

# Vancouver Centre of Excellence



## Research on Immigration and Integration in the Metropolis

Working Paper Series

#99-01

**Immigrant Entrepreneurs and the Urban Milieu:  
Evidence from the U.S., Canada and Israel**

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January 1999

## RIIM

### Research on Immigration and Integration in the Metropolis

The Vancouver Centre is funded by grants from the Social Sciences and Humanities Research Council of Canada, Citizenship & Immigration Canada, Simon Fraser University, the University of British Columbia and the University of Victoria. We also wish to acknowledge the financial support of the Metropolis partner agencies:

- Health Canada
- Human Resources Development Canada
- Department of Canadian Heritage
- Department of the Solicitor General of Canada
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**Immigrant Entrepreneurs and the Urban Milieu:  
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This paper has been reviewed by Don DeVoretz and copyedited by S. Sydney Preston.

## **Immigrant Entrepreneurs and the Urban Milieu: Evidence from the U.S., Canada and Israel**

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The paper identifies major issues in the study of immigrant entrepreneurs and compares entrepreneurship among immigrants of various groups in different metropolitan areas in the USA, Canada and Israel. Census data analysis reveal that non-mainstream groups in the USA and Canada carved their own entrepreneurial niches, less influenced by the structure of the metropolitan economy than the mainstream population. Niche competition and the relationship between self-employment and income are also discussed. It is doubtful whether generalizations concerning non-mainstream groups in North America are valid for the former USSR immigrants in Israel.

## **The study of immigrant entrepreneurs**

There is nothing new in emphasizing the major role self-employment can have in the assimilation of immigrants into host labour markets. This role, visible in North America for at least one hundred years, has been studied extensively in the last quarter of the 20<sup>th</sup> century in the United States, from Ivan Light's pioneering work (Light 1972), through the work of Edna Bonacich (Bonacich and Modell 1980), Alejandro Portes (Portes and Bach 1985), Roger Waldinger (Waldinger 1986; Waldinger, Word and Associates 1990) and numerous others. It has attracted some attention also in Canada (Marger and Hoffman 1992; Mata and Pendakur 1998; Froschauer 1998) and recently appears on the research agenda also in Europe (Kloosterman and Rath 1998). The study of immigrant entrepreneurs involves four basic issues:

1. Why did certain immigrant groups gravitate to self-employment more than others? Why the difference between Korean immigrants and Filipino immigrants? Between Greeks and Portuguese?

Several explanations were proposed for variations between immigrant groups in the propensity to become self-employed (Portes and Bach 1985; Light and Karageorgis 1994). According to contextual explanations, immigrants with substantial capabilities who suffer from some barriers to advancement as salaried employees because of mild levels of discrimination, language difficulties or non-acceptance of their professional credentials could be channeled into self-employment as a route to bypass these barriers. Immigrants who suffer from extreme discrimination or from very low levels of human capital would be unable to use self-employment as a major mobility route, whereas mainstream groups that do not suffer from any discrimination and enjoy substantial human capital might not be particularly attracted to self-employment (Light and Rosenstein 1995).

Cultural explanations are frequently mentioned in the case of Jews, Chinese and others, and go back to Max Weber's *The Protestant Ethic and the Spirit of Capitalism* (Weber 1930). Situational explanations emphasize the greater propensity of risk-taking, including entrepreneurial ventures, among those who perceive themselves as temporary

immigrants. This explanation does not apply to those legally defined as temporary immigrants who may be barred from moving freely in the labour market. It also may not apply to those who send most of their savings to family members who are left behind in the country of origin. Availability of capital brought from the country of origin is an additional explanation, as is the tradition of enterprise and special entrepreneurial skills that characterize particular immigrant groups.

