

# Ethnic Enclaves

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## Abstract

Ethnic enclaves are geographically delimited regions wherein a community of immigrants characterized by common national or ethnic origins as well as class diversity owns a significant fraction of local businesses. By pooling business skill and investment capital within an environment of shared solidarity and coethnic employment, group members are able to successfully compete in the host society's economy such that both owners and workers are protected from the economic disadvantages (in the form of low returns on their investments in human capital) that recent immigrants generally encounter when seeking jobs in a host society's labor market. Through reliance on the ethnic enclave, immigrant populations are able to acquire wealth and provide their children with education sufficient to enter the middle class of the host society.

This essay traces the origin and development of the ethnic enclave, discusses the debates it inspired, and considers its contributions as well as the critiques to which it has been subject. The essay concludes with suggestions for future research that can link the ethnic enclave formulation with emergent themes in the study of international migration and ethnic economies.

## INTRODUCTION

Ethnic enclaves are geographically delimited regions where a community of immigrants sharing common national or ethnic origins as well as class diversity owns a significant fraction of local businesses. By pooling business skill and investment capital within an environment of coethnic employment, group members are able to successfully compete in the host economy such that both owners and workers are protected from the economic disadvantages (in the form of low returns on their investments in human capital) that recent immigrants generally encounter when seeking jobs in a host society's labor market. Through reliance on the ethnic enclave, immigrant populations are able to acquire wealth and provide their children with education sufficient to enter the middle class of the host society.

The enclave model, developed by the sociologist Alejandro Portes and colleagues, was one of the most influential and controversial social science concepts of the late twentieth century (Portes & Bach, 1985). It drew on a wide range of theory and data to play a major role in challenging status quo ideas about ethnicity, assimilation, and neoclassical economics in an increasingly diverse American society. Various elements of the approach were harshly challenged in scholarly debate. However, its basic contention—that immigrant and ethnic groups are able to marshal inured cultural practices and self-help activities to achieve upward mobility—has endured. Resonating with a broad body of scholarship and activism, the ethnic enclave has significantly altered the way a wide range of social and political groups both in the United States and throughout the world understand international migration.

### A RENEWED FOCUS ON IMMIGRANT ENTREPRENEURSHIP

Scholars, journalists, and social activists have long noted the propensity for immigrant and minority groups to open small businesses as a means of survival (Light, 1972). Until the 1970s, however, immigrant entrepreneurship was seen as a relatively inconsequential adjustment made by marginal economic actors in less developed regions, which would be ultimately outmoded by modernization.

However, since the late 1960s and early 1970s, a series of social, economic and demographic transformations have occurred—in the United States and throughout the world—making scholars, politicians, and pundits become much more concerned with the importance of immigrant solidarity generally, and immigrant self-employment, in particular.

These factors include the greatly increased number and diversity of international migrants in the United States. Their presence can be attributed to the Immigration Act of 1965, the resettlement of millions of Cold-War refugees, and the arrival of millions of undocumented migrants. Second is the demand for equal treatment for all persons and groups, regardless of their nationality, religion, race/ethnicity and gender. Based in postcolonialism and the US civil rights movement, and supported by legal cases, international organizations and a variety of social movements, the demand for equal treatment has catalyzed a move away from assimilationism/Americanization and toward multiculturalism. This demand for equal treatment involves acknowledging the validity and utility of minorities' own cultural practices and resources rather than endorsing only the social forms of the host society as appropriate guides for social and economic life.

Finally, a third factor that contributed to the enhanced appraisal of immigrants entrepreneurship has been the inability of industrialized nations to maintain sufficient levels of employment and economic growth to support

their citizens. Since the oil shocks of the 1970s, the expansion of global economic competition in the 1980s, and the demise of the Soviet Union in the early 1990s, growing numbers of developed societies have suffered from social and economic ills, especially capital flight and deindustrialization associated with post-Fordist production, resulting in the loss of millions of jobs and a decline in the quality of life (Wilson, 1996). These developments have occurred within an environment of economic recession, the rise of neoliberal ideologies, powerful anti-tax movements and the rejection of the “old time religion” of Keynesian counter-cyclical spending. Consequently, governments have been limited in their ability to alleviate such conditions (Sassen, 2007).

