneurs in the United Kingdom: Some Adjustments to the Prevailing Image

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I. Introduction

Somali refugee immigrants have faced many difficulties when trying to root themselves in European soil over the last 25 years. In Sweden, for example, home of 64,000 Somalia-born people, 31 percent of those of working age (16–64) were employed and only 0.8 percent were self-employed in 2015.¹ In other parts of northwest Europe corresponding figures are at similar levels. The United Kingdom, home of 114,000 Somalia-born in 2015,² is the only place in Europe where Somalis have been able to take considerable root as self-employed, although it is not possible to access a precise figure. Employment figures are less encouraging. According to Rutter, “over the last 10 years, the employment rate of the Somalia-born population has rarely been above 20 percent of the 16–64-year-old population.”³

The purpose of this article is to review scholarly literature about entrepreneurship among Somalis in the UK, particularly in the Midlands, and a field survey among Somali entrepreneurs in the same area to determine if the prevailing image is valid or if some adjustments may be necessary. Many issues will be touched upon, but, after all, there is no *ceteris paribus* in business life.

Why should we show interest in Somali entrepreneurship? There are at least two good reasons. Firstly, it is a pretty clear-cut example of immigrant/ethnic entrepreneurship and can thus give insights into other immigrant/ethnic groups showing similar although perhaps not as clear-cut traits. Secondly, as already indicated, it takes root in certain

environments but not in others.⁴ A quote from Volery's discussion of ethnic entrepreneurship seems as if tailor-made for the Somali case:

Typically, opportunities emerge from the development of a new ethnic community. These communities have specific needs which only co-ethnics are capable of satisfying. The greater the cultural differences between the ethnic group and the host country, the greater the need for ethnic goods and the bigger the potential niche market. But no matter how big the niche market is, the opportunities it offers are limited. Access to open markets, which are typically occupied by local entrepreneurs, is often blocked through high entry barriers, either on a financial or on a knowledge basis . . . The economic environment, however, differs widely on a national scale, offering substantially different opportunities from one region to another.⁵

II. Literature Review

In order to establish an image of Somali entrepreneurship in the UK, we will use two strands of literature. The first one is dominated by leading authorities on the subject, Professors Jones, Ram, and Theodorakopoulos, who have published extensively on issues of ethnic minority business in general and Somali businesses in Leicester in particular. The second strand consists of articles and reports on Somalis moving to the UK from some other European country, often with the ambition to establish a business.

In a review of research on ethnic minority businesses (EMBs) in the UK, Ram and Jones argued that, "an 'ethnic resources' model has held undue influence upon policy and academic discourses in this field"⁶ and that "a 'mixed-embeddedness' perspective, which recognizes the economic and social context of EMBs, holds greater promise."⁷ One important conclusion in the Ram and Jones article is that EMBs should be scrutinized, "not in terms of their failure to conform to the conventional rules of capitalist success but more positively in terms of their social potential."⁸ Among fields for future inquiry, they mentioned transnationalism and the almost invisible presence of Somali entrepreneurs (in the literature).

The Somali presence immediately came under investigation. In an article based on 25 interviews with Somali business owners in Leicester, Ram, Theodorakopoulos, and Jones concluded that Somalis are mainly engaged in "low value-added hyper-competitive labour-inten-

sive sectors of corner shop retailing and catering;"⁹ that they often stem from families with business experience; that their customers are mainly local residents with low purchasing power; that family members and fellow countrymen constitute a source of cheap or free labour and interest-free loans; and that their social capital is of the bonding and not the bridging type, which limits their access to customers and funding. (Bonding refers to social networks within a group of people while bridging refers to networks between different groups.) Regarding the context, the authors stated that, "the UK enterprise regime is both lightly regulated and effectively non-discriminatory as regards ethnic origin" and that "[f]or groups like the Somalis, the unconditional freedom enjoyed even by refugees to set up in self-employment is absolutely critical."¹⁰ However, at the same time, "this de-regulated Promised Land . . . encourages quantity at the expense of quality." Nonetheless, they painted a pretty optimistic picture:

Unlike most predecessor entrepreneurial minorities, these are not workers displaced by labour market restructuring but more often motivated entrepreneurs, with previous family business experience . . . and migrating with the specific purpose of business startup. In many cases, too, these positively motivated entrepreneurs-of-choice have business growth ambitions, in sharp contrast to the classic EMB stance, which is one of survivalism.¹¹

The authors also noted "the very important social contribution made by small EMBs like those of the Somali community,"¹² such as circulating information and alerting community members to opportunities and mutual support.

