

IMMIGRATION & ENTREPRENEURSHIP: AN INTERDISCIPLINARY CONFERENCE

Conference at the GHI Washington and the University of Maryland, College Park, September 13-14, 2012. Co-sponsored by the GHI, the Center for the History of the New America, the Maryland Technology Enterprise Institute, the A. James Clark School of Engineering, the Dingman Center for Entrepreneurship, and the Office of Undergraduate Studies (all University of Maryland). Conveners: David B. Sicilia (University of Maryland, College Park), David F. Barbe (University of Maryland, College Park), and Hartmut Berghoff (GHI). Participants: Rajshree Agarwal (University of Maryland), Katherine Benton-Cohen (Georgetown University), Tobias Brinkmann (Pennsylvania State University), W. Bernard Carlson (University of Virginia), Susan B. Carter (University of California-Riverside), Simone Cinotto (University of Gastronomic Sciences, Colorno [Parma], Italy), Elizabeth Clifford (Towson University), Yesenia Ruiz Cortes (CUNY Graduate Center), James Deutsch (Smithsonian Institution), Pawan H. Dhingra (Tufts University), Hasia Diner (New York University), Shweta Gaonkar (University of Maryland), Andrew Godley (University of Reading), Brent Goldfarb (University of Maryland), Marilyn Halter (Boston University), Will Hausman (College of William and Mary), Eric S. Hintz (Smithsonian Institution), Marcia Hohn (Immigrant Learning Center), Alvaro Huerta (University of California-Berkeley), Violet M. Showers Johnson (Texas A&M University), David Kirsch (University of Maryland), Alan Kraut (American University), Lucia Lo (York University), Martin Lutz (University of Heidelberg), C. D. Mote (University of Maryland), Julie Park (University of Maryland), Alejandro Portes (Princeton University), Alex Severinsky (Fuelcor LLC and University of Maryland), Uwe Spiekermann (GHI), Zulema Valdez (Texas A&M University), Dan Wadhvani (University of the Pacific), Ruth Wasem (Library of Congress), Michele Waslin (Immigration Policy Center), Elizabeth Zaroni (Old Dominion University), Xiaojian Zhao (University of California-Santa Barbara), Min Zhou (University of California-Los Angeles).

The United States has long been an immigrant society as well as an entrepreneurial society. This is no coincidence: immigrants launch new enterprises and invent new technologies at rates much higher than native-born Americans. The conference, an interdisciplinary endeavor, looked at how newcomers have shaped and in turn been shaped by American economic life. Scholars from a wide range of disciplines—history, sociology, anthropology, economics, engineering, Asian American studies, gastronomic sciences, geography, management studies, and others—engaged in lively discussions of topics such as patterns and geographies of ethnic entrepreneurship, barriers to immigrant entrepreneurial success, and policy implications of historical and contemporary research on immigrant entrepreneurship.

There are striking parallels between immigrant entrepreneurship in the nineteenth century and today. Then, as now, immigrants brought considerable education, ambition, and capital, yet often were marginalized or excluded from mainstream opportunities by law, custom, and prejudice. Particular immigrant groups ultimately dominated particular industries and services. Immigrant entrepreneurs built and circulated through trans-Atlantic, trans-Pacific, and at times global networks of people, capital, and know-how. However, the two eras of heavy migration also differ in significant ways. Recently, newcomers from East and South Asia and Latin America have supplanted European immigrants who dominated in the nineteenth century. And whereas many recent immigrants, like their predecessors a century ago, work in low-skilled occupations, in construction, or have created small businesses, a significant portion who have come since the 1965 revision of U.S. immigration policy have arrived with advanced degrees and launched businesses in the most advanced sectors of the economy.