Under such circumstances, immigrant and minorities’ resources and economic strategies have been shown to create positive outcomes for both migrant groups and the larger society. As such, they have been celebrated as solutions to the host society’s economic problems rather than being regarded as “cultural baggage retained from the old country,” as was often the case before the 1970s. In fact, since about 2000 the importance of immigrant entrepreneurship—which had been largely neglected by business experts until lately—came to be celebrated as a major engine for economic growth (Hohn, 2012; Saxenian, 2006).

Drawing on these factors, between the 1960s and 1980s, journalists, activists and scholars demonstrated the social and economic achievements of a wide variety of immigrant and ethnic groups, transforming their status from hapless outsiders to super-achieving model minorities who, for many, represent the best in American society (Caplan, Whitmore, & Bui, 1985; Gold, 2009). Their accomplishments were all the more impressive given the fact that several nationalities arrived in the United States penniless and had to overcome significant discrimination in order to join the US middle class. Such groups included Japanese, Jews, Chinese, Irish, Vietnamese, Caribbeans, Koreans, Chaldeans, Cubans, Finns, and many others.

#### FROM CULTURAL TO CONTEXTUAL VIEWS OF IMMIGRANT MOBILITY

As part of this movement, scholars, journalists and activists developed new approaches for understanding the social and contextual forces that shaped immigrant and ethnic groups’ fates in American society. Before this time, cultural determinism was the dominant explanation used to account for mobility patterns. Ignoring unequal access to resources as well as the affects of discrimination, the culture of poverty theory asserted that persons associated with “successful” (generally Northern European and Protestant) cultures have an ample aptitude for business and a strong work ethic while less successful groups (generally non-Caucasian) lacked these characteristics and

were unable to defer gratification in order to achieve future goals (Banfield, 1974).

Portes (2010, p. 171) describes the flaws associated with the cultural approach. “Post factum chronicles of the economic success of such groups make much of their unique value endowment—the unique ‘love of learning’ of the Jews or the Japanese ‘Confucian ethic’ for example. In reality, immigrants from the most varied religio/cultural backgrounds have been able to develop enclave or enclavelike economic hubs in America.”

As a means of creating an alternative to cultural, racial, and gender-based explanations for the economic difficulties that low status persons (women, immigrants, and members of racial and ethnic minority groups) faced in US society, social scientists developed a variety of theories that could account for the impacts of inequality and discrimination including the dual labor market model (Averett, 1968).

In contrast to neoclassical economics that denies the significance of workers’ social characteristics in allocating rewards, observers have noticed that women, immigrants and minorities often compete for jobs in a sphere separate from that of native-born White men. The former group receives lower wages, fewer benefits, less security, and worse working conditions than the latter because of their membership in a lower status social group. The ethnic enclave model suggests that by cooperating in economic activities that they control and own, immigrants can protect themselves from the discriminatory treatment that members of their group normally receive when seeking jobs in the larger society. As such, participating in the ethnic enclave is a more rewarding strategy than is joining the social and economic life of the larger society.

Drawing on and contributing to this interest in finding more convincing and less ethnocentric explanations for the economic achievements of self-employed immigrant groups, Portes and his colleagues established and then refined what we now know as the enclave model. The ethnic enclave was not the only body of work that discussed the positive impacts of ethnic entrepreneurship, but it was explicitly codified, supported by quantitative analysis and appeared in highly regarded journals. Accordingly, it functioned as conceptual shorthand for a broader intellectual agenda. A Cuban exile, Portes was well-positioned to explore and describe the rapid economic growth of the Cuban community in South Florida that is reflected in this formulation.