In a second article based on the same sample of interviewees, Jones, Ram, and Theodorakopoulos focused on transnationalism, "the way in which continuing cross-border linkages help to engender and support self-employment among Somalis."¹³ The authors again noted that with few exceptions, Somali entrepreneurs are involved in "low order retailing and restaurants;" that their economy is based on "substitution of labour for capital, labour which comes cheaply because it is provided by family members and co-ethnics; that Somali entrepreneurs often lack financial as well as human capital in the shape of educational and professional qualifications recognized in the UK; that their respondents repeatedly cited intense competition as a serious problem; and that premises are acquired through "vacancy chains."¹⁴ They con-

cluded that the political and economic context “imposes harsh constraints upon Somali business activity which cannot be circumvented by the mobilization of social capital, be it local or transnational.”¹⁵

In an article by Jones and colleagues, a broader selection of migrant business owners in the East Midlands (165 self-employed business owners from 22 countries, including some 20 Somalis) was investigated. The authors painted a gloomy picture: entrepreneurs move into a vacancy chain or low-skill openings, have difficulty scraping together start-up capital, do not transcend boundaries or break molds, and are isolated in alien cultural environments. The mixed embeddedness, “infused with a sensitivity to racism,” is described as a “toxic combination of inadequate capabilities and hostile environment.”¹⁶

A report from the Open Society Foundations on Somalis in Leicester noted, in a more optimistic vein, that, “Somali-owned businesses have proliferated in the city over the last ten years in a variety of sectors including restaurants, clothing, internet cafés, furniture stores, remittance units and groceries.” It continued, “These small-scale services are mainly addressing intra-community needs, but what can be observed is increasing self-reliance and the seeds of financial independence.” Above all, these businesses create “a great sense of optimism and pride in the Somali community.”¹⁷

Another strand of literature has focused on the migration of Somalis from other European countries to the UK.¹⁸ This literature is highly relevant since one reason for this migration has been a desire to take advantage of opportunities for pursuing business in the UK.

Hussein concluded that Dutch integration policy “is so patronizing that migrants are not stimulated to develop themselves or to show any initiative,” whereas in the UK they are “less constrained by rules and laws, which is more in line with the emphasis on one’s own initiative and cultural maintenance of the Somalis.”¹⁹ Said also provided a set of explanations for why many Somalis have migrated from the Netherlands to the UK: old colonial ties between Somalia and the UK, established Somali communities in the UK, the English language, and weak business regulation.²⁰

From interviews with thirty-three “Dutch Somalis” in Leicester and London, van Liempt found that Somalis in the Netherlands felt isolated and that assimilation was forced upon them.²¹ In the UK they could live more freely among fellow countrymen, there were more immigrant role models, and it was easier for them to find a job or start a business. “[A]lmost all Dutch Somalis I interviewed,” writes van

Liempt, "referred to many Somalis in the UK having set up a business, which they could not have done in the Netherlands because of all the regulations."²²

Melander noted that her 12 Swedish-Somali interviewees pointed to better opportunities and greater freedom of expression in the UK and that English is a more useful language. "Sweden is far too bureaucratic; it has too rigid rules," said one respondent who added that, "the only contact you have apart from family is authority, the Social Welfare Office."²³ On the other hand, Sweden offers a better environment for raising children.

Abdirahman and team interviewed 16 Somalis who had migrated from Sweden to Birmingham and Leicester and opened businesses. Reasons offered by the interviewees for their move included Swedish authorities' obsession with regulations and paperwork, and that, in the UK, opportunities for carving out a future and a sense of belonging was created by the presence of a large Somali diaspora. Nearly all these entrepreneurs had begun on a small-scale using their own savings or loans from friends and relatives. Their customers were primarily Somalis, they got help from family members and had few employees, they were not much bothered by red tape and taxes, and most of them had a desire to retain and develop their businesses.²⁴

Osman, in interviews with Somali Swedes in Stockholm, London, and Birmingham, found that his interviewees stressed the policy of multiculturalism and the presence of a critical mass of Somalis in the UK as reasons for onward migration from Sweden to the UK.²⁵

Through interviews with twelve Danish Somalis, Bang Nielsen found that, "[a]ccording to many of the respondents, Denmark is . . . a society of control, racism and discrimination, whereas Britain . . . is a country of freedom, tolerance and opportunities."²⁶ In the UK, migrants also have the advantage of speaking a world language as well as better access to training and work. However, the standard of accommodation is deemed better in Denmark.

