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Editorial

Palma Journal's special issue on migration aims at contributing to this area of study in a unique manner. By providing a forum for non-veteran scholars in the field to share their current research findings with a broader public, Palma has joined hands with the Lebanese Emigration Research Center in celebrating LERC's sixth anniversary serving international and interdisciplinary scholarly discourse between Lebanon and the rest of the world.

The migration special issue owes its inception to a conversation between Beirut und Buenos Aires, in which Eugene Sensenig-Dabbous, an Austrian-American researcher at LERC, and the eminent Argentinean migration scholar, Ignacio Klich, developed the idea for a special migration issue and presented it to the LERC research team. This Libano-Austro-Iberian link laid the foundation for an exciting collection of articles, which I have had the privilege to guest edit. The rest of the story is embodied in the volume at hand, made up of six submissions dealing with the various facets of Lebanese migrants' lives and their relations with their country of origin.

Some of the most insightful work currently being undertaken on Lebanese migration is presented here. This volume is made up of two articles on migration history and four on contemporary topics. The first historical piece, Anne Monsour's "*New century, old story! Race, religion, bureaucrats, and the Australian Lebanese story*", provides an overview of the history of Lebanese settlement in Australia and discusses these immigrants encounter with racial classification and discrimination. She starts with the current perception, common in Australian society, that the Lebanese community is somehow linked to rape, riots, and the "war on terror" campaign and maintains that this perception rests on a historically transmitted image that painted the Lebanese pioneers as "undesirables" or "enemy aliens." Mansour asserts that these pioneers attempted to overcome this 'categorization' process by emphasizing their "whiteness" at the expense of their "Eastern" characteristics. She argues that the restrictive Australian migration policies of the past continue to play a significant role in the lives of the Lebanese immigrants today.

The second historical article, "*The Transnational Imagination: XXth century networks and institutions of the Mashreqi migration to Mexico*", by Camila Pastor de Maria y Campos, addresses the issues of networking, institution formation, and role of the Lebanese community in Mexico from its inception until the present. It argues that migration networks and institutions were organized along confessional lines and through colonial ties mainly to the French Mandate, and that, following the founding of nation states in the Middle East, institutions became more sectarian as they became more 'national'. The author reasons that the "shifting boundaries of these networks reflect the overlapping transnational imaginaries and practices of migrants and colonial and

ecclesiastical authorities.” She contends that the Lebanese migrants to Mexico, whose loyalties in the past were cultivated politically and ecclesiastically and who were instrumentalized as transnational entities, were being cultivated and used in a similar manner following the end of the Civil War in Lebanon.

The first among the contemporary articles deals with gender. In “*Balad Niswen – Hukum Niswen: The perception of gender inversions between Lebanon and Australia*” Nelia Hyndman-Rizik addresses the issue of gender roles of male emigrants from the village of Hadchit in North Lebanon now living in Sydney. She maintains that their self-perception has been emasculated by the migration process. On the one hand, they are confronted with racism and subjugation in Australia, as well as with war and violence in their country of origin, about which they can do very little. On the other hand, changes in the roles of women within the immigrant communities, due to the education of their daughters and the participation of their wives in the Australian economy, further threatens the gendered status quo. Hyndman-Rizik found that these men “have come to imagine the Australian state as a matriarchal state, which is “*hukum niswen*”, ruled by women, as symbolized by the Queen of England as the Head of State.

“*Diaspora and E-Commerce: The Globalization of Lebanese Baklava,*” was written by Guita Hourani. The paper argues that new technologies allow small and medium enterprises in developing countries, especially those with “ethnic” or “nostalgic” merchandise, to carve a niche for their products in the international market. Taking e-commerce in baklava production as an example, this study shows how the main producers of this delicacy used ICT to tap into the Lebanese diaspora, as described in “business to diaspora” theory. The paper argues that shipping across international borders has required the producers to comply with international standards and to be creative in packaging and labelling their products. This process has also created the need for Lebanese financial institutions to facilitate credit card payment and verification. In conclusion, a case can be made for the need for a more enabling legal and telecommunication environment in this sector if it is to expand and thrive in the future.

Rita Stephan’s paper, “*Lebanese-Americans’ Identity, Citizenship and Political Behavior*” examines Lebanese-Americans’ political behavior in order to better understand the correlation between identity politics and ethnic minority citizenship. Stephan surveys how Lebanese, and Arab-Americans as a group, identify themselves and how they are identified by US society. She illustrates how the self-identification of Lebanese-Americans varies according to historical, political, ideological and cultural factors, how Lebanese-Americans vote, how they “frame their activism within the Arab-American framework in promoting their hyphenated community’s interest... and [how] Lebanese sovereignty and independence seems to be a common theme among many Lebanese-American organizations”. She suggests that “Lebanese-American political behavior offers ethnic studies a linkage between identity politics and ethnic citizenship by

contesting the permanency of individual and collective identities and linking voting behavior among ethnic minorities to their broader social identity.”