A final explanation stresses the role of ethnic networks that channel immigrants into particular entrepreneurial niches formed by earlier arrivals of the same origin because of specific historical circumstances. These circumstances can include particular skills possessed by early arrivals, discrimination or other barriers that limit the ability of early arrivals to penetrate other parts of the economy, or opportunities available at the time early immigrants of the particular group arrived. When the ethnic niche is established, ethnic networks reinforce the ethnic division of labour. These networks can produce extensive employment of co-ethnic labour, exchange of information, utilization of ethnic markets, as well as of co-ethnic suppliers and subcontractors and networks instrumental in raising necessary capital. Portes and Bach (1995) demonstrated the significance of ethnic networks in channeling immigrants with similar human capital attributes into different segments of the labour market. They compared legal Cuban and Mexican immigrants, controlling for year of immigration and personal attributes, and showed how differently Cubans fared in the labour market compared to Mexicans with similar levels of human capital. The former were mainly absorbed in the Cuban ethnic entrepreneurial enclave in the Miami area whereas the latter were largely channeled into secondary labour market occupations in Texas and California.

2. *The role of entrepreneurship in the socioeconomic mobility of immigrants:* is it always a glamorous path for economic advancement, or can it frequently be a no-choice, dead-end alternative based on self-exploitation?

Most of the American literature emphasizes the positive role of even the most petty enterprise as a first step leading to subsequent mobility of the business owner, his children and grandchildren. Nevertheless, the risk involved in self-employment, the

unpublicized fate of many losers, as well as negative implications on health, psychology and family life have also been documented (Light and Bonacich 1988; Min 1990). Moreover, British and European literature tends to be more pessimistic as to the ability of petty enterprise to lead immigrants to bright futures (Ward and Jenkins 1984). This might be a reflection of a less-entrepreneurial environment and greater legal obstacles to business formation in general and to immigrant entrepreneurship in European countries in particular. It might also be associated somewhat with differing attitudes of those studying these issues on both sides of the Atlantic.

3. *The impact of immigrant entrepreneurs on host urban and national economies:*  
Do they displace locals; do they undermine the welfare state; or are they responsible for net job creation, for the development of new niches and economic growth?

Immigrants creating new local economic niches, as well as those investing large sums brought from abroad, obviously create jobs and contribute to local economic growth. Those who seem to fill existing niches, particularly retailers, may only be displacing others, but they also may revitalize declining areas, as well as free-up the local labour force and resources to other sectors of the economy. Negative implications of immigrant entrepreneurs on host economies include the expansion of gray areas and illegal elements in the economy, as well as creating some competition with the weaker segments of society. In welfare states, where small businesses are subject to regulations that restrict competition — opening hours, etc., — it can be argued that immigrant businesses may undermine the well-being of organized veteran business owners by forcing them to open for longer hours and to lower prices, thereby driving the less competitive operations out of business. Such an impact promotes competition and efficiency in local economies but may not be to the benefit of all.

4. The influence of the national and urban milieu (local opportunities and supportive networks) on entrepreneurship among immigrants. Does the milieu matter that much? Does it influence everyone in the same way?

Urban areas differ markedly in their economic bases and labour market characteristics. These differences are a consequence of variations in size and location of urban areas and of more specific attributes or historical roots of particular economic activities. Hence, each urban area offers a different composition of self-employment opportunities. The opportunity structure for immigrant entrepreneurs depends, however, not only on the structure of the local economy, but also on the socio-ethnic composition of the urban area. Multi-ethnic urban areas create particular opportunities for small businesses to compete; firstly, by forming fragmented patterns of demand that reduce economies of scale in serving the local population; and secondly, by offering large niches that serve central city minority slums (as in the USA) which attract neither mainstream firms nor the native middle-class population (Light and Rosenstein 1995). Ethnic networks, specific to particular metropolitan areas, can also channel particular immigrant groups into particular entrepreneurial niches.

The first two issues were studied most extensively, primarily by sociologists. As a geographer, I am more interested in the latter two issues, and my studies address primarily the last issue — the influence of the urban milieu on entrepreneurship among immigrant and ethnic groups.

