

BUREAUCRACY, BANKING, AND BUSINESS: THE EFFECTS OF NATIVISM
AND POLITICO-INSTITUTIONAL ENVIRONMENT ON IMMIGRANT
ENTREPRENEURS AND GATEKEEPERS IN NORTHERN VIRGINIA

by

Sarah Curry
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Committee:

David W Haines

Director

Rebecca Bryant

Wendell Paul Kedge

Patricia L. Masten

Department Chairperson

Jamie S. Cooper

Dean, College of Humanities
and Social Sciences

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Bureaucracy, Banking, and Business: The Effects of Nativism and Politico-Institutional
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By

Sarah M. Curry
Bachelor of Arts
University of Kentucky, 2004

Director: David Haines
Department of Sociology and Anthropology

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Fairfax, VA

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DEDICATION

To Rosa and Richard, for whom these words change little

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ABSTRACT

BUREAUCRACY, BANKING, AND BUSINESS: THE EFFECTS OF NATIVISM AND POLITICO-INSTITUTIONAL ENVIRONMENT ON IMMIGRANT ENTREPRENEURS AND GATEKEEPERS IN NORTHERN VIRGINIA

Sarah Curry, M.A.

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Thesis Director: David Haines

This thesis explores how Latino (particularly Salvadoran), Korean, and Vietnamese immigrant entrepreneurs are affected by the political and bureaucratic environment of Northern Virginia. The Northern Virginia experience has particular value as a case study because it demonstrates how immigrants interact with a host society and how these relationships change under duress. This thesis draws on interviews collected from first-generation immigrant business owners and institutional gatekeepers, site visits, and survey data and interviews from the Barriers to Ethnic Entrepreneurship dataset from the Center for Social Science Research at George Mason University. There are three crucial features to the description.

First, financial institutions and government offices are crucial bureaucracies that immigrants must navigate effectively in order to operate businesses. Two case studies are

provided that illustrate the efforts at accommodation local governments made when faced with two different conflicts—informal vendors at local soccer matches and a cultural delicacy that cannot be prepared without violating health code—between immigrant entrepreneurs and government departments. Immigrants' confidence toward banking is also explored as are key problems with which banks, micro-credits, and immigrant entrepreneurs must all grapple: language issues, banks' patterns of denial, problems in community outreach, the complexities of Small Business Administration (SBA) procedures, and the emphasis on "business plans."

Second, partnerships between local governments and community organizations are a key component of immigrant integration. One local training program for low-income women home day care providers is described. The program's emphasis on empowering immigrant women by urging an identity as "business women" leads to self-regulation and the marketization of family life. Governmental and non-profit attempts to promote self reliance and women's engagement are sometime counter-productive, but do diminish some of the barriers that exist for home day-care providers.

Third, the host environment can limit entrepreneurs' ability to succeed. During the summer of 2007, Prince William County's Board of Supervisors voted to restrict undocumented immigrants from using social and county services. After the resolution, some entrepreneurs reported from 50% to 90% loss in sales, though many admitted that the immigration crisis is inextricable from the foreclosure crisis. The stories of five

immigrant business owners operating in the politically charged environment of Prince William County demonstrate how the host environment's laws, political environment, and sentiment about immigrants can impact immigrant businesses. Entrepreneurs, however, were able to employ various business and political resistance strategies in reaction to the county's restrictive changes.

Chapter 1. Introduction

Summary and Statement of the Research Problem

In 1990, 75% of all immigrants lived in just six states: California, New York, Texas, Florida, Illinois, and New Jersey, but by 1999, the distribution of immigrants changed profoundly, impacting the entire United States. In one decade the overall percentage of immigrants in the top six states dropped to 66%, and 22 other states experienced dramatic influxes of immigrants, seeing their foreign born population grow by over 90% in a decade (Capps et al. 2003). Virginia did not experience growth as dramatic as some of its southern neighbors, but D.C. and Virginia were some of the highest ranked in the country (first and sixth) in percent of foreign born Hispanic population, 64% and 52% respectively (Grieco 2003). Today the share of the foreign born population is significantly larger across the Northern Virginia region (24%) than in other regions of the state (10%) (Dopkins et al. 2007).

The 2000 census indicated that across the country immigrants were settling in the suburbs, away from inner city areas that had established immigrant services (Migration Policy Institute 2004). Likewise, immigrants in the D.C. metro area are more densely distributed in the suburbs of Maryland and Virginia than in the District of Columbia thereby causing the effects of immigration and the need for services to be distributed across a large region (Capps et al. 2003). This growth has had a continuing impact on

local governments, schools, mental and public health facilities, and social services as counties forge their own paths in response to intensification in immigration.

With very few established institutions to receive newcomers and respond to the challenges of integration, Northern Virginia has become home to rising social tensions and neighborhood conflicts, pervasive nativism, and immigrant marginalization as evidenced by the proposal of over 40 bills dealing with immigration in the Virginia legislature, the assemblage of nationalist militias like the Minute Men across the state, approximately 16 active “hate groups” (white-nationalist) in Northern Virginia alone, and day laborer conflicts in Woodbridge and Herndon (Southern Poverty Law Center 2006). While cliché, it is important to note that immigration has brought out the worst but also the best in the area, with dedicated service providers and next-door neighbors responding to newcomers’ needs. However, the community simply does not yet have all the tools to smoothly navigate through a period of staggering growth. Financial institutions are a crucial yet often overlooked component to immigrant integration. Mainstream financial institutions have had to learn alongside governmental and non-governmental organizations. Banks are beginning to pursue “downstream marketing” to reach immigrant entrepreneurs and are utilizing other strategies that they deem accommodating. However, bureaucratic regulations make change difficult and banks maintain rigid credit structures. Despite efforts from banks and community organizations, cleavages remain between immigrants and mainstream and micro-credit financial institutions. White nationalist groups have responded to banks’ outreach to immigrants by distributing information on which banks cater to immigrants through internet listservers. In February

2007, Bank of America was scrutinized when they expanded a credit card program outside of Los Angeles that did not require a social security number.

During the summer of 2007 Prince William and Loudoun Counties Boards of Supervisors voted to restrict undocumented immigrants from using social and county services, which has only served to further increase community tension. The resolution has created concern over human rights abuses, increased taxes, gang violence, property devaluation, and business loss. Native and immigrant entrepreneurs have reported considerable financial loss and have begun to worry about their empty businesses (Kang 2007). The resolution has also affected licensing procedures for all businesses—regardless of size or profit level a firm must now have a license. Consequently, the citizenship status of all business owners is verified (Miroff 2007).

In addressing the Northern Virginia situation, this thesis seeks to highlight what is lacking in an immigration debate that often portrays immigrants as either “illegals” or victims. Measures limiting immigrant entrepreneurship may have failed to consider entrepreneurs’ roles in community wealth creation, work force development, immigrant integration, and leadership. In this thesis, I examine factors that mediate the possibilities for wealth creation and business formation and how gaps between local and state agencies, banks, business development programs, and immigrant entrepreneurs could be bridged. The analysis includes both the impact of institutions and bureaucracies on immigrant businesses and how political sentiment and nativism affect immigrant entrepreneurs’ ability to succeed and interact efficaciously with those institutions. In order to carry out this analysis, I pursue three specific questions:

- 1) What are immigrant entrepreneurs' experiences in navigating bureaucracy? Do experiences differ by gender, class, or ethnicity? What challenges or barriers do entrepreneurs and bureaucracies face?
- 2) What is the role of non-governmental empowerment programs in bridging gaps in mainstream financial services for immigrant entrepreneurs and transferring bureaucratic knowledge to immigrant entrepreneurs? What is the result of empowerment programs on low-income women entrepreneurs?
- 3) How do public attitudes connect to bureaucracy and how does this affect immigrant entrepreneurship? What, in particular, is the effect of anti-immigrant sentiment?

Literature Review

This section reviews the existing scholarship that impels the theoretical and empirical framework of this study. Primarily, I draw from the disciplines of anthropology and sociology but also utilize work in business, geography, and political science. These bodies of knowledge converge into three themes that engage the research questions: 1) bureaucracy; 2) micro-credits, NGOs, and community banks; and 3) the sociology/anthropology of immigration with particular emphasis on immigrant entrepreneurship.

Bureaucracy

An examination of bureaucracy is crucial to understanding immigrant entrepreneurs' efforts at navigating institutions. German sociologist Max Weber was one of the first to suggest that perhaps capitalism was not a "natural" feature of the larger

world but was instead constructed by cultural forces and values. The driver, he suggested, was Calvinism, specifically the prevailing belief in predestination that pervaded society and caused Calvinists, who might or might not be the recipients of God's grace, to engage in the secular world as laborers, traders, and entrepreneurs. Many have criticized Weber for historical inaccuracy, noting that capitalism is not rooted in the Protestant Reformation because fifteenth century Venice, Florence, southern Germany, and Flanders were "the greatest commercial and financial centers of the age" (Pierotti 2003). Similarly, Catholic scholar Amintore Fanfani points out that a century before the Protestant Revolt individuals and groups imbued with an unexplained capitalistic spirit were in conflict with their traditionalist peers and communities (Pierotti 2003). Additionally, Fanfani highlights the role of immigration in driving the capitalist spirit, attributing the spread of capitalism to Protestants who were banished from Catholic countries. Fleeing persecution, they developed a sense of "internationalism," which stimulated capitalism. One may dismiss critics of Weber's thesis who posit that "post 18th century capitalism clearly has nothing to do with Protestantism" if one considers the Protestant ethic to be a characteristic of the West and therefore a repercussion of colonialism and an export of globalization (Fields 1983). However, one must also ask what of 16th century Asian merchants and Muslim businessmen? Despite heavy criticisms of Weber's thesis, his early exploration of phenomena otherwise believed to be "natural" is crucial for the study of entrepreneurship, immigration, and bureaucracy.

However, Weber fails to speculate why society propels itself toward "rationalization" or to deconstruct what later theorists have claimed are "myths of

rationalization” (Dobbin 2004). Weber conjectures that bureaucracy is the end result of a group’s “fluid” evolution toward organized rational action—transitioning from community to society to bureaucracy—and warns us that bureaucracy may result in a restrictive “iron cage” (Hummel 2008: 35, Herzfeld 1992: 7). Bureaucracy, which translates to “power by office,” is action directed and designed from above in order to ensure quotidian freedoms (Hummel 2008, Herzfeld 1992: 6). Unlike Hummel and Herzfeld, Michael Wriston, a bureaucrat himself, ardently defends bureaucracy and its role in “advancing certain minority interests” through its democratic principles of “representation, democratic decision making, and equality” (1980: 180). Quoting Robert Bendix, he states, “Bureaucracy developed with the support of democratic movements that demanded equality before the law and legal guarantees against *arbitrariness* in judicial and administrative decision (my emphasis).” Wriston suggests that democratic principles have been institutionalized, but does not acknowledge that a bureaucracy “designed by the people” no longer requires a democratic body to maintain it. In fact, Weber asserts that “in a modern state the real ruler is necessarily and unavoidably the bureaucracy”—a sentiment Francois Lyotard confirms in his observations of post-modern society (Hummel 2008, p19, Lyotard 1979 [section 5]). Legal anthropologist Annelise Riles (2001) remarks that Fijian non-governmental organizations (NGOs) and government staff were used to “filling in [country representative and speaker] slots” at conferences and international events—a practice she likens to words filled into blank yet pre-determined mad-libesque matrices by development workers, leaving the workers little agency in creating their own action platforms and goals. In *The Network Inside Out*, Riles

analyzes the network as a form of bureaucracy and determines that what the network needs are bodies, offices/focal nodes, good proposals, cases, and documents—not people. While Riles minimizes the effects of power in her ethnography, this is one way that bureaucracies exercise power, transforming humans into subjects and “structuring” an individual’s or group’s actions (Foucault 1982). Thus, Hummel advocates that bureaucracies are a form of a new social relationship that has changed how people relate to each other (2008).

Like Weber, Foucault attributes the fundamental paradigm shift in the way power is managed to the Protestant Reformation; at this time the power of the “pastorate” was dispersed to many different institutions and apparatuses to ensure “salvation on earth”—health, safety, protection, standards to engage in commerce— including the family (1982: 215). “Father figures” rose everywhere, sparing the rod and utilizing the economy as the best form of management (Riles 2006: 88). Riles, in her ethnography of modern day Japan's central banking payment system, emphasizes that the bureaucrats she met behaved “paternalistically,” shying away from laissez faire economics and favoring a quiet vigilance that would safeguard Japanese welfare (2006: 90). Ironically, private bankers whom the Central Bank served often referred to the bank as their “mother.” Capitalizing on this “rich point,” Riles performs a corresponding analysis of the relationship between mothers and sons in order to provide a more “intimate” understanding of bureaucracy, which by its pervasive nature often remains invisible (2006: 105).

While Wriston views bureaucracy as a proud systematized patriarchy caring for

its young/citizens through now-automated principles, Berger explicitly insists that institutions threaten man. Man, the great World-Builder, finds himself “confronted” by institutions of his own design, evil larger-than-life Pygmalions that he begins to perceive as a dominating force of the external world (Berger 1967: 9). Convincingly, cultural images and collective sayings of bureaucracy ring of caricaturized impersonal Dr. Evils in heavily mechanized underground lairs. Hummel claims bureaucracy decapitates workers and removes their souls, or in other words, bureaucracy creates dehumanized automatons capable of committing everyday acts of significant evil (Hummel 2008: 18-19). Moreover, authors use words that refer critically to people as “automatons” or “it” These word choices situate the reader within a post-modern technocracy, but also simultaneously produce texts that instigate the concretization of bureaucracy by highlighting the inhumane “social production of indifference” (Herzfeld 1992, Riles 2001).

More recently, some post-modernists have argued that society has evolved into a state of randomness and that there has never been more information and less meaning in the world (Baudrillard 1994: 79, Hummel 2008: 41). Society’s “grand narratives” are rejected (if they are even still being told) and replaced by little narratives or more localized stories that generate alternative truths that begin to pervade, if not overthrow, powerful bourgeois histories (Lyotard 1979). However, Lyotard does not address the anomie that loss of grand narratives may cause for groups in power or how this would affect the institutions they control. In his model, the state or bureaucracy is outweighed by global forces or information flows that every individual has access by virtue of

selfdom, which includes the ability to join with others to create communication nodes. By ignoring the official, Lyotard implies agency. Consequently, the worker or the immigrant entrepreneur, who is the focus of this thesis, will produce “countermoves” to the bureaucracy or the grand narrative, engendering their own system, stories, and power (Lyotard 1979).

However, sometimes bureaucracies “educate” their citizens on how to become empowered, thereby structuring the very countermoves that could combat the inequalities and inefficiencies bureaucracies produce. Lauren Leve (2001) investigates one such program, a string of Freirian inspired USAID literacy schools for women in Nepal. Not surprisingly, non-banking style pedagogy failed to be implemented. Groups were “facilitated” instead of taught, but were often led by male elementary schoolmasters. Contradictory to Freire's paradigm, women were never recognized as experts or co-teachers and classes revolved around memorizing development key words like “contraception.” Ferguson (1994) mordantly points out that structural development is often akin to education efforts. Empowerment is based on the idea that people are taught to conceive of themselves differently (Leve 2001: 109).

Certainly, a bureaucrat led “conscientizado” process on a strict timeline seems paradoxical. Barbara Cruikshank's *Will to Empower* suggests that governments utilize technologies of citizenship, including empowerment programs, which transform people into model citizens who discipline and raise themselves (Leve 2001). Governments “extend into new domains” and transform the poor into individualized citizen-subjects with the goal of security or political economy; Foucault labeled this form of power

“governmentality” (1991: 102). Empowerment arms the “customer” with correct knowledge and skills in order to allow them to “control” their destiny through the newfound ability to make (pre-fabricated) choices (Leve 2001). Cruikshank (1999) often seems irritated by the distance between “caring professionals” who cannot comprehend why the homeless will not take advantage of the system—shelters, food hand outs—and prefer to dumpster-dive. For Cruikshank, locking the dumpsters in Minneapolis limits freedom, but for health professionals it is one way to prevent cases of dysentery in transient populations. She examines the extension of government to populations traditionally under-represented by democracy via NGOs or private organizations that serve as social regulators through parenting, self-esteem, and other educational programs. Cruikshank, like Leve, concludes that empowerment is a type of coercive freedom that provides new opportunities but also new restraints (1999, 2001). This, of course, is the crucial dilemma for both new immigrants and the NGO staff who interact with them.

Micro-credit and Ethnic Banks

Micro-credit is one bureaucratic empowerment program that is especially important to consider in an analysis of immigrant entrepreneurs. Micro-credit agencies assert that lending very small amounts of money to the poor breaks their cycle of poverty through income generation and accumulation of durable assets via self-employment or micro-entrepreneurial ventures. This first loan, which Julia Elyachar (2005) terms “empowerment debt,” may allow a woman artisan to rid herself of her middleman and, in turn, gain control over her profits and resources (Yunus 2003). Over time, she may expand her business, buy or begin to improve her house, invest in her children’s

education, or send a relative to work overseas (Yunus 2003). Micro-credits assume that because of discrimination, flawed or limited financial background, or bureaucratic policies, most poor people are perceived as not creditworthy by traditional sources. Micro-credits thus provide credit to impoverished entrepreneurs, stepladdering the poor into the “market.” Neoliberalism promises that as part of “third way” economics, economic growth, once a source of discrimination and injury to the poor, will provide for even its poorest of citizens (Shreiner and Morduch 2002). However, theorists debate whether it is necessary for civil society organizations and government programs to work alongside the market to actively ensure the poor's integration into this neoliberal promise (Shreiner and Morduch 2002).

Popularly known as the grandfather of micro-credit, Muhammad Yunus founded Grameen Bank to serve “banking untouchables;” in other words, the landless, often illiterate poor whose lack of collateral and paltry loan size do not merit the cost of the paperwork necessary to dispense a loan—a loan for which many of them could not even sign (1999). While most mainstream banks that make lending decisions based on profit making and cultural conceptions of who deserves credit find offering micro-credit loans too risky, Yunus has created a banking system that has achieved 98% loan repayment. During a lecture (2008), Yunus proclaimed, “We do not see any risk with micro-credit. . .repayment rates around the world are 98%, 99% year after year. Why call this high risk?” Borrowers (now nearly all women) create support groups of five “like minded” and economically similar individuals. Then group members spend seven days training, passing an oral examination, and learning to sign their names, which some

women change or shorten in order to meet the requirement (Rahman 1999). Yunus writes, “We want only courageous, ambitious pioneers in our micro-credit program. Those are the ones who will succeed” (1999: 64).

Bhatt (2002) and Taub (2004) prudently warn that micro-credit is not the wonder fix of American inner cities and impoverished areas because it cannot be implemented in an environment as disparate from developing nations as the United States. International micro-credits typically extend loans without collateral, counting instead on the social pressure exerted by borrower networks on a defaulter. However, many U.S. micro-credit lenders arrange borrower groups according to ethnicity and little more. Nancy Jurik (2005) observes that forced borrower networks fail because the group possesses little notion of reciprocity and shared responsibility and, of course, groups composed solely by ethnicity often contain members who fail to share values due to differences in class, religion, national origin, or personality. She notes further that in mixed gender groups men often took the roles of president while women served as secretaries. Evidence of “good ol’ boying” at group meetings between the micro-credit facilitator and the borrower president was also apparent, but both male and female members wanted support from their borrower group members who could empathize with the responsibilities of maintaining a job, home business, and child care. However, often busy borrowers became more isolated as their schedules spun out of control and borrower meetings seemed most expendable. Critically, these borrower networks failed to form a cohesive social structure that could collectively pressure group members to pay their loans.

According to the Grameen model, the borrower group’s desire for the next loan

was critical; this desire served as “collateral.” However, the situation in the United States is different. In particular, the poor in the U.S. have many options for the next source of money. Credit cards provide a loan in the U.S. without the hassle of mandatory classes or borrower groups, which often seem strange to Americans who consider finances a private matter. Also, some assert that welfare provides a safety net for poor entrepreneurs in the United States, lessening the likelihood that the poor will risk self-employment. The existence of credit cards and welfare decreases the “collateral” of borrowers who do not really depend on their next micro-credit loan (Bhatt 2002, Schreiner and Morduch 2002). However, these criticisms assume that micro-credit programs are used solely by citizens. Often, new immigrants turn to micro-credit programs because they are not entitled to the same safety nets as citizens and therefore may respond better to the traditional micro-credit “collaterals” found elsewhere. The ability of micro-credit to assist immigrants is often over looked by practitioners and researchers alike. In fact, the first Grameen branch in the United States, which was designed to specifically serve new immigrants, only opened April 25, 2008 in the Jackson Heights, Queens neighborhood of New York City.

Due to the recent proliferation of micro-credit programs domestically and internationally, Grameen Bank’s success resonates with U.S. economic development professionals as well as the public. However, critics suggest U.S. policymakers keep in mind differences between international and U.S. programs. U.S. micro-credits target start-ups whereas internationally-based micro-credits aid entrepreneurs who have operated their businesses for at least a year, if not several. Many U.S. micro-entrepreneurs have no direct experience running a business, manufacturing their product,

or attracting a potential client base (Schreiner and Morduch 2002). Furthermore, in the U.S. the poor need more than credit: micro-credits expend costly resources in technical assistance (Schreiner and Morduch 2002). Nearly all U.S micro-credits offer pre-loan classes that focus on licensing procedures and have employees who offer assistance with accounting once the business is off the ground. Training and technical assistance are clear departures from Grameen's model, but U.S. micro-credit officials say that running a business in the U.S. is much more complex (Schreiner and Morduch 2002). Moreover, corporations in the United States make it difficult for microentrepreneurs to compete with cheap accessible goods (Schreiner and Morduch 2002). Also, U.S. laws do not promote micro-credit. Usury laws inhibit micro-credits from making truly high-risk development loans because it is illegal to charge high interest rates, but interest rates must correspond to the amount of risk a lender takes in order to protect the bank (Schreiner and Morduch 2002). American micro-credits are situated between government entities, non-profits, charities, and private banks; they must compete with each other for donors and funding and with ethnic banks, community brokers, and commercial financial institutions for customers.

Community and ethnic banks are another flexible set of institutions that serve minorities better than mainstream financial institutions. While many academics credit Asian Pacific Islander (API) entrepreneurs' success to using informal lending circles or *kye*, most APIs rely on formal financial institutions for access to credit for their business (Min and Bozorgmehr 2003: 27). APIs, unlike many other ethnic entrepreneurs, have opened ethnic banks, catering to their customers' linguistic abilities and cultural

practices. Chinese and Korean Banks often include community development as part of their mission statement, and emphasize relationship banking and meeting with customers face to face. This provides a sharp contrast with traditional banks that urge their customers to use online services and direct deposits. As part of community development, Korean banks concentrate on making business loans. Wei Li et al. (2006) argue that ethnic banks provide opportunities for minorities and women to access credit that may not be available to them through informal networks. Some Asian banks have begun targeting Latinos, emphasizing the institution's experience in money exchange, savings and loans, and wiring remittances abroad. Recently in Northern Virginia, Security One Bank, headquartered in the largely Hispanic Bailey's Crossroads area and founded by Latino businessmen, opened its doors (Drobnyk 2006). This development demonstrates a possible beginning of Latino-owned banking institutions and a wider availability of credit to Latino entrepreneurs.

Ethnic Entrepreneurship

Northern Virginia can be characterized as a series of "ethnoburbs." Ethnoburbs are characterized as multi-ethnic areas outside of large metro areas that are a result of local dynamics, national immigration policy, and geo-political restructuring (Wei Li 1998). While ethnoburbs contain a large concentration of a specific ethnic group, they do not comprise the majority and one ethnic group does not define the landscape. The geography is instead defined by its "mosaic" of neighborhoods that reflect the heterogeneous "arrival statuses" of immigrants, yielding socioeconomic and spatial stratification (Li 1998). An ethnoburb may have some characteristics of an ethnic

enclave, but is more accurately defined as a residential and business area that contains an “ethnic economy” (Li 1998).

Throughout the sociology of entrepreneurship literature, many authors use this term “ethnic economy” inconsistently and often interchangeably with “ethnic enclave” (Struder 2003). Alejandro Portes, who catapulted the concept to attention after his research on Cubans in Miami, reminds sociologists twenty-five years later that the spatially concentrated ethnic enclave has three specific conditions:

- 1) That the enclave was a distinct economic sector, separate from the “primary” and “secondary” sectors of the mainstream labor market;
- 2) That the economic payoff for human capital brought from the home country was higher in the enclave than in the sectors of the mainstream economy that employed immigrant labor;
- 3) That enclave entrepreneurs received higher economic returns than co-ethnics with comparable human capital, even when the latter were employed in the better sectors of the mainstream economy (Portes and Schafer 2006).

Often ethnic enclaves serve as training grounds for co-nationals to learn a business through employment and then open their own businesses. Wilson and Portes determined that ethnic enclaves provided tangible advantages to Cubans, serving as “mobility machines” for the entrepreneurs constituting the Little Havana strip of Miami (Portes and Schafer 2006). “Ethnic economy” is a less precise term that does not require entrepreneurs to be co-nationals, spatially concentrated, or occupy a specific industry niche. Portes firmly points out, “There is no such thing as a ‘Hispanic’ enclave in New York City since there is no immigrant nationality that goes by that name” (11). Similarly, in Greater Washington D.C., Latino entrepreneurs are divided by nationality and class, which has resulted in a lack of “ethnic solidarity” or formation of an ethnic enclave (Pessar 1995). Instead, Washington, D.C. is characterized as a Hispanic ethnic

economy, though scholars note it is problematic to include so many nationalities under one pan-ethnic label (Verdaguer 2002). Furthermore, Struder (2003) questions the validity of the label “ethnic economy,” which reifies race by creating an unnecessary dichotomy between mainstream and ethnic economies or host and immigrant communities. Assuming that ethnicity is the main predictor of differences in business development fails to consider an individual’s “class based resources,” cultural capital, and limitations and opportunities based on gender (Struder 2003, Verdaguer 2002). Yet the notion of an ethnic economy often does take into account the interplay between different nationalities or ethnicities that rely on each other as employers, laborers, and clients. For example, Korean and Vietnamese businesses rely on Latino labor (Min and Bozorgmehr 2003: 28) or Latinos utilize Korean community banks that emphasize relationship-oriented banking and remittance services (Li et al. 2006: 126). Even when the complexity of such ethnic interactions are noted, the phrase “ethnic economy” (or “ethnic enclave” for that matter) can still troublingly connote a parallel economy that does not contribute to the global or local mainstream economies when in reality they are interconnected in a multitude of ways.