The conference began with a well-attended keynote lecture at the GHI by Alejandro Portes, a leading international scholar in immigration studies. The address “Entrepreneurship, Transnationalism, and Development” (co-authored by Jessica Yiu) provided a comprehensive overview of the current sociological research on immigrant entrepreneurship in the United

States and the empirical significance of these groups for the economic performance both in the U.S. and in their countries of origin. Portes presented self-employment as a strategy of social mobility that must be analyzed in a transnational framework. Immigrant entrepreneurs are the new argonauts, using family and ethnic networks and their bounded solidarity to build close ties between the United States and their countries of origin. From this perspective, the often-lamented “brain drain” is actually a kind of brain circulation, pushing not only the U.S. economy but benefitting the countries of origin as well. Portes recommended encouraging immigrant self-employment but made clear that the work of these groups must be embedded in broader political strategies of development. Without at least a minimum level of economic and social development, collective benefits would be deployed only from the more advanced country—and then there is the danger that poorer nations would subsidize the richer ones.

Throughout the second day of the conference, scholars presented papers to students, faculty, and visitors at the University of Maryland, College Park. Three papers delivered as part of the panel “Education as Critical Social Capital” examined the basic question: How does education shape entrepreneurship and vice versa? The first contribution focused on West African immigrants who came to the United States in search of educational opportunities but who went on to found businesses—usually within particular niches. The second paper looked at Chinese and Korean businesses in Los Angeles and discussed how those businesses encouraged educational attainment within their ethnic communities. The third paper focused on an individual, Nikola Tesla, and explored how Tesla’s education and religion, along with his immigrant experience, contributed to his willingness to embrace “disruptive technologies.” To some extent, all three papers were concerned with the theme of effectuation and explored how immigrant entrepreneurs actively create opportunities for themselves and within their communities.

The second of the concurrent opening panels focused on immigrants’ transition “From Workers to Proprietor Entrepreneurs.” In his paper on Mexican immigrant gardeners in Los

Angeles, Alvaro Huerta explored how a group of migrants stereotypically thought to have little human and financial capital (and therefore lacking important prerequisites for entrepreneurship) has taken advantage of their migrant networks to acquire equipment, routes, and experience to become self-employed petty entrepreneurs in the informal market. Hasia Diner explored peddling as an entry point to self-employment for Jews in the New World. While Jews have a long history of peddling in Europe, in this new environment peddling was often the first step toward founding more established businesses. In the third paper, Yesenia Ruiz Cortes focused on the emerging transnational Mexican migrant elites in the United States. Forming perhaps a new class, these newly minted elites exert influence equally in their adopted country as in Mexico. The papers elicited a lively discussion that focused in particular on measuring the success of these migrants.

The panel on “Enclaves, Regions, and Other Geographies” offered perspectives on how entrepreneurs from immigrant communities engage with the wider world. Susan Carter’s paper used Census data to demonstrate that urban discrimination and shifts in labor demand produced a wide dispersal of Chinese immigrants and their descendants into small towns and rural communities, notwithstanding the symbolic prominence of “Chinatowns,” well before the 1920s. Elizabeth Zaroni’s presentation on New York’s Italian newspaper *Il Progresso* in the World War I era showed that producers in Italy and customers in the United States participated in a transnational debate over how foodways, clothing, and other patterns of consumption enabled the formation of political identity. The paper by Martin Lutz on Mennonite, Hutterite, and Amish communities argued that (notwithstanding their reputation for insularity) they are engaged in a continual process of adapting to the market economy in ways consistent with their belief systems. Zulema Valdez’s presentation on Mexican-origin entrepreneurs used interviews and quantitative research to conclude that men benefitted more than women from encouragement to develop business skills and access to family and outside capital.

