

Reverse Import/Export: the business of Immigrant needed products for native and non-native immigrants residing in the United States

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I. TRANSNATIONALISM

Transnationalism focuses on the ongoing relationships that immigrants maintain with their home countries and the resulting social fields that span national borders (Sequeira, Carr, & Rasheed, 2009). Sustainability for a new venture requires a market and consumers to purchase products or services. Immigrants maintain relationships with their home countries to acquire products for sale in the United States. Although an immigrant has migrated, he or she still desires products and services from his or her home country. Aldrich and Waldinger (1990) stated that many immigrants sell exotic goods that offer a fruitful path of business expansion because immigrants have a special product that only they can supply or present in conditions that are seemingly authentic. As a result, many immigrants start ventures such as restaurants, using their respective immigrant group as a target audience because of the feeling that only they can provide the services to these individuals—only they have a deep knowledge of what that target audience wants.

Many immigrants have taken advantage of the fact that their products or services are not offered in the United States; thus, they have provided them to their own groups. Sahin, Nijkamp and Rietdijk (2009) stated that as part of their entrepreneurship strategy, immigrant entrepreneurs find a niche in their immigrant community and start up in a culturally well-defined market to provide typical services and products to their specific cultural groups. Ethnicity is a classification based upon a person's demographic and geographical origins, which result in a shared culture and background. Ethnic identity is how people in the ethnic group relate themselves to their larger society and within their own group (Lynn & Sojka, 2011). People who identify with a certain ethnic group share similar values, language, artifacts, rituals, and food. Immigrants to the USA bring with them their distinctive cultural heritage, belief system, and behaviors: the sum of which is reflected in their shopping behaviors (Fowler et al., 2006). This niche becomes the opening or an opportunity to begin a business venture because of less competition from the native born, who probably would have a difficult time replicating an immigrant's business (Lynn & Sojka, 2011).

Transnational activities of today exist among various immigrant groups and continue to be strong and stable. Transnational networking is identified as activities that bridge national border, and, are carried out by entrepreneurs from various cultural groups, mainly with their homelands. They are aimed at both leveraging and using mutually shareable assets such as information, contacts, and products to provide in the host country, and they offer a strategy that enhances economic growth and mobility (Kariv, Menzies, Brenner, & Filion, 2009). Immigrant groups such as Latin American, Chinese, and Jamaican business owners utilize these methods to begin a venture. Maintaining relationships with suppliers and wholesalers in the home country enables an immigrant entrepreneur to provide products for sale and profit in the United States (host country). Sequeira et al. (2009) used another term for immigrant entrepreneurship—*cultural enterprises*—small ventures located in immigrant neighborhoods that employ individuals from their same cultural group, or others of the same nationality and race as the immigrant business owner, and cater to their own cultural clientele.

Kyle (1999; 2001) and Landolt (2001) conducted a three-year research study on Latin American immigrants. Their study identified four types of transnational businesses. First, circuit firms are businesses that transfer goods from one country to another through informal international couriers. These informal couriers are culturally connected with one particular country and become liaisons between businesses in the United States (who are also culturally connected with a country), who utilize these services to import foods and other products from the business owner's home country. The reason for these services is the demand for culturally specific foods by many immigrants. As a result, immigrant business owners have developed their own systems to meet the needs of their target audiences.

Second, cultural enterprises rely on daily contact with countries in Latin America, China, and Jamaica and depend on the needs of immigrants to purchase and consume culturally specific food products from their home countries. These businesses in the individual home countries, for example Jamaica, work with specific businesses in the United States to provide products not found in the United States to serve the immigrant population in the United States. Third, cultural enterprises are small firms that cater specifically to the immigrant community. They depend on a steady flow of imported items, such as food items from Latin America, China, and Jamaica. Fourth, return migrant microenterprises are businesses that are built back in the

immigrant's home country for the purposes of expanding the immigrant's current venture in his or her host country. For example, a Latin American business owner in the United States will start or expand his restaurant in the Dominican Republic. To summarize, the investment capital the immigrant business owner raises from his business in the United States is utilized to start or sustain a venture in his home country. Because many immigrants have families still living in their home countries, it is a means of providing income and economic security for themselves and their families.

Type of Firm	Operation of Firm	Role of the Firm
Circuit Firms	Transport various goods from the immigrant entrepreneur's home country to the United States	Culturally connected with one particular country, making it more cost effective for the immigrant business owner to transport goods back and forth from their home country to provide goods to their customers in the United States. The reason for these services is the demand for products to and from immigrants within the same cultural group.
Cultural Enterprises	Transporting unique and specific products from the immigrant entrepreneur's home country to serve the needs of a specific immigrant group in the United States.	Works with specific businesses in the immigrant's home country to provide in-demand, hard-to-locate products in the United States to serve the needs of a specific immigrant population.
Ethnic Enterprises	Firms that serve specific immigrant communities in the United States.	Provides a steady stream of products from the immigrants' home countries, as if they were still living in their home countries.
Return Migrant Microenterprises	Businesses that are built back in the immigrant entrepreneur's home country.	Use profits from businesses in the United States to fund or start new businesses back in the home countries. The expanded or new business in the home country provides employment and security for family members back home, while increasing the business owner's wealth in the United States.

Table 1. Four types of tactics that immigrant business owners use to start and sustain a venture (Sequeira et al. (2009).