The final article on contemporary issues “*Pathways to Social Mobility: Lebanese Immigrants in Detroit and Small Business Enterprise*” was written by Sawsan Abdulrahim. Abdulrahim aims at understanding the roots of the Lebanese immigrants’ decision to engage in small-businesses in their new home. She reviews the “middle man” and “the ethnic enclave economy” theories and discusses the role played by social, physical, and economic capital as determinants in these decision making processes. Abdulrahim views these decisions in their relation to structural integration. She argues that “structural conditions and the ability to combine capital resources proved to be extremely important” in the Detroit context. She concludes, with respect to Lebanese small entrepreneurs, that while the move into the business world is the result of hard work and determination, it is likewise “an outcome of the structural discrimination they face and their inability to move into the professions they originally intended to work in.”

As guest editor of this special issue of Palma Journal, I wish to thank the editorial board for putting these pages at my disposal in order to expand discourse on Lebanese migration. In particular, I would like to thank Palma supervising editor, Eugene Sensenig-Dabbous, for initiating this process and accompanying me in the selection of articles and the arduous task of preparing this volume for final publication. I trust that the reader will discover many new insights into the field of empirical migration studies and the ongoing debates on migration theory and that this issue will further dialogue between scholars in the West and those in the Middle East.

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Pathways to Social Mobility Lebanese Immigrants in Detroit and Small Business Enterprise

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Abstract

This paper examines the pathways through which Lebanese immigrants come to own small businesses in the Detroit metropolitan area. It utilizes case study analysis as a methodological tool and the literatures on immigrant entrepreneurship and social capital theory as frameworks. Lebanese immigrants initially undergo a process of downward mobility on account of their inability to utilize their human capital in the host context. However, a number of factors interact to facilitate their move into small business enterprise. First, in the face of exclusions in the mainstream primary economy, Lebanese immigrants who have access to fungible social capital resources forsake expectations of return on their human capital and settle for opening a business. Second, the urban conditions in Detroit and the growth of the Arab immigrant community in Dearborn have opened a viable economic niche to Lebanese immigrants who could become small business owners. This paper suggests that an understanding of the delicate interactions between capital resources immigrants bring with them and structural conditions in the host context is crucial to describing the pathways through which Lebanese immigrants become owners of small businesses.

Keywords: Lebanese, immigrants, businesses, entrepreneurship, social capital, human capital, enterprises, mobility, United States of America.

Introduction

“Because gambling in *haram*,” said Jamal, a Lebanese immigrant and an owner of a gas station in Detroit, “I plan to stop selling lottery tickets as soon as the business is off its feet.” Jamal and I spent long hours conversing in the “cage” – a narrow enclosed space behind a Plexiglas wall, which physically separates him from the “rough” Detroit neighborhood where his gas station is located. Our conversations were interrupted numerous times by customers coming in to pay for gas or to buy cigarettes, candy, lottery tickets, milk, bread, or baby diapers. Jamal often exchanged polite, but very brief, phrases with his customers through a round voice transmitter placed in the Plexiglas. Before becoming a gas station owner, Jamal held a low-paying job in a meat factory “it was physical work, a lot of physical work, and it did not pay too much. It was a

dirty, hard, tough job. Nobody would work there unless faced with starvation.” Throughout our conversations, he repeatedly expressed gratitude that he was able to borrow money from his wife’s family to establish his own business and free himself from the toils of factory work. Despite a slow beginning, he is optimistic that his business will pick up in the rough neighborhood in which it is located and that his African-American customers will eventually come to like him.

Jamal’s employment trajectory and subjective views of his location as an immigrant business owner in Detroit bring up the central theme that will be explored in this paper: how and why Lebanese immigrants in the United States (US) move into small-business enterprise. The Lebanese constitute one of the most entrepreneurial diasporic communities in the world (Cohen, 1997), and an immigrant group that has one of the highest rates of self-employment in the US (Waldinger, Aldrich, and Ward, 2006). Despite these facts, social scientific writings on Lebanese immigrants as entrepreneurs in American cities are limited. Most of the published works on immigrant entrepreneurial groups from the Middle East explain the phenomenon as inherent in Middle Eastern culture itself; i.e., that current-day immigrants are naturally predisposed to success because they inherit entrepreneurial skills from their Phoenician, Arab, or Chaldean ancestors.