#### DEFINING FEATURES OF ENCLAVES

Fidel Castro’s revolution and ascendancy dislodged a highly skilled population with extensive business skills. Their shared antipathy to the new

administration unified community members, many of whom already knew one another before their exit and facilitated their recreation of Cuban social, cultural, political, and religious institutions in South Florida (Portes, 1987). Drawing on coethnic ties they acquired start-up capital. (A unique source was “character loans” secured via exiles employed in US banks who could vouch for fellow migrants’ business skills and reliability.) In this way, Cubans rapidly established ownership of numerous businesses. Conationals of more humble means as well as married women who were anxious to reestablish middle class standing in the United States provided reliable labor for coethnic entrepreneurs (Fernández-Kelly & Garcia, 1990).

The enclave further facilitated economic success through horizontal and vertical integrations (Wilson & Martin, 1982). Horizontal integration involves ethnic business owners cooperating to choose store locations, avoid competitive pricing, pool information and engage in collective buying. Vertical integration occurs when a whole package of business services—ranging from credit, wholesale goods and maintenance, to parking, transportation, real estate, manufacturing, and import/export concessions—are provided by coethnics. Through vertical and horizontal integrations, ethnic entrepreneurs support each other, strengthen coethnic ties, share information, avoid cannibalistic competition and generally contribute to the interlocking business orientation of the entire immigrant community.

Portes and colleagues emphasize enclave businesses’ geographical concentration and servicing of the larger society (rather than marketing to coethnic customers) as a means of distinguishing enclaves from the more typical but less lucrative pattern involving a handful of restaurants, groceries and coffee shops selling to coethnics that is found within nearly every migrant population. Finally, setting apart enclaves from patterns of middlemen entrepreneurship is the fact that the owners of enclave businesses determine their own economic agenda rather than expanding the market of local elites by providing their goods and services to minority customers.

#### CASE STUDIES OF ENCLAVES

Portes and his collaborators engaged in comparative/historical analysis to demonstrate that Cuban Miami was not the sole example of an ethnic enclave. In several articles, these scholars showed how similar circumstances of coethnic collaboration, community-based capital and skill, class diversity, geographical concentration of businesses, and marketing to the larger society were associated with the economic achievements of three other entrepreneurial immigrant communities—New York Jews and California

Japanese during the early twentieth century, and Los Angeles Koreans after the 1970s (Portes, 2010; Portes & Manning, 1986).

### THE ETHNIC ENCLAVE DEBATE

Following its initial formulation, the concept was criticized, defended and refined in a series of journal articles, book chapters, and books. Indeed, an extensive debate about its usefulness and validity occupied scholars for three decades. The theory's conceptual basis, definition, utility and broader application have all been subject to intense scrutiny and tested through the analysis of multiple data sets and various methodological approaches (Light, Sabagh, Bozorgmehr, & Der-Martirosian, 1994; Sanders & Nee, 1987, 1996).

#### RETURNS TO HUMAN CAPITAL INVESTMENTS FOR WORKERS

Probably the most controversial contention of the enclave formulation has been its assertion that coethnic employment can provide greater rewards to the human capital investments of coethnic workers (as well as owners) than are available in the larger economy.

Critics of the enclave formulation generally accept that immigrant business owners often have greater earnings than coethnics working for others. However, the assertion that coethnic employees receive greater rewards has been subject to many empirical challenges. In the broader literature on international migration, it is almost universally reported that the employees of immigrant enterprises receive low wages—often reflecting the fact that immigrant-owned businesses involve poorly paid, labor intensive activities such as restaurants, service, garments, and construction (Bean & Stevens, 2003; Castles & Miller, 2009; Waldinger, 1996; Waldinger & Bozorgmehr, 1996).

Moreover, immigrants employed in such activities are expected to earn even less than the native born, as they are disadvantaged in the larger economy. They do not speak English, have little employment-related knowledge about or connections with the larger society, and may lack legal status (Wilson, 1996). Finally, it is well known that the vast majority of all businesses—about 75% (including those owned by both the native-born and immigrants)—have no employees (US Census, 2007). Hence, when scholars evaluate the earnings of an enclave population (i.e., a population made up of self-employed immigrants of a given nationality and the coethnics that they employ), they are likely to come up with a figure that vastly overrepresents owners versus employees. For these reasons, several studies contend that participation in an enclave is likely to reduce rather than increase the earnings of workers (Nee & Sanders, 1987; Xie & Gough, 2011).

