

**Globalization from Below:  
The Rise of Transnational Communities\***

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The aphorism “capital is global, labor is local” lies at the base of an edifice built continuously during the last half century. From different theoretical quarters, this edifice has been celebrated as the final triumph of *free* trade and economic rationality or *denounced as the tomb of proletarian* consciousness and national liberation. Whatever the outlook, the narrative that follows portrays an increasingly bound global economy with capital--in the form of direct corporate ventures or portfolio investment--criss-crossing the earth in search of accumulation. The success of these initiatives is generally correlated inversely with the economic autonomy achieved by national states and the social and economic prerogatives earned by local labor. For the most part, however, the momentum acquired by global capitalist expansion is such as to sweep away everything, in its path, confining, past dreams of equality and autonomous national development to the dustbin of history.

The process of capital going abroad in search of valorization is, of course, nothing new and is indeed the cloth from which numerous accounts of the evolution of the capitalist world-system have been fashioned. What is new in the contemporary period are the modalities and intensity of the process, driven by technological improvements in communications and transportation. Today instantaneous investments and disinvestments are made in the bourses of remote Asian and Latin American countries and, as Castells (1980) puts it, a garment design conceived in New York can be transmitted electronically to a factory in Taiwan, and the first batches of the product received in San Francisco in a week's time. The advantages of the process seem to be entirely on the side of those best able to avail themselves of the new technologies, thus turning globalization into the final apotheosis of capital against its adversaries, be they state managers or organized workers.

Yet, as social scientists professionally trained to look at the dialectics of things, we understand that a social process of this magnitude can not be all one-sided. By its very momentum, the process is likely to trigger various reactions giving rise to countervailing structures. In the end, the technology-driven revolution that we are witnessing at century's end

may not usher the era of unrestrained global capitalism after all, but a new form of the struggle of exchange vs use values and of the formal rationality of law vs the substantive rationality of private interests.

As a contribution to this analysis, I attempt in this paper to give theoretical form to the concept of transnational communities, as a less noticed but potentially potent counter to the more visible forms of globalization described in the recent literature. I embark in this task not without some hesitation since the concept of transnationality, like that of globalization itself, threatens to become part of one of those passing fads that grip social scientists' attention for a while only to fade into oblivion. I believe, however, that there is enough real substance here to make the effort worthwhile. If successful, the concept may actually perform double duty as part of the theoretical arsenal with which we approach the world system structures, but also as an element in a less developed enterprise, namely the analysis of the everyday networks and patterns of social relationships that emerge in and around those structures. The latter goal belongs properly in the realm of a mid-range theory of social interaction which I will attempt to at least outline in the following comments.

### **The Onset of Transnational Networks**

The actual working-class response to the globalization of capitalist production has been more subtle than the creation of international trade unions or the attempt to get national states to impose labor standards on Third World exports. Both attempts have proven ineffective because the competitive realities of the world economy undermine any incipient class solidarity along national lines, leaving the field clear to footloose capitalist investment. Reasons for the futility of these efforts have been dealt with at length elsewhere (Portes 1994). Instead, what common people have done in response to the process of globalization is to create communities that sit astride political borders and that, in a very real sense, are "neither here nor there" but in both places simultaneously. The economic activities that sustain these communities are grounded precisely on the differentials of advantage created by state

boundaries. In this respect, they are no different from the large global corporations, except that these enterprises emerge at the grassroots level and its activities are often informal.

A group of social anthropologists who pioneered in the identification of this process and the attempt to make theoretical sense of it put their findings as follows:

We define “transnationalism” as the processes by which immigrants forge and sustain multi-stranded social relations that link together their societies of origin and settlement. We call these processes transnationalism to emphasize that many immigrants today build social fields that cross geographic, cultural, and political borders.... An essential element is the multiplicity of involvements that transmigrants sustain in both home and host societies. We are still groping for a language to describe these social locations (Basch, Glick Schiller, and Blanc-Szanton 1994: 6).

The puzzled attitude of these authors toward this emergent phenomenon is understandable when we begin to grasp the bewildering, array of activities that it comprises and the potential social and economic weight that it possesses. In this and the following sections, I will try to make three main points: 1) That the emergence of transnational communities is tied to the logic of capitalism itself. They are brought into play by the interests and needs of investors and employers in the advanced countries. 2) That these communities represent a distinct phenomenon at variance with traditional patterns of immigrant adaptation. 3) That because the phenomenon is fueled by the dynamics of globalization itself, it has greater growth potential and offers a broader field for autonomous popular initiatives than alternative ways to deal with the depredations of world-roaming capital.