This paper, instead, seeks to understand the factors that influence Lebanese immigrants in a US urban center to move into small-business enterprise through integrating an analysis based on a current and well-developed sociological literature on immigrant modes of structural incorporation and social capital theory. It is based on a qualitative study carried out in 2003 with 25 Lebanese immigrants who own businesses in the Detroit Metropolitan Area (DMA). The study focused on two distinct locations within the DMA – the City of Detroit and Dearborn, the suburb bordering Detroit’s west side. It is common knowledge that, while Chaldean immigrants from Iraq own liquor- or party-stores in Detroit, the Lebanese own most gas stations in the city. Further, Lebanese immigrants own the overwhelming majority of ethnic businesses in Dearborn. In the paper, I first present a review of the sociological literatures on immigrant modes of structural incorporation and a critical review of social capital theory. The context in which the study is situated i.e. the history of Detroit and Dearborn and the history of Arab American presence in the urban center, is also presented. Second, I delineate the pathways through which Lebanese immigrants in the study come to inhabit “in-between” economic and social spaces. This is carried out through the method of case-study analysis with a focus on three participants whose narratives bring to light major themes that emerged from a comprehensive analysis of the data.

Immigrant Modes of Structural Incorporation

The jobs new immigrants obtain in the US and how these jobs allow them to achieve social mobility across generations has been the subject of numerous scholarly studies (Waldinger and Lichter, 2003). There seems to be sociological consensus that immigrant groups whose first generation invests in small-business enterprise have a much higher chance for success compared to groups who are incorporated in other economic sectors (Kim, 1999; Portes, 1987; Wilson and Portes, 1980; Light and Bonacich, 1988). Empirical research on Korean, Cuban, and Chinese immigrants consistently argues that immigrant incorporation in the small business sector is an outcome of a multitude of factors, some of which have to do with characteristics of the immigrant group itself while others have to do with the history and current characteristics of the US urban landscape. Two sociological theories, which shed light on the dynamic nature of immigrant structural incorporation as small-business owners in US cities, are the “middleman minority theory” and the “ethnic enclave.”

The Middleman Minority Theory and the Ethnic Enclave Economy

Immigration sociologists have long noted that the existence of a dual, or a split, labor market in capitalist economies influences the structural modes of incorporation of immigrant groups (Bonacich, 1972; Portes, 1983). In the US, the primary labor market (primary economy) is characterized by stability and potential upward mobility, whereas the secondary labor market (secondary economy) comprises jobs which are characterized by high turnover rates and little or no mobility. A gap exists between the two labor markets making it difficult for individuals to move out of the secondary economy and protecting the interests of those in the primary economy. In a split labor market, some immigrant groups may create an ethnic economy that lies outside the primary and secondary economies. The disadvantage theory of entrepreneurship argues that immigrants may turn to ethnic business enterprise after facing blocked opportunity in the mainstream primary economy; i.e. because they are unable to access professional jobs due to language barriers or discriminatory practices (Light and Rosenstein, 1995; Light and Gold, 2000). In addition to mainstream economic disadvantage, characteristics of a group – access to certain forms of capital and ethnic resources – encourage entrepreneurship and determine its success (Bonacich and Modell, 1980; Waldinger *et. al.*, 2006).

Two extensions of the ethnic economy which have roots in the split labor market theory are the “middleman minority” (Bonacich, 1973) and the “ethnic enclave” (Portes, 1987; Zhou, 1992). Middleman minorities are entrepreneurial groups who cluster in commercial occupations (Light and Bonacich, 1988); they occupy an intermediate position in the economic hierarchy, play the role of a “middleman” between elites and masses, and act as a buffer for elites bearing the brunt of mass hostilities (Bonacich, 1973, 1980; Zenner, 1982). One of the prominent features of the middleman phenomenon is the nature of societies in which it exists – namely the presence of distinct social groups separated by a

gap. In societies where social class and race intertwine, middleman minorities mediate between dominant and subordinate racial groups (Bonacich, 1980). In the current context in the US, immigrants who own small businesses in racially segregated and economically impoverished urban neighborhoods play the middleman role (Bonacich, 1993; Min, 1996). Bonacich (1993) views middleman minorities as both oppressors and victims in a capitalist system; while their economic niche depends on the presence of structural inequalities that exist in the host society, they are subjected to hostilities because of the structural position they occupy. Since the destruction of a large number of Korean-owned businesses during the 1992 Los Angeles civil unrest, Korean immigrants have come into focus as a prototype of a middleman minority (Min, 1996; Kim, 1999; Lee, 2002).