While social scientists are moving away from the theory that entrepreneurs’ success is determined solely by the strength of their network and accumulation of social capital, they still primarily leave the success of the entrepreneur in the ethnic communities’ hands. Combating this, Waldinger et al. (1990) posit a theory that combines agency, culture, and “opportunity structures.” The authors suggest that an immigrant’s pre-migration characteristics (level of education, previous skills acquired in

the labor market, language capacity), interact with the context of migration (legal status) and post-migration (a group's status in the community, an established ethnic community) to explain differences in the rate of business start-up and the success of varying ethnic entrepreneurs (Waldinger et al. 1990: 41). Jan Rath (2000) criticizes Waldinger for only considering government regulations that directly affect immigrants instead of the plethora of regulations affecting all entrepreneurs (Rath 2000: 5). Rath and others suggest that American researchers tend not to address questions of national institutional context, economic regulations, and government policies while Europeans, as products of welfare states, include the government as part of the opportunity structure (Kloosterman and Rath 2003: 13, Min and Bozorgmehr 2003: 33).

One partial American exception is Paul Stoller's account of African entrepreneurs in New York City (2002). He illustrates the seeming arbitrariness of entrepreneurs' success at "documentation" (receiving refugee status) and their attempts to navigate the system. However, by focusing primarily on the immigrant legalization process, he still fails to analyze many of the mundane bureaucratic practices that affect all entrepreneurs in New York City. Nevertheless, he does delve into the political climate of New York City including tensions between the ethnic groups surrounding the Malcolm Shabazz market, then newly-elected Mayor Rudy Giuliani's oath to reduce crime, and the effect of new city regulations on immigrant entrepreneurs. Notably, he utilizes ethnography to illuminate the multiple layers of the American state and its bureaucratic political-legal framework, which tends to remain largely undissected in the American literature, leaving bureaucracy to wield its protocol unquestioned (Rath 2000, Verdaguer 2002).

Many Europeans investigate the more mundane bureaucratic practices that can create barriers to ethnic entrepreneurship. Kloosterman and Rath highlight the trouble non-European Union (E.U.) residents have opening businesses in Austria and Germany because self-employment is limited to E.U. residents (2003: 11). Surinamese entrepreneurs in Amsterdam regularly manipulate government laws, often utilizing legal though creative strategies, in order to avoid what they consider excessive licensing procedures. For example, they register as tinsmiths instead of jewelers, or artisans instead of leather makers (Waldinger et al. 1990: 151). They borrow diplomas, incorporate partners with the right requirements into their enterprises, and use the legal system to challenge inspectors who display little cross-cultural understanding (Waldinger et al. 1990). Their resistance strategies demonstrate the arbitrariness of the regulations—regulations that have parallels in the United States, despite its more limited regulatory structures.

Another aspect of the institutional environment worth investigating is the role of the Small Business Administration (SBA) and whether or not immigrant entrepreneurs access its loans. American researchers have begun to address the role of SBA loans and SBA 8(a) set asides in facilitating immigrant small business (Min and Bozorgmehr 2000: 33-35), although the ability of immigrant-owned firms to access capital remains relatively understudied and primarily left to policy makers and business students. A recent Maryland Department of Transportation report states:

Minority-owned firms were particularly likely to report that they did not apply for a loan over the preceding three years because they feared the loan would be denied . . . When minority-owned firms did apply for a loan, their requests were substantially more likely to be denied than other groups, even after accounting for

differences in factors like size and credit history . . . When minority-owned firms did receive a loan, they paid higher interest rates than comparable White-owned firms. (Wainwright 2006)

Wainwright only interviewed “minority” entrepreneurs; problematically, the experiences of immigrant groups are invisible within this broad category. Another study, limited to white and black borrowers, analyzed data from 28 metro areas and found that the average white recipient was loaned “\$1.79 in debt capital for every dollar of equity he or she put up. All other things being equal, the black business borrower was awarded only 89 cents for each dollar of equity.” (Lee 2003). While it seems certain that minorities in metro areas have different experiences than whites when accessing capital, the cause for such disparities is left unaddressed in these reports.

A team of United Kingdom (U.K.) researchers investigated the role of gatekeepers’ decision making in ethnic minority entrepreneurs’ ability to access capital across Great Britain. They interviewed 850 ethnic minority businesses and 17 gatekeepers (Deakins et al. 2004). They found a tendency among Afro-Caribbeans, who have a comparatively low rate of business start-ups compared to whites and other minorities, to avoid banks, perceive discrimination, and articulate that banks did not give out credit. Afro-Caribbean entrepreneurs also had less access to sources of informal credit when compared to their minority counterparts. In addition, gatekeepers expressed difficulty collecting thorough and accurate information, developing relationships and trust, and providing equity and collateral requirements that entrepreneurs could meet. While gatekeepers were sometimes flexible and relationship oriented, they were often more accommodating with Asian entrepreneurs, citing the likelihood that the family

would help pay back a loan and that Asians had a greater understanding of the loan process (Deakins et al. 2004). Robert Watson found that cultural biases affect gatekeepers' decisions, but pragmatically reminds the reader that studies with results claiming racial bias are often unfounded. He criticizes Jones's 1994 study that concludes there is evidence of racial discrimination when none of the Asian entrepreneurs he interviewed received 100% financing from commercial institutions, and believes Jones's conclusion indicates little knowledge of banking (Watson et al. 2000). Overall, Watson finds little fault in commercial financial institutions, suggesting the risks are too great and the loan amounts too small to make it worth their while.

The ease with which an immigrant can obtain legal status and the rigidity of immigration policies also impacts ethnic entrepreneurship. Dutch anthropologist Richard Staring (2000) analyzes how legal status and countries' immigration policies affect the ways ethnic entrepreneurship operates and the benefits afforded to the host society. Sometimes restrictive policies that result in many undocumented immigrants can serve to isolate ethnic economies from mainstream economies and institutions, producing what Sarah Mahler terms "parallel institutions" (Staring 2000). Portes and Rumbaut include governmental policies and attitudes of the native population in their model of "modes of incorporation." They suggest that while both Vietnamese and Nicaraguans emigrated to escape violence and victorious leftist governments, less-educated Vietnamese fared better than highly-educated Nicaraguans due to U.S. government policies that granted refugee status to the Vietnamese, thereby providing them resettlement assistance (Portes and Rumbaut 2001: 46, 281). They further theorize that Mexicans, who, on average have less

human capital as a result of enduring a negative mode of incorporation for over 100 years, are more economically disadvantaged than immigrant groups with similar human capital (Portes and Rumbaut 2001). Portes and Rumbaut write, “Mexican immigrants were targets of repeated waves of nativist hostility throughout the twentieth century. These attacks included organized government campaigns aimed at their repatriation or at forcefully preventing their settlement” (2001: 277). Likewise, Waldinger et al. (1990) suggest that ethnic entrepreneurs must deal with political attacks. These may come in the form of government “sweeps” of businesses with undocumented labor or neighborhood level hostilities between Korean entrepreneurs and African-Americans of the kind that escalated in the aftermath of Rodney King’s 1992 arrest or in the 1990 New York boycotts of Korean stores by blacks (Stoller 2002).

In the D.C. metro area, less intense violent interactions between blacks and Koreans occurred in the Ivy City/Trinidad and Florida market area of Washington, D.C. (http://www.kacdc.org/programs/com_bon.html). In 1991, in the Mount Pleasant neighborhood of Washington, D.C. Latinos rioted for two days after a black police officer shot a Salvadoran man who was resisting arrest for public drinking at a *Cinco de Mayo* block party (Waddington 2007). The conflict stemmed from tension between a majority African-American city government and Salvadoran immigrants who found themselves targeted by police for congregating on corners and in parks—a situation compounded by cultural and linguistic differences and recent unemployment triggered by federal legislation that extended amnesty to unauthorized immigrants who were employed in the U.S. before 1982 (Waddington 2007). Many Salvadorans, who arrived in large numbers

after 1988, lost their jobs. Somewhat different than struggles between blacks and Korean entrepreneurs, this riot demonstrated a group of immigrants who experienced a trigger event after an extended period of what they perceived as unjust treatment by the city bureaucracy and responded with violence—striking against symbols of the city (police officers, government and city vehicles). Consequently, the riot catalyzed the creation of many Latino-based organizations that today provide an infrastructure of human services and brokerage between Latinos and city institutions (Ramos 2001). In 2007, a similar problem has emerged in a more mundane form in Prince William County in regard to its new licensing regulations. As previously mentioned, entrepreneurs must obtain a license for their businesses regardless of size or profit level in order to verify citizenship (Miroff 2007). Since the 2007 restriction of public services to undocumented immigrants in Prince William County, entrepreneurs have seen much slower days and have begun to worry about their empty businesses (Kang 2007). Policies designed to police undocumented immigrants have had a negative effect on the economic well-being of the entire community, demonstrating the inextricability of ethnic and mainstream economies.

The literatures on bureaucracy; on micro-credits, NGOs, and community banks; and on the sociology of immigrant entrepreneurship provide a framework to consider the theoretical implications of the Northern Virginia experience. If the analysis in this thesis suggests that institutions and political environment affect business in Northern Virginia this may help resolve the question of the effect of American institutions on immigrant entrepreneurs and suggest research that moves beyond solely addressing the interplay among immigrant social structure (solidarity, ethnic enclaves), immigrant potential

(human and social capital), economy, and receiving social structure. Further it will address whether institutions and bureaucracies can be positive, humanizing, and democratizing or if they are mere iron cages. If my research illustrates the multi-layered dimensions of empowerment programs, it will provide support to the theory that NGOs and private institutions play a role in democratization and governing processes as well as move away from the overly-celebratory view of immigrant entrepreneurs as achieving success by their “bootstraps” or through “immigrant solidarity.” If my analysis suggests similarities between micro-credits and mainstream financial institutions, it will help elucidate commercial banking’s potential to reach the “unbankable.” Finally, if my thesis demonstrates how Lyotard’s (1979) theory of the rejection of grand narratives and the production of little narratives is operating in Northern Virginia, it will add “peopleness” to theories of post-modernism and add a practical component to the literature by establishing the anomie that loss of grand narratives may cause for groups in power and the effects on the institutions they control.

Methods

To address my research questions, I used the Barrier to Ethnic Entrepreneurship (BTEE) dataset from the Center for Social Science Research at George Mason University. As a research assistant, summer project director for the study, and phone lab supervisor, I had the advantage of participating in every phase of the study: research design, data collection, and analysis. I also used the Virginia Immigrant Sentiment Survey, to which I also contributed with questionnaire design and data collection, to better describe the host society’s political environment and institutional framework.

BTEE interviews were conducted with approximately 20 respondents each from three immigrant groups—Latino, Vietnamese, and Korean. The study utilized a mixture of purposive and convenience sampling followed by snowball sampling to reach the sample size of 60. The team of bilingual researchers identified interviewees by utilizing church and community organization contacts. Visiting areas with high densities of ethnic entrepreneurship such as Eden Park, Columbia Pike, Seven Corners, and Annandale, they also went store front to store front collecting data from individual entrepreneurs. Results varied depending on the embeddedness of the researcher in the ethnic community as well as the cultural norms of the immigrant groups. Vietnamese respondents often responded succinctly and extended little trust to the young 2nd and 1.5 generation interviewers. By contrast, Latino respondents often shared detailed stories about their path from worker to business owner, sitting for two hours or more with the interviewer, who in turn often provided respondents with information about small business assistance programs, helped sketch out business cards or flyers, or just shared a meal. Importantly, the Latina interviewer included failed and informal businesses while no failed or informal Korean or Vietnamese enterprise owners were interviewed. A Korean speaker, a Spanish speaker, and I also conducted 18 interviews with “gatekeepers” at commercial financial institutions, ethnic banks, micro-credit/community development agencies, and government agencies.

Entrepreneurs were interviewed in the language of their choice. They were asked standardized questions that tried to measure their human, cultural, and social capital. Most importantly, they relayed their labor market experiences and what they felt the barriers (if any) were to opening and running a successful small business in Northern Virginia. It was

the content of these responses that captured my attention. Unexpectedly, entrepreneurs talked about licenses, insurance, health inspections, contracting forms, and taxes. They went on to describe the rigid perceptions and structures they faced in attempts to access capital through banks and micro-credits. Gatekeepers, in turn, described their services, cultural outreach, experiences, and the barriers their organizations and the entrepreneurs faced. When comparing the interviews side by side, disconnects between gatekeeper and entrepreneur experiences were revealed. For example, many gatekeepers suggested that information was widely available on the internet while immigrant entrepreneurs consistently asked interviewers for more information on business resources. On the other hand, both gatekeepers and entrepreneurs shared frustration with bureaucratic practices.

I completed five additional extended interviews, specifically with Latino entrepreneurs in Prince William County. Coincidentally, all five were Salvadoran and all were born in the Department of La Unión. The emphasis on Latinos—and Salvadorans who are the largest group of Latinos in the region—here and throughout the thesis reflects their demographic importance to Northern Virginia and the Greater Washington metro area, the desire to avoid interviews that might be too culturally disparate to enable analysis, and the ability to more easily cross-culturally communicate with Latinos due to my partial proficiency in Spanish, travel and study in Mexico and Central America, and experience working with Latinos in the U.S. as a community center non-profit worker. I used the same BTEE questionnaire in order to (as seamlessly as possible) add to the qualitative data and assess additional barriers immigrant entrepreneurs may face in light of the Prince William County restrictions that had gone into effect after the initial round of BTEE interviews

(Human Subjects Review Board approval had been granted to the BTEE project and covered these additional interviews). While the interviews that had already been collected reflected the politically charged Northern Virginia environment, including comments on legal status, raids, concern over legislation, and funding issues, they did not concentrate on the political environment as much as I would have liked.

Nearly every immigrant interview contained accounts of bureaucratic practices that were navigated to open a business. To provide a complementary perspective on such bureaucratic issues, I have also relied on interviews with people working for banks, micro-credits, business assistance centers, chambers of commerce, and government agencies. For convenience, they are referred to here as “gatekeepers,” although their efforts here are more often to open gates than to close them. Interviews were mainly from micro-credits and banks. I carried out five additional interviews of government employees who perform inspections or regulate licensing. After all interviews were collected, I used NVIVO research software to code gatekeeper and entrepreneur interviews for the following themes:

- Attitudes toward bureaucracy
- Owning a business as freedom from bureaucracy
- Entrepreneurs’ strategies to resist or bypass bureaucracy
- Experiences with loans, licensing, inspections, required training, taxes
- Negative experiences with financial institutions and business development offices
- Negative expectations of financial institutions and business development offices
- Accommodating or responsive experiences at financial institutions and business development offices
- Accommodating perceptions of banks, financial institutions, and business development offices
- Attempts at cultural outreach by institutions
- Institution perception of self as accommodating/rigid
- Institution perception of immigrants as rigid/accommodating
- Political environment
- Discrimination (perceived or actual experiences) or anxiety/fear of hostile host environments

- Gatekeeper views of their relationships with entrepreneurs
- Funding issues for micro-credits

Since small scale qualitative research has the limitations of size and representativeness, I also drew on a larger BTEE phone survey (n=850), which included questions on banking practices, particularly the question, “How confident are you that you will be treated right by banks?” Using SPSS, I ran cross tabulations of this question with gender, ethnicity, age, socio-economic status, and industry to see if attitudes toward bureaucracy and banking differed according to these variables.

There are limitations in the research and its design that should be noted. I did not conduct all the qualitative interviews and thus often lack the details that would come from visiting a business and sitting face to face with a respondent. Similarly, the phone survey captured none of these details for any interviews. Interviews were completed in four different languages and surely there were discrepancies in translation of the instrument and responses. Reading through Vietnamese and Korean interviews, I am aware that I have less cultural knowledge of these groups and that much was lost in translation (tone of voice, body language, cultural cues, an assumed understanding of their country’s history). Also, the Latino sample included failed and informal businesses. By contrast, no failed or informal Vietnamese or Korean business owners were interviewed. Finally, the interviews took place during a time of great change. This may also skew the results.

Analysis and Structure

The following chapter will begin with an overall consideration of the bureaucratic and geographical context within which these immigrant entrepreneurs operate. I will address issues of growth in Northern Virginia and look at immigrant sentiment. The

succeeding chapter (Chapter 3) will address immigrant entrepreneurs' experiences navigating the bureaucratic institutions that regulate small business in Northern Virginia from both immigrants' and gatekeepers' perspectives. The initial part of that chapter will provide two case studies that examine accommodation and failed accommodation by county and municipal governments. The latter part of the chapter will examine immigrants' attitudes toward banking (including the findings from the BTEE phone survey); and key areas that create the mix of success and failure that characterizes the efforts of banks and micro-credits to help immigrant entrepreneurs.

Chapter 4 begins with some background on the overall system of county bureaucratic-led empowerment programs, and then focuses on a particular women's non-governmental organization (WNGO). I will then describe the training programs and their emphasis on empowering immigrant women by urging an identity as "business women" that leads to self-regulation and the marketization of family life. In the process, I will note how governmental and non-profit attempts to promote self reliance and women's engagement are sometimes counter-productive. The remainder of the chapter then turns to the role of women's empowerment training programs in diminishing the barriers that exist for home day-care providers. Four women (two Latina entrepreneurs and two gatekeepers) help guide this discussion. My emphasis on Latina home-based child care providers reflects the large number of Hispanic women who work at what was once a traditionally informal trade (30% of licensed home child care providers in Fairfax County are Spanish speakers according to the county's website), and now find themselves navigating a world of government oversight and city and NGO-led empowerment

trainings. I will examine how subsistence-based female entrepreneurs extend the domestic sphere into wealth generating businesses (something they most likely also did in their home country) and how one WNGO promotes the goal of an “empowered woman” through interactions and programming. While the women still face the hurdles of structural-based poverty, they have begun to exhibit standardizations of good governance’s ideals of self-reliance, empowerment, and self-monitoring of government regulation transferred through educational components of micro-credit programs.

Finally, Chapter 5 will then consider what the stories of five immigrant business owners operating in the politically charged environment of Prince William County can contribute to a better understanding of how the host environment’s laws, political environment, and sentiment about immigrants can impact immigrant businesses. Many stories emerge—narratives that speak of coming to the U.S., working first jobs, opening businesses, and facing discrimination and challenges. The chapter concludes with a discussion of the business and political resistance strategies that have been employed in reaction to the recent restrictive changes in Prince William County’s approach to the undocumented.

Chapter 2. Social, Political, and Legal

To understand bureaucracy, banking, and business as they affect immigrants, it is necessary to recognize three influences: immigrant sentiment, welfare and immigration reform, and government support of self-reliance programs like small business development and micro-credits. This look at national history better grounds the institutional framework and host environment in which Northern Virginia ethnic entrepreneurs are situated. The chapter concludes with a brief description of the Northern Virginia “ethnoburbs” and a reflection on their residents’ sentiments about immigration and immigrants.

National Social and Politico-Legal Context

In 1990, 75% of all immigrants lived in just six states: California, New York, Texas, Florida, Illinois, and New Jersey, but by 1999, the distribution of immigrants changed profoundly, impacting the entire United States. In one decade the overall percentage of immigrants in the top six states dropped to 66% and 22 other states experienced dramatic influxes of immigrants, seeing their foreign born population grow by over 90% in a decade (Capps et al. 2003). Consequently, in the 1990’s, a rise in nativism that hadn’t been seen since the 1920’s spanned America (Sanchez 1997). The 1990’s saw the emergence of new gateway states for immigrant populations (Capps et al. 2003), anti-immigrant legislation like California’s Proposition 187 in traditional

destinations (Sanchez 1997), and the birth of a new economy (associated with welfare reform and an emphasis on bootstraps and self-reliance) (Jurik 2005).

Sanchez (1997) suggests that the recent proliferation of Asian and Latin American newcomers stands out more than the large numbers of mostly European immigrants of the 1920's because they are easily "racially identifiable" (1013). For example, once Haitians or Africans immigrate to the United States, they become identified racially as "black" even though they may not self-identify as such or share ethnic culture with other blacks in the United States (Haines 2007). Today's immigrants differ from Americans and each other by virtue of language, nationality, traditions, experiences in country of origin, and religion. In fact, many refugee new arrivals respond to the routine question of "ethnic identity" with responses that are not typically understood by Americans as ethnic responses but instead include religion, nationality, race, or tribal affiliation as their ethnic label (Haines 2007). Sanchez suggests that while today's immigrants are racially identifiable and can be categorized into existing racial groups, their non-whiteness along with a plethora of ethnic traits to which "Americans" are not yet familiar has the potential to trigger boundary-less nativism. Longer-rooted Americans may deal with a sort of cognitive dissonance and some may respond to the discordance of their world (or mental system) with nativism or hostility. Certainly, when one considers that in 2007 Northern Virginia's Fairfax County public schools had a student body that hailed from 187 countries and collectively spoke over 100 languages, one begins to understand that today's immigrants are not easily categorized. Appropriately, Teitlebaum and Weiner suggest changes have resulted in the "look" of the population, the foods Americans eat,

and the other cultural influences to which they are exposed such as music, dress, and foreign languages (Huber and Espenshade 1997). These changes may stimulate feelings of “cultural threat” in the population.

The confluence of race and immigration potentially muddies attempts to analyze nativist sentiments. It is important to note that racism “creates or reproduces structures of domination based on essential categories of race,” while nativism discriminates in order to protect a perceived (static) national identity (Sanchez 1997). Both mentalities aid in the production of an “imagined community,” based on national or racial social identities through which prejudices against “others” operate (Anderson 1981, Quillian 1995). Consequently, these communities perceive economic and cultural/symbolic threat to their existence from “outgroups,” stimulating nativist sentiments and conflict, “competitive threat” or “power threat” in Quillian’s terms (1995). “Perceived” threat analysis is utilized to study nativism; however, its theoretical potency is diluted by its neglect of actual history.

A crucial event in the history of immigration reform occurred a few months after Lyndon Johnson signed the Voting Act of 1965, which targeted racial discrimination. The Hart Celler Act of 1965 terminated the quota system put into effect in 1921 that had granted 70% of all immigration slots to natives of Germany, Ireland, and Britain. Johnson noted that “this system violates the basic principle of American democracy—the principle that values and rewards each man on the basis of his merit as a man” (Center for Immigration Studies 1995). Most of these slots were left unused while large numbers of people from Italy, Greece, Poland, Portugal, and elsewhere in eastern and southern

Europe could not gain legal admittance to the country. Monumentally, the 1965 law also allowed family reunifications to fall outside the annual ceiling on immigrants, which was increased from 150,000 to 290,000 (Center for Immigration Studies 1995). The act reflected the period of liberalization following World War II brought on by economic expansion, acceptance of the U.S. role as a superpower, and the Civil Rights Movement.

This time of liberalized immigration policy corresponded to President Johnson's War on Poverty, which included job training and creation, housing and food aid, and economic development programs for the poor (Huber and Espenshade 1997, Jurik 2005). Starting in 1964, the Small Business Administration (SBA) offered Economic Opportunity Loans (EOLs) to stimulate business growth in the black community (Bean 2000). Additionally, community-based organizations like Head Start and small business centers worked to aid the poor and reduce poverty. Community banks were created in response to redlining, and President Richard Nixon supported creating minority small business enterprises to reduce the gap in available credit for minorities (Jurik 2005).

During the 1970's there was a turn toward privatization. After experiencing a three-decade long economic boom, workers began to experience decreasing wages and fewer full-time job opportunities (Jurik 2005). As the country plummeted into economic crisis, the government responded to pressure to decrease social services and began to outsource and privatize government operations. Government jobs had been an important source of employment for women and minorities who had otherwise been denied opportunities in private companies. Welfare was radically altered and the "safety net" was removed for the poor who were vilified for their "welfare dependency," crime, and

drug use (Jurik 2005). Self-employment rose in the late 1970's as part of an effort to circumvent the glass ceiling, serve as a patch for full income, and enable women to hold jobs and take care of their families. Mothers became defined as "able bodied" workers as at no other time in American history (Jurik 2005). The market was viewed as the ideal way to distribute funds to society, support for the War on Poverty dissipated, and the War on Drugs that focused both on the poor and immigrants began.

Nearly a century and a half after the popular celebration of Ralph Waldo Emerson's essay "Self Reliance" and Horatio Alger's dime novels such as "Ragged Dick," the American belief in self-reliance experienced a resurgence that has affected local and federal policy in the United States. As the title of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) suggests, personal responsibility and self-sufficiency became the mantra for policy makers focusing on poverty. In spite of welfare reform and trickle-down economics, poverty rates increased and low paying jobs for less skilled workers decreased. While many micro-credit researchers criticize America's "safety net" as a reason for U. S. micro-credit failure, Jurik's *Bootstrap Dreams* seems to ask, "What safety net?" It is this absence (especially for immigrant newcomers who do not qualify for most of the existing safety net), coupled with a natural increase in self-employment in times of economic recession and catalyzed by a renewed Horatio Alger spirit, that leads to the prevalence of micro-credit programs as welfare to work strategies and self reliance programs for immigrants. Ironically, micro-credit organizations mirror these same traits as they struggle to run successful self-sufficient private businesses while helping the lowest-income people.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act eliminated or decreased federal benefits to the disabled, elderly, working poor, and legal immigrants and dispensed more control to the states by distributing Temporary Assistance for Needy Families (TANF) block grants. Immigrants who had been in the United States fewer than five years were ineligible for TANF under the always-confusing public charge law, though immigrants remained eligible for some programs that did not provide cash assistance (U.S. Citizenship and Immigration Services 2007). Huber and Espenshade (1997) assert that, regarding access to social services, “legal immigrants” are now treated more like undocumented immigrants than citizens. The act also altered the enforceability of the public charge law, which states an immigrant may be deported “if he or she becomes a public charge within five years of entering the United States.” Under the new law, sponsors of family members are required to earn 125% of the federal poverty level and affidavits demonstrating that the immigrant will not become a public charge can be enforced until the immigrant becomes a citizen or performs ten years of work (Huber and Espenshade 1997). Critically, 1996 welfare reform authorized states to deny or extend services to immigrants who did not qualify for federal assistance with state funded replacement programs (Broder 2007). These changes moved immigration policy from the federal to state arena, placed additional fiscal responsibility on states, and legislated each states’ right to provide a welcoming or hostile environment through assistance programs (Fix and Tumlin 1997, Zimmerman and Tumlin 1999).