Let us begin by looking at the origins of these communities. As the preceding quote indicates, they are composed primarily by immigrants and friends and relatives of immigrants. Public opinion in the advanced countries has been conditioned to think that *contemporary* immigration stems from the desperate quest of Third World peoples escaping poverty at home. In fact, neither the poorest of the poor migrate nor is their move determined mainly by

individualistic calculations of advantage.<sup>1</sup> Instead contemporary immigration is driven by twin forces that have their roots in the dynamics of capitalist expansion itself. These are, first, the labor needs of First World economies, in particular the need for fresh supplies of low-wage labor. Second, the penetration of peripheral countries by the productive investment, consumption standards, and popular culture of the advanced societies.

Contrary to widespread perceptions, immigrants come to the wealthier nations less because they want to than because they are needed. A combination of social and historical forces has led to acute labor scarcities in these economies. In some instances, these are real absolute scarcities such as the dearth of industrial workers in Japan and the deficit in certain professions, like nursing and engineering in the United States. In other instances, however, the scarcity stems from the culturally conditioned resistance of native-born workers to accept the low-paid menial jobs commonly performed by earlier immigrants (Piore 1979; Gans 1992; Portes and Guarnizo 1990). The list of such stigmatized occupations is large and includes, among others, agricultural stoop labor, domestic and other personal services, restaurant kitchen work, and garment sweatshop jobs (Sassen 1989).

Because of trade union and public opposition, the continuation of the immigrant labor flow has often taken place surreptitiously, under various legal subterfuges. In the United States, public outcry at the volume of unauthorized immigration led to the passage of the 1986 Immigration Reform and Control Act or I.RCA. This piece of legislation reflects with notable clarity the resilient need for immigrant labor and the enduring, power of employer associations. Instead of reducing the volume of immigration, the 1986 law actually increased it through several ingenious loopholes.<sup>2</sup>

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<sup>1</sup> This statement cannot be fully justified here without hopefully derailing the reader's attention from the central focus of the analysis. The argument has been documented fully in several earlier writings. See Portes (1978) and Portes and Böröcz (1989).

<sup>2</sup> Some 2.5 million formerly unauthorized aliens were legalized under IRCA. Subsequent legislation contained generous provisions for newly legalized immigrants to bring their relative. More importantly, IRCA retained a large loophole allowing for the continuation of the unauthorized flow by requiring employers to check prospective workers' documents but not to establish their validity. Predictably, a massive fraudulent documents industry sprung up to service the new immigrants and their employers (Bach and Brill 1991). More recent legislative attempts to control immigration, such as proposition 187 in California and a new act enacted by the U.S. Congress in 1996 promised to fare no better (Portes and Rumbaut 1996:ch.8).

By 1990, the foreign born population of the United States had reached almost 20 million, the largest absolute total in the century (Fix and Passel 1991; Rumbaut 1994). The legislated loopholes of the IRCA plus new generous provisions of the 1990 immigration Act virtually guarantee that this absolute number and the proportion that immigrants represent in the total U.S. population will increase significantly by the century's end. In Germany and France, despite official termination of the foreign guestworker program in the 1970s, immigrant communities have continued growing ceaselessly through a variety of legal loopholes and clandestine channels (Zolberg 1989. Hollifield 1994). Today, Germany has a foreign population of 7 million or roughly 9 percent of the total a proportion quite similar to that in the United States (Münz and Ulrich 1995; Bade 1995). Even in ethnically homogenous Japan, labor scarcity has prompted a variety of legal subterfuges including the use of foreign company "trainees" and visa overstayers to perform line industrial jobs. By 1990, the foreign-born population of Japan numbered about 1.1 million, still an insignificant proportion of the total population, but expected to more than double during the next decade (Cornelius 1992, 1994),

The other side of the equation is the effects of the globalization process on the supply of potential immigrants. The drive of multinational capital to expand markets in the periphery and, simultaneously to take advantage of its reservoirs of labor has had a series of predictable social consequences. Among them are the remoulding of popular culture on the basis of external forms and art forms and the introduction of consumption standards bearing, little relation to local wage levels (Alba 1978). This process simultaneously pre-socializes future immigrants in what to expect of their lives abroad, and increases the drive to move through the growing, gap between local realities and imported consumption aspirations. Paradoxically, the process does not so much affect the very poor in peripheral societies, as working and middle-class sectors who are frequently the most exposed to marketing messages and cultural symbols beamed from the centers<sup>3</sup> (Grasmuck and Pessar 1991; Portes and Bach 1985). The

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<sup>3</sup> Sassan (1998) has developed a variant of this argument where runaway industries located in peripheral export zones stimulate out migration by pre-socializing their work forces in First World cultural practices. Most of the labor force in these industries is formed by young people who are commonly dismissed after a few years. The combination of the skills and aspirations learned during their employment with their economic redundancy

fundamental point is that contemporary core-bound immigration is not an optional process, but one driven by the structural requirements of advanced capitalist accumulation. As such, the presence of Third World immigrants in cities of the developed world can be confidently expected to endure and expand. These groups provide, in turn, the raw material out of which the phenomenon of transnational communities develop.