### **Issues and data**

We argued that the influence of the urban milieu on entrepreneurship among immigrants is group-specific. The objectives of my studies were as follows (Razin and Langlois 1996a; Razin and Light 1998a, 1998b):

- (1) To identify group-specific variations in the influence of the metropolitan milieu on rates of self-employment among immigrant groups.

We argued that interurban variations in self-employment among immigrant groups that are distinguished from the mainstream society in race, religion or appearance — especially the more entrepreneurial groups — deviate from the general interurban variations in the small business economy. Thus, non-mainstream immigrant groups are not

influenced by the local opportunity structure in a similar manner to others. This is because entrepreneurial ventures of members of these groups rely to a substantial extent on place-specific ethnic networks. In addition, inferior access of these groups to salaried jobs, particularly to prestige and power positions occupied by the mainstream population, is most evident in smaller and ethnically homogenous cities, and can drive these groups into self-employment in cities otherwise characterized by relatively low rates of self-employment.

- (2) To examine the combined influence of metropolitan characteristics and immigrant group characteristics on the tendency of immigrant entrepreneurs to concentrate in specific niches.
- (3) To seek evidence on inter-group competition for entrepreneurial niches in various metropolitan labour markets.
- (4) To examine how the propensities to become self-employed and be part of a niche group relate to the earnings of the self-employed.

Rather than concentrating on the details of a few groups in a small number of metropolitan areas, we aimed at providing a broad comparison of groups, metropolitan areas and industries. The USA study, with Ivan Light (Razin and Light 1998a, 1998b), was based on the 1990 Census five percent Public Use Microdata Sample and included the labour force in the 16 largest metropolitan regions in the USA. The Canadian study, with Andre Langlois (Razin and Langlois 1996a), was based on the 1991 Census of Canada. The public use file of the Canadian census suffered not only from a small sample size but also from the aggregation of variables such as country of birth and most limited geographical divisions. Hence, the study was based on an extensive special table that included the experienced labour force in Canada's 25 CMAs. Basing our analysis on such a table limited the number of variables that could be included in the analysis and the ability to employ multivariate techniques. The income variable was therefore not studied in Canada. Finally, a still incomplete study with Dan Scheinberg, focuses on the entrepreneurial experience of recent immigrants from the former USSR in Israel, based on the 1995 Israeli census.

## **Results of the US and Canadian studies**

### The most and least entrepreneurial groups

In Canada, Jewish people, both foreign-born and even more exceptionally, Canadian-born, displayed a high propensity to become self-employed (Table 1) being especially prominent in white-collar self-employment (Table 2). The success of Jews was linked to a remarkable preservation of ethnic ties across generations combined with high levels of human capital (Reitz 1990). Korean immigrants, Greeks, Israelis and Germans were also among the most entrepreneurial. Data for the United States were similar (Table 3), except for the technical fact that the US census does not enable one to distinguish the Jewish group. The most entrepreneurial groups were Greeks and Koreans; however, entrepreneurship among Greek immigrants was largely only a first generation phenomenon. Among Koreans, it was still too early to make any conclusions about the propensity of the native-born generation to engage in small business.

### Are inter-metropolitan variations in self-employment unique among non-mainstream groups?

Non-mainstream groups did carve their own entrepreneurial niches being less influenced by the structure of the metropolitan economy than the mainstream population. In the United States, a measure of niche concentration for 17 selected groups — based on the propensity of each group to concentrate in specific entrepreneurial niches much more than the rest of the population — showed that non-mainstream immigrants had a much greater propensity than European immigrants or native African-Americans to form extreme concentrations in few entrepreneurial niches (Table 4). The inclusion of whites of Canadian ancestry in Table 4 indicates that the low propensity of mainstream groups to form extreme niche concentrations is not merely a consequence of the lower likelihood of large groups (such as UK immigrants) to substantially deviate from population-wide

averages. This group displays a remarkably low propensity to form niches, despite being much smaller than most of the non-mainstream groups presented in Table 4.