Three case studies from different time periods with different methodological approaches were the focus of the panel on “Immigrant Dominance of Consumer Sectors.” Andrew Godley looked at Jewish immigrant entrepreneurs and the U.S. garment industry. Their economic success in this sector cannot, in his opinion, be explained by their level of education, their advanced abilities of social organization, or skills already developed in their home countries. He argued that instead, external changes in the demand for women’s wear were decisive. Pawan Dhingra presented his research on Indian immigrants in the hospitality industry. He questioned the somewhat artificial separation of lower and higher status immigrant entrepreneurs, gave detailed insights into the family networks and value systems of the new motel owners, and showed how they took advantage of opportunities and developed the resources for buying and developing motels. Simone Cinotto presented three company histories to discuss Italian wine entrepreneurs in California. The Italian-Swiss Colony, the Italian Vineyard Company, and the Gallo Brothers all established large-scale winemaking and preferred Italian labor. They popularized wine consumption in the U.S. and used the myth of California as an “Italy on the Pacific” to gain a competitive edge. In his comment, David Kirsch emphasized the challenge of the well-known disadvantage theory by all these papers. Immigrants were predominantly opportunity-seekers in their new environment, which explanations of their success stories need to take into account. To Kirsch, the triad of opportunities, resources, and motivation offers a good starting point for more systematic research.

The lunch keynote was given by Alex J. Severinsky, who was introduced by former UMD president C. D. Mote. An engineer/scientist who immigrated to the United States in 1978, Severinsky described how the education he had received in the Soviet Union and several business opportunities in the U.S. enabled him to successfully pursue the development of a system for powering gas-electric hybrid automobiles—the one used by Toyota, patented in 1994. In his animated talk, Severinsky emphasized the importance of persistence as well as of luck when it comes to business ventures and inventions.

Chaired by Elizabeth Clifford, the afternoon panel on “Human Capital” addressed different ways that immigrants utilized ethnic networks, charitable activities, and other means to advance their economic and social standing in the United States. Ziaojian Zhao discussed how three ethnic Chinese groups achieved economic success in the latter half of the nineteenth century and during the modern era by growing businesses from scratch or utilizing ethnic finance networks. Tobias Brinkmann focused on Jewish immigrants from Central Europe and presented theories about why this group achieved significant economic success in the U.S. during the nineteenth century. Eric Hintz examined the charitable activities of immigrants Leo Baekeland and Charles Eisler and compared how they employed charitable donations as a strategy for acquiring social status. Commentator Will Hausman noted that all three papers addressed self-employment as a category of entrepreneurship and speculated that this complicated traditional economic interpretations of entrepreneurship.

The broader institutional environment was the subject of the panel on “Removing Barriers to Immigrant Entrepreneurial Success.” Ruth Wasem discussed important principles of U.S. immigration law and criticized the mixed-message approach of the United States’ simultaneous “Help Wanted” and “Keep Out” policies. She advocated an immigration policy based on the human capital needs of the broader economy rather than on the desires of individual employers. Lucia Lo presented her and her co-author Wei Li’s research on the financing of immigrant businesses. They conducted interviews in San Francisco and Vancouver and found that financial institutions both in the U.S. and in Canada have a long way to go in addressing immigrant entrepreneurs’ needs. Shweta Gaonkar and Rajshree Agarwal asked how immigration status impacts the wage of a high-skilled immigrant and found that on a temporary work visa, high-skilled immigrants will earn significantly less per year than native-born Americans. Michele Waslin and Marcia Hohn looked at immigrant entrepreneurs in three categories (neighborhood storefronts, growth businesses, and STEM entrepreneurs) and discussed some problems of U.S. immigration law such as excessive paperwork, long backlogs,

and a very narrow definition of “entrepreneur.” In her comment, Katherine Benton-Cohen emphasized the importance of an institutional framework such as worker safety laws, maximum work hours, and health insurance.

The closing discussion of the conference, led by David Sicilia, focused on some the cross-cutting themes of the conference, such as transnationalism, gender, family, social/human/economic capital, ethnic clusters, and immigration policy. All themes proved relevant in view of the planned publication of an edited volume based on revised conference papers as well as possible future ventures.

Clelia Caruso, Jessica Csoma, Bryan Hart, Kelly McCullough, Atiba Pertilla, Benjamin Schwantes, Uwe Spiekermann (GHI)