In addition to the middleman minority, Portes (1983) defines a distinct labor market segment – the ethnic enclave – and argues that it is not a product of economic policies that support the maintenance of the split labor market but rather is an outcome of the initiative and resources of immigrants themselves. The ethnic enclave relies on markets created and maintained by the immigrant group and contains both an economic and a cultural component (Zhou, 1992). For immigrants, the ethnic enclave may offer significant advantages compared to the secondary economy, and even long term advantages compared to the primary economy (Portes, 1983). Case studies of New York's Chinatown (Zhou, 1992; Kwong, 1996) and Miami's Little Havana (Portes, 1987, 1995) indicate that ethnic enclaves can be rich in social capital and provide a competitive edge for both the entrepreneurial and the working class. Ethnic enclaves have always existed in the US. European immigrant enclaves at the turn of the twentieth century were springboards for social mobility and places where adaptation and assimilation into mainstream society took place (Massey and Denton 1993). Current immigrant enclaves continue to be places where new immigrants are enabled to succeed economically. However, some argue that this process may take place without eventually joining a mainstream labor market (Portes, 1983; Kwong, 1996).

Forms of Capital

In a classic Marxian sense, capital involves a production process that results in subsistence livelihood for laborers and accumulation of wealth for capitalists. Physical, or economic, capital entails access to material resources such as property, savings, or inheritance. In addition to material capital, neo-capital theories – such as human and social capital – constitute important economic organizing concepts. Human capital involves acquiring education, knowledge, and skills that are valuable in the context in which an individual lives. Social capital, on the other hand, consists of resources which are embedded in social networks and which enhance outcomes for individuals and groups. Unlike physical and human capital, social capital is an intangible

resource; its importance lies in its ability to secure economic ends by virtue of its transformation into other forms of capital (Coleman, 1988; Glaeser, Laibson, and Sacerdote, 2002).

Some of the most well-known writings on social capital have been by Robert Putnam (1995) who argued that there is a strong correlation between the amount of social capital in a community – measured through membership in voluntary organizations, trust, and reciprocity – and a number of positive outcomes such as civic engagement and quality of government. Social capital is often measured through membership in voluntary organizations, trust and reciprocity. Portes (1998, p. 6), on the other hand, defined social capital as “the ability of actors to secure benefits by virtue of membership in social networks or other social structures.” Other writings have stresses that the importance of social capital lies in its ability to influence the economic activities of immigrants (Waldinger and Lighter, 2003). It has also been emphasized that social capital is not a unitary concept but has both “horizontal” and “vertical” dimensions (or “bonding” and “bridging”) (Woolcock and Narayan, 2000). From this perspective, having weak but resource-rich extra-community (vertical) ties may be more beneficial than having strong intra-community (horizontal) but resource-poor ties.

Many have argued for a need to extend social capital theory by integrating an analysis of the social structure (Portes, 1998; Lin, 2000, 2001; Lopez and Stack, 2001). At the most basic level, class capital influences the quality and quantity of the social capital individuals are able to draw upon. Lin (2000, 2001) contributes to social capital theory two important perspectives. The first is that inequality in social capital is highly determined by inequalities in the social structure. Thus, an individual’s position of origin (i.e. his or her class capital) determines the quality and quantity of social capital he or she may gain access to. In the same vein, social capital cannot be understood outside historical and institutional practices through which one social group was enabled to secure advantages that disabled others (Lopez and Stack, 2001). The second is that social capital and economic capital are two types of “rationality” or “criteria for survival” – they are not polarized values on a continuum but are complementary and mutually reinforcing under certain conditions. As such, social capital can be viewed as an outcome of economic capital (Bourdieu, 1986) and a resource which generates human capital in preceding generations (Coleman, 1988; Portes, 1998).

The “fungibility” of social capital is at the heart of the question of how some entrepreneurial immigrant groups are able to mobilize this intangible resource and transform it into other forms of capital. This question has been the subject of numerous writings on immigrant communities such as Koreans or Cubans. Arab immigrant entrepreneurial groups have not received adequate scholarly attention. Only two empirical studies have examined small business enterprise among immigrants from Arab countries in the US. Both explored Chaldean immigrant grocery and liquor store owners in Detroit and emphasized

the rapid social mobility that comes with the economic niche (Sengstock, 1974; David, 2000). At the expense of addressing structural factors that contribute to the viability of the ethnic niche, the two studies focused almost exclusively on the internal group features – a mercantile culture and extended family and ethnic networks. Conversely, a study on Iranian immigrant entrepreneurs in the US and Europe emphasized the importance of an interplay between cultural factors and global economic structures in determining the success of Iranian ethnic enterprise (Moallem, 2000). The cultural factors Moallem (2000) addressed are not ahistorical – that the Middle East has always had a mercantile culture – but relate to an Iranian immigrant culture that arose out of more recent political realities. As an outcome of repeated dislocations, Iranian immigrants develop a transnational cultural perspective that is neither occupied with “assimilation” nor with the “myth of return.” With respect to structural factors, the author pointed to the role played by structural discrimination and exclusion of professional immigrants in the US. In the face of this exclusion, the immigrants succeeded as entrepreneurs because they were able to mobilize transnational resources and class capital of origin, as a large proportion of them came from upper or middle class backgrounds. In the remainder of this paper, the fungibility of capital resources and the structural context are explored to draw a portrait of how Lebanese immigrants in the DMA turn to the small business enterprise.