Huber and Espenshade (1997) state that immigration policy and welfare reform is a product of anxiety and economic insecurity, augmented by outsourced technical jobs,

relocated factories, downsizing and white-collar layoffs, high taxes, and stagnated or decreased wages. They suggest that while Americans have seen an increase in real wages, they worry about the effect of globalized markets (Huber and Espenshade 1997). Certainly part-time employment has increased as more jobs are exported, and immigrants find themselves serving as scapegoats in the time of a changing economy (Sanchez 1997). Furthermore, the “U.S. belief in individualism, hard work, and self reliance generates white anxiety as whites are faced with economic failure and insecurity despite their white privilege” (Sanchez 1997). Due to demographic shifts and the emergence of new gateway states, cultural and economic concerns are fueled by the sheer numerical presence of foreigners in previously non-traditional destinations for immigrants. Following a nation-wide trend, residents in suburbs now “see” immigrants in “schools, hospitals, and workplaces” and almost tactilely perceive the impact (Lyman 2006).

Some scholars suggest that low-income blacks feel the most antagonistic towards Latino newcomers as the two groups struggle over jobs, space, and who the “real aliens” are (Sanchez 1997). This sentiment is evidenced by the “black-brown” conflict in inner cities and conflicts between African-Americans and Asians (Sanchez 1997). However, Wilson (2001) notes that while African-Americans are actually the most likely to suffer economic loss due to immigrants, 14 separate studies have shown that African-Americans are more “favorable” than whites toward immigrants. These conflicts are not simply economic, but also rooted in culture. Cultural anxiety is manifest in widespread “English-only sentiment, fears that immigrants are undermining American values, and groups like the Minutemen and Save (Insert Your Town Here). Wilson suggests that policies

addressing only economic fears will not allay Americans' "cultural insecurity" (2001).

Northern Virginia

Virginia has not experienced as dramatic an increase in foreign born as some of its Southern neighbors, all of which have been officially termed "new growth" states, but Virginia's cultural and geographical milieu is changing with its increasing number of foreign born. Northern Virginia faces the same challenges as traditional and new gateway destinations. With over 290,000 Latinos, Northern Virginia's suburbs boast some of the largest Latino communities across both the state and the Washington metropolitan area, with localities such as Arlington County, Bailey's Crossroads, and Seven Corners where immigrants outnumber natives. In fact, sixty percent of Virginia Latinos reside in Northern Virginia (Weldon Cooper Center 2006). While Mexicans are the largest recent immigrant group to Virginia, Salvadorans are still the largest Latin American population in Virginia overall (Weldon Cooper Center 2006). Central Americans arrived in the D.C. metro area in the 1970's and 1980's to escape political strife and economic upheaval. They have continued to make their way to the capital area as hurricanes and earthquakes devastated the economies in their home countries. In Northern Virginia, Salvadorans constitute the largest Latino population, followed by Mexicans, Guatemalans, and Bolivians (Census 2005; Weldon Cooper Center 2006). Latinos in Northern Virginia do not only differ along national lines, but also vary in class background. Northern Virginia's proximity to the D.C. area provides substantial employment opportunities at diplomatic offices, NGOs, and international development organizations. "Latino" then is an artificial ethnic category that captures a wide range of experiences of people from

many different countries.

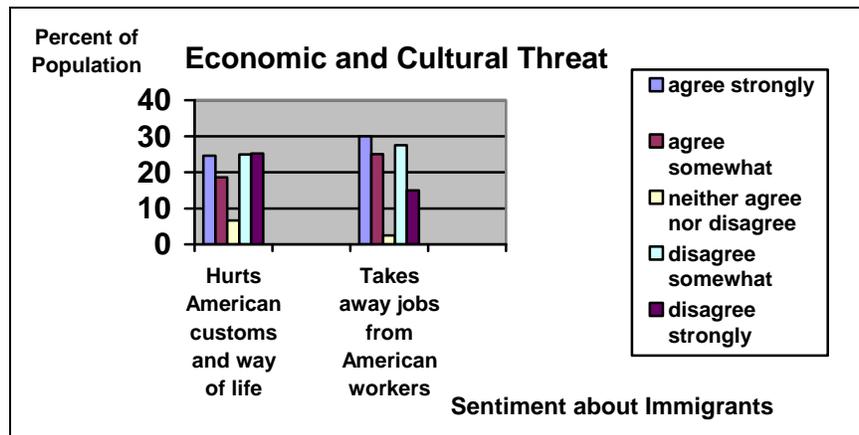
Northern Virginia is also home to large numbers of Asian migrants. The region has the largest Vietnamese population on the East Coast with just under 99,000 (National Network of Libraries of Medicine 2008). Eden Park shopping center in Falls Church is one of the most important places for Vietnamese goods and services on the East Coast. The Northern Virginia landscape is dotted with clusters of Vietnamese stores and cuisine, specially demarcated Vietnamese Catholic churches, and Buddhist temples housed in office buildings (Wood 1997.) Annandale's Village Centre, also known as "Koreatown," exemplifies both Koreans' successful creation of businesses as well as a town conflicted over its identity. Annandale has had little success marketing its southern old-fashioned Civil War era charm amidst its 39 Korean restaurants, karaoke bars, dance clubs, incense shops, imported electronics and clothes shops, and professional offices. In fact as of 2005, the Korean phone book listed 929 Korean businesses (Cho 2005). Billion-dollar Korean chains, such as Lotte, Super H-Mart and Grand Mart, all supermarkets, have opened across the metro area, and 51 South Korean-based companies have opened branches in Fairfax County alone, outnumbering branches from any other country (Cho 2005). In 2000, approximately 66,000 Koreans were in the DC metro area (2000 Census).

Northern Virginia, much like other parts of the country, has been historically defined by black and white dichotomies and lacked much history of international migration. When talking to long term residents of Northern Virginia about immigration, they often mention the racial (black-white) tension of the 1960's and Northern Virginia's response to a wave of Vietnamese refugees—a response that most respondents paint as

welcoming. Many admit to underlying racial tension in their neighborhoods and are concerned about the changes immigrants have brought to the suburbs.

A survey conducted by the Center for Social Science Research in May-June 2007 of 1,072 English-speaking Virginia residents found that socio-economic, geographical, and ideological position shape an individual's attitudes towards immigration. Overall, a majority of Northern Virginians thought that police officers should check immigration status at traffic stops yet also favored a pathway to legalization. Significant numbers of Northern Virginians felt strongly that immigrants took jobs away from American workers and hurt Americans' way of life, although attitudes were sharply divided. The chart below suggests that Northern Virginians feel both economic and cultural threat.

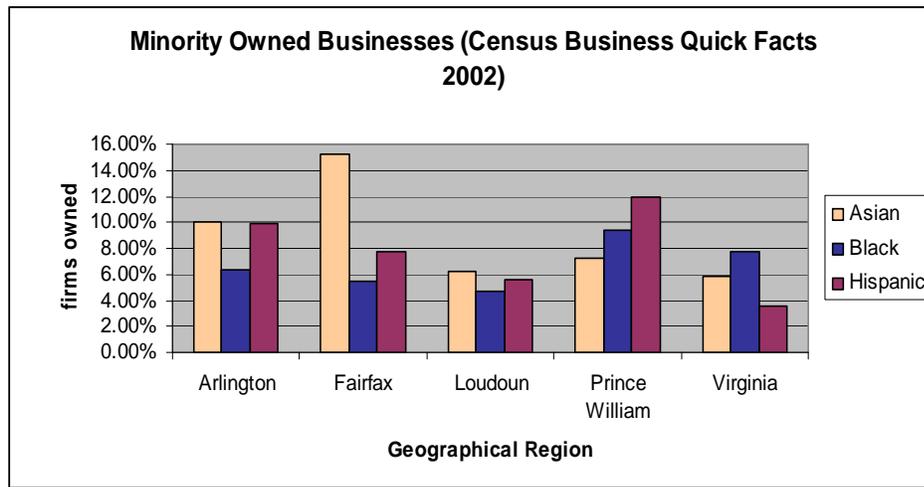
Table 2.1 Economic and Cultural Threat



The strongest predictor of anti-immigrant sentiment is political or ideological sentiment, with liberals more accommodating than conservatives (Vallas and Zimmerman 2007). Without a doubt immigration has become a heavily politicized issue throughout

the state of Virginia. While Northern Virginians express relatively more accommodating sentiment than the rest of the state, it is by no means a welcoming atmosphere for immigrants. This sentiment directly affects immigrant business owners across Northern Virginia and thus local economies. Across Northern Virginia, Asians and Hispanics own from 12%-23% of businesses as compared to 9% statewide (Census Business Quick Facts 2002).

Table 2.2 Minority Owned Businesses across Northern Virginia



It is important to examine these feelings of cultural and economic threat by the native population on their own terms, but also because they tend to be reflected in the political and socio-economic structures that affect immigrant entrepreneurs. Micro-credit and business assistance grant funding is often a result of the current political and cultural tide, and borrowers' businesses may be affected by immigrant and race-related conflict in their communities. Furthermore, borrower and lender discontent may stem from racial

conflict or lack of cross-cultural adroitness resulting in the underutilization of micro-credit or commercial lending by the community and a shift towards white or non-low-income borrowers. Yet attitudes about and reactions to immigrants are only part of the story. To fully analyze micro-credit development and community banking, one must also consider it as a product of a long history of welfare reform, a turn toward privatization, and an American cultural belief in self-reliance. Northern Virginia is an ideal site for assessing how gatekeepers and immigrant entrepreneurs struggle to operate in tandem with these multiple currents.

In examining the Northern Virginia case, the next chapter (Chapter 3) will consider how government and financial gatekeepers, while earnestly attempting to reach the immigrant population often fail in accommodating the needs of that population. The chapter provides a basic grounding in how gatekeeping actually works in Northern Virginia. Chapter 4 then describes an empowerment training program for low-income immigrant child care providers and the processes by which their lives and homes are marketized and regulated. This chapter introduces the issue of empowerment and how it is both a positive reality but also limited by notions of self-reliance. Chapter 5 provides a more personal look at five individual entrepreneurs and how their lives incorporate these conflicting themes of constraint and empowerment as they employ a variety of political resistance strategies in reaction to the immigration resolution. Finally in Chapter 6, I will consider what these stories of immigrant business owners and gatekeepers across Northern Virginia can contribute to the literatures on bureaucracy, empowerment, micro-credits and ethnic banks, and the sociology of immigrant entrepreneurs.

Chapter 3. “If They Opened the Door for Somebody”:

Gatekeepers and Entrepreneurs

There are many efforts at mutual accommodation by immigrant entrepreneurs and gatekeepers in government, community, and financial institutions across Northern Virginia. These immigrant entrepreneurs and gatekeepers perceive their roles in varied ways and one result is that attempts at “accommodation” often fail despite earnest attempts to bridge gaps by all sides. Both successes and failures, however, illustrate how the immigrant community navigates governmental and financial processes to access capital and run a business. These stories do not just belong to immigrants. They are accounts of hard working gatekeepers who are deeply affected by their new roles in changing institutions and who struggle to determine how to accommodate a growing population of immigrants and maintain their personal and institutional relevance. This chapter focuses on these gatekeeper efforts, providing: first, two case studies that examine accommodation and failed accommodation by county offices; second, immigrants’ attitudes toward banking (including the findings of the BTEE phone survey); and, third, key areas that create the mix of success and failure that characterizes the efforts of banks and micro-credits to help immigrant entrepreneurs.

The discussion is based in part on the noted BTEE phone survey, but mostly on interviews with 22 gatekeepers and 66 entrepreneurs. The 22 gatekeepers included

employees from mainstream banks, ethnic banks, non-profit micro-credits with business assistance programs, business assistance organizations, and local government offices in departments that oversee licensing and taxes, parks, health, and children. While “gatekeeper” has traditionally been used in the literature to indicate someone who withholds access to power by guarding the gate, I use the term to suggest people who may also be gate openers or merely gate attendants in the case of some low-level employees. Gatekeepers differ greatly in terms of power and position. At banks, for example, I interviewed everyone from the head of the D.C. metropolitan region of one of the largest banks in America to loan manager at a branch office. In between there were directors of non-profits, vice presidents, senior loan managers, assistant branch managers, and county inspectors. There were both men and women, and a range that included whites, Latinos, blacks, Indians, Koreans, and a Filipino. The 66 entrepreneurs were also varied. Entrepreneurs were Latino, Korean, or Vietnamese, but there was also much variation within ethnic groups as evidenced by a range of nationality (Salvadoran, Peruvian, Mexican, etc.), ethnic identity (indigenous groups or Chinese-Vietnamese), gender, age, education, class, legal status, and experience. Those interviewed included now-wealthy entrepreneurs who run large thriving enterprises but also immigrant entrepreneurs no longer in business, new business owners, the self-employed, part-timers, and unlicensed vendors.

County and Municipal Government Offices

Immigrant entrepreneurs stressed that one of the most challenging parts of opening a business was learning the rules and regulations. Entrepreneurs discussed how

their businesses were affected by taxes, environmental regulations, business licensing requirements, sign permits, health codes, alcohol laws, lawsuits, zoning—how even their parking spaces were regulated. One Salvadoran small grocer suggested that it was too much to possibly know and one Vietnamese hair salon owner indicated it was not worth worrying about regulations because “the law, each year is different. Law about business is very confusing. This is small business. Just do what you like and follow your goal.” A Mexican woman who ran her own cleaning business said regulations make her feel like she has lived in America for ten years and learned nothing. Inspection results seemed arbitrary to her, and to depend only on whether the specific inspector was rude or helpful. One Vietnamese restaurant owner cited health department visits as one of his chief causes of stress and one of the reasons he hoped his children would not go into business. However, the amount of government regulation depends on whether or not the owner must renovate the space or build additions and what kind of business it is. A Korean academy owner, who escaped from North Korea with his family as a child, had little problem with the amount of government regulation. In fact, he expressed disbelief that the government does not want him to make his school fees equivalent to other area schools; he is glad that he does not have to ask the government for permission and that no one spies on him. Overall, immigrant entrepreneurs who often speak limited English and have little experience with formal institutions in their country of origin must navigate several county offices and inspections for almost any kind of business.

While observing a food safety inspection at a Korean restaurant, I was amazed to learn that there were 800 pages of code. The harried restaurant owner followed the

inspector around and moved quickly to correct anything wrong. For example, he was storing a few bags of rice on the floor and others on crates (they must be six inches off the floor and sitting on a cleanable shelf) and had removed spicy soy sauce from the fridge to eat for his lunch (employee fridge must be clearly marked; all food must be below 41 degrees). The inspector, a woman, appeared to examine all the surfaces of the tiny restaurant and stick a thermometer into anything she could (refrigerator, freezer, batter, fried and raw chicken, sauce, etc). At one point the owner told her that they had just begun making pizza and lifted some dough out of a refrigerator so she could measure the temperature. She shook her head and much to my bemusement and his befuddlement said, “We do not regulate dough.”

A Vietnamese restaurant owner described his more harrowing experiences with the health department:

At first we didn't know so we had a few problems, nothing like we had to close the restaurant. Just like I told you before at the beginning after we become new, so you have to learn everything. One day we had the health department come over and take a look and see how organized the kitchen will be, the restaurant is clean or not, and there's some stuff that they're not familiar with. For example, we have the item that's called “summer roll” and that thing supposed to be wrapped with the rice paper, and after you finished wrap it up you don't need to put into the refrigerator. When the health department came they were saying that anything uncooked has to be put into the refrigerator . . . I believe there are different kinds of foods in different country and the health department inspector does not understand the kind of food that we serve. The way we serve we have to serve the original way . . . But if we put that in the refrigerator the paper rice will become hard, and it won't be good anymore.

He refused to give in and after multiple trips convinced the inspector to let him serve summer rolls the authentic way. He wishes the health department would learn more about his culture and how its food is served.

Over the past few years, one Northern Virginia health department has been trying to do just that. They have begun translating documents, sending inspectors out with portable printers to distribute simple rules in native languages if they encounter communication barriers, and trying to hire bilingual employees (though employees are often assigned by zip code and not language needs). However, two specific incidents, which I have termed “the flounder fiasco” and “Drive-thru Park,” stand out as examples of interactions with entrepreneurs that demonstrate how the health department is changing. In “the old days” the department thought of themselves as the “food police,” and changing the department’s mentality from enforcement to education has been a slow process. While they make genuine attempts at accommodation, when confronted with a difficult situation they slip into a third role—the culture police. Their new cultural mission is apparent from the moment one walks in the door. In the waiting room they have a small museum of cooking items from different countries, such as stone tortilla holders and woven rice containers that are not approved by the health department. A sign in English reads, “Please throw any of these items away if they are in your kitchen.” Alternatively, an immigrant entrepreneur may donate them to the museum.

The Flounder Fiasco

Around 2004, Northern Virginia health inspectors became aware of a disease called anisakiasis, which is prevalent in cultures where raw fish like *ceviche*, fermented herring, or sashimi is consumed. Outbreaks of anisakiasis in Europe and the United States were thought to be relatively few but because its symptoms are fairly generic and include vomiting, abdominal pain, and nausea, it is probably under-diagnosed. Nevertheless, if

the larvae are not dislodged by vomiting, they “can attach themselves to the gastric mucosa or penetrate the stomach or intestinal wall, leading to abscess formation or eosinophilic granulomatosis” (Weir 2005). One must then undergo surgery. A few cases in Spain led doctors there to begin routinely testing for it, resulting in 22 cases in one study over a year, and, in turn, contributing to a larger worldwide awareness of anisakiasis. Consequently, once aware, public health officials were committed to ridding Northern Virginia of any threat of outbreak. However, in spite of a connection to *ceviche*, which can be found on the menus of a few Northern Virginia Spanish restaurants, the educational campaign focused on Korean restaurants, specifically sashimi flounder, for which restaurateurs were especially resistant to performing parasite destruction. That destruction, completed using blast freezers, made the delicacy crumbly according to Korean restaurant owners. Intransigence was high because of the potential economic consequences of compliance. Blast freezers are expensive and restaurant owners can make \$70-\$100 for a plate of sashimi flounder. Furthermore, county officials suspected that Koreans were buying locally caught flounder from co-nationals instead of from approved wholesalers. Aside from being against regulation, the risk of anisakiasis was perceived as even greater because locally caught fish is not subject to health standards.

Ryan, a county health official, described the department’s first attempts at cultural outreach, a time when the county lacked any materials translated into Korean.

What we did is we made a contact in the Korean community over here in [town] where we know there’s a very high concentration of Korean restaurants . . . He was a lawyer and he represented one of the commercial groups down there so we said listen this is what we want to do. We want to get in contact with the right people and bring them to a town hall meeting and make a presentation and we sent out a lot of invitations [to restaurants] that we thought was serving flounder

and we had a pretty low turn out. We had three town hall meetings and just a handful of people showed up. . . Back then [instead of official translated materials] what we had was a girl come who was fluent in Korean. So she came and she translated and we had a Power Point and we basically presented information on anisakiasis and parasite destruction and they were very resistant. They seemed kind of to act like, “Yeah we already know that. Yes, it’s in Korea. We’ve heard of it.” I said, “Well we don’t want that to happen here so we want you all to freeze your fish.” Our educational effort didn’t really pay off. The people who showed up were really there to complain. Not so much to learn. So then we had to move into enforcement and we ended up citing a number of places for this violation . . . we revoked a permit or two. Now a revocation means we take the permit away and they’re closed for good. Suspension means that if we find some issue like a backed up sewer they’re closed for a certain amount of time until they fix the problem. But in this case it’s different, so we revoked a couple permits at these establishments and then word spread very quickly and we saw a whole lot of people who said, “I’m just going to take the flounder off my menu.” We said, “Great. That works for us.” Other people said, “Well okay. I’ll try the freezing.”

These attempts at outreach, consisting of a “town hall meeting” where a Power Point was shown, permitted little discussion or problem solving. The translator was a young second-generation female (not the best cultural broker in a society where age is very important) whose cultural insight was “nothing more than it was a delicacy. Something that they really liked.” When planning the meetings they did approach a leader in the community, a lawyer, who invited the restaurant owners. While linking the town hall meetings to such a community anchor is a good idea, linking the event to one person can result in only certain entrepreneurs being invited, rumors developing about the event, and worries about competition. Oddly, the county office advertised the meeting in the *Washington Post* but failed to contact local Korean papers.

When the educational effort failed, the department had to return to its old role as an enforcer. They cited a number of establishments for the flounder violation and even revoked a few permits, closing the restaurants down. Word of the crack down spread

quickly and some entrepreneurs told the health department that they would take the dish off their menu. Others tried the blast freezers and had varying experiences with customer satisfaction. The department believed it was making headway and was excited that the effort would result in a healthier Northern Virginia. However, officials then realized the situation was not as straight forward as they had anticipated.

I think we made some headway but if you ask me today if there's any flounder out there that's not parasite destructed, I would say probably somewhere because they're very persistent and want to sell it. What we've seen is they kind of go underground with it. In fact, they take it off their menu and when we walk in and do an inspection we say, "Can we see your menu?" We check items. They took the sashimi and flounder sushi off the menu so we wouldn't see it . . . we had several cases where they would put it on the wall instead of on the menu. They would have a poster on the wall, "Fresh flounder. Live flounder." Of course our inspectors can't read it until we have a Korean inspector walk in there and say, "What's that?" I think at least we minimized it and they know that we don't think it's acceptable so at least we succeeded in educating them to that extent, but they still persist and want to do it. What's real popular is they'll put a 100 gallon fish tank in the restaurant and you come in at a restaurant and you pick your flounder and they fillet it right in front of you and serve it up to you rare. Well when you do it that way there's of course no chance to freeze it. There's no parasite destruction and the parasites are in very good condition because they just came out of a live fish. Very dangerous. If one of our inspectors goes out and sees a tank with flounder in it that's a big red flag. What they'll tell us is, "We're cooking that flounder." But we have our doubts.

Attempts of outreach by the health department thus resulted in irritation and marginal compliance. Flagrant violators were closed down, resulting in an underground flounder trade where some entrepreneurs outsmarted the health department. Officials at the health department now feel somewhat suspicious of Korean restaurants; the effort has moved from collaboration to "us" against "them." There is disappointment over the effort as well, and sustained energy towards larger outreach campaigns is harder to muster.

Despite such problems, the department remains eager to reach out to other

cultures, but lacks the experience to do so effectively. Ryan, a white mid-level manager in his late 40's with a science degree, never expected that his job would involve communicating across so many cultures when he joined the government approximately 20 years ago. He is trying the best he can to learn a new role that requires emphasizing outreach and leaving enforcement to the side. Those efforts are not always successful. Just recently, for example, he became incredibly excited to discover that he could translate quickly using online resources. "Worth a try," he thought. He brought his translated sign to one of his employees who informed him he had just written, "Please put raw chicken in the money safe." With the realization that haphazard approaches helped little, his department now sends several employees to Spanish classes, and the Board of Supervisors has approved a substantial budget for translation.

Drive-thru Park

Over the past few years, the police department, health department, business licensing office, Alcoholic Beverage Control (ABC), and park authority have joined forces to deal with complaints about informal vendors in one particular Northern Virginia park. Every year beginning in the spring, the number of Bolivian vendors at this park swelled to around 30 on Sundays when soccer games attracted large crowds of Latinos. The vendors were so organized that when a car pulled into the parking lot a vendor handed the driver a menu. Situated around the parking lot a spectator could pick up a drink (alcohol and other beverages), a variety of foods, and end with dessert. This park with green space surrounding a round-about had literally become a drive-thru. On the positive side, the park was being used and Sundays had the air of a spring festival. One

park authority employee explained that he felt this was what a park should be and was excited it was being used. He was sympathetic to hard-working people who used the park to relax on their one day off a week. On the other hand, officials received calls daily from neighborhood residents who now felt excluded from the park. At the height of soccer season, for example, savvy entrepreneurs charged for parking and blocked off entry-ways. Undercover ABC and health department agents attempted to insinuate themselves into the park but were immediately recognized as outsiders; coolers and trunks were quickly shut as a lookout spread the word about the insidious newcomers. The officials did not have the right to search and, foiled and frustrated by their fruitless endeavors, decided to hire a community liaison under the auspices of the park authority.

Federico, the new liaison, was able to walk into the park, talk to the vendors, and build rapport. Instead of immediately enforcing rules, he met with the vendors. He explained that what they were doing was illegal. He then gave them information about vendor permits, food safety, and commercial equipment, and invited them to become formal vendors and serve food throughout the county at summer events. He knew that there would be economic constraints and it was difficult for him, the son of hard-working immigrant entrepreneurs, to deny people the opportunity to make money, but he was able to give them some choices and waive some fees. In the end, most vendors shut down, perhaps partly because a group of soccer players became violently ill. However, one group of women pooled their money, accessed a loan through a micro-credit with which Federico had partnered, and bought a cook truck. They became the official Sunday vendors of “Drive-thru Park.”

Federico and the other liaisons in his department were able to put up “no vending” signs in Spanish and English in the park and correct Spanish signs across the county that were misspelled, incoherent, or inconsistent (for example, alcohol regulations only posted in Spanish). The department also now produces free concerts and cultural dance events, and provides low-income immigrant youth with access to outdoor activities like white water rafting and rock climbing. When a group of day laborers approached him and asked for a way to give back to the community, Federico helped them organize a trash pick-up in a local park. Just recently, he was able to witness long-term residents, day laborers, and other volunteers work together to organize a summer concert. Federico and his fellow community liaisons engage in a delicate balancing act between the Board of Supervisors, the immigrant community, and long term residents, but they are doing their best to make sure everyone can be involved in a vibrant park system. These efforts are valuable and can provide economic benefits. However, they cannot resolve the core issue of access to capital. Here the role of mainstream and alternative financial institutions is critical.

Banks and Micro-credits

A recent Brookings report reveals that 10.2% of America remains unbanked. While the unbanked do not fall strictly along ethnic and racial lines, it is more likely for a Hispanic or African-American family to not have savings or checking accounts (Fellowes and Mabanta 2008). Certainly, it is of financial interest to banks to capture this segment of the population, but it is also pertinent to police departments who have noted increased rates of robberies of Hispanic workers carrying cash, immigration advocates who see

banking as an opportunity for wealth building and integration, community members who value access to banking as an indicator of community prosperity, and immigrants themselves in order to achieve their family and business goals (Paulson et al. 2006).