Non-mainstream groups with high niche concentrations, such as Koreans, Israelis, Arabs, El Salvadorans, Asian Indians, Chinese and Greeks, also had high niche continuity, i.e. they tended to concentrate in similar niches everywhere (Table 5). Niche continuity was lowest mainly among immigrants from Germany and Britain.

The tendency of immigrant entrepreneurs of non-mainstream groups to concentrate in narrow niches was particularly strong in smaller and less-diversified metropolitan regions. Notably in Canada, many non-mainstream immigrant groups gravitated more to self-employment in peripheral metropolitan areas where entrepreneurial opportunities were scarce (Razin and Langlois 1996a). Immigrant entrepreneurs in peripheral metropolitan areas clustered in traditional niches, characterized by limited growth prospects, primarily retail and restaurants. Large entrepreneurial enclaves of non-mainstream groups, such as the Korean economy in Los Angeles and the Cuban economy in Miami, have been characterized by exiting traditional niches and entering more diversified activities.

#### Niche competition in the United States

There was a negative correlation between concentrations of African-Americans and of Koreans in grocery stores (Razin and Light 1998a). Self-employed African-Americans tended to concentrate in grocery stores where Korean grocery store owners were absent, such as in Chicago, Cleveland and Detroit. However, evidence on competition over self-employment opportunities between immigrants and USA-born African Americans was inconclusive. Immigrant entrepreneurs could drive African-Americans out of particular niches in certain metropolitan areas, but it is not clear that they were being driven out of the small business economy altogether. African-Americans were driven out of very low-income self-employment niches and seemed to be pulled upwards in the labour market. It was impossible to determine, however, whether a substantial number of African-Americans who previously occupied low-income entrepreneurial niches were pushed out

of the labour market or out of the metropolitan area because of the presence of immigrants rather than being pulled upwards.

### Entrepreneurship and income

The final objective of our US study was to examine how the propensities of immigrants to become self-employed and to concentrate in particular niches affect the earnings of the self-employed. Our major questions were as follows (Razin and Light 1998b):

1. Is a high propensity to become self-employed associated with high relative earnings of the self-employed? (The answer for many immigrant groups is no).
2. Are dominant ethnic entrepreneurial niches attractive in terms of earning of earning? (The answer: usually not).
3. Do determinants of income differ within and out of ethnic entrepreneurial niches: (The answer: to some extent).

Results show that mean earnings of the self-employed were higher than mean earnings of employees in all metropolitan regions (Table 6). It was not necessarily so for median earnings. Among non-mainstream immigrant groups that frequently gravitate into self-employment — Greeks, Chinese, Koreans, Middle Easterners and Mexicans — massive gravitation into self-employment did not indicate a greater advantage of self-employment, and could even reduce that advantage when the self-employed concentrated in low-income niches. Self-employed Chinese in particular earned relatively little where the rate of self-employment among Chinese was high. This reflected the fact that Chinese were extremely concentrated in restaurants in the smaller metropolitan regions, such as Seattle, Miami and Houston, where their rate of self-employment was high.

As to specific niches: we mainly defined an ethnic entrepreneurial niche as an industry in which the self-employed workers of a particular group were concentrated over twice as much as all self-employed in the particular metropolitan region. Prominent entrepreneurial niches were concentrated primarily in low-status traditional retail and service activities. Hence, it is not surprising that the self-employed within these niches

usually earned less than the self-employed of the same group in other industries. Mean earnings in most ethnic entrepreneurial niches were also lower than mean earnings of the self-employed of other groups in the same industry. This might have been because ethnic niches attract many new arrivals, and because of stiff competition within the niche. Moreover, major ethnic entrepreneurial niches have to retain low earnings relative to those of other entrepreneurs in the industry in order to expand and remain competitive.