The Context – Detroit and Dearborn

Understanding the history of Detroit and Dearborn is crucial to understanding how Arab immigrants in general, and Lebanese immigrants in particular, become incorporated into the socioeconomic structure as owners of small businesses. The DMA represents a prototype of the US urban history of racial and economic segregation, one which Massey and Denton (1993) called an apartheid. In the year 2000, Detroit was 81.6 percent Black and 12.3 percent White (US Census Bureau, 2000). In contrast, Dearborn, the suburb bordering Detroit’s west side, is 86.9 percent White and only 1.3 percent Black (US Census Bureau, 2000). Racial segregation in Detroit is not new; it in fact began with the arrival of Black immigrants from the South at the turn of the twentieth century. While European immigrant groups, at first segregated by ethnicity irrespective of social status, ultimately became assimilated into a unified White group, Black immigrants in Detroit became increasingly segregated from other European groups on the basis of race and irrespective of social status (Zunz, 1982).

In the decades following the 1920s, African-Americans continued to live in segregated residential areas and to be excluded from factory jobs. With the decline in White labor during World War II, the auto and steel industries began to employ Blacks in increasing numbers (Sugrue, 1996). As a result of discriminatory employment practices, Black labor remained over-represented in unskilled occupations and most vulnerable to layoffs once the industry

automated, relocated, or downsized. In response to economic changes, as well as rampant police brutality, Detroit experienced two race riots in the twentieth century, one in 1943 and one in 1967. The 1967 race riots accelerated the flight of White residents and business owners from the city, a process that had been already set in motion; by the early 1970s, Detroit had become a predominantly African-American city (Farley, Danzinger, and Holzer, 2002). Sugrue (1996) contends that what has become of Detroit – a largely Black, under-resourced city surrounded by affluent White suburbs – did not begin in 1967. The city's urban crisis is an outcome of two interrelated structural factors – economic inequality and racial segregation. The suburbs around Detroit played a crucial role in the maintenance of racial segregation. In many urban centers in the US, including in the DMA, Whites actively organized to prevent Blacks from renting or owning homes in suburban communities (Lipsitz, 1998). Dearborn's housing market, for example, was virtually closed off to African Americans for decades up until the 1970s (Georgakas and Surkin, 1998). At that time, Blacks who worked at Ford were not allowed to live in Dearborn but to return to Detroit every day before sunset (Good, 1989).

Writings on Arab-Americans are generally descriptive and only discursively address how immigrants interacted with race and racial segregation in urban centers such as Detroit. Early Lebanese and Syrian immigrants have lived in both the city of Detroit and in the Southend of Dearborn since the turn of the twentieth century and many have worked in Ford since the early 1900s (Shryock and Abraham, 2000). Along the years, the community grew in size and diversified in terms of national origin and religious affiliation. The 2000 Census estimated 115,284 persons who reported at least one Arab ancestry in the state of Michigan (de la Cruz and Brittingham, 2003). Like other minority groups, Arab Americans in Michigan are undercounted, and some contend that the size of the community is between 200,000 and 500,000. The Lebanese constitute the largest (36%) sub-national group within that community (AAI, 2003).

There are differing narratives about the reasons behind the flow of Lebanese immigrants in the early part of the twentieth century to urban centers in the US, including Detroit. One is that members of the group, mainly Christian peasants, were pushed by religious persecution and the other is that they were pulled by the economic incentive of working in factories such as Ford. Current theories of immigration argue against singular explanations related to population movements and emphasize the convergence of global, political, and economic shifts, as well as histories of colonial encounters (Portes, 1995; Sassen, 1999). The evidence of religious persecution as a singular push factor has been challenged in favor of hypotheses that emphasize immigrants' interaction with global economic forces (Saliba, 1983; Khater, 2001). Khater's (2001) research on the early Lebanese immigrants, for example, argues that Christian Lebanese peasants had come in contact with European capitalism by way of their participation as laborers in French silk factories in Lebanon. The fall of the silk

economy at a time when peasants had grown accustomed to certain standards of living, which their peasant economy could no longer fulfill, created the need for at least one member of the family to immigrate.