For example, in their research on Cubans in Miami and Chinese in San Francisco, sociologists Victor Nee and Jimmy Sanders concluded that “Contrary to the enclave economy hypothesis, we find that ethnic workers in the enclave receive comparatively low returns to their human capital investments” (Nee & Sanders, 1987, p. 771). Similarly in one of the most recent articles to examine the impact of enclaves on incomes, one based on data from a 2003–2004 survey of immigrants that included five major Asian American groups (Chinese, Filipino, Indian, Vietnamese, and Korean) and seven Latino groups (Mexican, Salvadoran, Columbian, Cuban, Dominican, Guatemalan, and Peruvian), Xie and Gough (2011) found that “our results do not support the enclave thesis ... preimmigration education was found to have a smaller effect in enclaves than outside enclaves for Asians as a whole and also for Peruvians.”

#### THE LIMITATIONS OF A NARROW DEFINITION?

In addition to the specific questions about immigrant enclaves that have been explored via statistical analysis, a further set of theoretical and conceptual critiques have also been mounted. Several authors contend that the enclave is such a narrow concept that it cannot be applied to more than a handful of groups, thus limiting its utility.

#### LEVELS OF COETHNIC COLLABORATION

The ethnic enclave model emphasizes ethnic solidarity as the basis of mutually beneficial economic cooperation, yielding vertical and horizontal integrations among business owners and the maintenance of fair treatment and cordial relations among coethnic employers and workers.

However, evidence suggests that the high levels of coethnic solidarity and cooperation that underlie the enclave are relatively uncommon. Instead, a review of research on various ethnic groups indicates the existence of internal conflicts and a high degree of mutual suspicion—based on class, region, religion, lifestyle, history, ideology, ethnicity, and other factors—discourages group-wide cooperation. Many studies conclude that the high levels of trust and solidarity that underlie economic cooperation tend to exist within intimate subgroups defined by family, common regional origins, and various shared experiences in education, politics, religion, or the military, and not at the level of the entire coethnic population (Bodnar, 1985; Dallalgar, 1994; Gold, 1992).

As a case in point, Light *et al.* (1994) found that the highly entrepreneurial Iranian community of greater Los Angeles is made up of four ethnoreligious subgroups—Armenians, Jews, Baha’is, and Muslims—and that the highest

levels of cooperation take place within them. Gold found a similar pattern of subgroup cooperation among Israeli, Vietnamese, and Chinese Vietnamese business owners in California (Gold, 1994a, 2002).

Because cooperation takes place within subcommunities and not among the entire population, the potential for coethnic collaboration and the rewards thereby generated are often less than those described as occurring among exemplary ethnic enclave groups. As Portes (1987) suggests, the shared experience of flight from Castro provided early Cuban refugees with an especially high level of ethnic solidarity that fostered economic collaboration. In contrast, other migrant nationalities often reveal lower levels of solidarity and cooperation.

Coethnic cooperation is vital to the maintenance of good relations among business owners and workers that encourage profitability, foster investment, and preclude exploitation. Indeed, the benefits of this sort of collaboration are well documented in the broader literature on ethnic entrepreneurship (Bailey & Waldinger, 1991; Light, 1972; Wong, 1998).

At the same time, however, a significant body of research also discusses patterns of conflict that occur among business owners and workers of the same nationality. It demonstrates that groups with high rates of self-employment may avoid hiring coethnic workers, precisely because in-group solidarity would require employers to provide coethnics with better wages and working conditions than those tolerated by outgroup members, thus reducing owners' profits as well as their control over employees (Chin, 2005; Gold, 1994b). In addition, because of shared culture and language, employers fear that coethnic workers will use jobs as a means of building their own careers—perhaps at the expense of their employers. Many assumed that coethnic employees would ultimately become competitors.