This sweep through scholarly literature produces an image according to which many of Somali entrepreneurs in the UK:

- have family business traditions
- lack higher education and professional experience
- have migrated from the Netherlands, Sweden, and Denmark to the UK in order to live close to relatives and fellow countrymen,

and also due to the world language of English, old colonial ties, and the ambition to grasp business opportunities

- have established small shops and eating places
- acquire start-up capital through savings as well as loans from family and friends
- cater to Somalis or other local customers with little purchasing power
- are involved in transnational networks (access to goods and capital)
- are helped by family members but seldom have employees
- acquire premises traded along vacancy chains
- are involved in intense competition
- experience a light regulatory and tax regime in the UK
- experience a feeling of comfort, freedom, and flexibility in the UK
- plan to retain and develop their present businesses

Now, having developed this model, we turn to a number of Somali entrepreneurs in the UK to hear what they have to say.

III. Field Survey

In June 2016, a field survey was conducted by one of the authors, Galvao Andersson, in Birmingham, Leicester, and London. Initial introductions to some Somali entrepreneurs were facilitated through acquaintances in Birmingham and Leicester. Subsequently, interviewees were recruited through the “snowball method” or through random visits to Somali shops. A manual was used with questions revolving around the following issues:

- Personal history in Somalia, other countries, and the UK: Business traditions within family, education, professional experience, migration history
- Business history in the UK: Business idea, motivation, start-up capital, customers, suppliers, employees, premises, competition, view on regulations, taxes, and the general environment
- Plans for the future

Interviews took place in five districts where Somali businesses are concentrated: Small Heath in Birmingham, St. Matthews and Southern District in Leicester, and Southall and Streatham Hill in London.

An overview of respondents' characteristics is given in Table 1, where they are listed in alphabetical order according to their actual first names. Only two respondents (marked with *) expressed a wish to be anonymous and were given "Western" names.

Table 1. Respondent Characteristics

Name	Gender	Age	Educa-tion	Country before UK	City	Business
Abdi	Male	40	High school	Germany	London	Internet café
Abdifitah	Male	42	Univer-sity	Denmark	Leicester	Money exchange
Abdul	Male		Elemen-tary	Sweden	Leicester	Cafeteria
Abdulahi	Male	47	College	Sweden	Birming-ham	Travel agency
Ahmed	Male	34	High school	Somalia	Birming-ham	Clothes design
Ahmed 1	Male	33	College	Somalia	Leicester	Travel agency
Amina 2	Female	43	Elemen-tary	Kenya	London	Clothing store
Ashraa	Female	40	Elemen-tary	Sweden	London	Clothing store
Awe	Male	42	Elemen-tary	Sweden	Leicester	Depart-ment store
Awis	Female	42	Elemen-tary	Kenya	Leicester	Hair-dresser
Baile	Male	34	High school	Denmark	Birming-ham	Money transfer
Degga	Female	52	Elemen-tary	Nether-lands	Birming-ham	Clothing store
Deka	Female	40	Elemen-tary	Sweden	Birming-ham	Clothing store
Faay	Female	40	Elemen-tary	Somalia	Birming-ham	Clothing store
Farhiyo	Female	44	Elemen-tary	Sweden	Birming-ham	Cafeteria
Fartun	Female	49	Elemen-tary	Nether-lands	Birming-ham	Clothing store