Almost all gatekeepers seek immigrant entrepreneurs as clients but do not always know how to attract them to their services or to create the flexibility that can give entrepreneurs access to capital. Gatekeepers describe many frustrations: unreturned calls to community groups; an inability to spread information; the prevalence of misinformation in immigrant communities; managers and co-workers who have been slow to realize the benefit of banking immigrants; lack of multi-lingual staff and resources; and simply an inability to do it all themselves. One award-winning community loan manager admitted she was “bitter.” Others resented colleagues who were unreceptive to targeting Hispanics or clients who failed to see the connection between paying taxes and using a government financed business program. Nevertheless, nearly all gatekeepers reiterated that mainstream banks want to reach “downstream” to immigrant entrepreneurs and, in fact, are providing more access to capital than they did even five or ten years ago. Gatekeepers point to the decrease in banks’ average business loan size as proof. While some gatekeepers also describe a desire for cultural outreach in terms of their own experience as immigrants or personal ideology, most gatekeepers describe how launching cultural outreach is interwoven with profit, economic development, and their institution’s growth and survival.

The more successful entrepreneurs with a high degree of comfort with financial institutions agree that banks are working to reach them. A Latino restaurateur who finds

banks fairly receptive to his needs neatly distills gatekeepers' philosophy—"The bank, it's business for them as well." These successful business owners choose a bank for the best deal and sometimes location. One Latino grocer describes his recent switch to a smaller regional bank (and subsequent snub of a newly opened Latino bank that approached him): he simply asked himself what his best choice was and chose the bank with the least fees, resulting in savings of \$28,000 a year. Certainly, not all immigrant entrepreneurs operate this way; many exhibited skepticism of banks, weariness towards the loan process, confusion over credit, irritation over fees, disappointment in a lack of relationship, and disenchantment towards banks' view of Latinos as "business"—which they leerily interpret as the possibility of banks taking advantage of them.

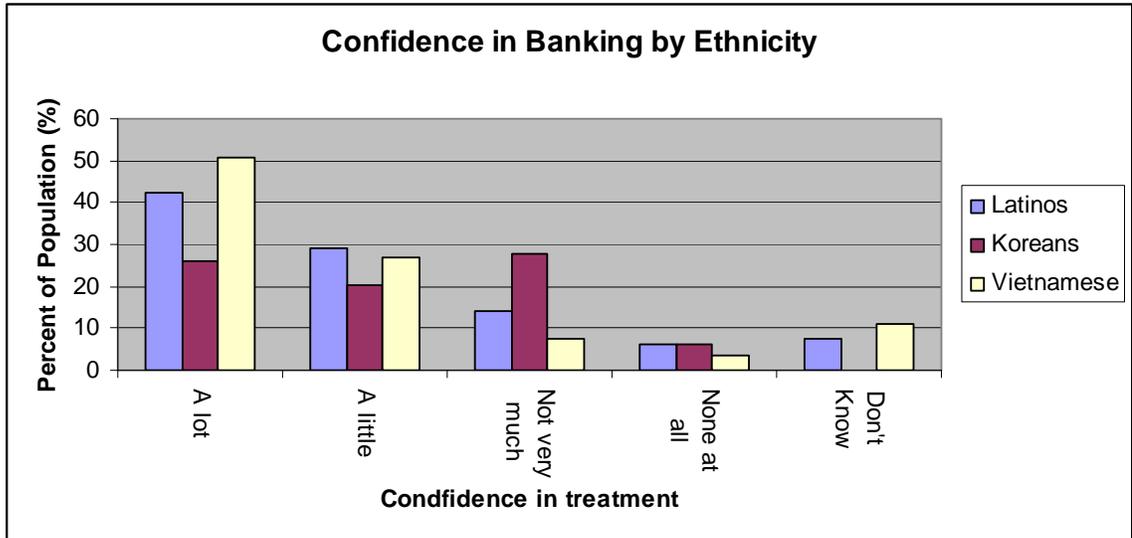
Regardless of this skepticism, most entrepreneurs were what micro-credit practitioners call "banked" to some degree. Many entrepreneurs cited their experience of buying a home as their initial orientation to banking, a confusing process that nonetheless resulted in increased financial knowledge and enough home equity to start a business. Many were frustrated with their treatment by banks and what they saw as a credit and loan system that was not for them, immigrants without collateral or credit history. The interviews show a fairly strong preference expressed by respondents to avoid formal borrowing, leaving those who would not borrow with the option of using savings, relying on informal borrowing from friends, family, and other sources of ethnic credit, or starting businesses that require very little capital investment. Many used multiple methods to acquire capital, but only 14 entrepreneurs out of 66 used some type of bank loan to start their business, and an additional two entrepreneurs used loans to start second or third

businesses. Almost all “borrowing” entrepreneurs utilized home equity loans.

Even those who do not borrow, however, do interact with banks. The BTEE phone survey revealed that 98.2% of entrepreneurs surveyed have opened a bank account in the U.S., while 86.7% have opened both business and personal accounts. Only 10% have just a personal account. Furthermore, 83.6% of entrepreneurs have applied for some type of loan from a bank in the U.S. Unfortunately, the survey did not capture whether they were successful in obtaining funds. Additionally, 91.4% of immigrant entrepreneurs use mainstream (non-ethnic banks), although almost 70% of entrepreneurs have never interacted with anyone above a teller. Surprisingly, only 9% of immigrant entrepreneurs reported that banks are not very or not at all responsive, and 37.5% think banks are at least somewhat responsive. However, when looking at specific bank policies (credit, collateral, co-signer), immigrant entrepreneurs were less pleased. For example, 14.4% of immigrants entrepreneurs find that bank policies are not at all or not very responsive, and 35.1% think policies are somewhat responsive. These quantitative results could demonstrate the same sentiment captured by the longer qualitative interviews —that banks are useful but are simply not designed well for immigrants.

Only 39.5% of entrepreneurs in the phone survey say they have a lot of confidence that they will be treated right by a bank. Koreans have the least confidence that they will be treated right by banks with 33.6% reporting not very much or no confidence; 20.5% of Latinos share the same lack of confidence.

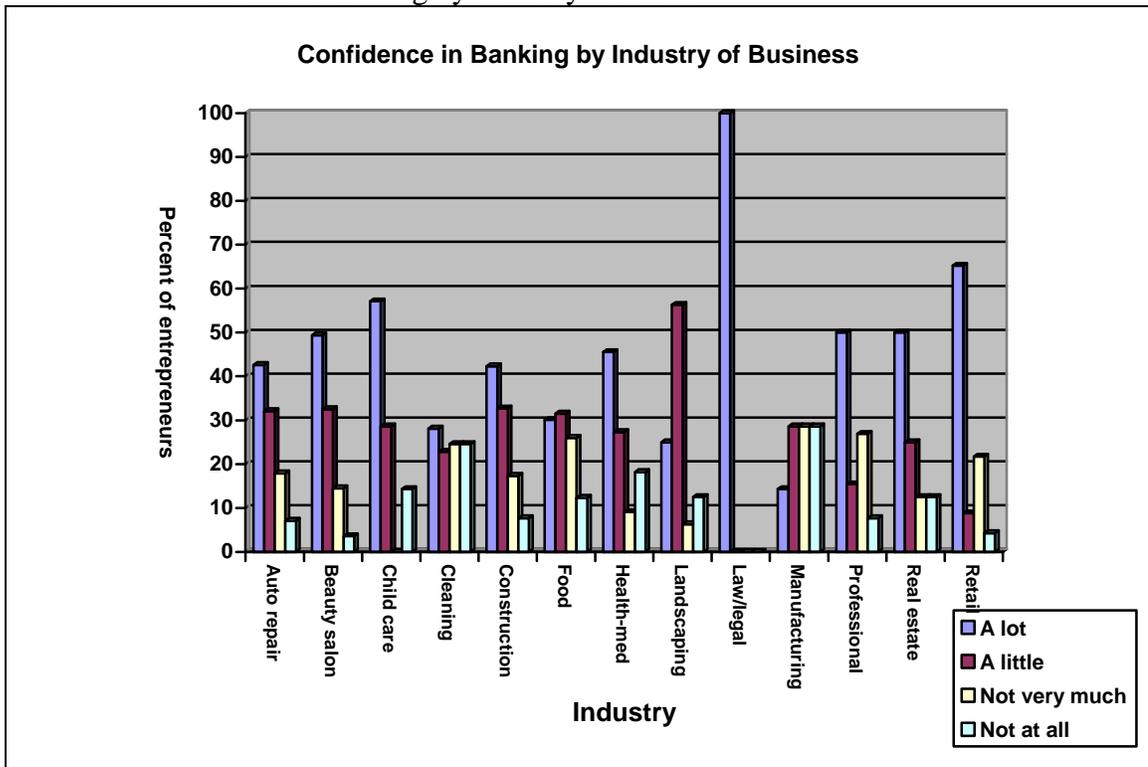
Table 3.1 Confidence in Banking by Ethnicity



P=.00, Cramer's V=.269

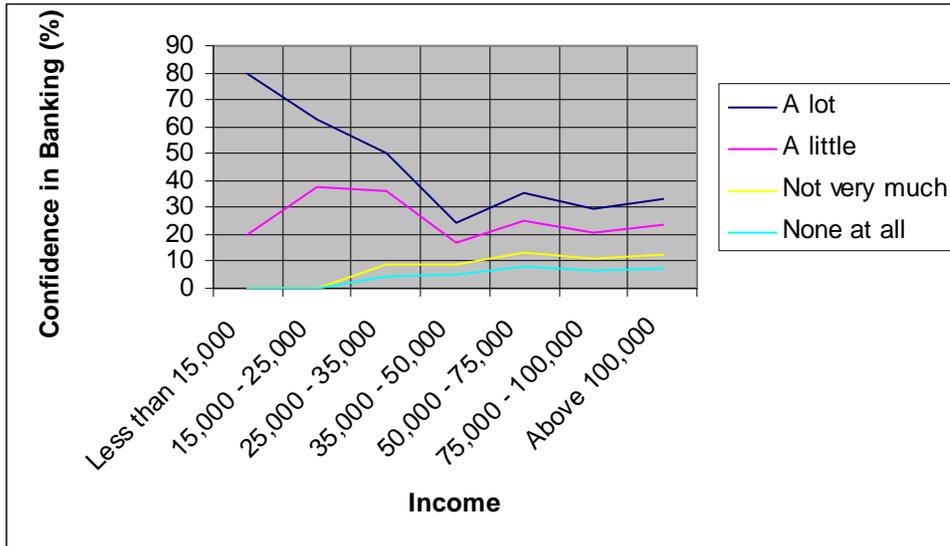
A chi square analysis of confidence by income or by industry also shows significant differences. However, low counts in certain industries and income brackets make the data less reliable. Gender was not significant. It is unsurprising that entrepreneurs with a higher income have more confidence that they will be treated right by banks. There were very few entrepreneurs in the bottom income brackets, but it worth further investigation to see if middle income entrepreneurs are, in fact, the least confident—as the survey data suggest.

Table 3.2 Confidence in Banking by Industry of Business



P=.024, Cramer's V=.202, Note industries range in count from 4-73.

Table 3.3 Confidence in Banking by Income



P=.007, Cramer's V=.158. Note: Low counts below \$35,000.

Despite entrepreneur's uncertainty that they will be treated right, 73.9% of entrepreneurs would prefer to get a loan from a bank if they needed a loan, but this does not mean they can get one or are pursuing this option. Indeed, the obstacles are numerous and include, as the following sections suggest, language issues, banks' patterns of denial, problems in community outreach, the complexities of Small Business Administration (SBA) procedures, and the emphasis on "business plans."

Language

Gatekeepers and entrepreneurs share the knowledge that there is a language barrier. Most bank branches try to employ some staff who speak another language and "look like the people" they serve. However, in Northern Virginia, this requires the availability of employees who speak several languages and sometimes tough choices have to be made—such as whether to hire a Chinese speaker for a predominately Latino

area or another Spanish-speaking employee. One bank employee described how her workload is lopsided compared to other employees; she always has long lines when others have no customers. Another noted that employees can speak multiple languages, but when a non-English speaker calls he has trouble finding someone available to translate and must keep the entrepreneur on the line. Furthermore, the person with language skills often knows little about lending. (Even recruiting bilingual staff is difficult. One mainstream bank aims to hire 200-250 recent Spanish speaking college graduates each year for the bank's management-leadership program because when they sought to hire Spanish-speaking managers away from the competition, such people did not exist.) Another bank, which specializes in outreach to the pan-Asian community and is beginning to attract Latinos, has representatives who speak eight languages, but employees still find themselves substituting for each other and trying to communicate across language barriers. One of the bank's senior loan managers, who is well known by micro-credits as one of the best people to approach, explained how important it is to extend a little understanding of other cultures. This also makes solid business sense.

The biggest obstacle is language. Language is the common bond that holds us together. I see this all the time. An immigrant comes in here all stiff and then they see that you speak the same language as them and the walls come down. They know you understand them and at least a little bit about their culture. This one time this guy who spoke Spanish came in and I was talking with him and I could tell we were having trouble communicating, and I found the lady here who speaks Spanish. She took 5 minutes to say what I had taken 15 to explain. The man's face just brightened, and he said, "Oh, that's what you were trying to tell me." I see that all the time. I know myself as a Sikh, as an immigrant even though I was born here, if someone understands my culture just a little I feel so thankful and relieved . . . A little. It goes a long way . . . Even when you just get to talk about the political news back home or the weather back home. Who's running for association president? Then you say, "Oh, I know his brother or my brother knows his brother." This networking leads to business.

Gatekeepers repeat the importance of having employees who “look and sound” like clients. However, when that fails, non-profit gatekeepers utilize patience, flexibility, and warmth, as well as educational programs designed for immigrant entrepreneurs. Sometimes they will use translators, volunteers, or multi-lingual staff, but the one-on-one attention they can provide entrepreneurs is itself highly effective. However, these non-profit gatekeepers (and some mainstream bank heads who are very focused on accommodation) feel they are spread too thin or are doing it all on their own. Unfortunately, as they successfully increase their client base and become trusted community institutions, they lose their ability to spend much time with entrepreneurs and maintain critical relationships. Balancing growth and one-on-one interaction would require more staff than they can afford, but these one-on-one interactions are invaluable to entrepreneurs. A Latina retailer has become especially mistrustful of her bank since she returned to her home country for an extended visit, leaving her daughter in charge. The bank charged her \$500 (\$5/a day) for a missed deposit. She does not understand why the bank did not alert her.

I would like to go, like I used to go before, and talk with somebody and explain what you need, why you need, and then say yes or no. I would like somebody to tell like...to do like that. You know, right there! Not to wait, and then to send you a letter, you know, that type of mechanism I hate. Another thing that I hate is the machines in the phone. I like to talk with people. I want to explain to a people, not to a machine.

In this case, she highlights the problems with banks that do not form relationships with their clients. Non-profits sometimes use relationships to bridge gaps left by language deficits, but relationship-building is critical regardless of organizations' language

abilities.

Banks “Deny, Deny, Deny”

A business lender at a mainstream bank with two decades worth of experience explained that banks really do not make much of a profit.

Banks do not lend money on a crap shoot. . . .Our pricing model looks at how much it costs to get the money, because we’re taking the deposits. What it costs us to have brick and mortar buildings, branches, loan officers. This is our pricing model. If you add these three main elements and the profit margin [is] 2.3%. That includes our tax rate. So our true net profit is about 1.56%. Now I know you are not a business person, but in typical business margins, the profit margins are 6% to 36% and we’re running a 1.5% profit margin! We can’t afford to make too many mistakes. The risk factor on every lending is at least 25. That’s the probability of failure is 0.5% on any business. On a restaurant it might be 5.0%, ten times the standard risk factor. Start ups are very difficult to fund from a commercial bank perspective because our risk factor is this big and our profit margin is this small.

This pricing model means that banks are often not in the market to fund start ups or immigrant entrepreneurs with little collateral or credit history. Gatekeepers as well as immigrant entrepreneurs express dissatisfaction with the system as well. An enthusiastic young African-American banker switched to community development work because she felt on a daily basis she was “denying people, deny, deny, deny.”

Latino entrepreneurs often describe banks as places that do not help. Immigrant entrepreneurs consistently expressed frustration that banks only want to lend money to people who do not really need it. For example, when an older Bolivian retailer was asked if she had received a loan for her business, she simply said, “They don’t give loans. Banks, they think the loans it is for somebody who has the money already in the bank.” A female retailer from El Salvador (whose business failed after three months) explained her confusion:

I didn't apply in the bank for the money because at that time I don't have a job. You see they not going to give you any loan anyway. You have to present it to the bank, how much you make a week. Even if you going to open a business, you have to have a job. I don't know how that works.

More established business owners also expressed cynicism and frustration over their inability to obtain loans. A now well-established Latino newspaper man has vowed "*venganza*" against the bank for initially denying him credit. Now a thriving enterprise regularly courted by banks, he tosses all offers aside. Likewise, an older man whose restaurant has been in business for 16 years must use his wife's credit, bank in his country of origin (where his "credit is good"), or partner with co-ethnic investors. He noted, "For example, me that I have my business, it would be great for them to give me a loan, for my experience, for my record, but they won't give it to me." Similarly, a young construction business owner from Mexico, who participates in a non-profit's business incubator program, found the bank that she was working with inhospitable. She thought perhaps the bank was reacting to her nationality or was unwilling to give people like herself a chance for upward mobility. She wondered how successful her company could be if a gatekeeper would just open a door for people like herself.

The first time the customer service was... I felt it like discrimination, like they don't believe in you whatsoever. That's why we closed the account with that bank because she behaved very rude. I said that it was maybe because we were Hispanics... I don't know if it's because of our race, or because they don't believe in us. But we have demonstrated to them... we are incorporated, everything correct, licenses, we have everything fine, so there is no way to say no, but as I told you, it's always a barrier... I ask myself many questions. I don't get it because if they opened the door for somebody I think there would be many more people that would succeed because sometimes you are not born rich but you could become rich.

It is particularly important for construction firms to utilize flexible lines of credit. Firms

win sizable contracts but must have the capital to fund supplies and workers' salaries until the firm receives payment upon completion of the project. This entrepreneur interprets banks' patterns of denials as discriminatory practices that thwart her ability to transition from a struggling business to one that is thriving. In her experience, gatekeepers are indeed people who restrict access rather than facilitating it.

Community Outreach

Gatekeepers spread information by putting flyers in libraries, setting up kiosks (with a Spanish speaker) at Latino festivals and sporting events, hosting informational websites, writing letters to Hispanic businesses, attending community partners' events, and advertising in ethnic newspapers. Business assistance centers and micro-credits in the area have adapted a national curriculum for entrepreneurs into Spanish and provide personalized business and credit counseling. One multi-ethnic bank has gone so far as to invite members of the community to an Afghani lunch at the bank. Two bankers at ethnic banks bring the bank to the community anytime they walk out the front door—routinely being stopped at the grocery store or church for information. One Korean banker noted:

[To be a] bank in America has different meaning than other banks. I think bank has to not only lend money but also provide services . . . Some customers come to us whenever they get letters from governments. They even call us and ask us where post office is. So I think they're expecting much from the bank. Bank has to exist not only as its original function but as a public service institution. Bankers have to meet their expectations. We bankers try to meet their needs and look for people to help more. We keep trying.

Many mainstream banks, however, miss this realization even as they assiduously translate their signs and convert advertisements to Spanish. Many employees at mainstream banks looked dumbfounded when I asked them about cultural outreach; they

could not think of anything. One gatekeeper described having a table with credit card applications at D.C. United soccer games as part of “cultural outreach.” Others seemed to fumble and repeated that their bank does not discriminate and abides by the Community Reinvestment Act. Likewise, a female gatekeeper at a mainstream bank could not describe any specific cultural outreach her bank performs, but later talked about small actions she has taken such as making time to call an immigrant couples’ realtor when the agent refused to show them good commercial spaces because she did not believe they had money. The very meaning of “cultural outreach” is often unclear to loan providers. They differentiate personal attention from abstract strategies or corporate policy toward a specific group. Because of this discrepancy, employees who make an extra effort or who excel at working with immigrants may not be recognized as key resources; banks thereby waste a critical management opportunity to utilize employees in the best way. In this case, one entrepreneur is accommodated, but the financial institution fails to recognize that assisting entrepreneurs at these societal impasses is a necessary and marketable component of cultural outreach. As a result, the gatekeeper’s action is just one small personal accommodation but not a step toward better overall institutional response to immigrant entrepreneurs.

Taking a cue from ethnic banks that often provide information, facilitate opportunities, and demystify everyday bureaucratic processes for new Americans, one mainstream bank has produced a new line of instructional tapes on such topics as opening a checking account, obtaining a driver’s license, seeking legal aid services or health care, and starting a business. A Latino employee at this bank has seen first hand how even

white colleagues who have worked to build trust in the Latino community are now doing “huge amounts of business.” He admits in a booming southern voice, “At least 50% of the [Latino] segment remains unbanked due to erroneous beliefs by these individuals, *as well as the financial professionals.*” He has worked hard to convince higher executives that these ventures to reach the Latino community are worthwhile. Unlike other gatekeepers, he specifically addressed his bank’s ability to work with the undocumented and he claimed that any of his bankers would provide these services. .

Financial organizations continue to embrace the perception that all Hispanic-Latinos are the same. They are all mostly laborers, in the lower strata of the retail core population and they are mostly illegal. But if you don’t know any you probably assume whatever you hear in the news. Once you start to know some people, then you see that...I think there’s still a sense of uneasiness between certainly the 12 million, undocumented immigrants today, because today, many of them think we’re [the bank] American. We’re not the government. We’re not the INS, and we accept all forms of alternative ID and you can help to supply or help the person gather the ITIN number that they need, which the FDIC wants to have out there today. So we’re trying to be a bridge in many ways. But until you show up on a consistent basis and they see that you’re trying to help their economic future, then that misinformation continues to be a hindrance.

Part of “showing up” is moving away from the current model of “multicultural banking centers” (which often only means that there is one Spanish-speaking employee available during business hours and signs are in Spanish) and creating a new vision of what banking should be for a specific neighborhood and set of people. This includes creating a family friendly branch, promoting specialized types of banking, facilitating lending and remittance, and including educational components that address Latinos’ attitudes towards banks.

This is the *barrio*, you’re right in the middle of the density, so we’re opening up a branch that is different than a normal branch, because it’s smaller in square

footage. It's probably about half the size of a normal branch. The configurations in the branch are very different. They are family-friendly. A lot of the Latino population is young, with children...It's not formal, it's not stuffy. Banks are intimidating places to walk into. This is more open and happy, joyous, welcoming. Signage will be different . . . Everybody who works in there not only speaks Spanish, but happens to be Hispanic. We will also have [an affiliate of respondent's bank] right next to it that is able to do all kinds of levels of lending. Through the branch we offer all our conventional products that we do at any other branch, however, we're really going to emphasize the ones like our money remittance product to them, checking accounts that are easy to understand, less complicated. Help them understand why saving money is important, which they already know, but it needs to be in a bank, and not in a mattress, information, and you might have read about our [educational] tapes, so that's going to be a huge outlook for us. That becomes kind of a prototype laboratory for us, and then our hope is to take that prototype once we have a little knowledge a year from now, and then look at these other pockets, such as Annandale which you have a deep Korean, or parts of Northern Virginia . . . These are easier to deploy than a normal branch. The cost is less, and you can make mistakes.

This gatekeeper describes a new type of bank with the ability to help with other bureaucratic questions, build relationships, go the extra mile, experiment, and make mistakes. These traits helped define micro-credits in their early days when they were usually experimental community agencies to help the poor. However, many micro-credit officers now believe that these strengths have been lost in a chase for funding and in donors' requirements to "ramp up" loans lest they lose market share to micro-credits that will. One micro-credit employee pointed to the large stack of paperwork on her desk and suggested that mainstream banks are at the point where they service clients more quickly and more flexibly than micro-credits. However, micro-credits and banks can work together closely. Micro-credit employees coordinate with mainstream banks' loan managers to brief them on the character and potential of their clients who might qualify for a regular loan. This way a loan officer also has some knowledge of clients' levels of comfort with mainstream banks and can engage them accordingly. Micro-credits have a

list of favorite banks and loan managers with whom to deal. Further, micro-credits know which banks are the most conservative lenders and will refer exceptional clients to them in appreciation for corporate support of their program. Even “conservative” mainstream banks fund community programming and contribute to “a pool of funds,” which are loaned out based on micro-credits’ more flexible credit and collateral requirements that do not require a specific legal status.

Gatekeepers are frustrated that information about their programs and services does not reach immigrants, but often gatekeepers themselves are uncertain what resources at their bank or outside their bank are available for immigrant entrepreneurs. An assistant bank manager and former first-generation immigrant entrepreneur says her bank does not offer any classes or resources, but states with assurance that there are many services available in the community. When questioned she replied, “There are a lot of resources, but can’t say what they are.” While her bank no doubt has an office that dedicates itself to Hispanic banking, the workers and branch managers on the front line often do not have the information they need. A mainstream bank might make a point to attend community partner events and distribute information, but a branch manager does not know what programs exist if people come into a bank on their own accord. An MBA-educated manager of a mainstream bank noted:

One of my biggest frustrations in this bank is that I can’t help people who want to start up. I have no idea how to help them . . . because I have not actually had to start a business here. I mean I have never had to do anything to get capital. When I got involved in starting a business over here, the capital was already there, so I didn’t have to worry about it. I just had to worry about making the operation succeed.

In fact, his restaurant did not succeed; all the nearby cinema-goers were courted away to

a brand-new multiplex a few blocks away leaving his restaurant empty.

Often immigrant entrepreneurs cited a lack of information as their biggest obstacle to success. Latinos often lamented that other business owners did not share information with each other and that the Koreans seemed more successful for this reason. While a few Koreans told me the same joke (the business you go into depends on the person who picks you up at the airport), there was the same acknowledgement that people did not share information, feared competition, and sometimes spread rumors.

A Salvadoran owner of a kiosk at an upscale mall, who described herself as friendless and “not united with anyone,” relied on her daughter for start-up funds and a leasing agent for business information. She realized after three months that the leasing agent had led her astray, but she also commented on the lack of an available network to share information and extend credit.