Entrepreneurial niches of immigrants from the Philippines and from India, mainly as physicians and in other health services, were major exceptions, and significant niches of entrepreneurial non-mainstream groups, such as those of Greeks, Koreans, Chinese and Middle Easterners, were not characterized by particularly low earnings. Immigrant entrepreneurial niches in some of the more specialized activities — hotels and motels, computer and data processing services, theatres and motion pictures — were frequently characterized by high earnings compared to industry means. Such ethnic niches were not necessarily based on the willingness of immigrants to accept financial rewards from self-employment that were lower than those received by non-immigrant competitors.

A high mean niche versus group earnings ratio in Los Angeles was a notable observation in a comparison of metropolitan regions. The relative attractiveness of ethnic entrepreneurial niches in Los Angeles is mainly due to the broad diversity of ethnic niches in this metropolitan region. Niches in Los Angeles were less limited to low-pay traditional activities, and included a substantial number of niches in health services, theatres and motion pictures, apparel manufacturing, hotels and motels, gas stations, auto repair services and trucking services. The same was true to a lesser extent in New York. Thus, the largest metropolitan regions, where major ethnic groups exist, offer broader opportunities for the formation of ethnic niches in which the self-employed do achieve higher earnings than do the co-ethnic self-employed out of the niche, and sometimes even more than industry means. In smaller metropolitan regions, ethnic niches tend to be more confined to the least attractive traditional niches.

The examination of determinants of earnings both inside and outside entrepreneurial niches revealed substantial diversity. Nevertheless, education usually had

less influence with respect to the earnings of the self-employed than of employees. Education was even less important within large ethnic entrepreneurial niches in non-skilled or blue-collar activities. In contrast, the earnings gap between males and females was usually much wider among the self-employed than among employees, particularly in communities where the self-employed females tended to concentrate in traditional low-paying, female-dominated niches, such as child care, cleaning and maintenance, and beauty shops. Many of the traditional entrepreneurial niches are dominated by only one sex, and females tend to the lowest-earning niches. Hence, the traditional blue collar, trade and services entrepreneurial niches indeed offer attractive paths of economic progress, especially for less-educated males, while the traditional ethnic small business economy may be associated with a higher male–female earnings gap than is the case for employees.

### **Entrepreneurship among immigrants from the former USSR in Israel**

The above generalizations, based on the North American experience can provide a comparative perspective on the recent experiences of immigrants from the former USSR in Israel. Rates of self-employment among immigrants who arrived in Israel from the USSR in the 1970s were very low: around 5 percent; much lower than rates of self-employment among immigrants who came in the same years from the USSR to the United States and Canada. One could argue that the narrow entrepreneurial environment channeled the immigrants who came to Israel in the 1970s mainly into salaried jobs in large public organizations or corporations. USSR immigrants in Israel, however, were much less entrepreneurial than other immigrants or the rest of the population. In North America the opposite was true (Razin 1993). Thus, a more probable explanation is that the more economically motivated immigrants preferred North American destinations in the first place.

The circumstances were entirely different in the early 1990s when a new wave of mass immigration (over 700,000 immigrants) from the former USSR arrived in Israel. First, this time there apparently was no “negative selection” in the immigration process in which Israel received a larger share of the less economically motivated immigrants than

did North America. Second, the environment seemed much more conducive to entrepreneurship. A very tight labour market — as a result of prolonged recession — meant that few job opportunities were available in large organizations and corporations. The greater difficulties in finding jobs that matched prior skills (Raijman and Semyonov 1998) could have made self-employment more attractive for immigrants. Negative attitudes towards small businesses had also diminished in Israel. A vast network of small business development centres and technological incubators, aimed primarily at assisting immigrant entrepreneurs, had been established in the early 1990s (Razin 1998). Hence, one could expect a greater penetration of immigrants into the small business economy than in the 1970s.