In the following quote, Yossi, an Israeli contractor described being victimized by coethnic employees, and his resulting decision not to hire Israelis in the future.

Investigator: Did you ever have friction with your Israeli employees?

Yossi: Well you see, Israelis, they took me as an example. They want to also become self-employed. So they care too much about the details of how I run my company, and I don't like that. I don't want to say that they are spying, but they copy me which is perfectly okay, but as long as it helps me.

Investigator: Yeah. They'll open their own business and then make it harder for you.

Yossi: Right. But I understand that and I accept that as long as they are not cheating on me that's fine with me. But if I need to be somewhere else for a while and a potential customer comes to the work site and asks for a contractor and they



give their [business] card or leave their number—that's cheating. I don't accept it. So I need to be careful of Israelis and now I hire Mexican workers more.

A dishonest [Israeli] guy like that, I will eventually get rid of him. I will just throw them from the job. Many times it has happened and I have been hurt. I would not hire another Israeli. I'd hire a Mexican instead. That's very unfortunate, but they can't stop me to hire someone that needs the money.

(Gold, 2002, p. 77).

For their part, workers indicate that coethnic employers provide lower wages, less pay and fewer benefits than is the case for jobs available in the larger economy or from other ethnic groups. Accordingly, in many immigrant populations, employers and workers make efforts to avoid working with one another (Gold, 1994b, 2002; Kim, 1999; Saloutos, 1964).

Rather than employing coethnics, many studies suggest that undocumented Latinos (largely Mexicans) are favored by small business owners ranging from native born Whites to a variety of immigrant populations (Waldinger & Lichter, 2003).

A final factor that prevents numerous migrant groups in the United States from relying on coethnic employment is the fact that many populations have relatively low levels of the sort of class diversity that Portes and colleagues identify as underlying the formation of enclaves.

Migrant groups that have the high levels of education, business experience and access to capital required to open businesses often lack a significant working-class population that would be interested in the kind of jobs immigrant-owned businesses typically create. For example, few Israelis, Russian-speaking Jews, Koreans, Taiwanese, Iranians, or Indians (all relatively well-educated groups) seek long-term employment as garment workers, bus boys, assembly workers, or construction laborers. Accordingly, these immigrant entrepreneurs have little choice but to hire out-group workers (either the native-born or other immigrants) to fill lower level jobs in their businesses. On the other hand, some immigrant populations that seek employment in existing firms lack a sizeable middle class that possesses the resources required to open businesses. Consequently, they must secure jobs in companies owned by other ethnic and nationality groups (Delgado, 1993; Hondagneu-Sotelo, 1994; Waters, 1999; Wilson, 1996).

In sum, many of the central tenets of the enclave model assume the existence of very positive and wide-ranging forms of solidarity, social capital and collaboration within immigrant communities that produce economic benefits. However, an inclusive review of literature about immigrant populations indicates that these fortuitous conditions are rather rare.

## GEOGRAPHICAL CONCENTRATION

Another series of questions about the ethnic enclave formulation concern its emphasis on geographical concentration. Before the late twentieth century, scholars of immigration emphasized geographical concentration as they examined topics such as residential segregation, the influence of immigrant elites, urban villages, ethnic succession, employment patterns, and intergroup conflict. Indeed, many of the classic studies of immigrant communities concerned concentrated populations such as Little Italies, Chinatowns, the Lower East Side, Poletowns, Bronzeville, and barrios, such that geographic concentration became synonymous with immigrant and ethnic communities in American society (Bodnar, 1985; Lyman, 1974; Kornblum, 1974; Massey & Denton, 1993).