Fatima	Female	42	Elementary	Somalia	Birmingham	Clothing store
Fosi	Male	45	University	Sweden	Birmingham	Home care
Hassan	Male	41	High school	Netherlands	Birmingham	Department store
Hiba	Female	35	Elementary	Sweden	Birmingham	Clothing store
Jawaahir	Female		University	Netherlands	Leicester	Community org.
Kin	Female	38	Elementary	Italy	Leicester	Perfume shop
Maria*	Female	40	High school	Sweden	Birmingham	Clothing store
Marian 1	Female	45	Elementary	Emirates	Birmingham	Clothing store
Marian 2	Female	20	University	Somalia	Birmingham	Cafeteria
Martin*	Male	40	High school	Netherlands	Leicester	Internet café
Mohamed 1	Male	35	High school	Netherlands	Leicester	Electronics store
Mohamed 2	Male	45	University	Kenya	London	Accountant
Mohamoud	Male	40	University	Somalia	Birmingham	Community org.
Mohamud	Male	61	University	Denmark	Birmingham	Cafeterias
Osman	Male	40	University	Denmark	Birmingham	IT consulting
Rahma	Female	45	Elementary	Sweden	Birmingham	Clothing store
Shukri	Female	50	Elementary	Netherlands	Leicester	Clothing store
Sofia	Female	33	Elementary	Somalia	Birmingham	Hairdresser
Somaya	Female	40	High school	Sweden	Birmingham	Clothing store
Zeinab	Female	47	Elementary	Somalia	Birmingham	Clothing store

A. Family Tradition, Education, and Profession

Among the interviewees, 31 have some kind of business tradition within their family. Two of these families were nomads owning livestock. Marian 1's family had owned a restaurant. Mohamed 1 and his father had sold electronics. In almost all other cases these businesses had consisted of small clothes or food shops.

As can be seen from Table 1, 16 out of 20 women have only elementary schooling. Two of them have attained higher education, namely Jawaahir, with a bachelor's degree in languages from Somalia and education as a social worker from the Netherlands, and Marian 2, who has pursued university studies in economics in the UK. Eight men have some kind of higher education. Abdulahi has a journalism degree from Somalia, Fosi began legal studies in Sweden, Mohamud received a master's degree in economics from Italy, and Osman has a university education in IT from Denmark. Abdifitah, Ahmed 2, Mohamed 2, and Mohamoud have all studied at the college/university level in the UK, mostly focusing on business administration.

Only one woman had held a regular job before going into business: Jawaahir had been a social worker in the Netherlands. Ten men had had different professions before going into business: Abdifitah and Osman had assisted immigrants in Denmark, Abdulahi had worked for a short time as a journalist in Somalia, Ahmed was a fashion specialist in Somalia, Fosi was a teacher and interpreter in Sweden, Mohamoud was an electrical engineer in Dubai, Mohamud worked at different jobs in Denmark, and Abdi, Hassan, and Martin labored as deliverymen and in stores in the UK.

B. Migration History

Respondents coming from some other European country had on average spent 23 years in Europe and 12 years in the UK. Eight people arrived directly from Somalia and four from some other non-European country (Dubai, Kenya) to the UK. Eleven respondents had lived in Sweden and spent on average 12 years there, seven had lived an average of ten years in the Netherlands, and five had spent 11 years in Denmark.

What kind of push and pull factors do respondents mention as explanations for their secondary migration? Let us start with those who migrated from Sweden. Abdul had been unhappy in Sweden:

"The good thing with England is that they understand Somalis. In Sweden, people don't know a thing about Africa. In Sweden, there are no chances. Even if you get food and housing, you sit at home, you are not happy."

Abdulahi says he is happy to be among people but in Sweden he ended up "in the middle of the forest." Ashraa moved because she wanted to "own a business and pay taxes," and Awe because he wanted to be able to support his family and give his children better educational opportunities. "I wanted to do things and not stay still, so I moved to the UK," says Deka. Farhiyo moved to the UK to join her brother and sister. "In Sweden, you need certificates, learn Swedish — two years SFI [Swedish for immigrants]," says Maria. She adds, "Here, if you have experience, you can start from scratch." Marian 1 migrated due to high taxes and difficulties finding a store in Sweden; another reason was that the Muslim community is weak in Sweden but strong in the UK. Rahma moved because of the different social environments: "In the UK neighbors give food to each other. In Sweden people don't even talk to each other." Hiba moved due to family reasons and freedom: "In the UK you have to pay for your education, but you can create your future here. You can progress." Somaya had a lot on her mind: "Society does not allow integration in Sweden. It's just for Swedes. There is segregation, discrimination and excessive regulation . . . It is [like] living in a cage . . . In the UK you can go forward in life."

Statements from respondents who came from the Netherlands and Denmark were of a similar kind. Degga gave family reasons. Fartun moved because she thinks women in the UK are more independent compared to the Netherlands. Hassan figured there are too many restrictions on business in the Netherlands. Jawaahir pointed to the multiculturalism of the UK. Martin, Mohamed 1, and Shukri moved because there are more business opportunities in the UK.