A study of data of the 1995 census (with Dan Scheinberg) is still incomplete, but preliminary data does provide a few indications:

1. The rate of self-employment among 1989-1995 immigrants from the former USSR to Israel was 3.7% in 1995, compared to 11.9% among the rest of the Jewish population, 13.0% among Arabs, and 8.4% among foreign-born non-Jews, primarily guest workers. It may be too early to reach any conclusions as to the entrepreneurial inclination of these immigrants; however, it has been shown that the propensity of immigrants to become self-employed sharply increases with the length of stay in Israel. Moreover, the former USSR immigrants are a very large group, hence they cannot reach rates of self-employment that are much higher than the national average. Still, it is clear that despite expectations, the new immigrants from the former USSR do not gravitate to self-employment. Their main niche concentrations are as salaried employees in specific occupations.
2. Rates of self-employment tend to be high in the Tel Aviv area and low in the periphery. We expected that centre-periphery variations in rates of self-employment among immigrants would be narrower than among the veteran population because of the narrower centre-periphery gap in human capital attributes among immigrants, and because of the specific influence of ethnic networks on ethnic enterprise. Examination of this point is still incomplete, but the experience with small business development

centres and technological incubators hints that those in the metropolitan areas have been more successful than those in the periphery (Razin 1998).

3. Two prominent internal migration flows are visible among immigrants. First, the more economically successful migrate from peripheral locations in the north and the south of the country to the metropolitan areas, primarily the Tel Aviv metropolitan area. The peripheral towns are thus left with a large residual of the weaker elements of the immigration wave, such as the elderly and single-parent families. Second, within the metropolitan areas, the immigrants tend to migrate and concentrate in cities and towns at the outer fringes where ample relatively inexpensive housing is available. It is usually assumed that immigrants are ready to accept greater commuting distances to the metropolitan employment centres in order to save on housing costs. A common argument claims that immigrants from the former USSR are used to travel great distances. Is it true? There may be something in it but our findings so far are inconsistent.

The Israeli study is still incomplete; however, it is doubtful whether generalizations concerning non-mainstream groups in North America are valid for the former USSR immigrants in Israel. These immigrants may fit some of the characteristics that drive non-mainstream groups in North America into entrepreneurship. They possess substantial human capital, yet face barriers to advancement as salaried employees because of language, non-acceptance of their foreign professional credentials, and saturation in some traditional Jewish occupations, such as medicine. However, these immigrants cannot be regarded as a non-mainstream group. They are primarily Jews who come with full legal rights and benefits, rather than foreign guest-workers. They do not differ from the mainstream elite in race, religion or appearance. Composed of small families, they also seem to lack developed ethnic networks that might channel them into specific niches in the labour market.

The contribution of immigrants to the economy has been immense, but it has consisted primarily of triggering growth through their demands, fueling first the construction industry followed by other industries and services catering to local demand.

They also triggered growth by shaking existing practices and providing a long-needed push to reform outdated policies. Immigrants also contributed greatly to Israel's human capital stock and increased its attractiveness to investors, even if there was a mismatch between their specific qualifications and the demands of Israel's labour market.

As to the development of new niches in the Israeli economy, there was a good deal of discussion about the Israeli version of the American dream, consisting of immigrant businessmen who utilize their familiarity with Russian bureaucracy, language and mentality to succeed in international markets. These immigrants were expected to develop new niches based primarily on technological skills and on trade contacts with the former USSR. There are certainly examples of such contributions, but the census data show that the immigrants have not, in fact, created new niches of a substantial scale in the Israeli economy, but have mainly stimulated investment and growth in general. Expectations that immigrants and immigrant entrepreneurs would have a long-range impact on the economy of peripheral regions also seem not to have been fulfilled. Immigrants have led to short-term economic growth in the periphery, based on sudden demographic growth, but it seems that, rather than creating unique new labour market niches in the periphery, core-periphery gaps among immigrants are gradually shaping up to be similar to those of the veteran Jewish population.