However, recent research on international migration places far less emphasis on geographic concentration (Gieryn, 2000). Recent literature suggests that because of real estate costs, poor quality schools, public safety, availability of jobs and other factors, migrants increasingly settle in suburban or exurban areas rather than in concentrated and ethnically defined urban neighborhoods (Iceland, 2009; Massey, 2010; Zhou, Tseng, & Kim, 2008). Skilled and professional immigrants often live close to where they work and travel to ethnic business districts (where relatively few coethnic reside) only on weekends. Such is the case for recently formed “ethnoburbs” (ethnic suburbs) such as Koreatowns, Little Indias, Japantowns, Little Saigons, and Chinatowns in several US and Canadian cities (Maira, 2002; Min, 2008; Zhou, 2008).

Another body of research that challenges the importance of geographic concentration among migrants is transnationalism (Basch, Glick Schiller, & Blanc-Szanton, 1994; Faist, 2000). It argues that because of easy and inexpensive access to communications and transportation technology, migrants’ high levels of language and cultural skills and access to legal status in multiple nations, immigrant entrepreneurs can maintain activities in multiple settings, including those far from where they reside (Nonini & Ong, 1997). For example, social and economic processes associated with Silicon Valley bring together capital, entrepreneurs, workers, production facilities, subcontractors and consumer markets located in multiple nations, regions, and continents in order to produce products and generate profits (Sassen, 2007; Saxenian, 2007; Senor & Singer, 2009).

Such findings about migrants’ increased mobility and lack of geographical confinement suggest that the enclave theory’s requirement that entrepreneurs and workers share a common location may no longer hold, and prevents the concept from addressing some of the most compelling instances of contemporary immigrant entrepreneurship.

A case in point involves the recent domination of the low-cost motel industry in the United States by Gujaratis. Members of this Indian ethnic group own two million rooms and 100 billion dollars worth of property—yielding what may be the largest ethnic enterprise in US history (Dhingra, 2012). Because most live in their motels—which are located alongside highways through the country—they lack geographical concentration. In short, the enclave model’s continued reliance on geographical concentration even as scholars of migration have increasingly moved away from a focus on locality for understanding immigrant life, may limit the concept’s enduring relevance.

Scholars who feel that the ethnic enclave formulation is too narrow have suggested that the more inclusive concept of the ethnic economy—self-employed members of a given group as well as their coethnic employees—should be used instead (Light *et al.*, 1994, p. 66). This would allow the analysis of a wide range of economic activities among numerous groups and include both workers and owners in a manner not amenable to the more rigid and limiting definition of the ethnic enclave (Bean & Stevens, 2003; Light *et al.*, 1994; Logan, Alba, & McNulty, 1994).

#### THE ETHNIC ENCLAVE AND SOCIAL POLICY

Stories about disadvantaged minority groups making it into the US middle class through self-employment are inspiring. The achievements of Cubans, Jews, Japanese Americans, and Koreans are indeed impressive and speak to these groups’ entrepreneurial achievements and ability to rise above the substantial obstacles of poverty and discrimination to achieve rapid and near complete entry into the upper middle class.

However, as we have seen, the number of migrant groups that have created viable enclaves is limited. Systematic research on self-employment suggests that small businesses are subject to high rates of failure, and can be established only with substantial investments of effort, knowledge and capital. In fact, economist Timothy Bates contends that given the amount of human capital required, immigrant businesses often provide a poor (rather than generous) return on their owners’ investments of human and financial capital. “The college graduate running a retail store, quite simply, is underemployment” (Bates, 1997, p. 259; Light & Bonacich, 1988).

The authors of the enclave formulation do not prescribe entrepreneurship as a cure-all for economic difficulties. However, a number of scholars and policy makers cite research praising ethnic entrepreneurship to support their endorsement of market-based solution for social and economic problems. Given the sizeable risks of failure associated with small enterprises, it may be unwise to devote too much attention to self-employment as the way out

of economic malaise. This is especially the case for those lacking in financial and human capital who are especially likely to fail (Fairlie & Rabb, 2008; Gold, 2010).