When I was selling food, my plan was maybe one day I'm going to open a little spot for myself, and sell *pupusas*, and sell whatever food I know from my country. And I went to everywhere, Hispanic restaurants, and I tell them, how do you do? What do you need? And they not give me information ever, they never give me information, I went so many weeks. . . I don't have information because I asked everybody and most people who have business they never tell you the truth, no one... you say, how is that you applied for loan on this...how you can go or how you can do, they never tell you . . . for some reason they never tell you. Because they believe you are the competitor, so they not give you information at all.

The entrepreneur lacked information from banks and non-profits. Not firmly embedded in a network, she was perceived as competition by Latino business owners who withheld information. Impeded, she turned to the only available node of information, a predatory leasing agent.

Given all these problems, entrepreneurs have themselves sometimes taken on the

gatekeeper role. Immigrant entrepreneurs have formed their own resources like the Salvadoran Chamber of Commerce, Salvadoran Caucus, and AYUDA Business Coalition. They have started ethnic banks like Security One or the Northern Virginian branches of Korean banks. Latino, Korean, and Vietnamese real estate agents, tax preparers, and insurance agents help community members through financial processes. Two Salvadoran entrepreneurs, a man who runs a cleaning service with over 200 employees and a woman who has owned a title insurance company for a year and a half, have begun working with community development agencies and banks to give Latino entrepreneurs information on loans and to share their expertise. A number of entrepreneurs sit on boards, create new chambers of commerce, speak at local schools, give money to various community causes, and invest in other ethnic business. Their stores often become community hubs where people come for information and sometimes loans. One Latino entrepreneur, Abrahán (see Chapter 5), recognized that his grocery stores (which also provided notary, remittance, and tax preparation services) were places where people often ran into each other and asked for information. When the Prince William anti-illegal immigrant resolution passed, he invited all his employees and their families to the store for dinner to listen to a presentation by the police, including a young Salvadoran officer who explained exactly what the resolution meant for the community, including their legal rights if pulled over by the police. That night a few police officers ate their first *pupusa* while some immigrants met the first police officer they could trust. Now employees from cashiers to bakers are able to provide technical knowledge to anyone who asks and have a new resource to which they can turn. Yet there is one

resource of which many first generation immigrants are unaware: the Small Business Administration. Its aim is to provide technical assistance to anyone, and guarantee bank loans dispensed to legal immigrants who may be assessed as risky borrowers because of little collateral or credit.

Small Business Administration

One might expect that the Small Business Administration (SBA) would have relevance for immigrant entrepreneurs. However, most gatekeepers considered the SBA programs virtually useless to immigrants. The director of a city-funded business assistance organization was an exception. She said that the SBA website was an excellent resource for immigrant entrepreneurs, immediately signaling that she probably does not work with many first generation immigrant small business owners. In fact, her organization funds commercial businesses and mostly works with American-born minorities including second generation immigrants. Professional (medical or legal services) or highly successful immigrant entrepreneurs were more likely to have heard of the SBA, but the majority of immigrant entrepreneurs I interviewed did not even know what it was. A female Vietnamese nail salon owner was surprised and almost hurt that she and other immigrants who could have benefited from SBA's assistance did not even know it existed. After receiving an explanation of the SBA, she commented:

I think I'm interested in it and think it's very important. May I ask why this program is not publicly well-known? A lot of Vietnamese don't know about this I think. Because, I've heard that many people encountered many difficulties starting out, for instance lacking capital and knowledge etc. I know one person, I should not tell you this, but he told me that he failed once. And when he failed, he didn't have a place to live, and could not even buy bread. Fortunately, he had help from friends and was able to start over and became successful. However, the majority of Vietnamese starting new business started from zero. They did not

have money or much knowledge and I think there are very few people knowing about the program that you mentioned.

In general, most gatekeepers think the SBA's ability to aid entrepreneurs is limited. A Latina who has been employed at a mainstream bank for seven years says that her job is to "build relationships" and open business and personal accounts. She knows several immigrant entrepreneurs in the area through her personal life and describes friendly relationships with the Latino small business owners she has met at the bank. However, she did not know what the SBA is and did not think her bank was involved with it. In fact, her bank was the top SBA lender in Virginia in 2007. She stated:

I'm not familiar with those types of programs. I don't think they train us. Maybe if I was a business owner I could know, but I don't know because my bank does not get involved in this.

She was forthright that her job does not entail working through the business loan process. Here again is the discrepancy between the front line workers who have relationships with the Latino business community and the "specialized" business loan staff who have the technical knowledge. Information is thus not extended as well as it should be. One gatekeeper tersely noted, "Nobody in the mainstream knows about it [SBA and SCORE Counselors to Business Success], much less immigrants."

Overall, community gatekeepers are critical of SBA programs and certifications, even if they offer SBA programs or are SBA lenders. The director of a business assistance group and micro-credit indicated that she does not find the government's procurement and contracting programs useful but, in accordance with her funding requirements, she releases notices of upcoming contracts and helps entrepreneurs prepare bids. She explains that the government does not try very hard to help.

It's hard to say [the government is doing] strong outreach [to minorities]. Yes, there are 1,300 small business development centers and 100 women's business centers and we're supposed to be talking about it. We do. Could they do more? Do more in [multiple] languages? Probably . . . [Loses steam] Certifications are just a real mess. In general I think it's a conspiracy but anyway. Just kidding. It may be. If there's not set asides then what's the point? There are targets for procurement officers that are never met for doing contracting with women and minorities and nobody seems to get their hand very slapped.

An employee at a Latino chamber of commerce explained that it makes financial sense for companies to incur a penalty for not using minorities, since it takes so much time and effort to locate them. He has begun to offer educational programs to immigrant entrepreneurs on how to win government contracts. Some banks are making the effort to present materials about SBA programs in borrowers' native languages, and Korean bankers were especially enthusiastic about SBA programs (because the loans are guaranteed)—though they admitted entrepreneurs dislike the long wait and extensive paperwork.

Business Plans and Credit Worthiness

One final major problem immigrant entrepreneurs face is the importance in the United States of the "business plan." Most gatekeepers require such a business plan to dispense a loan, and business assistance centers think the most successful businesses will inevitably have well conceived business plans. Immigrant entrepreneurs do not necessarily share that view. One Vietnamese entrepreneur noted:

We didn't really know where to ask . . . we didn't even ask SBA. We didn't know anything. We don't have any legal counsel, we had no financial planner, we got nothing . . . No one ever had a business plan, we never seen one . . . When you run a business in Vietnam, totally luck and hard work.

This may be an over-simplification of business in Vietnam, but it confirms gatekeepers' opinion that business in the U.S. is more complicated than in an immigrant's country of

origin. Business plans are expected in the U.S., whereas an immigrant might not understand the importance of one or know exactly what one entails. One Latino entrepreneur's landlord included writing a business plan in his client's contract, which involved an additional charge of \$5,000 over the course of a year. Luckily, a micro-credit that the entrepreneur worked with let him know that they could assist him and that he was not required to pay the money. Some immigrant entrepreneurs feel they can be perfectly successful without a business plan (and even advocate to others to "not set themselves up" by writing one in poor English), but gatekeepers are reluctant to work with a client who does not have one. They correlate a well laid-out plan with success. Most gatekeepers acknowledge that it is a basic requirement: "You got to be able to do some kind of a business plan in something closely resembling English and be able to talk to bankers who for the most part are not going to look like you." An employee at a Latino chamber of commerce explained that most of the budding entrepreneurs he meets do not have much potential. He says:

There are a lot of individuals who despite having attended a seminar, or I sat down with them for an hour to do a one-on-one, either refuse to accept or just fail to accept the importance of the planning process. And because that's what we tout, we push that's what our office really focuses on. If you're not going to take that, it's really going to impede your potential for success especially as an immigrant business owner.

While immigrants might argue the business plan is overrated, not having one will seriously impede the loan process at a mainstream bank. One loan manager noted that a strong business plan is the single most important factor in determining credit worthiness.

While a business plan is crucial, it is not enough. If the person cannot meet the credit requirements, loans are impossible. One high-level gatekeeper stressed that bankers

have been instructed to use rent statements and other means to determine credit-worthiness for new immigrants. Additionally, some Korean banks offer to use co-signer and credit checks from Korea, but others do not. These banks suggested that the steps it takes to establish credit in the United States contribute to the assimilation process and that this finer understanding of American business makes financial success more likely. Micro-credits consider a person's character and participation in their program, but still want a strong business plan and a record of other loan payments. As one micro-credit loan manager phrased it, he does not have a "magic ball" and does not want to waste tax payer's money.

Mainstream gatekeepers acknowledge that basing credit on character is discriminatory, but micro-credits often let character factor into a decision. Character is determined by paying bills and participating in counseling and classes. However, one mainstream gatekeeper joked about being a "psychic" and another mainstream gatekeeper said she relies on her "gut." They report that "feelings and records almost always match" and one claimed that she knows when entrepreneurs walk up to her if they will qualify for a loan. She can tell from their confident walk and handshake. She does not think of her "gut reaction" as something based on skin color, ethnicity, or gender, but particular behavior is often correlated with such variables. For instance, she noted that "Latinos are not very detailed." She did not seem to connect the information she confided to me as another woman ("Bankers are male . . . and women are treated differently") to the problem of making loan decisions based on confident walks and firm hand shakes. Consequently, shaking hands and walking confidently are practiced regularly by

attendees at a women's business assistance center I visited. One Indian immigrant business owner turned assistant bank manager recalled that she would go to trade shows and not speak to anyone. She had trouble overcoming diffidence and a cultural norm against shaking a man's hand. Neither of these female gatekeepers advocated any special assistance or understanding of women, but simply suggested that women must work harder to appear knowledgeable to male bankers who require all clients, and perhaps women especially, to demonstrate financial knowledge (and lending jargon) to receive respect. It is essential for women to convey themselves as business owners worthy of a loan.

A Salvadoran mother of three, whose business failure after one year resulted in divorce, related her exasperation with the lack of information given when she was offered a loan by a local micro-credit. Even though she was dealing with a Latina loan officer at a place that specializes in assisting small businesses, the officer failed to elucidate the practical terms of her loan. They offered her \$10,000 but did not provide "more details on the information . . . if you were the expert, then I like to hear what you have to say, but if you're the expert and you don't tell me . . . maybe it's not worth my time." The business assistance center offered her the loan despite her ignorance. She disqualified herself when she realized she did not wish to cast herself as an expert when she saw herself only as a capable student. Unfortunately, what she learned from the experience was that banks were not for her. Yet, there are specific "empowerment" programs to help women entrepreneurs like her acquire knowledge about business and banking. One such program is explored in the next chapter.

Chapter 4. “Grow Your Own Business. . . Grow Yourself”:

Empowerment Training

Given the multiple problems in the interactions between gatekeepers and entrepreneurs, one solution is to more strongly empower the entrepreneurs so they can bridge the gaps between their business needs and mainstream resources. That kind of empowerment is especially crucial for immigrant women entrepreneurs. As an extended case example, this chapter examines how a private women’s non-governmental organization (WNGO) holding government and private grants, “extends into new domains” and attempts to transform the poor into individualized citizen-subjects through empowerment programs and the extension of credit or “empowerment debt” (Cruikshank 1999, Elyachar 2005: 193). The description of this organization’s training program will emphasize the experiences of four women. Two are associated with the Northern Virginia Office for Children: Henrietta works for a county office while Kathleen heads the WNGO. The other two, Soledad and Liliana, are home day care providers who have participated in the training program run by this WNGO with funding from the city.

The discussion begins with some background on the WNGO and the overall system of county bureaucratic-led empowerment programs of which it is an example. I will then describe the training programs and their emphasis on empowering immigrant women by urging an identity as “business women” that leads to self-regulation and the

marketization of family life. Finally, I will note how governmental and non-profit attempts to promote self reliance and women's engagement are sometime counter-productive.

Close Up on a WNGO

This particular WNGO was created as a service organization to provide technical assistance to businesses along a commercial and immigrant-dense corridor. In the late 1990's, the SBA approached the county's economic development authority and a local state university. They had a new grant and believed that Northern Virginia and its business community, a mix of high-tech companies and socially and economically disadvantaged entrepreneurs, would benefit from it. However, the grant had to be held by a private non-profit organization. For that purpose, this WNGO, Women's Work, opened for business in 2001 as a women's business assistance center. It is currently housed in a suburban office park (although originally was situated in the heart of the minority business zone). Kathleen, the director of Women's Work, explains, "Our NGO is the one [in the area] that really is tasked by the SBA to be working with minority and socially disadvantaged women. The SBA-D.C. do somewhat, but they aren't quite as incented as, they don't have the incentives built into their funding structure as we do—to *really* target."

The move to the current location provided the opportunity to design a space for women and open a business incubation center and financial education center. The doors and conference rooms are constructed of glass, which ensures that women feel safe when they host private business meetings with men that they do not know. Moreover, the center

has a large kitchen stocked with tea and chocolate that is offered to every woman who comes through the door. While Kathleen designed the space, she credits the “women of color” in her organization for drawing women to the center with advertising that “as a white woman” she could not effectively design. With that and personal outreach, women have poured into the center. Interestingly, she was originally told that a large space was unnecessary—women would never attend entrepreneurship classes. She asked when she first saw the scant space:

“Where are we going to put all the women that are, are going to want to come to these classes? Women are starting businesses at twice the rate of men, where are we going to put them?” [She was told] “Oh, you know, women don’t come to these classes.” And I said, “Well, you know, they might not come to these classes out at the university. We really want to create something that’s a little different.” Sure enough, within three months we had to rent the space next door and blow the wall out, and we thought, well we’ll put 30 in here and then it was 40 and 50 and 60, and one night we put 79 women in that room!

Yet the shift to the new space had disadvantages. In the midst of considerable excitement the staff noted that the center had lost some of its minority women. Its client population shifted from about 66% to 55% women of color. Kathleen attributes the shift to more males in the new location (they now share space with their parent NGO that serves men and women), which changes the demographic composition and may dissuade some women from coming. The relative lack of public transportation to the new site is also a barrier for some women. The decrease in women of color accessing business assistance is unfortunate since it contradicts the original goals of the center and the motivation for the move. Kathleen noted:

We had long wanted to have the space to . . . provide offices for again minority, socially disadvantaged women or others who weren’t in the high-tech field. . . We’ve began the financial education center for women entrepreneurs through a

grant from Mass Mutual and locally capital financial partners because at Women's Work I was seeing a lot of New Americans who didn't understand our banking system. [When I was at the old location] we were not co-located with our parent company. We were running pretty consistently 2/3 women of color.

However, the business assistance center continues to work with many socially and economically disadvantaged women. Some of this work occurs due to the mandated educational programs for home child care providers that are co-administered by the Northern Virginia County Office for Children—and that are the focus of this chapter.

Bureaucratic-led Empowerment

The idea of utilizing empowerment programs by governments to create self-reliant citizens is not without merit. For women in particular, such programs can help integrate them into the “formal market” and generate income. Aradhana Sharma (2006), for example, examines how Mahila Samakhya, a government-organized Indian NGO, aligned its empowerment programming with the neoliberal notion of self-reliance after male block development officers (BDOs) found that pickling and midwifery classes failed to move the women into the cash economy. The BDOs failed to consider how these projects benefited women, their families, and communities even though they did not generate income.

In the United States, business assistance centers for women are viewed in a similar light. Congresswoman Nydia Velasquez attested to the House of Representatives that supporting training centers for women's business would transition more women from welfare to entrepreneurship (153 Cong Rec H 6627). Similarly, Representative Joe Sestak, after asserting his expert position through his relationship to his wife, daughter, six sisters, and women he served with in the military, urged support for legislation that

would give women the skills they need to enter the “marketplace” (153 Cong Rec H 6627). In such congressional debate, women are acknowledged for their role in America’s economy, but viewed through a lens that objectifies them as tools for wealth creation. Nancy Jurik (2005) suggests that alteration of welfare mothers into “able bodied workers” marks a radical deviation from historical precedent—but one that does not necessarily serve to liberate women.

In general, WNGOs support neoliberalism’s tenets, which promise that with “third way” economics, economic growth, once a source of discrimination and injury to the poor, will instead provide for even its poorest citizens (Shreiner and Morduch 2002). Micro-credit programs, for example, provide credit to impoverished or un-creditworthy entrepreneurs, stepladdering impoverished women into the “market.” In the U.S., the federal government works alongside the market to actively ensure the poor’s integration by providing guarantees on loans and funding for civil society organizations and banks that loan to economically and socially disadvantaged businesses (Shreiner and Morduch 2002). Yet because of funding constraints from the SBA and government agencies like the Department of Housing and Urban Development (HUD), WNGOs are unable to be as lenient as they would like in providing micro-credit loans. Ultimately, entrepreneurs must still meet banks’ SBA credit requirements (there are lower requirements with HUD money) and centers may need to provide financial counseling to increase clients’ credit scores. That counseling is inevitably a major WNGO task. WNGOs also create networks with financial institutions and serve as advocates for entrepreneurs who do not meet SBA requirements or need more money than the WNGO can provide. WNGOs utilize private

funds to lend to immigrant entrepreneurs who cannot meet SBA or credit requirements but who have demonstrated credit worthiness by attending classes and creating a viable business plan.

In the United States, assistance offered to “New American” or immigrant micro-entrepreneurs is somewhat different from the classes offered to other women entrepreneurs. Relationship-oriented mother/big sister counseling may be offered, but subsistence-level women may not find this appropriate. There are different options. The Women’s Business and Development Center in Chicago, for example, operates a separate program for home-based child care providers, but the Boston-based Center for Women and Enterprise utilizes feminist consciousness-raising groups (Salzman et al. 2006). They “intentionally” mix classes so “women from different sectors and income classes learn about each other, about the barriers some women face” (Salzman et al. 2006: 24). The home based child care providers are welcome at WNGO events, networking breakfasts, and training seminars, but women may not attend due to lack of transportation, employment, language barriers, or simply scheduling.

Women’s Work, the WNGO in Northern Virginia, reaches many subsistence-level immigrant women through a partnership with the county that provides support for required classes for all child care permit holders. Unlike other center-based classes, workshops are structured more around survival than utilizing micro-credit funding, finding a commercial space, or using blogs to advertise a business. New American women are taught the practical and cultural basics of American business practices—credit, receipts, record keeping—and how to grow their businesses to assist their family’s

economic assimilation and vitality. Classes are taught to 20-40 women who seat themselves according to language. The training is in very simple English and women spontaneously take the lead and translate to members of their language group. Kathleen explains, “We wouldn’t want to teach in anything but English. We know that within five miles of our center here women speak 150 languages...so it’s not at all uncommon to have 10, 15 languages represented.” However, in winter 2008, the Northern Virginia Office for Children did offer an all-day training session in Spanish and released a Spanish resource guide. The translation was a long process, but the office hopes to translate the guide into Urdu or Farsi over the next few years. Henrietta, the county official with oversight of this program, told me they always find a way to communicate with the women even though it is a challenge, but that the office needs more translated documents to better serve clients.

Not because we want them to not speak English, because we do because that’s the language of the land. However, people feel comfortable speaking their mother tongue so that understanding of what you’re trying to convey is more sure. The understanding is greater if it’s in the language that you speak. So we need more resources and it’s tough. It really is.

In Class

In addition to interviewing, I also decided to sit in on one of the classes for these home child care providers. The class I attend begins with the women slowly filtering in and being asked to make sure “welcome” is written on the board in their native language. For about 15 minutes the women find their seats and determinedly fill out pink forms in simple English. Some women quickly fill out the forms, but others ask each other for help with spelling. They shape their letters hesitantly. They are then forced to speak to

women they do not know as part of an ice breaker where they interview each other about their day care business. As a result of the last question in the ice breaker, they exchange phone numbers; they have begun to network without realizing it. Next, the women welcome each other in the languages of everyone present, teaching each other (and the instructor) the correct pronunciation. Together we say as a tentative chorus, “Namaste, Buenas Noches, Salam Alekum, Soo Dhawow.” I look around the room noting a table of three African women in jeans and button up blouses, Latinas interspersed with a few Afghani and Indian women in dress pants or long skirts, and further away, a conglomeration of winter grays and browns are offset by a woman in a vibrant head scarf and magenta dress. She is, I will learn, the most experienced child care provider there, the most likely to call out a joke, and also the cheapest (\$180/week for an infant). Because women speak languages that the instructor does not know, the women are thus the experts on some level at these workshops and the initial activities highlight that simple fact.

The room is mostly filled with quiet women; only a few women offer answers and their own experiences through the remainder of the class. The class is led in a seminar fashion with Kathleen writing answers from the women on blank balloon cut outs and sticking them to the wall. In describing these classes, Kathleen later noted the importance of creating clear visual material:

We teach them how to draw signs advertising their business and they’re not very good at that primarily because they’re trying to create the sign in English and that’s not their first language. So they try it and we certainly talk about what needs to go on the sign. If they make an appointment with us they come in here and I’ll generate a computer generated sign for them with their information and 20 to 30 business cards to get them started and that’s all free. They’re wonderful

and we tell them where in their neighborhood they're going to place the signs and it's beautiful because then they call me back, "I didn't have any babies and now I have three babies and I'm so excited!"

In the class I attend, women sketch out their own signs, often incorporating balloons into their design, and many spend the time just coloring the outlines in. One draws a seesaw. The women are supposed to put what they are good at on the signs which Kathleen admits is difficult: "One of the things that's hard as women is to say what we're good at. Sometimes we're shy." Only one woman adds something that has not been suggested by the group. She advertises that she provides vegetarian meals. Kathleen calls out that if they only want Urdu or Spanish babies to put that on their signs, but all the women shake their heads emphatically. They want "all" babies. However, one woman is confused. She and her daughter went up and down the street putting up signs just like these and a police officer made her and her daughter take each one down under his supervision. Kathleen explains that they must ask permission to hang signs and that putting anything in mailboxes is illegal. Henrietta will later liken the bureaucratic climate the women must navigate to a maze. She must lead the women through by hand until they are secure enough to walk alone. Sign hanging is just one encounter with laws and city officials that women may experience. Child care is a profession that is quite regulated in Northern Virginia and may necessitate interactions with police and home owners' associations.

Kathleen proclaims from the front of the room, "You all are business women. Repeat after me. 'I have my own business.' Doesn't that feel nice to say? 'I have my own business.'" The women nod, "Yes." Kathleen teaches them how to reformulate their

experiences as mothers, older sisters, or cousins into years of child care business experience. Sequentially, all the women state how many years of experience they have. “I have 35!” a woman in a thick eggplant sweater with a small glittering nose stud proudly announces. They are beginning to reconfigure their lives into market terms and think of themselves as “business women.” A video starts and a middle-aged white man informs us, “You’re in business and you need to act like it.” Now that they understand that they are businesses, the state will treat them as such. The announcer is not involved with instructing the women to act confidently but instead attempts to convince them how easy it is to keep records and pay taxes.

After the video, the women share what it means to have a Northern Virginia County permit. The permit is something presented by the gatekeepers as a source of pride but for the women sometimes a source of irritation—for example, when they are in competition with neighbors who lack permits, charge less, and do not pay taxes. Nevertheless, the women readily note that the permit means that they have received a background check, CPR and first aid training, health and fire inspections, TB test, and six hours of training. Kathleen urges the women to figure out “how to dedicate 100% of their house” to the business to save on taxes and to remember to submit the names of their adult family members (including any child above the age of 14) to the county. (Entrepreneurs’ families are now regarded as assistants or employees who need background checks.) The women are also reminded that celebrating client’s children’s birthdays is a tax deductible business expense and that their family and children should always answer the home telephone using the name of the daycare.

Women with permits are also allowed to participate in the USDA food program and are reimbursed for serving nutritious food. Only five women (less than 20%) in this group participate in the USDA program compared to about 30% county wide; participation means an additional orientation session, extra paper work, record keeping, and quarterly inspections. Henrietta admits that the USDA program is very “cookie cutter” and that the duplicated menus that the women receive are not very accommodating to cultural differences, though they do have a special version for Hispanics. Many of the women may not realize they can create a new menu that fits with other culinary traditions as long as they meet basic nutrition standards. Underutilization of the USDA program may be a result of a hesitancy to allow surveillance of one of the most inner realms of the home, the kitchen.

Results of the Training

Through this kind of training, these women’s lives and their families’ lives are transformed. Families become small businesses. As Henrietta commented, people are used to “learning taking place out there [not in the home]. In the institution, the school, the college.” However, Women’s Work and the Northern Virginia Office for Children extend the institution into the home. Upon passing health, fire, and child specialist inspections, the families’ homes become formally regulated institutions. Henrietta suggests that this is one of the biggest obstacles for women home day care providers.

Being able to see their care of children as a business . . . we do always refer to it from day one that this is a business and it is a profession. It’s a professional type of job and we do not refer to it as babysitting. When you are a child care provider you are a teacher.

The county and Women’s Work help daycare providers, babysitters, and mothers

conceive of themselves as business women, professionals, and teachers. While Henrietta assists women in becoming business savvy, she is especially excited about helping women improve as instructors and meet early education standards. She speaks warmly of the providers saying, “Many providers are soooo[sic] loving because they have less children. Because children they love to hug you and sit on your lap and all that and providers do that and that’s lovely. Provide all that comfort.”

But loving or mothering in a home-based environment is not enough. The state and county intervene in order to try to guarantee that children are safe and prepared for school and ultimately adulthood and the job market. They must do this not only because “parents spend less time choosing a provider than they do choosing the color of the car” but because the home day care providers may have child care standards that are not appropriate. Beyond having hazards in the house like blind cords and plugged-in hair dryers and coffee pots, cultural differences can result in unsafe child care. For example, Henrietta noted:

The providers sometimes don’t think constant supervision is needed because this was not done in their countries and the children could walk out in the neighborhood and not be under constant observation. We do not accept that here. That’s something that’s difficult at times for them to comprehend. . . Children should always be within sight and sound.

While she deems regulation critical to child care businesses, she appears somewhat uncomfortable with the marketization of child care. It seems she often adds her maxim (“It is a business.”) to help herself conceive of child care as a business. Admittedly, she is somewhat less lauding of women who go into child care more for business reasons and less for interaction with children or who think “only of money.” However, she quickly

adds, “But it’s a business! Like we tell them this a business. This is your business. You need to take care of your business.”