Similarly, Abdifitah, Baile, and Mohamud left Denmark for the UK due to the different entrepreneurial environments. Osman moved to the UK to study even though he thinks education is better in Scandinavia. Abdi had lived in Germany and realized that most of his friends were working as taxi or bus drivers and "did not want to do these things during [his] whole life as they did." Three respondents said they were attracted to the UK because of the old colonial ties to Somalia. Mohamoud explains: "British people already know about the Somali culture. It is not new to them."

C. Business and Motivation

Clothing stores are by far the most common line of business among our interviewees. All 14 such shops are owned by women. One man, Awe, has a combined clothes and food “department store” in Leicester. The five women who do not sell clothes have cafeterias (Farhiyo, Marian 2), hair salons (Awis, Sofia), and a perfume and accessories store (Kin). Two men (Abdul, Mohamud) also have cafeterias. Other male businesses are internet cafés (Abdi, Martin), money transfer/exchanges (Abdifitah, Baile), travel agencies (Abdulahi, Ahmed 2), an accounting firm (Mohamed 2), clothes design (Ahmed 1), homecare (Fosi), a “department store” (Hassan), an electronics store (Mohamed 1), and IT consulting (Osman). Two respondents are heading non-profit community organizations (Jawaahir, Mohamoud).

Most respondents give prosaic reasons for their desire to start a business: the opportunity to support themselves and their family and to finance their kids’ education. Some statements reflect an entrepreneurial spirit, for example Abdi is “always searching for opportunities,” Ahmed wants to work flexible hours, Awe wants to be independent of the state, and Hassan does not like the idea of having a boss. Mohamoud wants to help his own people, adding, “If you have an idea, you must make a sacrifice.” Shukri says she has business in her blood.

D. Start-up Capital

In most cases, the need for start-up capital has been modest and mobilized through savings. Respondents in some cases had worked in their previous countries of residence or in the UK and had gathered sufficient savings or borrowed from family and friends. A few cases stand out. Abdul rented a place and employed a friend to cut men’s hair; they split the profits 50/50 and within three years he had enough money to launch his café. Sofia met “a nice lady” in the mosque who offered to pay her rent to begin with. She also receives government support and is involved in a savings and credit association.

E. Customers, Suppliers, and Employees

Almost all of the enterprises can be regarded as ethnic, i.e., their customers are, to a large extent, Somalis. However, there are also other customers: Africans, Muslims, and other people living nearby. The

owner of the café in Leicester (Abdul) estimates that one-third of his customers are Somalis and the home care provider in Birmingham (Fosi) has about 35 clients of different backgrounds.

Almost all the women in the clothing business obtain their goods from China and the United Arab Emirates (mainly Dubai) and to some extent from connections in their former European countries of residence. Two men (Awe, Hassan) procure a broader range of goods from Africa, Arab countries, and from within the UK. Mohamed 1 imports electronic parts from China. Cafeterias naturally get their raw materials from local suppliers. In most other cases concerning services, the supplier issue is less relevant.

The vast majority does not have employees but several have family members helping out. Two respondents (Degga, Hassan) have a business partner. Kin has one part-time employee in her perfume shop. The only large-scale employer is Fosi with a staff of 40 people in his home care company.

F. Premises

A majority of respondents have their businesses in shopping malls. However, there are considerable differences between cities. Of the 22 businesses in Birmingham, 18 are located in shopping malls, whereas out of the ten businesses in Leicester, eight are storefront shops. Most respondents say it had been easy to find a place to rent. However, a couple of them add that it is not so easy today, at least not in London and Leicester. Those housed in a mall in Birmingham normally pay a rent of 300 pounds a month. Awe, with a small office within a bigger store shared by four companies, pays 500 pounds. The rent for Farhiyo's cafeteria in a mall is 600 pounds plus 100 pounds for electricity. Mohamed 2, the accountant, pays 500 pounds a month for a small office in London.