In addition to the completion of an extensive analysis of self-employment and niche concentration among former USSR immigrants in Israel, I will also be engaged in a comparative study of entrepreneurship among immigrants on the fringes of European urban economies. The inclusion of a European case study can highlight the impact of different legal, economic and social environments on immigrant entrepreneurship. The role of informal practices (e.g., underground economy) in immigrant business, as well as the impact of immigrant enterprise on the welfare state appear to be major concerns in Europe. Legal barriers for entrepreneurship among immigrants in Europe could be still higher than in Israel (and certainly higher than in North America) despite some liberalization that has taken place, driving more of the entrepreneurial potential of immigrants underground. Examination of the role of informal, illegal practices in ethnic enterprise will require proceeding beyond census data analysis.

**Note**

Details of the Canadian and US studies are presented in Razin and Langlois (1996a, 1996b), and Razin and Light (1998a, 1998b). The US and Israel studies were supported by grant no. 92-00046 from the United States–Israel Binational Science Foundation.

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Table 1: The experienced labor force in Canada's CMAAs – immigrant groups with highest and lowest rates of self-employment, 1991

<u>Country of birth</u>	<u>% self-employed</u>
<u>Total</u>	8.4
Born in Canada	7.6
Born outside of Canada	10.6
<u>Most entrepreneurial groups</u>	
Poland (Jewish ethnic origin)	37.5
Korea	36.2
Canada (Jewish ethnic origin)	21.5
USSR (German ethnic origin)	21.1
Israel	20.3
Greece	20.1
USA (German mother tongue)	19.3
Poland (German mother tongue)	18.4
Hungary	17.9
USSR (Jewish ethnic origin)	17.6
USA (Jewish ethnic origin)	17.2
Lebanon	16.9
Netherlands	16.5
Scandinavia	15.8
Czechoslovakia	15.7
Middle East and North Africa	15.3
<u>Least entrepreneurial groups</u>	
Portugal	5.4
Vietnam	5.3
Other Caribbean	5.1
Trinidad and Tabago	4.6
Canada (Aboriginals)	4.4
Mexico and Central America	4.3
Haiti	4.3
Jamaica	4.3
Guyana	3.9
Other southern Asia	3.7
Philippines	3.3
Canada (Portuguese mother tongue)	2.5

Source: Razin and Langlois, 1996b; based on a special tabulation from Census of Canada, 1991.

Table 2: The experienced labor force in Canada's three largest CMAs – immigrant groups with the highest proportion of the labor force engaged in white-collar self-employment occupations, 1991

Montreal CMA		Toronto CMA		Vancouver CMA	
Country of birth	% in white-collar self-emp.	Country of birth	% in white-collar self-emp.	Country of birth	% in white-collar self-emp.
Total	3.7	Total	4.3	Total	4.8
Born in Canada	3.6	Born in Canada	4.6	Born in Canada	4.6
Born outside of Canada	4.1	Born outside of Canada	3.9	Born outside of Canada	5.2
<u>Groups with highest percentage in white-collar self-employment</u>					
Poland (Jewish)	17.1	Poland (Jewish)	16.2	Canada (Jewish)	19.1
Canada (Jewish)	11.3	Canada (Jewish)	16.1	Israel	16.2
Czechoslovakia	9.9	USA (Jewish)	11.6	USA (Jewish)	13.3
Hungary	9.0	Poland (German)	10.1	USSR (Jewish)	9.4

Source: Razin and Langlois, 1996b; based on a special tabulation from Census of Canada, 1991.