Similarly, Kathleen’s goal is to create self-reliant entrepreneurs, but she does this in a different way than most gatekeepers who would frown on the high levels of assistance she provides as “spoon feeding.” Kathleen frames herself as the head of a family and is happy to provide some hand holding for a woman if it will result in self-reliance later on, but she takes starting a business seriously. She proudly states, “We give hugs here and we give kicks in the butt. . . We’ll give you a hug if you’re having a bad day, but we don’t want you taking a risk and losing your house or your shirt or putting your family in jeopardy. This is serious business.” Kathleen transfers self-esteem through hugs and knowledge, but also teaches the women how to conceive of their lives in market terms (Elyachar 2005).

The specific effects of the training can be illustrated from interviews with the two home day care providers. The first is Soledad, a 31-year-old Bolivian who has only run her daycare in her townhouse for two months. She does not recall the lessons on record keeping but instead describes her experience with a fledgling vernacular of empowerment. Keeping her eye on her neighbor’s son in a nearby crib she says:

They are teaching us how to grow your own business and how to grow yourself as a woman because we are busy working for other families, growing their children, but we don’t care our self. Teaching us how to do you. Maybe to go to school again. I don’t know about that but [laugh] to take care of self is a very good idea.

Her words reveal that the program does have some genuine value for her and that “growing herself” is of benefit. However, from the state’s perspective encouraging women’s self-esteem works to free the state from some of its own oversight

responsibilities. Soledad describes how out of touch the development agency's goals are with her own and she seems unconvinced of the worth of the classes. Yet she confides there is a "best part," reminding me of the feminist goals of networking and maintaining a space of one's own:

The good part is that you meet a lot of new providers. I never know this lady and we live around here very close by, and we didn't know each other before. It is fun, and I relax a little bit. From 7:00 to 9:00 I am out of the house for two days a week. A little bit of space for myself.

This me-space is critical for a woman who repeats to herself not to be desperate on a daily basis because her family does not always have enough food to eat. Two nights a week she is given the freedom to think about her self, make friends, and consequently learn business techniques that may improve her life.

Soledad has only been attending classes for a few months and is just beginning to articulate a notion of what it means to be empowered, while Liliana, the second day care provider, is a Salvadoran woman who has run a home-based child care business for 16 years, and displays the successful transformation to a citizen who governs herself. Her business is nearly full with five children, and some years she has a waiting list. In the beginning, she shied away from clients who did not speak Spanish, but currently her customers include "mostly white people" and even one "African baby." She finds meeting new people and families enjoyable, whereas many beginning child care providers find speaking on the phone to potential clients excruciating. She talks about the impracticality of having women who speak different levels of English in the same class and wishes they would teach English, writing, and more about how to talk to clients—though the women do rehearse telephone scripts in class and the county provides a script

on their website. Aiding her success is the network of “moms” that help Liliana advertise and find new children; she also hangs flyers in grocery stores and hands out business cards. While Soledad, as an undocumented immigrant and new business owner, is uncertain about regulations and the legal system, Liliana articulates the sense of security the law imparts.

The laws I like it a lot because like for me it's to protect the children. I cannot allow a child abuse, not even from the parent home. I cannot allow that. If a child comes with a bruise I have to ask if they don't explain it to me. I have to call somebody else like social worker. If I do something wrong, they call social worker and I can be in trouble . . . To protect the family and the children. I like that part.

She is glad that the law is there to protect her and the children. Liliana is able to explain in great detail the differences between various permits and the regulations she must fulfill. Recently, when a new inspector visited, she reminded the inspector of everything the inspector was required to observe, demonstrating that she has truly begun to govern herself.

Liliana started her business with minimal goals—to combine child care and paid labor. But she has developed into a successful business woman. With her accrued experience she would like to open a Peruvian chicken restaurant, generate more income, and send her daughters to medical school to realize their dreams of becoming pediatricians. However, Liliana notes that it is harder to find clients than it was a few years ago when almost all her children were paid for by county child care subsidies. She is aware that counties are not funding subsidies at the same level as they did two years ago. For example, 3,600 children were on a waiting list for child care in Fairfax County as of March 2007. A dismayed local politician claims the subsidy system has lost funding

because the state government does not understand how the program differs from welfare (Rein 2006). The county is unwilling to use surplus money to fund the program, although it has committed funds to keep the county's Self-Sufficiency Office open later for working families, host a women's leadership conference, participate in a state-wide women's forum, and organize a conference on women entrepreneurs (Department of Family Services 2007).

This kind of intrusion of politics into crucial elements of entrepreneurship is not an isolated incident. More extreme government actions occur and in the contemporary United States, many of these occur at the local level. For example, in 2007, Prince William County passed a resolution that has deeply impacted entrepreneurs' lives and businesses. The next chapter addresses those changes and how they have complicated the stories of immigrant entrepreneurs in Northern Virginia.

Chapter 5. “You cannot cover the sun with one finger”: Five Stories

During the summer of 2007, Prince William County’s Board of Supervisors voted to restrict undocumented immigrants from county social services, fine business owners for hiring unauthorized workers, and enter the police department into a relationship with U.S. Immigration and Customs Enforcement (ICE). The result was considerable “brown flight” from the county. The resolution has created concern over human rights abuses, increased taxes, property devaluation, and business loss. Since mid-July, Latino immigrant entrepreneurs have seen much slower days and have begun to worry about their businesses; some entrepreneurs report from 50% to as much as 90% loss in sales, although many admit that the immigration crisis is inextricable from the region’s foreclosure crisis. This chapter will outline how the politically charged environment in Prince William County, and across Northern Virginia, has affected both bureaucratic institutions and immigrant businesses. The chapter will then address in more detail the business experiences of five Latino business men and the political resistance strategies they have employed in reaction to the resolution.

Mounting Tension

Prince William County is located within a Northern Virginia area that is generally viewed as distinct from both the rest of Virginia, and the D.C. metropolitan region. It is only in relatively recent history that the county has been considered metaphorically

“inside the beltway” (Karnes 1998). Prince William County is 35 miles from D.C. and does not directly border it, but less expensive housing, improved commuter options, and an increasing number of high tech firms have attracted many new residents. By 2006, the most rapidly burgeoning sectors of the housing market were million dollar homes and upscale residences in gated and golf course communities often limited to upscale Baby Boomers (Kranz 2006).

Unlike the rest of the Washington, D.C. metro area, Prince William’s suburbs are near farms, forests, and civil war battlegrounds. The strip malls that house immigrant and mainstream businesses reflect this environment. For example, “Marumsco” plaza, which rolls off the tongue with an almost natural Spanish accent, is named after “Marumsco” farm, which stretched for acres and was still shipping milk from its dairy farms to D.C. by train in the 1940’s (Karnes 1998). Down the road, across from Bull Run Plaza, named after two of the most decisive Confederate victories over Union troops in the Civil War, is a Latino owned business. Prince William’s role as a steward of history has led to a reputation as “slow-growth,” which ultimately led Disney America, a proposed theme park that would have included a “virtual reality” Civil War battle and Underground Railroad attraction, to withdraw its plans. The park would have created nearly 19,000 jobs and contributed \$47 million to Virginia’s economy, but would have bulldozed some of Manassas National Battlefield, affected 18 other battlefields, and directly bordered a black community with antebellum roots (Shiver 1994, Synnott 1995). Proponents of economic development lowered the flag to half mast at city hall the day Disney left while the 3,000 people who had led an earlier protest march on the National Mall must have let

out a synchronized sigh of relief that they had protected their way of life for just a little while longer (Janofsky 1994, Synnott 1995).

Prince William has experienced the most demographic change in Northern Virginia over the past 15 years. Prince William still has a larger African-American population (19%) than other parts of Northern Virginia, but has also seen its rate of foreign born increase at the quickest pace (from 6% in 1990 to 19% in 2005) out of the Northern Virginia counties (Dopkins et al. 2007). The surge in overall growth and new residents has increased the median household income to \$80,000, but there are still sharp economic disparities between residents (Kranz 2006). In 2000, 7% of African-Americans and 8% of Hispanics lived below the poverty line, as compared to 3% of whites (Dopkins et al. 2007). The county has had to respond relatively quickly to growth. In addition to increasing the number of fire fighters, police, and school buildings, the county is also building a new cancer center and opera house.

The proliferation of immigrants is thus only one aspect of change in this rapidly evolving county. Yet it is the issue on which the Prince William Board of Supervisors has often tended to focus. News of the unanimous decision by the Board of Supervisors to implement immigrant restrictions hit newspapers the morning of July 11, 2007. Tensions between Latino residents and their advocates and the county government and long-term residents have been covered extensively by local and national media, perhaps escalating feelings of fear among Latino residents. Chief of Police Charlie Deane announced in July 2007 that he expected possibly violent reactions from gangs and Latino sections of the county. These have not occurred. He was given 60 days to determine how he would

enforce the new legislation, which called for county agencies to check immigration status in order for residents to use social services such as libraries, swimming pools, and parks. At the last minute, the county amended the legislation to exclude public schools from the new requirement. March 2008 was the first month that the resolution was enforced and drivers pulled over for routine traffic violations could be asked to prove their legal status if there was probable cause, such as the “inability to speak English,” to suspect they were undocumented (Miroff and Mack 2008). The Puerto Rican Legal Defense and Education Fund sued the county on behalf of two legal business owners and several undocumented plaintiffs, but has not yet had any success in the courts. In addition to the effects on immigrants, these changes had significant costs to the county. In February 2008, the Board of Supervisors voted to empty Prince William’s contingency funds to support the implementation of the resolution, in particular, to finance video cameras for police cars that will help protect the police department from lawsuits. At the end of March 2008, the board then voted a 27% increase in property taxes to balance the budget, fattened by immigration initiatives (Mack 2008).

While the original resolution threatened to check the status of those in parks and libraries, sufficient money was unavailable. However, the fear generated by the resolution, coupled with fewer job opportunities, has caused many Latinos to move to other counties or to stay inside as much as possible, transforming neighborhoods and shopping centers in once immigrant-dense parts of town from thriving commercial areas to areas reminiscent of ghost towns abandoned after their heyday. The owners are left to witness the changes and figure out strategies to survive and revitalize their stores and

community. As one of the entrepreneurs said, “You cannot cover the sun with one finger” or “*No se puede tapar el sol con un dedo,*” meaning that the resolution is trying to solve a large problem with a little solution. He suggests that the immigrant community cannot pretend that they do not need to work with the county to find a path towards legalization. Conversely, the county cannot expect the resolution to solve their growing pains or that all immigrants will leave. The sun’s force is too strong to be so easily blacked out. My interviews with Northern Virginia entrepreneurs took place as this situation was developing. The five profiles that follow thus say much about immigrant entrepreneurship in general, but also much about entrepreneurship under threat.

Five Stories

Abrahán

Abrahán is one of only a few entrepreneurs that I coded as “thriving” in my qualitative sample. He has multiple locations and businesses, employs approximately 100 people, and does well for himself, something I judge by the amount of money he donates to various causes and the number of boards on which he sits—as well as the small gold and diamond tie tack in the shape of an “A” he occasionally wears. When I meet Abrahán, I am immediately charmed, his soft voice and welcoming presence puts me at ease. We meet in a building he is renovating that smells like drywall and has dove wrapping paper (left over from the church services held here months ago) covering the windows. To me, he seems a quiet man with a good heart who loves his family and the outdoors. Just as he often serves as a patriarch to the community, he literally takes me by the elbow and fathers me. I follow him one day and amidst a crowd of people we sit on a

bench and lean in conspiratorially to discuss his thoughts on politics and “the community.” He does not like to use the word “discrimination”—this is a remnant of his father’s demanding perfectionism and self-sufficiency—but he tells me a story about being followed into the parking lot of a local convenience store by a white woman with two small children. She confronts this grandfatherly figure in his pristinely pressed suit, with an American flag pinned to the lapel. She takes umbrage at a dollar bill he has picked off the floor while waiting in a long line at the convenience store register. He had asked nearby customers if it was theirs, but this lady wants more. She makes him approach an elderly woman just getting out of her car with the dollar and say that he believes it belongs to her (even though this makes no sense) because “people like him are taking her medicine . . . people like him are thieves.” She could not have realized she was talking to a U.S. citizen who is one of the most upstanding leaders in the D.C. metro Latino community. To her, he was a lesson to her young children, a spur on her heel, a small brown man to be chastised. For Abrahán’s part, he realizes that this five minute event in his life is not its defining feature. “You know me. I am lucky to be one of the last people on earth to need a dollar.” It was not always that way. He grew up poor but by his 20’s was in a managerial position, one of the few in El Salvador to have “the privilege of paying taxes.” When he arrived in the United States he literally worked for a dollar a day in a kitchen in D.C. with another young Salvadoran male who had also fled war and likewise went on to become a prominent businessman.

Abrahán was once a doctoral student of engineering in his home country, but like many other entrepreneurs, found himself in a series of jobs that did not interest him

much. While he is grateful for the opportunities he received, particularly the sponsorship of his family for citizenship by his employer, he knew he was worth more.

I got myself a job in construction. A big building construction but it was so boring because all we did all day was to move boxes, sweep the floor. You know do this, do that. Take a break . . . I was lucky to hook up with a gentleman who needed somebody for a week to do demolition and then when we start to talking, I was lucky that he spoke Spanish. I knew a little English so we developed really well and I kind of developed with them and they realized I had a lot of potential. He was an American employer and I work about five year with that company. I was one of their foremans and I used to do be like a crew leader and then I . . . Well something happened really. I asked for a raise because they had hired an English man and he was making more money being a carpenter and I was a carpenter and I was the lead carpenter. I was told, "We're paying you what we think you're worth." I thought, "Ok." I didn't think anything of it, but later on the words came back to me and I was like is it true? Is that what I'm [worth]? Is he really more than me? I knew I was busting my rear end because I am a workaholic. I love to work. (Laughs) It just hit me. So I thought I am going to figure out how much I am worth and I put in my resignation and the guy said, "Fine." But when I was ready to leave he realized how much he was losing. He came back to me. If it wasn't for money why was I leaving? "Because," he said, "if it's money just tell me how much you want to make and I'll pay you." I said, "It's not about money. It's just about trying myself," and I left.

In 1990, after creating a modestly successful construction/handyman business, he partnered with a friend to open a 2,500 square foot grocery. His wife left her job cleaning hotel rooms to work the cash register and they hired someone to work the meat counter. Abrahán managed the store during the day, and his partner took the night shift. In the beginning he operated primarily through trial and error, but managed to survive the downward economic swing brought on by the Kuwait war. Perhaps his most important realization was how varied Hispanics are, even though they are often represented and represent themselves as a "community." He says, "Being Hispanic does not have anything to with what your customs are. It's totally different if you're Mexican even.

Peruvian. Central American. It's all different customs. Different foods. Some of them the same with different names and we learn that too." While he made mistakes, he worked hard. He did not make much money at this time but, because he was filling a niche for the Latino population, his customer base was growing quickly and he found himself "running to catch up with his business," moving to larger locations every few years. He now owns three locations for his grocery store and two insurance companies. As the largest Latino grocery stores in the area (they also provide notary, tax preparation, and remittance services) he has met many Hispanics from different backgrounds. His stores have become a place people come for information. He explains:

Our loyalty comes from word of mouth because I inherit this from my father that he was always involved in things in the community and he was always helping someone doing something and he demanded that we did the same. When somebody needs help, you help; do not wait until people ask for your help. You have to step up. It was kind of naturally we start getting involved with the schools and the police and the county.

Consequently, it was natural, then, for a well-known Latino organization to approach Abrahán to assist in forming a Latino business coalition—to leverage his business connections and the respect the Latino and wider D.C. metro community has for him towards fighting the Prince William immigration resolution, which he battles with a cool head by asking the state to consider the economic consequences to Prince William.

The director of the organization that sponsors the coalition says:

The conversation unfortunately in too many state capitals is undocumented and they're a destructive force on American society and we wanted to flip that around and remind them of the economic contributions of immigrants, of the fact that we are woven and part of American society and that we are not leaving, and that there is an economic price to these very severe anti-immigrant resolutions.

The coalition of business owners has lobbied elected officials and political candidates and aired a commercial across Virginia and on national television stations including CNN after *Lou Dobbs Tonight*. The commercial shows the empty storefronts of Riverside, N.J., a town that passed an anti-immigrant ordinance and repealed it just one year later. It then asks Virginia to think carefully and “be careful what we wish for.” At a conference I attended, Abrahán was invited to give a short talk on how his organization has built alliances. I spoke with him late the night before. He was having computer trouble but told me that he would just speak from his heart. The next day, his quiet, heavily accented voice calling for reason awkwardly juxtaposed the melodic cries for justice of the activist and community organizer who spoke before him. The crowd seemed uncertain what to make of the business owner in their midst, but after he showed the commercial the room burst into applause. He explained at the meeting why business leaders and a reasoned approach are critical to efforts towards immigration reform:

During the summer I got involved with all the demonstrations and rallies in D.C. and I tell you we were very successful in doing that but we changed nothing. We still didn't have an immigration reform. That is why we want to take this different approach. We want to educate our business peers into becoming involved and staying involved because traditionally we don't. When things don't work out, we just go back to our comfortable zone, comfort zone as you call it here. One of our goals as an organization is to keep the Hispanic business community together, working with the non-profits and other city programs so together in unity we can achieve our goal of equality. We want to take the argument away from the election media rhetoric of immigrant community into focusing to the business, into economic argument. Into what we really bring to the table. That we're not a burden to the economy of this country. . . Our dream is to grow to enclose most of the business community of the metropolitan area in Washington and to go on and create different chapters throughout the country, in different cities where most of the Latino community lives. After doing so, working together as a unity throughout the country. One thing we have to keep in mind and we are very passionate about it, with everything we do we're passionate but we also understand passion takes place of the reason when the passion is too drunk. So we

have to keep our heads clear so when we're talking here about working with groups and understanding each other. That's one of the basic principles.

The end of his speech referenced the trouble he has had working with some other groups in the area, including being welcomed to their meetings with a room full of boos. Marcos or Mark, a business owner and member of the organization that derided Abrahán, says, "They [group members] were kind of disappointed. Let's put it that way—that he wasn't doing or participating in the direction that we all want to go. I don't know exactly what happened. It's hard to believe that Abrahán wouldn't be in favor of doing anything to stop the resolution because he lived it. The life of immigrants." Further, Marcos asserts that there is not a split in the Hispanic community. The sponsor of Abrahán's business coalition also does not acknowledge that the Prince William resolution has created immigrant factions, saying, "Well I think it's really simple. I think an attack against our community is a unifying force and if you can seize that and use that to rally a cry then you will be successful." However, when Abrahán spoke up and said that he thought undocumented Latinos needed to figure out a way to obey the law and work with officials, the community resisted and perhaps felt betrayed. He later explained:

There are some groups in the community that are . . . using information and using fear in our community to get their agenda forward. There are some realities that we cannot change. We cannot pretend to cover the sun with one finger. If we're doing something bad . . . and somebody tell us, we have to thank them and we have to see what we can do to improve. That's the part that troubles me. When I told them that there's some things that we need to fix from our culture that we cannot pretend that we're not doing wrong . . . when we're a guest group here no matter how we see it. My store got boycotted and sabotaged . . . there were a lot of people spreading rumors about how bad of an immigrant I was and how much I was against the community. It took a toll on myself. I don't know if we ever recuperated from that. That was at the high point of the summer when we had all of that. They cut my power one night. I just lost about \$12,000 worth of

equipment. I ran to the main disconnect and sure enough somebody had pulled it off and the pilot gave in and I put it back in and the surge damaged it.

When I asked if it was certain that a person did it, that it could not have just happened, he replied:

No, no. There was some people. The camera got some people but not clear enough to point a finger. That's when we cause a little bit more trouble to our self because we don't want to learn.

In response to the Prince William resolution, the economic downswing, and increased competition for his Hispanic customer base from Korean and chain grocers, Abrahán is opening his first grocery store that targets “Americans” and has hired a consultant to determine how to accommodate them. His sales in Prince William have decreased 12% but he figures with inflation it is even more. In Alexandria, his sales have declined 20%. He says:

In all fairness, I don't think it's solely because of the immigration thing. It's mainly—should I say mainly?—I don't know but it seems to me that the economy downturn and the fact that a lot of people bought more house than they could afford and more houses than they could afford. You have people that are working at McDonald's and they have \$500,000 homes that they want to turn into the bank if they haven't. Because they had all these people living in the house so they could pay it. Now they're all gone. What it does psychologically is you're trying to struggle to keep your act together and then on top of that you have the legislation. It's like you lose all interest in survival. You let go.

If he had known that so many Latinos would move from the county because of the resolution, he would not have bought his new property, but he is “stuck.” Never one to let go, with his innovations he may very well pull off his next successful venture.

His gray beard scratches my cheek as we hug goodbye and he says:

There were forces against us you know. Not everyone wanted to put in the money. It's a *problema con fiel*. We had forces working against us. Some politicians.

Some Hispanics. So we met and I said I don't have time to be here with you away from my family and my business. We talk straight to each other and we made a pact. What I call a blood pact. We will not talk about each other. We will be straight.

The schisms of the Prince William conflict that Abrahán mentioned were revealed to me further in the upcoming weeks. They are noted in the narratives that follow.

Marcos

Mark wears a black leather jacket and jeans, has a quiet commanding voice, and is reticent to talk about anything other than the Prince William resolution. Mark came with his older brothers and sisters to escape the civil war in El Salvador and now, 17 years after his first endeavor, owns four restaurants in Prince William County. His work is something he does not wish for his children because "it is just too hard." His accent and speech are fully Americanized, particularly when speaking to vendors or other business contacts. In the same tone that makes me feel I have little control of the interview, he commandingly chides his contact, "Come on man. What is this? You've raised the prices two weeks in a row!" This man strikes me as the commodore of four vessels. He barks directions in Spanish to his predominately Spanish-speaking restaurant staff and takes on the tough air of a man who cannot be played with over the phone, yet he is diplomatic to the delivery truck driver who has to wait for him and is fraternal to his customers. He counts out a thick roll of hundreds that he pulls from his pocket. As a business owner who must deal with "jacked up" prices, discrimination from the county, and being associated with a Hispanic political group that is sometimes viewed as radical and confrontational, he never lets his guard down with me.

While Mark is not suffering as heavy a loss as some entrepreneurs in Prince

William County, his business has been impacted substantially. In August 2007, he noticed a \$30,000 decline (about 27%) in sales at his best restaurant, down to \$80,000 for the month. By February 2008, he was taking in about \$55,000 a month. An entertainment venture he launched eight months earlier is also not working as smoothly as he predicted.

[Restaurant's name] has been affected, if not more, at least 50% of the sales went down since. It started going down around July 10th when the resolution was approved and then it didn't become a law until the middle of October. It started affecting right when it got approved because a lot of people just didn't want to wait until the last minute so they start moving out of the county and moving different places and then when it become a law and then they were going to apply it the first of January and it didn't go through because the county wasn't ready to provide the cash flow they needed to enforce it. But it didn't have to go through to do damage to the business because everybody knew it was coming. Everybody moved out. I would say this resolution didn't just affect non-resident people. With or without papers I think everybody got affected. I think everything went down the hill because we not only have the resolution but on top of that the [housing] market.

Conserving his capital, he is now unwilling to try any innovations that might draw in more business, but he may later on. He thinks that his competitors are spending scarce capital, resulting in a buzz of ineffectual advertising campaigns and wasted money in a depressed market. Mark is still able to cover his bills and has no plans to walk away from his business, something unfathomable to entrepreneurs who have put everything they have saved since coming to this country into their businesses.

I don't think a lot of people is willing, nobody is willing to just walk away from their business. I mean you're talking about an investment they made probably took them 10, 15 years to save for that investment. I think people are suffering. I know people are suffering, trying to make it.

He is angry at the county for not doing anything to help business owners. "I don't think the county is doing nothing to improve business or bring business to the city. I don't think they're doing nothing!"

Over the summer, Mark hosted a press conference with other immigrant business owners to voice his concerns to the Board of Supervisors and the larger community.

While news crews showed up, very few business owners or community members followed suit. He shares the message that he hoped to spread at the meeting.

Our message was letting them know something about the law because the resolution is not as bad as people think and the biggest concern that I think as business owners we try to educate people say, “Hey listen they’re not going after your house or going into your business. If you’re doing something bad and you’re illegal they’re going to report you and they are going to deport you, which I think it should be that way.” We did about 10,000 flyers around and spread them around. Unfortunately very few people. . . I would say about 30 people came, which is really bad. Our goal as a group was trying to inform the population what was going on and we were trying to send a message to the county and to the people and how we felt at that point in reference to the resolution. . . . I think discrimination has always been there; always going to be . . . I think that that’s not going to change . . . discrimination is not only in Prince Williams but in the whole world. Let’s put it that way. I know this law; this resolution is definitely not against immigrants. I think it’s against the Latin Community. I don’t think a Korean or a Chinese or Indian is going to be stopped and asked if they have papers. If that happened it would be one in a million.

After the press conference, Corey Stewart, chairman of the Prince William Board of Supervisors, publicly responded that most business owners supported the resolution. He restated that “legal” immigrants have nothing to worry about and that “illegal” immigrants’ exodus from the county would provide a “net benefit.” In private, Stewart has told immigrant entrepreneurs, “Not to worry. It’s all politics,” a statement that fails to recognize the impact of the resolution on entrepreneurs’ livelihoods. Meeting politics with politics, Marcos has participated in protests, an economic boycott of stores that support the resolution, and the marathon 12 hour session when almost 400 people voiced their opinion on the resolution during what is normally a half hour time slot at the Board of Supervisors meeting (Byler and Park 2007). The meeting ended at 3 a.m. after the

Board voted unanimously for the resolution (Byler and Park 2007).

Moisés

Moisés's small grocery has Spanish dry goods, meats, piñatas, quinceañera and formal dresses, and other tokens for parties. There is a bulletproof case in front of the phone cards where he often sits and does money wiring. When Moisés sighs, saying he does not know what to do, his body seems to dissolve before me. Moisés is a good listener and his ability to listen, clarify, and reflect help me visualize him as the pastor that he is with a congregation of about 50 Latinos from various countries. He says, "My heart is not only for my country because people think you can help only your own people. No! In my heart is to help people who need the help." He has a strong sense of being blessed and what it means to be saved. Despite his struggles, sorrow, and confusion, he persists in the belief that grace will carry him where he needs to go.