G. Competition

Many of the stores, especially the clothing stores, sell similar products procured by the same kind of suppliers for the same kind of customers. One would therefore assume that intense competition is the order of the day. However, only a couple of women with clothing stores in Birmingham argue along those lines. Degga contends that, "Too many people are coming to Birmingham from Europe. There is too much

competition." Faay maintains, "I was one of the first when I started. Now there are plenty of people selling the same thing." Yet two women with similar stores in Birmingham find competition unproblematic. Marian 1 says that, "Competition is good because it offers customers new things and different sizes." Zeinab contributes, "People come to me looking for different sizes that other stores in the mall don't have." Seven women emphasize the advantages of cooperation when similar stores are located at the same place. They exchange information and share expenses for transportation. Maria says that, "competition is sharing, working together with other shop owners. Maybe today you are alive and tomorrow you die, so you need to help or ask for help, to cooperate."

Several other respondents, involved in accounting, cafeterias, electronics, hair salons, home care, internet cafés, IT consulting, money transfer, a perfume shop, and travel agencies, say they have no competitors nearby.

H. Taxes and Regulation

Almost all respondents seem to find the tax and regulatory burden in the UK quite light. "Taxes are not so high and it is easy to contact the government if you have any questions," says Dekka. Several shop owners use accountants. According to Baile (money transfer business in Birmingham), the owner of the shopping mall pays taxes for shops in the mall. According to Mohamed 1 (electronics enterprise in Leicester), Somalis can pursue business in the UK as they used to do back home: "Here you can open a store the day after you decided to start a business." Mohamed 2 (accountant) claims he can help companies get registered within half an hour. Some respondents mention the exemption from taxes during the first year in business.

I. The UK Environment

What are the views of the UK environment in general? The answers to this question, of course, come close to the reasons given for migration from other countries to the UK. Several respondents mention that the UK offers opportunity, flexibility, and a multicultural environment. "The British government encourages people to start business; they are flexible," contends Ahmed, and Baile adds, "If you are a creative person, you can create whatever you want here."

Most respondents compare the British environment to their previous destinations. Ashra figures the relationship with foreigners is better in the UK compared to Sweden where “neighbors didn’t even say hi.” Fosi says the multicultural environment in the UK helped him get integrated and set up a company, which had been difficult in Sweden. Somaya argues in a similar vein: “Your life moves on here.” Awe adds that, “in the UK you have to pay for things [like children’s education] but you can create your future here.” However, there is a darker side of the UK. Farhiyo states that Birmingham is less safe compared to Gothenburg, where she used to live. “Sweden is more peaceful than Birmingham,” says Maria. “I would like to move back if I could run my business there.”

Martin sees more opportunities for Somalis in the UK compared to the Netherlands. Mohamed 1 agrees: “It’s a customer-friendly environment, because we have a community here.” Jawaahir concludes that the British government delegates many more projects to social enterprises compared to the Netherlands. Abdifitah finds it easy to integrate in the UK: “No problem with the British people . . . They support small businesses. In Denmark you have much more respect and equality but here it is much more flexible.”

J. The Future

Twelve respondents wish to expand their businesses. Abdul wants to establish his café “in the world;” Marian 1 wants to build “a big company;” Marian 2 and Sofia want to move out from the mall and rent stores along the street; and Zeinab dreams of developing her store into “a big franchise.” Nine people wish to continue as before. Five people, all in their 40s or 50s, wish to retire and either sell their shops or hand them over to their children.

IV. Concluding Discussion

Now let us compare the characteristics of Somali entrepreneurship in the UK distilled from our literature review to the results from our field survey. The existing image is confirmed in most cases:

- Almost all have family business traditions
- Many, especially women, lack higher education and professional experience

- Among the reasons given for migrating from other European countries to the UK is a desire to pursue business, which is recognizable from the literature
- Most businesses consist of small shops and eating places (cafeterias)
- Start-up capital is acquired through savings or loans from family and friends
- Customers are mainly Somalis or other locals
- Goods are often procured through transnational networks
- Employees are rare but family and friends help out
- Premises are acquired through vacancy chains
- Almost all perceive the regulatory and tax regime as light
- The UK environment is generally seen as flexible
- The majority intends to retain or develop their present businesses

However, there is one area where our observations do not agree with the existing image: competition. Jones, Ram, and Theodorakopoulos based their view of intense competition upon 25 cases of which 23 were men.²⁷ Among our interviewees, several respondents, mainly men offering services, say they have no competitors nearby. They thus seem to establish themselves in order to avoid too much competition. On the other hand, many women have clothing stores next to one another in shopping malls, yet most of them do not complain about excessive competition. To the contrary, they cooperate in identifying and transporting goods—thus sharing information and costs—and their stores differ somewhat in styles and sizes.