Table 3: The most entrepreneurial immigrant groups in the largest metropolitan areas in the USA, 1990 (percent self-employed)

<u>New York CMSA</u>		<u>Los Angeles CMSA</u>		<u>Chicago CMSA</u>	
Greece	23.9	Greece	29.7	Korea	24.1
Iran	23.6	Korea	28.3	Israel	20.4
Korea	22.9	Turkey	26.6	Greece	19.6
Israel	21.3	Israel	24.8	Netherlands	19.0
Hungary	20.0	Hungary	24.1	South Africa	(18.3)
Netherlands	19.4	Iran	23.0	Europe-other	17.7

  

<u>San Francisco CMSA</u>		<u>Philadelphia CMSA</u>	
Greece	32.1	Greece	28.0
Middle East-oth.	27.0	South America-ot.	26.6
Israel	23.8	Korea	24.3
Argentina	23.4	Cambodia	19.6
Czechoslovakia	22.9	Middle East-oth.	19.1
Yugoslavia	21.7	Pakistan	18.3

Source: Razin and Langlois, 1996b; 1990 US Census Public Use Microdata 5% sample.

A figure in parenthesis indicates a small sample.

Table 4: The tendency of self-employed of selected immigrant/ethnic groups to concentrate in specific industries in the 16 largest metropolitan regions in the USA, 1990

Country of birth	Mean no. of concentration ratios > 4
Korea	3.7
Israel (Arabs)	3.0
El Salvador	2.8
India	2.7
Iran	2.6
Middle East and North Africa	2.4
China	2.1
Greece	2.0
USSR	1.9
Philippines	1.7
Israel (Jews)	1.3
Mexico	1.3
Cuba	1.0
Germany and Austria	0.5
Whites – Canadian ancestry	0.5
USA (blacks)	0.4
UK	0.4

Source and detailed definitions: Razin and Light 1998a.

Table 5: The most frequent industry in the list of the three highest concentration ratios among self-employed of selected immigrant/ethnic groups in the 16 largest metropolitan regions in the USA, and the frequency of its appearance in the list, 1990

Country of birth	Most frequent industry	Frequency
Korea	Laundry and garment services	10.0/12
Israel (Arabs)	Grocery stores	4.0/4
El Salvador	Service to dwellings	6.0/6
India	Physicians	11.0/13
Iran	Eating and drinking places	3.5/7
Middle East and North Africa	Grocery stores	7.0/13
China	Eating and drinking places	16.0/16
Greece	Eating and drinking places	10.5/11
USSR	Taxicab service	4.0/7
Philippines	Physicians	7.0/10
Israel (Jews)	Apparel stores	2.0/4
Mexico	Service to dwellings	9.0/10
Cuba	Physicians	4.0/7
Germany and Austria	Service to dwellings	5.5/16
Whites – Canadian ancestry	Business services n.e.c.	2.0/8
USA (blacks)	Child care homes	11.5/16
UK		6.0/15

Source and detailed definitions: Razin and Light 1998a.

Table 6: Rates of self-employment and self-employed/employees mean earnings ratios in the 16 largest metropolitan regions in the USA – Chinese immigrants and the total labor force, 1990

CMSA/MSA	Chinese immigrants		Total labor force	
	% self-employed	Self-employed/ employees earning ratio	% self-employed	Self-employed/ employees earning ratio
New York	9.4	1.39	8.6	1.54
Los Angeles	16.5	1.50	10.1	1.58
Chicago	10.8	1.82	7.0	1.62
San Francisco	11.1	1.42	10.1	1.39
Philadelphia	17.1	0.90	7.3	1.57
Detroit	8.7	xx	6.5	1.45
Boston	5.4	2.40	8.1	1.38
Washington	6.8	1.33	7.5	1.39
Dallas	10.6	xx	8.6	1.45
Houston	21.1	1.05	8.6	1.40
Miami	32.5	1.23	11.1	1.61
Atlanta	20.1	xx	8.5	1.48
Cleveland	17.6	xx	6.7	1.48
Seattle	16.8	0.86	9.1	1.38
San Diego	11.8	xx	10.1	1.56
Minneapolis	14.2	xx	8.1	1.42

Source: Razin and Light, 1998b; 1990 US Census 5% Public Use Microdata Sample.

xx – Fewer than 451 self-employed.

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