Moisés is a relatively new entrepreneur, opening his grocery five years ago after decades of construction work, trucking, and cleaning bathrooms. One day his children, then 13 and 17, asked him why everyone else in their extended family owned a business and they did not. He began exploring the idea of opening a business with the savings he had accrued. Two cousins in the grocery business provided some advice and the opportunity to observe the goings on at their shop. He and his wife, the only employees, opened the store after only two months and were able to sell \$1,800-\$2,400 a day. When news of the resolution broke in Prince William, however, sales dropped to \$200-\$300 a day. He says, "At that time, it was dropping, dropping, dropping, dropping. Every day it go bad, bad, bad, bad. Worse and worse . . . business is dead." Unfortunately, the decline

in sales coincided with a bad business venture in another county. A relative partnered with him to open a mechanic shop, but left Moisés flat after he had signed the lease. With little experience in business and no experience in mechanics, he opted to open a used car lot. His children who were attending Northern Virginia Community College for business (and have since dropped out due to lack of money) tried to use some of their classroom smarts to build the enterprise, but it lasted for less than a year. Now, Moisés must pay back a loan for the car dealership and court fees from breaking his lease, and with no profit coming in from his once modestly-successful grocery. In addition, he is having trouble keeping up with the grocery's rent and utilities. Sometimes he thinks of moving but must consider that his house has depreciated \$40,000. He says, "I don't know [what to do]. Not at this moment. I don't know because all my time . . . all my work, all my savings is in this thing now. I don't know what to do. I hope with the new president come might change the law." Without enough capital or the credit to obtain another loan, Moisés cannot open a carryout in the back of the store to attract more African-Americans and white Americans who work and live nearby. He suggests that his food would taste better than the nearby McDonald's, which has a steady stream of cars moving through its drive-through.

Not involved in local politics, he turns to the federal government and a Democratic candidate to changes things on his city block. A legal permanent resident since 1987, he is determined to become a U.S. citizen in time to vote in the November elections. Although he "does not do anything bad," he is worried that with immigration reform something will happen that will allow the U.S. government to deport him. At his

church, he lets his parishioners know their rights if they do get pulled over, something he has heard has been happening though the resolution was not supposed to be enforced at the time of the interview. He prays that the government will change things for immigrants without papers.

I think the government needs to help them think about how to survive with their families over here and help them too. Walk them through to have legal paper for them and for their good and for their family and for the government too because they pay tax and everything. It's going to help everything. But if they continue very negative with the people, it's very hard for us to survive with the business because the more negative they are, the more people they going to go running away. So for our kind of business, for the Spanish business, it's going to be a disaster. Many people already closing the business and I think it might be a lot more business be closed if things no change. They have to do something. You know they have the power. They are on the power government side. They have the power to change things, to change law, so I think they have to do something. To get angry nothing is going to. It's not going to do nothing. My prayers is to see things change. I praying for all that stuff that is happening here to change.

Lately, he has been thinking about moving somewhere more hospitable, where he has church contacts and will not fear deportation. He has heard good things about Kentucky, Georgia, and Texas and asks if I know if it is true that in Kentucky they do not ask for papers if you get a traffic ticket.

Salomon

Salomon moved to the United States from La Union, El Salvador as a teenager and completed high school in Northern Virginia. He is tall, well-dressed, and speaks with almost no accent. He says that there is no country in the world in which he would rather live. Salomon has a string of successful barbershops in Maryland and D.C., employs approximately 30 people, and has solid financial knowledge and restaurant experience. Yet, he has had some of the worst trouble dealing with Prince William County's

bureaucracy, something he equates with the same discriminatory practices that caused the resolution to pass. It took him two years to finally open his restaurant (his dream after opening hair salons for his wife)—two years that he paid rent but could not bring in any revenue. Two doors down, an African-American store owner also had lots of difficulty opening his shop and eventually sold. Another well-to-do Latino businessman down the street called in a favor from a white colleague to finally pass inspections because he felt there was nothing else he could do to remedy the situation after putting his business on hold for several months. Salomon tells me about his experience trying to pass inspections in Prince William County.

When I open the two salons that we open up, after that it was easy because I already knew where to go and what to do. Now when I came up here it was hard and I felt, in this county I felt discrimination against me because they held my permits and everything for two years and I was paying rent for two years without opening up, without passing any inspections. Every time I would call for an inspection—plumbing, electric, or A/C, or anything—every time they would send a different inspector and one would tell me you need to put this here so I would move it, and the other one comes and says it needs to go like this that way, and the third one, and it was just frustrating. I don't know [why this was happening] but the feeling I got it was because of my last name and opening up a Spanish restaurant and I think that still in this county there is still some discrimination against us. I don't know what the reason might be but if they see it from the positive side. This county was just growing so fast and now if you look at it, the value of the homes they have gone down 47% from last year . . . I don't know a lot of the immigration law that they pass and the way they using this law. I mean they really scared everybody away and people have left their homes. I mean dozens of houses are empty because people have left.

Unlike the other entrepreneurs, Salomon does not use local or federal politics as a strategy for change. He has retreated further away from the Latino community, especially after an incident last summer when his store was threatened by a Latino customer because he did not shut down his store during a rally. Luckier than Abrahán, whose store actually

suffered damage, Salomon was still bothered by the threat.

I didn't really know what was going on until one of my customers at the bar said, "Are you going to close?" It was a Monday and they were supposed to be doing something in D.C.

I said, "No, I'm not going to."

He says, "You're not supporting us."

I said, "I could support you but I don't think I have to close my store in order to."

He says, "Well what would you think, how would you feel if you get your windows broken?"

The politicization of the issue and the chasms between the three Hispanic groups (Abrahán's, Marcos's, and a union) addressing the issue, have left him to his own devices.

I don't like to get involved because it would be nice if we could just form one group and show the county, the state that we're here to do business and that we're all together and maybe it would have more effect than having three, four, five groups. Neither one of three have invited me to a meeting or anything so I think it's wrong. If they're going to do something like that, they should invite everyone, not just their friends or who they like. It should be the whole community together. That's why I rather just stay away than try to get involved.

Ironically, when I ask him if he is a member of the Salvadoran Chamber of Commerce he lets me know of yet another group of Salvadoran business owners, the Salvadoran Caucus, which provides scholarships to Hispanic students.

Salomon was trained at some of the finest restaurants in the region, first as a busboy, then waiter, cook, bartender, and manager, and knew exactly what touches to put into his restaurant once it was able to open for business. His restaurant was once a thriving destination on Friday nights for Hispanics who came to dine on the best Spanish food in the D.C. metro area and listen to live mariachi music; today one can only imagine couples and families sitting at candlelit tables next to the mango walls; today there are only four customers for lunch. Like Abrahán, Salomon chose specifically to do business

in Prince William even though he does not live there because it was “one of the fastest growing counties in Virginia.” However, from mid-July 2007 to February 2008 he has suffered “80% loss in sales, even 90% at times,” he confessed, “It’s really bad.”

Currently, he is trying several theme nights to bring in new clients and entice old ones to return. He is hosting a networking night for the Chamber of Commerce and has drawn 30-70 people to jazz and Caribbean nights (CDs have replaced live music). Luckily, his other businesses outside the county keep his restaurant afloat while he sees how long he can ride out the storm.

José

When I call to ask José if he minds discussing the lawsuit that a group of Latinos, their minor children, and Woodbridge Workers Committee filed against Prince William County, he invites me to his office without any questions asked. One Thursday morning we sit across from each other in a large conference room. We are almost swallowed by the deep formal red chairs. Later, when José gets excited by what he is talking about, he almost seems to bounce out of the chair; talking about God’s miracles, his walk across the desert, or the effect of the lawsuit in Prince William County. His round deep set eyes catch me with their brilliance and energy. He is glad to help.

I’m willing to help in anyway I can. Don’t feel any shame, anything like that. Just ask me anything you need to ask me and feel comfortable. Feel at home and treat me as your family. I’m willing to do anything I can . . . I am so sad that people are too busy doing their own things and they don’t take serious what’s really important and to me this is really important. This is huge. For me, taking this time to talk about this is more important than ten clients I didn’t see in this time.

It is the “least” he can do to speak with me, just as joining Puerto Rican Legal Defense Fund’s efforts at suing the county was the least he could do. José tells me to use his real

name in the study, and that he is one of two plaintiffs (out of 22) who are not anonymous. Partly, he can speak because he is legal, but mostly José refuses to be scared or cowed by his present situation.

José became an immigrant early in life. When he was 11, he fled the Salvadoran civil war with his mother, father, and seven brothers and sisters. They initially went to Guatemala where an aunt was already living. A bright child who loved numbers, José excelled in school, starting only when he reached Guatemala and continuing until he completed primary school at age 17. He shares one of his proudest moments as an immigrant child: carrying the Guatemalan flag at an Independence Day festival. Still his family faced discrimination and it never really felt like home.

[In Guatemala] we were treated always as Salvadoran people. They would recognize you from El Salvador and things like that. For the most part, we were *sort of* welcome. We would just go like a kid and go to school. We went to school and I did great in school. I loved school . . . I like numbers. I love math. When I was in second grade I was doing 4 digit multiplications. I was first in the class and there were kids on Independence Day that would get up front and carry the flag of the country and I wasn't even from there, but I was awarded that because I was always the top student. That was great . . . [but] I never felt at home in Guatemala. And I never felt that I would fit there. I always felt a little bit of discrimination although we were sharing the same color, skin color and everything.

At 18, after a good year of farming onions, tomatoes, and peppers, his father gave him money to buy a bicycle. José decided to use the money to travel to the United States to help his family build a house of their own in Guatemala, where they were still renters after seven years. As the child who “always flew high, always aspired,” José made it to Mexico City in three days, took a bus to Guadalajara, and a *burro* train to Amorosillo near the Arizona-Mexico border. The bicycle money was gone after only a week of

traveling, and he had no money to travel farther, or even to eat. He picked grapes alongside 500 other freshly arrived migrants in northern Mexico. After a week, he took his pay to try his luck at the border in Nogales, but it proved too difficult to cross. Moving on to the next border town, he worked where he could and still remembers the day he exchanged his pile of pesos. He was handed \$41 U.S. dollars and knew he was finally ready to leave. With three other men (but no coyote) he walked across the desert for two days, carrying a loaf of white bread and a gallon of water. He was traveling with a man from northern Mexico who seems to have trekked back and forth for some time and understood the finer logistics of border crossing. José hopped a train in Yuma and wedged himself on a platform next to the scream of the train wheels. Freezing, he huddled together with his compatriots. He credits God for placing him on a train in Yuma that went straight to downtown Los Angeles in about six hours. Indeed, watching the hazy sunrise and glow of industrial lights coming into the train yard at dawn seemed quite miraculous compared to the *burro* train he had been stuck on for three days a few weeks earlier.

For the next seven years, he worked at various jobs in California and then in the Washington D.C. metro area. The first thing he did when he arrived in a new town was look for a night school where he could continue with his English lessons. He explains that when he got to the U.S. he did not know how to say, “Hi” and that he had to resort to an exchange of gestures at times. Once he acquired enough facility in English, he enrolled in a night high school and earned his diploma. Now he is certified through H&R Block to prepare taxes and has his own “LLC” as a real estate agent. He was drawn to these fields

due to his love of numbers and because no one could explain things well enough to him when he began doing his taxes (long before he sought legal permanent residency) or when he bought his first house. He says, “I wanted to be able to know how the process work and be able to explain it . . . Why are these paperwork? What is it all about? Really not just really get people into houses, but help them through the process. Walk them through the process and really explain how this is done.”

When he first reached Prince William after a year in L.A., he hated it. He did not know how to drive and there were no buses and there was little to do. Now he says Prince William is where he wants to be and he is doing everything he can to retain his business in troubled times. Recently, he has found some people are unwilling to drive to his office in Prince William to get their taxes done. He explains:

You have no idea how many people outside Prince William right now not wanting to come here because of the law. You have no idea how much harm this does to the Prince William economy! I try for about seven minutes last night to convince someone who lives in Springfield to come here to do his taxes and he didn't want to come here because of what he's hearing about Prince William. He just didn't want to drive into Prince William County and I say, “Come on. It's really no big deal.” . . . I'm making a lot of phone calls. I'm taking the extra mile to get more people. I'm doing a lot to encourage people to not leave the county because that's not the solution. I try to retain people here and people say, “Well you're not in my shoes because you're legal. You are not affected.” I say, “Yes, I am affected! Leaving is not going to solve our problems. Stay here. Let's face the problem here. Let's not quit. The worst thing you can do is leave. Stay here. Let's not leave. Let's not let this government to get away with. That's what they want. They want to scare people and scare them away. Don't do that. Stay here and help us solve the problem because we need to put a stop to these things. I say we can't back down. We need to stay together and stay here. Because you just leaving us with a problem.”

José told me that when he left home and crossed into the United States that nothing could scare him: “I had more heart than anything else.” He has had little success

reaching out to others to join him in the lawsuit because “people are scared.” Others are not blessed with José’s courage or legal status or money—his renter base remains a source of income even though his real estate sales are virtually non-existent, down from 13 in a typical six-month period to one since the resolution passed. He won’t come close to the \$200,000 in commissions he made last year, yet he feels that there are enough people to do business with in Prince William and he would like to stay, be brave, and fight for things to get better. Towards this goal he is preparing data to demonstrate the toll taken on the economy due to the resolution. Though he admits it is hard to demonstrate the effects of the resolution when it so closely correlates with the foreclosure crisis, he knows that his business is not bad just because of foreclosures. He is creating maps to compare the time periods before and after the resolution that show which houses are for sale, owned by banks, and owned by Latinos. The lawsuit officially says that José’s business has been affected by the resolution and that he fears racial profiling and unnecessary emotional duress, particularly if he is pulled over and does not have his papers on him. He laments that the court does not consider emotions. He mentions more than once all the tears that have been shed in Prince William County since the resolution passed in July of 2007.

Emotionally it has affected me big time. Unfortunately, emotions you cannot prove. You can only tell. I don’t know. I don’t really know how I can prove emotions. You have no idea how many people I’ve seen crying, how many consults I’ve had in this office because of this resolution. People directly making their decisions based on the resolution.

José learned about the lawsuit at a meeting of *Mexicanos sin Fronteras* that he attended. He did not have to go to court and has not had much contact with the lawyers;

he wishes there was better communication.

I know they call me and said that the judge in Alexandria didn't review the case but didn't really make a decision because I guess there were not enough facts. I think they said something that they were going to wait at least until the law started to be in effect and then we would have more evidence and better base for our claims.

In the meantime he is using his love of numbers and processes to work with data and prepare for a legal battle ahead. "I am still waiting," he says. He may reach out to business owners in the future and urges people to carry video cameras in case they see any abuses. He knows now that proof is critical. Though he cannot vote and is a little reticent to become a U.S. citizen (he will someday), he has joined an informal group of people to help with Latino voter registration and to share their opinions and keep each other updated online.

"Enjoying the Aftermath"

On April 29, 2008, approximately 125 people spoke at Citizen's Time at the Prince William County Board of Supervisor's budget meeting. After nine months of turmoil, the board and anyone who wished to speak, could talk about the immigration resolution's impact on the economy—foreclosures, the proposed increase in property and commercial taxes, proposed cuts on social services for juveniles and seniors, and the effect on local business. There was much support for restrictions on undocumented immigrants. One white middle-aged woman walked to the microphone and offered to sell cupcakes to fund the immigration resolution. Others talked about how the federal government had failed them. One elderly woman, speaking with an oxygen tube, begged the board to do something about the immigrants "before it is too late." Another woman

proudly said that she was “enjoying the aftermath.” But there was also opposition to the restrictions. Another senior citizen let the board know that if they wanted to fund the resolution with her tax dollars that she would stop paying taxes entirely. Business owners said the situation was dire. Pictures of abandoned houses with cardboard covering the windows, nearly caved in porches, and missing siding, were placed on the projector by a woman who looked so mad that I thought she might cry. She said that the county had “unleashed a monster” and she wanted her neighbors back. In the end, the 125 voices seemed to dissolve into a near constant hum of people concerned about “illegals” and “safety.” The board occasionally looked nervous, but more often bored. Several times speakers addressed board members who had stepped out of the room. It was rumored that the supervisors were now split about fully funding the immigration resolution.

That evening, I paced and fidgeted, wondering what the morning’s paper would bring, but the next morning I received no satisfaction. The *Washington Post* reported that the resolution had “softened” while the *Washington Times* asserted that the policy had “stiffened.” In reality, the Board of Supervisors passed resolution 08-500, amending the July 2007 resolution that directed police officers “to inquire into the citizenship or legal status of individuals they had detained . . . *if there was probable cause* [my emphasis],” mitigating the need for cameras in police cars, and saving the county 3.1 million dollars (Res. No. 08-500). In order to protect the county from potential claims of discrimination and costly lawsuits, the police department would only check the legal status of individuals committing offenses worthy of arrest, and they would check everyone (beginning July 1, 2008) regardless of skin color or accent.

One year after the resolution, county officials reported 4,000-7,000 vacant homes in the county with 776 foreclosures in June 2008 alone (compared to 244 in June 2007) (Miroff 2008). 757 inmates who were undocumented immigrants were turned over to ICE in the past year and over 300 undocumented immigrants were referred to ICE during the four month period before the new police directive was implemented (Miroff 2008). Solomon reported mid-June that over the past five weeks business had picked up significantly and he is hosting quinceañera and wedding parties again. Yet other entrepreneurs are continuing to struggle, reporting 50% business loss and that they no longer have family left in the county (Miroff 2008). Only time will tell if amending this measure will help restore immigrant entrepreneurs' hurting businesses.

Prince William in Comparative Perspective

With the failure of the U.S. federal government to pass comprehensive immigration reform, local governments have begun to take the actions that the federal government has not. Prince William's resolution occurred as part of a wave of local measures and hundreds of immigration related bills proposed before state legislatures. The experiences of two other localities, Hazleton, Pennsylvania and Riverside, New Jersey provide useful comparisons for the Prince William County experience with immigration restrictions.

The small town of Hazleton, Pennsylvania is often credited as the first to pass strict immigration ordinances, although local governments in California have been dealing with questions of demographic change and governance for some time. In July 2007, just after Prince William County passed restrictive immigration measures, a federal

district court ruled Hazleton's ordinance unconstitutional in a lawsuit filed by the ACLU of Pennsylvania, the ACLU Immigrants' Rights Project, the Puerto Rican Legal Defense and Education Fund, and other local groups and attorneys (ACLU 2007). The Hazleton case highlights misperceptions about the economic effects of immigration. Contrary to the idea that immigrants cause economic deterioration, it seems that Hazleton had an eroding downtown, much like the craters left by coal companies when they pulled out. That downtown was partially revitalized by immigrant businesses as *taquerias*, small groceries, and other businesses opened in the 1930's era downtown (Gilgoff 2002, Karczewski 2007).

One Saturday afternoon, I drove to Hazleton to see if the town was as bleak as the newspapers had reported. A middle-aged white man told me, "Ten years ago it was dead. It was just starting to change when the ordinance passed. Now it's dead again." When the ordinance passed, immigrants fled and businesses that depended on Latino clientele shut down (Karczewski 2007). The U.S. Chamber of Commerce filed an *amicus curiae* on behalf of the plaintiffs showing clear acknowledgement of the positive role immigrants and immigrant businesses play in the economy. In 2002, *U.S. News and World Report* painted a dire picture of Hazleton, Pennsylvania—labeling it "a town in need of a tomorrow." Hazleton greeted me with the roar of several young adults on ATVs roaring across red-orange earth cleared by industry. I saw two young boys hiding behind a tree with their rifle, and three seven year old girls (two white, one Latina) riding their bikes together while a few streets over a group of worn looking men enjoyed a late afternoon brew next to their cars. It's a town where "USA" is spray painted across a house, laundry

blows on the line, and a tiny grassroots Obama office is staffed on a Saturday afternoon by adults in their late 40's and 50's. The campaign office has taken over one of the many vacant buildings; a large sign reading "hope" hangs alongside a "for sale" sign. I talked with a few residents who were especially angry over the negative coverage, particularly by Lou Dobbs "who did not talk to anyone."

They explained to me that in 1969 there was only one black man and told me his name and that "mixed" marriages used to be between Irish-Catholics and Roman-Catholics, but that now white people and Hispanics are marrying and having babies and to most people that is okay. A local female business owner said, "The ordinance started with good intentions and then the mayor just went crazy, blew up in the spotlight." She added, "It takes a community to change things, which we had lost somehow. So we need a community, not a law." Latinos have remained in Hazleton although a Latino restaurant employee told me that the people in town "hate the Spanish" and that there is little hope that the handful of Latino businesses will survive. Sure enough, the Dominican restaurant that I was told is the best in town had no customers. Leaving, I spied a Latino-owned hair salon with a "For Sale" sign and a vacated Latino travel agency.

Many in Hazleton failed to acknowledge the economic significance of its immigrants and the role they played in revitalizing the community. Instead, they focused on skewed crime statistics, concern over drugs, discomfort with the town's changing identity, and fear of job competition with immigrant workers. Similarly, Riverside, New Jersey, a near bankrupt mill town with "For Sale" and "For Rent" signs a common sight throughout town, experienced economic rejuvenation when an increasing number of

immigrants settled there (Belson and Capuzzo 2007). When an immigration ordinance passed that severely hurt immigrant businesses, a coalition of business people filed a lawsuit. The town, faced with mounting legal fees and abandoned store fronts, rescinded the Illegal Immigration Relief Act approximately a year after its approval (ACLU 2007, Belson and Capuzzo 2007, Karczewski 2007). During this time, protestors in Riverside gathered to shout, “Go home!” at immigrants who held a prayer vigil in front of the town hall. The protestors whooped proudly when a Confederate flag and a sign that read “The south will rise again” were brandished (Johnson 2007, Bewley and Petersen 2006). In this northern city, it is doubtful that this flag is flown to honor southern heritage but instead symbolizes state’s rights, independence, and “white identity.” Even though the ordinance has been overturned, landlords and business owners, often long-term U.S. citizens and permanent residents, were devastated as undocumented immigrants were evicted from housing and left town.

Scholars at the Center for New American Media suggest that one of the reasons comprehensive immigration reform has not yet been passed is because:

The economic consequences of not approving a new comprehensive immigration policy were never a major part of the national debate on this issue. The fact that important segments of the American economy may collapse (agriculture, construction, services, etc.) in the 21st century without a continuous influx of immigrants was barely discussed.

Likewise, journalists and sociologists point out that the immigration crisis of today will become a panic about too few immigrants in the coming years (Urrea 2004, Bendixen 2007, Portes 2007). The U.S. Labor Department reports that there will be 28 million jobs

for “unskilled workers” over the next 10 years and only 15 million “unskilled” native-born workers entering the job market over the same time period (Bendixen 2007).

Prince William, Hazleton, and Riverside have different histories. Hazleton and Riverside are struggling to create viable economies in former company towns that thrived as a result of coal mining or mill operations, while Prince William is transitioning to a high tech and commuter suburb. Yet all three are places with relatively low housing prices compared to nearby metropolitan areas (respectively D.C., New York, and Philadelphia) and have experienced economic booms and demographic growth with immigrant groups becoming more prominent. While the Hazleton and Riverside ordinances have been rescinded, Prince William’s resolution still stands. Looking to the future, it is important to place such local immigration policy changes in the broader context of national and global migration processes, policies, and marketplaces. It may then be easier to aid local communities and governments in finding adequate responses to change, comprehending the magnitude of the immigration phenomenon, and realizing that they cannot cover the sun with one finger, no matter how much they would like to do so.

Chapter 6. Conclusions

The empirical findings of this study address the effects of bureaucracy, empowerment programs, and immigrant sentiment on immigrant entrepreneurs across Northern Virginia. The theoretical implications of this study are pertinent to studies of bureaucracy; micro-credits, NGOs, and community banks; and the sociology of immigrant entrepreneurship. Chapter 6 synthesizes both the empirical and theoretical contributions of the thesis. First, it addresses the three original research questions introduced in Chapter 1, which focused on the practical situation of immigrant entrepreneurs. Next, it explores the study's more theoretical contributions to the literature. Finally, policy recommendations are provided

Empirical Findings

Chapter 1 introduced three specific questions that stem from the interactions among bureaucratic institutions, politics and sentiments about immigration, and immigrant entrepreneurs. Although the study expanded well beyond these initial questions, they provide a useful framework for summarizing several key findings.

1) What are immigrant entrepreneurs' experiences in navigating bureaucracy? Do experiences differ by gender, class, or ethnicity? What challenges or barriers do entrepreneurs and bureaucracies face?

Chapters 3-6 have presented various experiences of immigrant entrepreneurs navigating bureaucracy. There is no "typical" immigrant interaction with bureaucracy.

However, there were common concerns and experiences that entrepreneurs shared. Many indicated government regulations were confusing or inconsistent with their cultural practices. Having a higher income or speaking English did not appear to lessen the likelihood of entrepreneurs feeling like they had suffered from discrimination from gatekeepers, although those with thriving or multiple businesses seemed more comfortable with mainstream banks. The BTEE survey found that entrepreneurs with higher incomes were more confident that they would be treated right by banks. Yet most entrepreneurs shared an inability to access a business loan and difficulties due to credit. Many exhibited skepticism toward banks, weariness towards the loan process, confusion over credit, and irritation over fees. They also expressed disappointment in the lack of a personal relationship, and disenchantment with banks' view of Latinos as "business," which Latinos leerily interpreted as the possibility of being taken advantage of. Many wanted to use a mainstream bank for business loans, rather than ethnic banks, family members, friends, rotating credit organizations, or micro-credits. Banks and entrepreneurs, however, face several challenges before immigrant entrepreneurs can more fully access banks and feel like banks are appropriate institutions for them. Obstacles include language barriers, inflexible credit requirements, problems in community outreach or receiving information, the complexities of Small Business Administration (SBA) procedures, and the emphasis on "business plans."

The study data did not capture class differences very well. It was difficult to determine specific class based resources that entrepreneurs used to navigate bureaucracy. Yet the study does provide some examples of what might be considered class issues. One

well-off and well-connected immigrant entrepreneur called on a native colleague from the Chamber of Commerce to which he belonged in order to solve inspection issues that he felt were occurring due to his race. A few successful Latino restaurants had connections to other “high-class” restaurants, embassies, or international development firms that brought in business. Entrepreneurs who had professional or college educated children often utilized them as resources for banking or paperwork questions.