Ford's offer of US\$5 a day might have been a main reason for the early settlement of Lebanese immigrants in Dearborn and the expansion in the size of the community with time. In the year 2000, 30 percent of residents in this suburb reported an Arab ancestry (de la Cruz and Brittingham, 2003). In East Dearborn, Arab, including Lebanese, immigrants cluster around a viable ethnic enclave in which a large number of food-related establishments, religious institutions, and Arab American social service organizations exist. Most of the grocery stores and restaurants in the enclave are owned by Lebanese immigrants. These businesses give the enclave its character and attract outsiders to it. While Dearborn's Arab-American community continues to grow and become more diversified, the Lebanese Civil War and the Israeli invasion of Lebanon were two of the most important events that precipitated the expansion of the enclave.

In contrast to Dearborn, only 0.87 percent of Detroit's residents reported having Arab ancestry on the 2000 Census (de la Cruz and Brittingham, 2003). While only a small proportion of Lebanese immigrants live in Detroit, they own a large proportion of the city's gas stations. This is an economic niche which they entered slowly in the aftermath of the 1967 Detroit race riots and came to dominate by the end of the 1980s. Interviews with Lebanese immigrants weave a consistent narrative that, up until the early 1980s, Detroit gas stations used to be owned by large oil companies and operated mainly by Whites of Italian or Eastern European ancestry. Due to increasing social disorganization and rates of crime in the city, the companies began selling the stations at relatively low prices. This coincided with the arrival of Lebanese immigrants who were fleeing the Civil War at first and the Israeli invasion of their country later.

Currently, the Detroit gas station niche is dominated by Lebanese immigrants and is protected from outside competition. This protection is due to two factors: the first is that oil companies are no longer interested in taking the risk of operating in rough neighborhoods in urban centers and the second is that the communities in which these gas stations are located are bereft of economic capital. As such, the gas station niche inside the city belongs to Lebanese immigrants. Protection from outside competition, however, is almost balanced out by the existence of "cut-throat" competition inside the niche. Participants often complained that internal competition has transformed the gas station enterprise from a lucrative business to one that generates an income disproportionate with the long work hours and the lack of physical security that come with it. Thus, while opening a gas station in the eighties almost assuredly promised social mobility, Lebanese immigrants in the twenty-first century are entering an economic niche in Detroit that is crowded by others from their own community and where the chances of not surviving are relatively high. Those who have been in the niche for a relatively longer period of time blame newer

immigrants who lack business savvy, drive prices down, and fail to see the benefit of spreading out instead of clustering and competing against each other.

As owners of gas stations in the city, Lebanese immigrants interact for long hours with a disenfranchised community through a bulletproof glass. Many African-Americans implicate immigrant-owned businesses in their neighborhoods as accomplices in the maintenance of racial and economic segregation. Participants in this study provided divergent views related to their presence in African-American neighborhoods in Detroit. Some preferred to hold on to a perspective which emphasized the fact that their businesses provide products – i.e. medicine and groceries – which residents would not have access to otherwise. Others recognized their role as a “middleman minority” who replaced previous immigrant groups that abandoned the city. These participants often spoke about their position in Detroit negatively describing it as a source of serious psychological distress. Not only was stress caused by working for long hours in high crime areas, but also from engaging in activities that pose moral conflict for them such as selling lottery and other products which can potentially be used to inject drugs.

Lebanese Immigrant Pathways to Business Enterprise

Examining the immigration and employment histories of three participants, this section of the paper explores how Lebanese immigrants come to be incorporated into the small business enterprise in the context of the DMA. The three participants whose case studies are presented were specifically selected because their stories encompass important themes that emerged from a comprehensive qualitative analysis of data from the 25 interviews. In addition to describing the process through which immigrants come to be structurally incorporated in both Detroit and Dearborn as owners of small businesses, the analysis emphasizes how the process unfolds through the movement and fungibility of forms of capital.

A number of themes emerged out of the analysis. The first is that Lebanese immigrants in the study, regardless of their class origin, became incorporated upon arrival to the US in low-wage labor. They held jobs in the mainstream secondary economy (i.e. meat packaging and construction) or in ethnic businesses owned by other Lebanese immigrants (i.e. as night-shift gas station attendants). Secondly, this incorporation was temporary; they were able to move out of low-wage labor through mobilizing social capital resources and transforming them into physical or human capital. Social capital manifested among Lebanese immigrants in the form of having access to resource-rich social relationships, and not in the form of widespread trust and reciprocity. Thirdly, the desire and ability to move out of low-wage labor coupled with an inability to enter the primary mainstream economy led immigrants to small business enterprise. Failure to enter the primary economy was due to either lack of human capital (a factor within the immigrant himself) or to discrimination or

market preferences (external factors). In sum, Lebanese immigrants' creation of an ethnic niche in Detroit or an ethnic enclave in Dearborn is, to a large extent, an outcome of a balance between internal and structural factors. Specifically, it is a result of being able to mobilize enough capital resources to leave low-wage labor but not being capable of mobilizing enough to enter the primary economy.

