

# BRAZILIANS IN SOUTH FRAMINGHAM: THE REACH OF ENTREPRENEURSHIP IN AN ETHNIC ENCLAVE

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Patrícia Rodrigues Costa de Sá<sup>1</sup>  
Herman Nébias Barreto<sup>2</sup>

<sup>1</sup> University of Massachusetts Boston / Pontifícia Universidade Católica de Minas Gerais (PUC Minas)

<sup>2</sup> UFMG

patcdesa@gmail.com, hermanbarreto@yahoo.com.br

**Resumo.** This paper discusses the reach of Brazilian entrepreneurship in the ethnic enclave of south Framingham, an area known as Downtown Framingham. It relies on semi-structured interviews with business owners to raise qualitative data. The interviews help understand how economic, social and human capital allow for Brazilians to start and operate their businesses in the ethnic enclave. The methodology applied in this study also promotes clarifications about the interactions between the businesses located in the enclave and the mainstream economy, by shedding a light onto the strength of the existing ties between business owners and other actors. It also promotes understanding about the actual role of immigrant entrepreneurship in eventually leading to economic assimilation. The study concludes that although entrepreneurship promotes economic assimilation in terms of income levels, it does not lead to immigrants' social mobility in the receiving country, as their businesses operate based on social ties among members of the immigrant community and do not represent substantial gains in social and human capital. ?????

**Palavras-chave:** Entrepreneurship, Forms of Capital, Social Ties, Economic Assimilation, Ethnic Enclave

**Abstract.** This paper discusses the reach of Brazilian entrepreneurship in the ethnic enclave of South Framingham, an area known as Downtown Framingham. It relies on semi-structured interviews with business owners to collect qualitative data. The interviews help explain how economic, social, and human capital allow Brazilians to start and operate businesses in the ethnic enclave. The methodology also clarifies the interactions between businesses located in the enclave and the mainstream economy by shedding light on the strength of existing ties between business owners and other actors. It also supports an understanding of the actual role of immigrant entrepreneurship in eventually leading to economic assimilation. The study concludes that although entrepreneurship promotes economic assimilation in terms of income levels, it does not lead to immigrants' social mobility in the receiving country, as their businesses operate through social ties among members of the immigrant community and do not represent substantial gains in social and human capital.

**Keywords:** Entrepreneurship; Forms of capital; Social ties; Economic assimilation; Ethnic enclave

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### Contextualization

Framingham is considered the host place to the largest Brazilian population in Massachusetts. It is estimated that over eight thousand Brazilians reside in Framingham, according to the US Census Bureau. As they started settling in Framingham over three decades ago, many eventually became US citizens and raised the second generation in the city. Both the second generation and the naturalized immigrants preserve cultural ties with Brazil. And as the Brazilian community is spatially concentrated in the southern part of the city, their ethnic presence is remarkable and confers dynamism to the downtown area.

Framingham established a solid economy during the twentieth century, geared by a General Motors assembly and the paper manufacturer Dennison & Co. The two companies based in south Framingham employed thousands of workers whose basic needs were served in a dynamic downtown area. In the 1990s both employers left Framingham, triggering a chain reaction of business closures and decrease in housing prices. Drawn by low rents, a growing number of Brazilian immigrants found south Framingham a reasonable place to settle. In the course of the following years, the decaying downtown area became the main hub of Brazilians, characterizing an ethnic enclave.

According to Logan, Zhang and Alba (2002), an ethnic enclave is a geographical area where a particular ethnic group is spatially clustered and socially and economically distinct from the majority group. A brief overview of data from the US Census Bureau confirms the existence of the enclave. The yearly median income in the northern part of the city, where mostly Americans and non-Latino immigrants reside, is much higher than in the southern part. Education and the language spoken at home also point to the striking differences between north and south, as shown in the table below:

**Table: Income, Language and Educational Attainment - Framingham**

|                                  | North Framingham | South Framingham |
|----------------------------------|------------------|------------------|
| Median Household Income          | \$120,811.00     | \$71,602.00      |
| Other language spoken at home    | 26.8%            | 53.9%            |
| Residents with Bachelor's Degree | 62.2%            | 39.9%            |

Degree

Source: American Community Survey, 2022 1-Year Estimates

“The geographical setting is a fundamental element of a community” (Park and Burgess, 1984, p. 144) and Framingham’s downtown area, located in the southern part of the city, boasts strong Brazilian influences. Although other Latino immigrants also reside in south Framingham, their presence as business owners is more visible in the blocks adjacent to the perimeter area in this study.