The relationship between gender and the ability to access capital and navigate bureaucracies was unclear. Gatekeepers did not agree about gender barriers and many had never thought about specific barriers women might face. Some gatekeepers suggested that women had higher levels of trepidation when considering whether to take a loan or expand their business. Women did not want to take a risk that would have adverse consequences for their families. Gatekeepers were also frustrated that women’s husbands sometimes prevented them from opening businesses or taking out loans. However, three Latina women reported that they were more likely to take out loans than their husbands and that these risks are necessary for success. Gatekeepers also suggested that loan officers judged women by higher standards and consequently women had to learn to represent themselves as confident business women. More women than men in the sample had low-investment businesses, and almost all women discussed the difficulties of taking care of both their family and their business.

Gatekeepers indicated there were differences between ethnic groups and their ability to access capital. Almost all gatekeepers discussed Koreans’ ability to use ethnic sources of capital, yet Korean entrepreneurs themselves rarely reported borrowing from

family. They were hesitant to ask for money from someone they knew and preferred to use banks, savings, and house equity. Latinos, on the other hand, often utilized money from family members as well as from savings and home equity. They also expressed more skepticism towards banks. Koreans and Latinos discussed the difficulties of building credit as new immigrants, but Latinos expressed more resentment toward, and confusion about, the system. About half of the Vietnamese entrepreneurs borrowed money from family and friends for start-up capital, yet a fair number of Vietnamese entrepreneurs thought that it is not a very good idea to borrow money from relatives, suggesting that it can be a burden on family and that it also limits a business's ability to grow if it must depend only on small sums of money from relatives. In general, they viewed it as "uncomfortable" but sometimes necessary to take such loans. Vietnamese entrepreneurs also discussed how it is "impossible for an immigrant to get a loan" and that when they were starting out they did not know where to turn for help.

2) What is the role of non-governmental empowerment programs in bridging gaps in mainstream financial services for immigrant entrepreneurs and transferring bureaucratic knowledge to immigrant entrepreneurs? What is the result of empowerment programs on low-income women entrepreneurs?

Chapter 3 suggested that micro-credits, which offer personal service, flexible credit systems, and education, may be well-positioned to serve low income immigrant entrepreneurs. However, some micro-credits are unable to lend to undocumented immigrant entrepreneurs due to federal restrictions on funds, leaving a large gap unfilled by either mainstream or alternative services. Overall, micro-credits and business assistance centers have had positive results—whether in providing technical assistance

and counseling or in actually providing loans (as with the female vendors at Drive-thru Park). Unfortunately, few entrepreneurs knew where they could access these business assistance resources.

Chapter 4 examined a non-governmental, city-financed empowerment program for home day care providers in Northern Virginia. Empowerment has two meanings within the development and women's studies literature. After participating in a self-help program an "empowered" woman might 1) think of herself differently or 2) no longer require actual assistance from the state. The women who participated in the training did seem more empowered than when they began—one woman spoke of growing herself alongside her business. There is only limited evidence that the women now conceive of themselves as "business women," but they have at least begun to govern themselves and are able to recite regulations and assist new inspectors. However, it is only partial self-governance. Despite the women's increased self-reliance, they will never be truly free of the state. As home child care providers, for example, they are subject to quarterly surveillance and yearly training.

Gatekeepers reported that training helped the women bring in more clients, which increased their self-reliance, but they did not acknowledge that the women's low salaries (and Soledad's anxiety over providing food for her family) demonstrate that such a low paying job may not alter women's reliance on the city for food stamps and social programs for their children—if they have the legal status to access them. Female child care owners may be empowered, but they will not be self-reliant until they have the income to break free of poverty. Further research is necessary to explore whether women

who participate in these training programs graduate to owning larger businesses, integrate into the mainstream labor market, or go to school.

3) How do public attitudes connect to bureaucracy and how does this affect immigrant entrepreneurship? What, in particular, is the effect of anti-immigrant sentiment?

Chapter 6 provided examples of how public attitudes can affect the ability of immigrant entrepreneurs to run successful business. When the immigration resolution in Prince William County passed, Latino entrepreneurs lost many customers and reported a 50-90% decline in sales. In addition, immigrant entrepreneurs reported that anti-immigrant sentiment affected their interactions with inspectors and delayed the opening of their stores and restaurants. The analysis of immigrant entrepreneurs in Prince William County demonstrates the ramifications of the host society's laws, political environment, and sentiments about immigration on the success of immigrant businesses. Further research over time will be better able to assess the long term effects of the resolution on Latino business in the county, and on the county overall.

Theoretical Implications

This study was framed by the literature on bureaucracy; micro-credits, NGOs, and community banks; and the sociology of immigrant entrepreneurship. The Northern Virginia situation provides some useful reflections on this more theoretical literature.

Bureaucracy

Four major questions pertinent to the examination of how bureaucratic structures mediate interactions between immigrant entrepreneurs and gatekeepers run throughout studies of bureaucracy: is bureaucracy the rigid iron cage that Weber predicted; how are gatekeepers and entrepreneurs affected by differences in equity and access to institutions;

what role does bureaucracy play in representative democracy and does it protect or advance minorities; and what role do empowerment programs play in creating resisters and new citizens. While many studies have tackled these questions, many falter when it comes to the role of individuals within the bureaucracy, lending the same dehumanizing qualities to the studies that characterize the system they critique.

One gatekeeper at a Northern Virginia business licensing office explained that she had no expertise to offer. “I don’t see anyone. I just type the forms,” she told me. I spoke with her supervisor who assured me that the employees in her office spent little time with people; she seemed dumbfounded that I was interested. I tried another office in another county. The results were similar. The staff suggested I read the website which could answer all my questions. One employee eyed me with great suspicion—the combination of immigration as a highly politicized issue in her town and my insistence on treating her like a human with a personalized viewpoint was too much for her. She refused to respond to any question that could not be answered by visiting the website. This intense depersonalization characterizes bureaucratic processes, such as obtaining a business license. However, personalization also occurs. Chapter 3 described attempts by non-profits and ethnic banks to provide “personalized” and culturally specific services to immigrant entrepreneurs—warmly personal and flexible gatekeepers are themselves part of the bureaucratic action plan to reach immigrant small business owners. Yet such “personalization” is not always a desirable trait from the point of view of the immigrant entrepreneurs. They reported that their experiences differed depending on which employee they encountered, leading them to feel that the fates of their businesses were

arbitrary. This Northern Virginia study finds that bureaucracy relies on human bureaucrats with specific personalities, experiences, and sentiments (sometimes anti-immigrant) and not dehumanized automatons.

Entrepreneurs had the most success when they were able to personalize their interactions with an agent or an office, when they were not viewed as a file or form. Language or cultural barriers worked in two ways. Barriers might prevent them from complying with the law or having in-depth interactions at a bank, but it also meant that immigrants sometimes had more one-on-one interactions with bureaucrats who worked to relate to the entrepreneurs and understand their culture. The presence of an initial barrier turned them from a piece of paper into a human. That potential benefit, however, is limited by the increasing number of foreign born business owners. Some offices, like the health department or multicultural banking centers, have institutionalized culturally specific services, reducing the number of immigrants who have to work to establish a relationship in order to navigate government or lending institutions. In Chapter 3, I suggested that until personalization becomes routine, the overall institutional ability of banks to support immigrants will not be realized. Changing demographics in the Northern Virginia area appear to have added a dimension of “peopleness” to bureaucratic processes, which could slowly transform the iron cage into something softer—something accessible to a wider range of people.

Some bureaucratic studies have presented gatekeepers as all-powerful entities, while others claim that bureaucrats are powerless paper pushers within a mechanized system. This study suggests a more intermediate situation. Gatekeepers have greatly

varying degrees of power and responsibility. Many gatekeepers, for example, care deeply about immigrant entrepreneurs and have worked effectively to provide innovative programming for them. On the other hand, the Northern Virginia data demonstrate that knowledge is often kept from the very front line staff who have the potential to impart the most knowledge about banking to their own neighborhoods and personal networks.

Both entrepreneurs and gatekeepers clearly feel powerless at times. Immigrant entrepreneurs who spoke limited English and had little experience with formal institutions in their country of origin, navigated multiple county offices and tried to understand formal regulations. Entrepreneurs often did not understand what they could possibly do to obtain a loan from a bank and simply decided that banks were not for people like them. Bankers also felt powerless. They felt that credit requirements were too rigid and their job often entailed denying people credit. They did not know what resources to offer nascent entrepreneurs. Gatekeepers were often helpless when it came to helping people, and helping people is what they often deemed integral to their job as bankers. Immigrant entrepreneurs and gatekeepers both find themselves within a credit, banking, and regulatory system that is not yet sufficiently accommodating to immigrant entrepreneurs. Gender, class, country of origin, language abilities, and personal networks affect the ability of entrepreneurs to derive the information, capital, and paperwork they need from bureaucratic institutions.

Empowerment programs aim to resolve this problem by creating more accessible institutions and self-reliant citizens. The case study in Chapter 4 of a women's training program confirms Cruikshank's theory of empowerment, specifically that governments

utilize technologies of citizenship, such as micro-credit or small business training programs, which transform people into model citizens who discipline and raise themselves (Leve 2001). Cruikshank did not examine immigrants, so the word “citizen” as she uses it does not imply a legal status. To Cruikshank, a citizen is the product of a governmentality process that remanufactures marginalized persons into self-reliant ones who can take care of themselves and their families without government intervention. Empowerment programs that target immigrants work to empower the individual, but also integrate people into the culture, bureaucratic and government procedures, and the market. Women who take part in these programs can then spread knowledge to their families, friends, and wider community. However, these programs often bypass issues of legal status and work to create people who are “citizens” regardless of legal status, but never ask how empowered a woman can be if she does not enjoy the privileges of legal citizenship. This is a major gap between empowerment discourse and low-income, undocumented entrepreneurs’ needs. Soledad’s story exemplifies the hollow promises of empowerment programs. How is she to “grow herself” when she does not know if her family will go hungry that night?

Women like Liliana have better internalized the rules of the bureaucracy and bring in significant income to raise their families, but are still limited by meager earnings and language barriers. Liliana herself continues to be a subject of government intervention even after 16 years. She has visits from county officials four times a year and attends classes every year. Instead of graduating to freedom, she is dependent on a bureaucracy that renews her license and keeps her on a city list of certified day care

providers who can accept children receiving government subsidized day care subsidies. If the day care training program is a neo-liberal empowerment program that promises to step ladder the poor into the market, Liliana is still on the lower rungs. Has the training and her own experience resulted in sufficient empowerment to move up the rungs to open her own restaurant (an enterprise that will have many regulations but no required empowerment trainings), earn more income, and send her daughters to college? Further research is needed to see if there is a connection between empowerment training and growing into a more profitable or bigger business.

Empowerment programs provide information that allows citizens to enter into the bureaucracy and navigate its maze on their own. New “citizens” are then firmly embedded into an extended state. However, Lyotard suggests a different theory of power and information that discounts the role of the state. Lyotard posits that information flow creates alternate narratives that resist or reconstruct dominant institutions. Chapter 5 demonstrates that alternate information flows, voices, and community organization efforts by immigrants and local activist groups, do challenge bureaucratic norms. However, in contrast to Lyotard’s theory, the programs ultimately integrate immigrant entrepreneurs further into government processes and bureaucratic institutions even as the entrepreneurs actively work to resist and change nativist policies. Almost all of the Latino entrepreneurs interviewed in Prince William entered further into the democratic process through different types of community activism. At the April 2008 Board of Supervisors budget meeting in Prince County, and at events leading up to that meeting, many of them directly presented their “small narratives” to the board, resulting in a key piece of the

resolution being overturned. The next day multiple narratives were presented to the public; *The Washington Post* reported that the resolution had “softened” while *The Washington Times* asserted that the policy had “stiffened.” In the case of immigrant entrepreneurs, the Northern Virginia situation suggests that the state and its bureaucracy apparatus are not outweighed by global forces or information flows to which every individual has access. In fact immigrant entrepreneurs often reported that access to information was their greatest barrier. Information flows may sometimes shift the structures of the bureaucracy, but inevitably serve to further integrate immigrant entrepreneurs into the bureaucratic and institutional system.

Micro-credits and Ethnic Banks

The Northern Virginia experience suggests that micro-credit can be a useful tool for immigrants to access capital and technical assistance. Immigrants may actually be the best clients for micro-credit, but currently there are limitations to micro-credit’s ability to serve them. While some scholars have posited that welfare provides a safety net for poor entrepreneurs in the United States, lessening the likelihood that the poor will risk self employment, evidence from Northern Virginia suggests that first generation immigrant entrepreneurs who do not have good access to government assistance will still engage in self employment and micro-credit ventures because it serves as critical “patch” income. New immigrant entrepreneurs may have access to credit cards and some access to family loans but many entrepreneurs in the study attempted to access capital through banks when they were starting up, suggesting that there is a market for more flexible banking services. Other studies have suggested that U.S. micro-credits fail because there is no

pressure for a borrower to pay back the loan, but immigrants' desire to build and maintain good credit can serve as "collateral." Their need for small loans and a lack of formal credit history and financial knowledge thus provide a potential niche for micro-credits in the U.S. However, many microcredits rely on government funding, which reduces their ability to work with undocumented immigrants. Services for immigrants are also education intensive—differing from international programs and requiring investments in more staff, translation services, and perhaps other professionals to help entrepreneurs deal with legal status and in-depth bureaucratic questions. International micro-credit philosophy may best serve informal vendors who need a quick infusion of start-up capital but otherwise will be successful selling *tamales* or *pupusas* at soccer games or other venues, but U.S. micro-credits are unlikely to lend to an entrepreneur who does not meet formal licensing and health safety standards. Even with a micro-credit loan, it is not usually cost-effective for a vendor who might make \$60 on one weekend to pay for equipment or special permits.

Micro-credit gatekeepers often suggest that immigrant entrepreneurs do not need micro-credit loans, but instead would benefit from savings account matching programs, job training, and English classes. Micro-credit gatekeepers also suggest that mainstream banking institutions are beginning to reach far enough downstream to serve immigrants—at least if they can get immigrants through the door. This Northern Virginia research suggests that micro-credits are indeed a flexible and viable way for new immigrant entrepreneurs to access capital. However, very few immigrant entrepreneurs in this study used micro-credit loans or knew where these programs were located despite the many

attempts at outreach by micro-credits. Further, the BTEE phone survey suggests that entrepreneurs would like to use mainstream banks for their next loan, contradicting the prevalent perception by gatekeepers that immigrant entrepreneurs have a “culture” that results in the distrust of banks and a preference for familial borrowing. Entrepreneurs of all backgrounds suggested they would like to have a loan, but lower income and newer entrepreneurs were more likely to suggest that banks were not institutions for people like them. Cultural barriers may thus not be as significant as logistical barriers (which are intertwined with culture, class, and experience) or bureaucratic barriers (such as language, loan size, and credit history).

The Northern Virginia experience suggests that government supported programs such as SBA loans or HUD funded micro-credits are not flexible enough to aid most first generation immigrant entrepreneurs and certainly not undocumented entrepreneurs. Ethnic banks, by contrast, are more accommodating institutions for new immigrants, providing alternative means of determining credit and staff who look and speak like the entrepreneurs. While the immigrant entrepreneurs in this study expressed no preference for a new Latino bank in the area (and, in fact, recalled the Salvadoran *El Banquito* that lost many peoples savings in the 1980’s), micro-credit gatekeepers often referred clients to ethnic banks. Yet wealthy immigrant entrepreneurs simply desired the most cost-effective and convenient bank, not necessarily an ethnic one. More research is necessary to examine whether the new Latino bank in the area provides more access to capital for immigrant entrepreneurs and whether it serves as a stepladder to mainstream banking institutions for entrepreneurs in the coming years—or whether mainstream banks’ efforts

will make ethnic banks obsolete.

Ethnic Entrepreneurship

This Northern Virginia analysis contributes an ethnographic representation of immigrant entrepreneurs in the D.C. metro area suburbs as part of the broader question of how bureaucracies and local governments are responding to increased numbers of foreign born. The research demonstrates the inextricability of ethnic and mainstream economies, for example, by detailing the negative economic impact on Prince William County through the interaction of foreclosures and restrictive immigration ordinances. Furthermore, the research shows how sentiments about immigrants, legislation, and political tides can limit ethnic entrepreneurs' ability to run businesses and to navigate the mundane details of bureaucracy.

This study confirms that gatekeepers have certain cultural biases that affect their decision-making ability and may result in lessened access to capital for immigrant entrepreneurs who are judged by their walk, handshake, language skills, and gatekeepers' previous interactions with members of their ethnic group. Additionally, women may face greater scrutiny by some gatekeepers. However, regardless of individual gatekeepers' attitudes, mainstream banking institutions are not yet fully accommodating institutions for immigrants. Gatekeepers, for example, have little leeway in approving a loan for an immigrant with little credit history. This results in the perception by immigrants that banks are not places for people like them and may prevent immigrants who could qualify for a loan from applying or from taking the necessary steps to build credit. While most financial institutions and gatekeepers make attempts at cross-cultural outreach, a rigid

system of determining credit worthiness limits immigrant entrepreneurs' ability to obtain capital.

This research suggests that ethnic entrepreneurs cannot achieve success through mere bootstrapping and an entrepreneurial spirit. Opening a business in the Northern Virginia suburbs requires bureaucratic and business savvy, and access to information and capital that is not necessarily available through ethnic networks. While some entrepreneurs leveraged ethnic solidarity when accessing capital, gathering information, or organizing against the Prince William resolution, all groups revealed intra-ethnic tension and competition. Caution is needed in regard to the celebratory view of ethnic solidarity and ethnic networks. The Northern Virginia experience suggests that ethnic entrepreneurship studies can be limited by focusing too much on ethnicity. Instead, great focus is needed on the governmental and financial institutions that mediate immigrant entrepreneurs' ability to open and maintain a business.

Policy Implications

Immigrant small businesses are a vital part of immigrant integration and thus a crucial focus for micro-credits, ethnic and mainstream banks, local governments, indeed anyone concerned with immigrant integration, including immigrants themselves. A few policy implications deserve consideration, and are presented sequentially below in terms of mainstream banks, micro-credit and empowerment programs, and county and municipal governments.

Mainstream Banks

One of the largest barriers for new immigrants is a lack of credit history, which

can make it difficult to obtain capital for buying a home or car, or opening a business. There are ways to alleviate this problem. For example, Korean entrepreneurs who use ethnic banks in Northern Virginia can use credit histories from their home country. Mainstream banks could do the same. While mainstream banks do not have ties to every client's country of origin, banks should consider using credit histories from an immigrant's country of origin, particularly since credit bureaus are proliferating throughout the world, including in developing countries. In addition, many credit card agencies, banks, and companies are multi-national and should be able to provide credit history or payment information, although some countries have laws against credit-sharing across national boundaries. Large banks could establish contact persons for each region globally who could help interpret credit scoring from other countries. Alternatively, a technical assistance hotline or online information database that helps financial institutions in the U.S. understand other countries' credit scoring procedures would help make credit history as mobile as today's people. However, low income people from developing countries may not have formal credit histories. Mainstream financial institutions should take the extra time to consider post-dated check stubs, utility bills, non-commercial landlords' letters of reference, loans taken out in the country of origin (and particularly those repaid while in the U.S.), and statements from equipment vendors (who often provide payment plans for small business owners). Banks should also consider proof of sent remittances from wiring services or mainstream financial institutions as an integral part of credit histories.

Other limitations on banks' effective outreach to immigrants include difficulty in

hiring bilingual employees and ineffective use of these employees. While bank employees in Northern Virginia are fairly diverse in background, bilingual employees reported that they were unfairly overburdened while their colleagues did little. Managers reported that they often could not find someone who had the time to translate. Mainstream banks must make an investment in hiring employees who look like and speak the languages of the people that they serve. Bills like the 2007 Financial Services Initiative, HCON 140 EH, recognize that there are low numbers of women and minorities in financial services and management positions and encourage financial institutions to recruit in urban areas, historically black universities, community centers, and inner city schools. Immigrant and minority employees need to be valued for more than the “diversity” they lend an organization and given opportunities to rise through the ranks.

Language limitations are not the only gap. Mainstream bank workers and branch managers on the front line often have little information on resources for small businesses or immigrants despite the prominence of immigrants in these positions and their own relationships with immigrant small business owners. All bank employees, not just business specialists, should be trained in SBA programs, strategies to build good credit, and resources for business owners, minorities, and low income clients.

Micro-credit and Empowerment Programs

While international micro-credit programs have met with much acclaim over the past few years, their success has largely been a result of the scant costs needed for training and the flexibility they extend to entrepreneurs (Yunus 1999). However, due to the complexities of running a business in the United States, many low-income and

disadvantaged Northern Virginia entrepreneurs (including immigrants participating in this study) required intensive training as well as capital (Verdaguer 2002, Bhatt 2002, Shreiner and Morduch 2002). While microcredits offer more personalized service to those who distrust financial institutions, they are limited by small staffs, lack of funds to offer immigrants with ambiguous legal status, and many of the same bureaucratic requirements that encumber mainstream financial institutions. In particular, policy makers should consider ways to allow unauthorized immigrants (and those caught between legal statuses) to access micro-credit loans and business assistance programs. Private donors could be sought to fill in funding gaps that exist due to rigid criteria for federal funds.

Programs that reach out to newcomers and stress financial literacy, explain credit, and offer Individual Development Accounts (matched savings accounts), are critical to creating immigrants who are savvy about banking and are prepared, even if only many years after arriving, to utilize their savings to open a business. These programs are as valuable as micro-credit itself and should also receive funding and support. Policy makers also need to review the current system of credit reporting in the United States. Bills like H.R. 3020, the Microloan Amendments and Modernization Act, which include mechanisms for establishing credit reporting by SBA micro-credit lenders, should be supported. This would facilitate better information sharing with mainstream banks and lessen the necessity for personal involvement by micro-credit advocates when a client decides to pursue a loan at a mainstream bank. Non-SBA lenders should also report loan repayment activity.

More generally, micro-credits and empowerment programs can increase immigrant entrepreneurs' ability to access capital and navigate bureaucratic procedures by ensuring that entrepreneurs are aware of available programs and resources. Programs must reach out to existing businesses in areas of immigrant concentration through personal contacts, and work with mainstream banks to ensure that entrepreneurs who are denied loans are referred to micro-credits. Loan officers cannot do it all. Equal emphasis must be placed on service, education, and community contact. Funds for micro-credits should contain provisions for education. A small business community liaison should not only visit their existing clients but also search out immigrant entrepreneurs in the community in order to publicize available resources and assess the problems that entrepreneurs are having. This would create a useful feedback loop between the community and the micro-credit.

Finally, micro-credits should reduce emphasis on formal, English-language business plans for smaller loans and make their services and offices more welcoming for low-income clients. While difficult because of increasing numbers of clients, micro-credits must provide more personal attention and information to entrepreneurs about loans and business processes. This could be achieved by encouraging an immigrant entrepreneur mentorship program, which would include immigrant entrepreneurs as mentors, in lieu of hiring additional micro-credit staff. Entrepreneurs simply need practical advice from someone who has done it before. It is important then to include a wide range of entrepreneurs—both successful entrepreneurs and struggling owners of new businesses have relevant advice. Entrepreneurs who have already completed formal

training programs should be encouraged to mentor others and contribute to planning and implementing training programs. The expertise of immigrant entrepreneurs should be valued and incentives provided. Incentives might include: greater stake in the organization, free advertising of their business on websites or newsletters, or tax credits. Greater contact between entrepreneurs would lead to better networking and perhaps facilitate a more formal organization that could represent entrepreneurs' interests. Again, such efforts must reach out to all immigrant entrepreneurs, including low-income entrepreneurs.

County and Municipal Governments

Local governments in Northern Virginia have taken important steps to accommodate immigrant entrepreneurs by translating documents, hiring bilingual employees, explaining violations before actual enforcement, and hosting town hall meetings. However, county and municipal governments could take additional time to listen to immigrant entrepreneurs and develop integrative solutions to conflicts instead of just trying to enforce regulations in a different language. Local governments should consider hiring departmental community liaisons who could perform outreach, train department staff, and investigate cultural frictions between the community and existing regulations. Local governments need to work cross-departmentally and join with community organizations, churches, and ethnic chambers of commerce in education efforts. County and municipal governments are hiring greater numbers of bilingual employees, but their language abilities are sometimes underutilized. For instance, the health department may not send out a Korean speaker to a Korean restaurant but instead

assign inspectors by zip code. While inspectors do not always need to be of the same ethnicity as the immigrant entrepreneurs, it would be useful when making the first inspection to have a bilingual employee. The inspector can then note if there are language barriers or if the way the restaurant is run (e.g., all signs and menus in a different language, unfamiliar foods or products) would be difficult for someone outside the ethnic group to understand. This extra effort by regulating departments could smooth the way for more positive interactions between immigrant entrepreneurs and local government offices. Finally, city funded empowerment programs and inspection offices may want to recruit new employees from empowerment training programs, such as the program for home child care owners, or express a formal preference for employees with vendor or business experience.

This attention to entrepreneurs' own skills and experiences is essential. As I was getting ready to leave Moisés's store one winter afternoon, he shook my hand and walked me to the door. "Just look over us. Speak for us," he told me. However, the voices of these immigrant entrepreneurs and gatekeepers speak for themselves and tell a powerful story about Northern Virginia. Their voices challenge cultural conceptions of credit, banking, and business and show us a way to integrate immigrants and provide alternatives for the upcoming generation of ethnic entrepreneurs. Banks can no longer afford to be structures that "deny, deny, deny." Similarly, localities must acknowledge that passing restrictive immigration policies can have unintended detrimental consequences for the economy. Supporting immigrant entrepreneurs provides opportunities for economic growth and prosperity for both longer rooted and new

Americans and is essential to integrating the two groups in an America where even small towns and suburbs are now immigrant gateways.

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CURRICULUM VITAE

Sarah M. Curry graduated from School for the Creative and Performing Arts at Lafayette in Lexington, Kentucky in 2000. She received her Bachelor of Arts in Community Development from the University of Kentucky in 2004. Since 2002 she has worked in or completed research on impoverished and immigrant communities from Chiapas, Mexico to Phoenix, AZ to P.G. County, MD. While at GMU, Curry was employed as a graduate research assistant at the Mason Project on Immigration, summer project director for the Barriers to Ethnic Entrepreneurship study, and an interviewer for Virginia's Changing Communities study. In her final semester she interned for the Data Hub and National Center on Immigrant Integration Policy at the Migration Policy Institute. She received her Master of Arts in Anthropology from George Mason University in 2008.