II. SOCIAL NETWORK INFLUENCES ON IMMIGRANT ENTREPRENEURSHIP

Immigrant entrepreneurs rely on communities of individuals within their cultural groups for venture start-up and continuity. Using their network resources, immigrants use informal networks based on mutual trust to help each other gain financial start-up and knowledge when starting and sustaining business ventures (Rezaei, 2010). Rezaei found that as a result of their common cultural connections, many immigrant business owners help each other gain financial independence by providing assistance in the form of mentorship and in some cases financial support. These kinds of networking tactics are what enables the immigrant business owner start or sustain their ventures. Studies done by Wang and Li (2007) and Peterson and Meckler (2001) found that Latin American immigrant business owners rely on each other for support with items such as the set-up of a business, contacts, financing, and equipment. As a result, the infrastructure of the Latin American businesses has gotten so strong that it has enabled the start-up of other new ventures (Wang & Li, 2007). Cultural groups can achieve upward economic and social mobility through business ownership relying on communities of individuals from within their own cultural network to both start a venture and even find employment (Adendorff & Halkias, 2014).

Another benefit of informal networking is the sharing of social capital. Social capital sharing suggests that people with better social resources, such as a network of support from individuals and other means, are more likely to succeed in entrepreneurship (Clydesdale, 2008). Barrett, Jones, and McEnvoy (2001), who explored the notion of mixed embeddedness among Asian and Caribbean immigrant businesses, revealed that immigrant entrepreneurial activity was strongly shaped by the business environment and the support from individuals from the same cultural group in the community. The growth of immigrants' businesses depended largely, in the beginning at least, on other immigrants from similar cultural groups patronizing their products or services. These immigrant groups developed such informal networks in their home countries as one of many means of ensuring a supply chain for their products and for economic support. Other such supplies come from already established businesses, culturally associated with the immigrants venture.

Shinnar and Young (2008) conducted a study of Latin American immigrant entrepreneurs in the United States and found that these groups recognized the importance of informal networking in their home countries and developed them. The study found that Latin American business success was partly attributable to individuals within the same cultural group because they felt a strong sense of commitment towards helping someone from their group succeed. This further contributed to a strong sense of kinship with those still in their home country; once that one individual gained success, he or she would then help others. Once individuals migrated to the United States, they continued their informal networking by passing on their venture start-up techniques, including funding and personal support to other early-stage businesses. A study of various

immigrant business groups conducted by Kalnins and Chung (2002) found that non-established group members without resources have a lower probability of failure when there is a greater presence of established business group members who are proximate. Shinnar and Young (2008) and Kalnins and Chung (2002) argued that immigrant business group members clearly have motivation to contribute to the social capital of other group members because of shared values from their respective home countries. Immigrants depend on each other for support of their business ventures. As a result of the mentorship, each immigrant business owner gains additional experience that he or she can pass on to the next immigrant, which builds community strength while expanding economic growth. Immigrants can exploit these opportunities, but this is dependent on their group ties and the qualities they bring with them; thus, certain environments are more supportive of small business than are other environments (Clydesdale, 2008). Depending on cultural groups, social capital works in different ways.

In 2015, a separate CBO (Characteristics of Business Owner) survey was conducted by the United States Census Bureau, (United States Census Bureau, 2012) which provided a detailed snapshot of Latin American, Caribbean (Jamaican component), and Asian (Chinese component) immigrant entrepreneurs. The purpose of the survey was to determine why immigrant businesses survive longer than native-born ventures. The survey, which was the most recent, gave detailed information on how immigrant business owners obtained financing for starting a venture as well as on techniques for sustaining that venture. They found that immigrant business success is dependent on investment in terms of capital and mentorship from veteran immigrant entrepreneurs who are in the same types of business. These continue to be the same findings from the 1992 and 2007 CBO. Veteran immigrant entrepreneurs mentor struggling start-up immigrant business owners by not just providing business advice, but by also taking a personal or vested interest within the struggling business owner's organization, such as providing their own personal contacts (accountants, suppliers, etc.) and coordinating weekly meetings with owners to discuss progress or setbacks. After the start-up business becomes sustainable, the owner of that business does the same for the next start-up immigrant entrepreneur.

Veteran immigrant business owners in this study were useful in providing information regarding potential capital acquired through rotating credit associations or even through direct loans and investment in a venture. They also helped to create opportunities for would-be entrepreneurs by providing access to markets, labor, and information. Networks of cultures may provide valuable resources such as customers, labor, and technical assistance to assist in starting and running businesses (Robb & Fairlie, 2009).

Bowen (2008) & Min & Kim (2009) have asserted that this type of informal training is very prevalent among Jamaicans and Latin Americans. Kim conducted a study among 100 Jamaican immigrant business owners in New York and Florida and found that individuals living within the same neighborhood, who share cultural ties plays an important role in helping that business owner start and maintain a venture. Established business immigrant business owners mentor Non-established business owners, within the same cultural group aiding the Non-established owners to start and maintain their venture. This could be through contacts and one-on-one "tutoring". A great deal of learning takes place within the family and the neighborhood as social capital, and informal networks play an important role in venture creation and entrepreneurship (Yazdanfar & Abbasian, 2013). Family members and neighbors teach each other skills and use their knowledge, turning their new skills into profitable business ventures once they have entered the host country. Some of those skills learned in the home country influence the decision to enter into a particular entrepreneurial venture.

For Chinese immigrant entrepreneurs, informal networks rely more on families for help in their start-up ventures, including initial set-up and monetary aid. For example, according to Kao (1993; Yazdanfar & Abbasian, 2013), the Chinese involve few outsiders for their entrepreneurial connections prior to starting a venture. Kao (1993) added that prior to a venture start-up, the Chinese apply four maxims: (a) the only people you can trust are family and a business enterprise is created as a familial "life raft"; (b) the judgment of an incompetent relative in the family business is more reliable than that of a competent stranger; (c) obedience to patriarchal authority is essential to maintaining coherence and direction for the enterprise; and (d) investment must be based on kinship or clan affiliations (Vissak & Zhang, 2014).