The settling of Brazilian immigrants in south Framingham triggered a process referred to as chain migration. According to Bolt and Van Kempen (2003), this process consists of immigrants choosing an ethnic enclave where they can take advantage of the community support provided by their fellow countrymen and maintain the lifestyle they had in their native country. It results in the opening of ethnic stores, the foundation of churches, and publication of press in foreign language (Bolt and Van Kempen, 2003, p. 210).

The area known as Downtown Framingham meets that description. It hosts dozens of establishments run by Brazilian immigrants, including insurance, accounting, and

money transfer services, clothing and optical stores, salons, restaurants, bakeries, grocery stores, real estate and travel agencies. Businesses display their signs in Portuguese and Spanish, employ predominantly members of the Brazilian community, and serve a clientele that comprises mostly immigrants. The clientele resides not only in Framingham, but also in other cities and towns in the Commonwealth of Massachusetts<sup>1</sup>.

Although data of the City of Framingham does not report Brazilians as investors in real estate in significant numbers, their presence in south Framingham is noticeable. Brazilians make up for most consumers, retail and service workers, and employers. They also rent the majority of the stores and offices downtown, thus representing the most important group of micro and small business owners. Aldrich and Waldinger (2003, p. 132) draw attention to the lack of studies dedicated to examining the performance of ethnic enterprises over time. The fact that Brazilians have been the main economic engine in downtown Framingham for over thirty years makes this group particularly worth investigating in an attempt to bridge that research gap.

Brazilian immigrants run both small businesses and microbusinesses. Microbusiness owners are more likely than small business owners to represent marginalized populations, as they tend to be young, female, or a person of color (McKay, 2014). The reality in Framingham confirms this trend and aligns with contributions found in the literature about capital - human, social, economic, and physical -, all of which represent prerequisites for an immigrant to venture in the mainstream economy. Coleman (1988) approaches those prerequisites stressing that a person's resources comprise expertise, relations, money and tools, which meet respectively each type of capital. Human capital, including educational attainment, is not transferable as a person migrates, making it difficult for newly-arrived immigrants to experience economic assimilation in the receiving country (Bourdieu, 1997; Friedberg, 2000).

When investigating the immigrants' venture options (i.e., start businesses in the ethnic enclave or in the new country's dominant marketplace), Ndofo and Priem (2011) found that the ethnic niche attracts more venture decisions. Masurell *et al* (2001) discuss that a major challenge facing ethnic entrepreneurs is to find strategies to enter mature market segments. Even when immigrants can resort to human capital, they tend to apply it to activities in the enclave, as their human capital will stand out in a market where most players can resort only to social capital (Bourdieu, 1997; Granovetter, 1973). Gomez *et al* (2015) add that immigrants who seek resources outside their ethnic community may have chances to develop weak ties beyond their ethnic niche, but the more embedded they are in their communities, the less likely to build new relationships outside the co-ethnic group (Gomez *et al*, 2015, p.3).

### **Objectives**

Assess the ties of the Brazilian businesses with actors of the ethnic enclave and the mainstream economy; determine the potential of immigrant entrepreneurship in the ethnic enclave to promote economic assimilation; investigate if businesses within the immigrant community result from the existence of opportunities in the ethnic group itself, from the lack of opportunities in the mainstream economy, or from a combination of both; determine the role of human, social, and economic capital in the immigrants' entrepreneurship.

### **Methodology**

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<sup>1</sup> This is the case of construction companies and cleaning services based in other cities and towns, which resort to accounting and insurance companies based in Framingham.

When assessing the underlying characteristics of immigrant businesses in Massachusetts, Forman and Larson (2014, p.5) state that immigrant businesses are often limited to a geographically small area. The area chosen in this study has been the core of the Brazilian enclave in the southern part of Framingham since the 1990s. This research relies on semi-structured interviews with the entire universe of entrepreneurs (naturalized and non-naturalized), whose businesses fall within the perimeter of study. The perimeter consists of the stores and offices facing Concord Street (between Howard and Clinton), and Union Avenue (between Pearl Street and Concord Street). The semi-structured interview seeks to raise qualitative data pertaining to the main objectives of the study, while allowing the subjects a margin of freedom in sharing details.

### **Main Findings**

Despite the importance of Brazilian entrepreneurship in rebuilding south Framingham, the businesses run by Brazilian immigrants are only partially connected to the mainstream economy, as they employ exclusively immigrants and serve a clientele that comprises mostly other immigrants. Entrepreneurship promotes economic assimilation, as measured by business owners' high income levels. However, the impacts of the assimilation in promoting social mobility are limited to the ethnic enclave and perceived by contrasting the capital accumulated by entrepreneurs against the capital of the average immigrants in the ethnic community.

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