In order to understand this, we can consult literature on Somali business strategies from other parts of the world. In South Africa, Somali entrepreneurs have largely outcompeted indigenous entrepreneurs in poor neighborhoods through the following “Somalinomics” practices: low mark-up on goods, reliance on high turnover, location in high pedestrian traffic areas, shared transport of goods from wholesalers to reduce costs, collective investment and shareholding in multiple shops, long business hours, and customer-focused practices (e.g., allowing customers short of cash to buy small quantities).²⁸

We may extrapolate that these practices are not unique to South Africa. Somali business strategies are thus not designed to slavishly follow the strictures laid down by Western economists, at least not in the short run. Their ambition is not to develop an original business

plan and find a unique niche filled with wealthy customers which will allow them to reap nice profits. Their idea is rather to cater to the needs of poor people, not least fellow countrymen, in areas where they themselves live, and to be able to make a living out of it. They thus have a social as well as an economic ambition, which is not always appreciated by Western scholars focused on economic outcomes.

This dual ambition was acknowledged by Jones, Ram, and Theodorakopoulos in their 2008 articles. It is therefore surprising to find the economic perspective dominating the Jones et al. 2014 article leading up to a dismal judgement: Somali and other migrant business owners are caught in a trap of hostile environments, tough competition, and poor customers, with little prospect of getting ahead. This judgement can, of course, rest on discouraging observations over time or on different co-authors or survey populations (since the 2014 article was about many nationalities).

A purely economic perspective tends to induce a pessimistic view of Somali entrepreneurship whereas a mixed economic and social perspective tends to foster a more optimistic view. The optimistic perspective, represented by the 2014 Open Society Foundations report on Somalis in Leicester, stresses that Somali entrepreneurs cater to intra-community needs and earn, if not a lot of money, respect and self-respect.

However, there are solid reasons for pessimism, although they stem from political and not economic or social sources. In the United States and the UK, unlike continental Europe and Scandinavia, Somalis have shown an optimistic and entrepreneurial spirit. Ironically, in precisely these two countries, they are now experiencing serious backlashes. The U.S. president has branded Somalis in the country "a disaster"²⁹ and the Brexit creates uncertainty for Somalis with citizenship in EU countries who have, for many years, lived, worked, and pursued business in the UK.

Acknowledgements: This research has been funded by The Kamprad Family Foundation for Entrepreneurship, Research and Charity. We are grateful for help from Professor Monder Ram, Birmingham Business School, and Jawaahir Daahir, CEO Somali Development Services in Leicester.

Notes

1. Statistics Sweden.
2. Office for National Statistics; many more according to Somali sources.
3. Rutter 2013, p. 40.
4. In the United States, 4.5 percent of Somalia-born (ages 16–64) were self-employed in 2015, according to the Integrated Public Use Microdata Series (IPUMS), a figure more than five times higher than the Swedish one.
5. Volery 2007, pp. 34–35.
6. Ram and Jones 2008, p. 352.
7. The mixed embeddedness perspective was originally launched by Kloosterman, van der Leun, and Rath (1999).
8. Op Cit., p. 365.
9. Ram, Theodorakopoulos, and Jones 2008, p. 436.
10. Ibid., p. 432.
11. Ibid., p. 435.
12. Ibid., p. 441.
13. Jones, Ram, and Theodorakopoulos 2010, p. 567.
14. Ibid., p. 573.
15. Ibid., p. 581.
16. Jones et al. 2014, pp. 510, 516.
17. Open Society Foundations 2014, p. 64.
18. Van Liempt refers to an estimate of between 10,000 and 20,000 “Dutch Somalis” living in the UK in 2002 (2011, p. 4). According to Statistics Sweden, 9,850 Somalia-born persons emigrated from Sweden between 2000 and 2016. It is not possible to tell where these people went, but many surely left for the UK.
19. Hussein 2004, pp. 11–12.
20. Said 2004.
21. Van Liempt 2011a, 2011b.
22. Van Liempt 2011b, p. 258.
23. Melander 2009, pp. 209–210.
24. Abdirahman et al. 2011.
25. Osman 2012.
26. Bang Nielsen 2004, p. 10.
27. Jones, Ram, and Theodorakopoulos 2008, 2010.
28. Gastrow and Amit 2013.
29. Jacobs and Yuhas 2016.

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