The case of Ramez illustrates the themes listed above and the trajectory followed by many Lebanese immigrants who participated in the study. Ramez came to the US fresh out of high school hoping to live in New York City and study film. He quickly discovered that living in the Big Apple was beyond his means even though he comes from a relatively wealthy family back home. Thus, he moved to the Detroit area, where living expenses were lower, and enrolled in a junior college before eventually graduating with a degree in business from a state university. To supplement money his parents used to send him as a student, Ramez worked as a night shift attendant in a Lebanese-owned gas station in Detroit. Throughout the interview, he repeatedly emphasized that, despite his family's social class in Lebanon, he struggled like all immigrants in the US do. Nonetheless, his career path was determined by factors other than the long nights he spent behind a Plexiglas in Detroit. After his father's passing away, Ramez inherited a sum of money which he transferred from Lebanon to the US. He combined his inheritance with a loan his parents-in-law borrowed from a bank on his behalf to establish a wholesale business whose customers are Lebanese gas station owners in Detroit.

Upon arrival to the US, Ramez underwent what Moallem (2000) describes as a "process of proletarianization," which many middle-class immigrants undergo on account of their dislocation and racialization. However, and despite the fact that he projected an image of himself as beginning at the bottom of the ladder and making it through hard work and perseverance, Ramez's class capital of origin was crucial in determining his trajectory in the US by virtue of its conversion to other forms of capital. At the most basic level, the fact that he came from a wealthy family in Lebanon enabled him to immigrate to the US as a student. This meant that he could acquire human capital – a degree in business from an American institution and skills which are valued in the context in which he lives. In addition to human capital, he established a business with physical capital which is inter-generationally transmitted, i.e. inheritance, and capital he could access by virtue of having close social connections with individuals who were able to take out a loan from a US bank. The combination of physical capital and human capital enabled him to establish a "vertically integrated" wholesale business. It is connected with both small businesses, whose owners are Lebanese immigrants in Detroit, and distributors who are from outside the Lebanese community.

Unlike Ramez, Muneer completed his university education before immigrating to the US and worked for a few years as a school teacher in a southern Lebanese town. The Civil War, however, "cut [his] life in half" and as soon as an opportunity transpired for him in the early 1980s, he ceased upon it

and immigrated to the US. Despite arriving to Detroit with a bachelor's degree and years of experience as a school teacher, he was not able to obtain a job in education given his low English-language proficiency and heavy accent. His first job was at a meat packaging factory. He described it as working on a line with other immigrants who did not speak English and who could only earn a living through "selling their bodies." Feeling discontented with this downward social spiral, Muneer left the factory and peddled for a couple of years. He saved a sum of money from peddling, combined it with a small loan he borrowed from his sister in Lebanon, and opened his gas station in a poor neighborhood in Detroit in the early 1980s. This was a time when it was not expensive to do so. His customers are low-income African-Americans from the neighborhood, many of whom buy products from the gas station with a subsidy card the government provides to individuals who earn below a certain income. Muneer expressed that he does not want his son to help out in the gas station but to focus on his education to become a doctor. As to himself, he hopes to one day sell the station and to return to teaching:

My dream is to teach. I used to be a teacher [in Lebanon]. That has always been my aim. I wanted to continue but I had a lot of rough experiences in my life which prevented me. I am still hoping to do it, but maybe in the future.

While Ramez and Muneer both have university degrees, Muneer's human capital – a university education and experience as a school teacher in Lebanon – did not translate into human capital in the US. This is a predicament many immigrant groups encounter, not only those from Arab countries. Sociological writings on Korean immigrants have indicated that members of the group turn to small business enterprise after experiencing a decline in class status or blocked mobility in the primary economy (Kim, 1999). Harboring a strong aversion to factory work and at the same time realizing the impossibility of working as a teacher in the US, Muneer pooled his savings from peddling with money he obtained from his sister to move out of the mainstream secondary economy. The low cost of opening a gas station in Detroit in the early 1980s – given this was a time when oil companies were selling gas stations in the city to new immigrants in the aftermath of the White flight – was a very important structural factor which enabled Muneer to move into this niche with the small capital he had access to. Opening a business was expressly described by him, as well as many participants in the study, as a "way out" of factory work and a "compromise." Given the relatively limited capital of origin, Muneer's business is small and relies on the presence of a segregated and disenfranchised African-American community which uses government subsidies to buy food items from the closest establishment.