During the past decade, US census data indicate that self-employed immigrants, minorities and women have received very poor earnings from their enterprises (Bergman & Tolbert, 2005). Because of the limited rewards available to most entrepreneurs in stagnant or declining economies, world-class immigrant entrepreneurs of the sort that created Silicon Valley have shown little interest in the United States during the great recession. This pattern has been decried by business journalists who observed their shrinking entry into the United States precisely at a time when the economic growth that they were hoped to generate was sorely needed (Hohn, 2012). As a case in point, a *Washington Post* article questioned whether “the period of unprecedented expansion of immigrant-led entrepreneurship that characterized the 1980s and 1990s has come to a close” (Harrison, 2012).

For all these reasons, the enclave model’s celebration of immigrant businesses as a viable solution to problems of economic growth, job creation and social and economic inequality may be excessive. While immigrant businesses do have the potential to generate benefits for coethnic communities and the larger society, they create relatively few well-paid jobs, and like all small businesses, are subject to high rates of failure, especially in depressed regions and during recessionary periods.

Finally, as Portes notes, the life span of the enclave is fairly short, generally limited to a single generation because immigrant entrepreneurs encourage their children to obtain a college education and leave the enclave in favor of professional careers (Gold, Light, & Johnston, 2006; Goldscheider & Kobrin, 1980). For this reason, Pyong Gap Min (2008) refers to the high rates of business ownership observed among particular migrant groups as *serial* middleman entrepreneurship. Current owners are expected to sell off their businesses in fairly short order to more recently arrived populations.

#### THE CONTRIBUTIONS OF THE ETHNIC ENCLAVE FORMULATION

Despite these critiques, the enclave formulation and associated literature have transformed popular understandings of ethnicity and self-employment in contemporary society. Since the concept’s formulation, the academic community, policy makers and the general public have increasingly acknowledged the benefits of immigrant and ethnic communities’ self-help strategies, and the utility of migrants’ own cultural forms in improving group members’ lives as well as addressing social and economic problems faced by the larger society.

Drawing from the findings of this scholarship, a wide range of scholars and policy makers have engaged in extensive research and become much more aware of the potential benefits—economic and social—associated with immigrant and ethnic businesses. The findings thereof have been incorporated into a variety of local, state, and federal programs and philanthropic projects such as business development initiatives, enterprise and empowerment zones, and microloan programs, which seek to facilitate the growth of immigrant and minority business for community development (Bates, 1997; Gold, 2010; Light & Gold, 2000). Nonprofit agencies, universities, and government officials have come to regard immigrant entrepreneurship as a viable, desirable and low cost source of jobs, income and community revitalization (Arab American News, 2012; Gold, 2009; Woodward, 1997).

While scholars continue to disagree about the extent to which immigrant-owned businesses can solve major economic problems, and argue about the potential ability of a wide range of nationality and ethnic groups to replicate the optimal combination of resources, opportunities and contexts associated with the exemplars of enclave populations such as Cubans, Jews, Koreans, and Japanese that define the concept, the potential benefits derived from immigrant and ethnic business remain persuasive and are likely to yield additional social and economic dividends in the future. For these reasons, the ethnic enclave has proven to be a useful and productive catalyst for social research and policy making.

#### FUTURE RESEARCH

Future research on the ethnic enclave is likely to focus on aspects of the formulation that have been subject to critique. These include revising the concept to determine if and how noncoethnic laborers, subcontractors and the other economic actors could be incorporated into enclaves such that the benefits could be extended beyond a single nationality.

Another topic of potential refinement involves the role of geographical concentration. Given the increasingly transnational lives of ethnic entrepreneurs, we would like to know if forms of regional or even global collaboration are capable of producing the same kinds of economic benefits associated with geographically concentrated coethnic businesses. A third area for future study concerns the life span of enclaves. Can the benefits of collaborative immigrant entrepreneurship be extended to last longer than one generation?

Finally, we note that each of the case studies of enclaves was located in the United States. Given that immigrant and ethnic entrepreneurship is a global phenomenon, it might be productive to determine if ethnic enclaves can be found beyond the unique economic and ethnic contexts of the United

States. Research on this question might begin with an examination of highly entrepreneurial migrant populations in other national settings, such as Chinese in Southeast Asia, Indians in East Africa, or South Asians in the Emirates.

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