The case studies of Ramez and Muneer represent the most prevalent pattern in the career trajectories of Lebanese immigrants in the study who became owners of small businesses after temporarily working in low-wage labor. Many recalled experiences where they were exploited not only by

American factory owners or managers but also by Lebanese bosses who sometimes took advantage of the new immigrant's vulnerability. The case of Ismael represents a different and a less common pattern in the data, but one which deserves mention – that of an immigrant who brings physical capital with him at the time of immigration for the express purpose of investing it in new soil. Ismael and his brothers sold a food-related business in Lebanon shortly before immigration and brought the money with them to the US. Because the business offered Lebanese food and groceries, the brothers decided to open it in Dearborn, where there are a large proportion of Arab immigrants and Arab-Americans. Like many other ethnic businesses in Dearborn, Ismael's had small and humble beginnings but grew larger and more successful with the growth of the enclave to become, in the words of its owner, the "showcase of Dearborn." The statement carries a lot of truth, as the business is frequented during lunch hour by a large number of individuals who appreciate Lebanese cuisine, both from inside and outside Dearborn. According to Ismael, the business is successful only because it is a partnership between "blood relatives" who keep a very close eye on the minute details of its operations. As such, he indicated that it would not have thrived had it been run by owners who did not have close family ties. Outside the circle of brothers, the business hires more than 50 employees, all of whom are Lebanese but only one is a relative.

Ismael's story reveals that while physical capital brought from the country of origin was a prerequisite to establishing a business, a combination of factors – human capital, social capital, and the growth of the Arab immigrant community – determined its success. In this case, human capital was an outcome of having the experience in operating a food-related business before immigration. Social capital, on the other hand, manifested in the form of having very close partners with whom one has a "blood" relationship. The growing Arab-American community in Dearborn, due to wars in Lebanon, Palestine, and Iraq, was an important structural factor. It contributed to the success of the ethnic business by providing a large customer-base of immigrants. Despite the importance of the immigrant community to the success of the business, Ismael indicated that he strives to maintain a formal relationship with his customers. Specifically, this relationship is determined by his ability to provide a quality product and the customer's ability to pay: "there is no need for [the customer] to trust me or for me to trust him." This sentiment – making every effort to keep formal relationships with co-ethnic customers – was echoed by the majority of Lebanese participants in the study. Similarly, Ramez indicated that he refuses to operate on loans with his customers even though they are Lebanese. Given negative experiences in the past where he felt he had been taken advantage of, he established a policy whereby he sells only if the gas station owner pays in advance. Further, most participants expressed that they prefer to have prescribed as opposed to informal relationships with other Lebanese business owners. Due to heightened competition, both in the enclave and in Detroit, they pay attention

not to behave in ways that may be interpreted as prying or trying to find out how other businesses are doing financially.

Conclusion

The noticeable presence of Lebanese immigrants in the small business enterprise in the DMA has perpetuated conflicting stereotypes about the group and the nature of the phenomenon. Some interpret this presence as proof that the Lebanese are “naturally” predisposed to success in small business ownership. This view preempts any analysis of the role context plays in determining how, where, and when immigrants turn to this economic niche. In this paper, the dynamic nature of how Lebanese immigrants became incorporation into small business enterprise was delineated. The interaction between structural conditions in the host context, i.e., racially segregated urban centers in the US, and capital resources, i.e. some of which immigrants bring with them from the country of origin, is crucial to understanding why immigrant groups enter the small business economic niche and why many of them succeed.

Lebanese immigrants in the DMA, regardless of class background or reason for migrating, temporarily became incorporated in the local economic structure as low-wage laborers. Upon arrival, immigrants often held jobs in the mainstream secondary economy or as workers in the ethnic economy. In most cases, the movement from low-wage labor to self-employment was facilitated by a confluence of different forms of capital – class, human, and social. It was also determined by structural opportunities (the low cost of opening a gas station in Detroit in the 1980s as an outcome of White flight and the oil companies desire to sell) and constraints (the immigrants inability to enter the primary mainstream economy). Forms of capital were fungible, i.e. moveable from one place to another and convertible from one form to another. For example, class capital in Lebanon may translate into human capital in the US; human capital, in return, facilitates the establishment of a vertically-integrated business which generates more physical capital. Having access to resource-rich “first-degree” relationships manifested in this study as an important source of social capital and it facilitated the acquisition of other forms of capital.

One of the classical narratives of immigrants in the US is that they leave their countries of origin penniless, accumulate wealth in the US, and send remittances back home. That immigrants establish businesses with capital they bring with them has only recently been studied among some groups such as Korean and Chinese immigrants. Findings from this study suggest that transferring capital from the sending country to the US through immigration indeed takes place in the case of Lebanese immigrants. This is not to say that the ability to transfer wealth accumulated in Lebanon is the sole factor which determines success in small business enterprise in the US. Structural conditions and the ability to combining capital resources – different types of capital and from both the country of origin and the US – came out as the most important

themes in the narratives of Lebanese immigrants in Detroit. Finally, it is important to highlight that while the move into small business enterprise, while seen as an achievement for some, is seen by many who had aspirations to join the primary mainstream economy as a compromise.

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