### **The Rise of Transnational Enterprise**

The continuation of a the *de facto* open migration policy is prompted by employers' demand for fresh sources of low-wage labor in the advanced countries, while the relocation of production facilities abroad is motivated by a similar demand by certain industrial sectors. Peripheral workers who become employed under these various arrangements are not simply exploitable objects, but can become aware of the logic of these processes and the constraints that they create for personal mobility. Itzigsohn (1994) has shown how workers in the Dominican Republic become informal entrepreneurs in order to avoid the drudgery and minimal remuneration of work in the industrial export sector. In the Dominican context, the informal economy becomes, paradoxically, a means of popular resistance against the designs of foreign capital.<sup>4</sup>

Many immigrant workers too soon become aware that the pay and labor conditions in store for them in the advanced world do not go far in promoting their own economic goals. To by-pass the menial dead-end jobs that the host society assigns them, they must activate their networks of social relationships. Immigrant social networks display two characteristics that

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converts them into a ready pool for future migration. Sassen provides little empirical evidence, but subsequent research in a number of Latin American countries indicates that Sassen's thesis has some validity. See Perez-Sainz 1994; Itzigsohn (1994).

<sup>4</sup> Past analyses of the informal sector in peripheral countries have shown it to be an efficient tool for decreasing costs and increasing flexibility in the utilization of labor by large formal firms (Portes and Walton 1981); Benería 1989). These analyses assumed a regulatory framework, enforced by the state, which protected workers and simultaneously constrained employers. The framework has largely evaporated in the new export production zones

those linking domestic workers generally do not have. First, they are simultaneously dense and extended over long physical distances. Second, they tend to generate solidarity by virtue of generalized uncertainty. Exchange under conditions of uncertainty creates stronger bonds among participants than that which takes place with full information and impartially enforced rules.

The sociological principle, established both in field studies and experimental observation, applies particularly well to immigrant communities (Kollock 1994). Their economic transactions both internal and with outsiders tend to occur with little initial information about the trustworthiness of exchange partners and the character and reliability of state regulation. This high uncertainty creates the need to “stick together” and to stay with the same partners, regardless of tempting outside opportunities, once their trustworthiness has been established.

Geographically extended, dense, and solidary networks can put into play for a number of economic initiatives. In one such instance, highlighted by Sassen (1994), they lead to lone, distance labor markets where job opportunities in far away locations are identified and appropriated. In another, described by Zhou (1992), they lead to pooling resources to lower consumption costs and produce enough savings for business or real estate acquisition. In a third, extensively studied by Light (1984) and his associates (Light and Bonacich 1988), they lead to the emergence of informal credit associations where pooled savings are allocated on a rotating, basis. A fourth such initiative consists of appropriating the price and information differentials between sending, and receiving countries through the creation of transnational enterprises.

This fourth strategy is not necessarily incompatible with the others, but is distinct in that it deepens on transactions that occur regularly across political borders. To be feasible, such transactions require extraordinarily resilient networks to insure timely supplies, deliveries, and

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where workers are subjected to much harsher conditions. It is this surrender of the regulatory powers of the state that is re-defining the character and meaning of popular informal enterprise in many Third World cities.



payments under conditions where little or no external regulation exists. Grassroots transnational enterprise benefits from the same set of technological innovations in communications and transportation that underlie large-scale industrial re-structuring. A class of immigrant transnational entrepreneurs who shuttles regularly across countries and maintains daily contact with events and activities abroad could not exist without these new technologies and the options and lower costs that they make possible. More generally, this form of popular response to global restructuring, does not emerge in opposition to broader economic forces, but is driven by them. Through this strategy, labor (initially immigrant labour) joins the circles of global trade imitating and adapting, often in ingenious ways, to the new economic framework.

This parallel between the strategies of dominant economic actors and immigrant transnational enterprise is only partial, however. Both make extensive use of new technologies and both depend on price and information differences across borders, but while corporations rely primarily on their financial muscle to make such ventures feasible, immigrant entrepreneurs depend entirely on their social capital (Guarnizo 1992; Zott and Bankston 1994). The social networks that underlie the viability of such popular initiatives are constructed through a protracted and frequently difficult process of immigration and adaptation to a foreign society that gives them their distinct characteristics. In turn, the onset of this economic strategy tends to strengthen such networks. Thus transnational entrepreneurs expand and thicken, in a cumulative process, the web of social ties that make their activities possible. This cumulative growth of networks and firms grounded simultaneously in two countries eventually leads to a qualitatively distinct phenomenon. This qualitative change, that represents the terminal point of my inquiry, may best be ushered by some examples from the recent literature.

### **The Construction of Transnational Communities**

There exists today in the Dominican Republic literally hundreds of small and medium enterprises that are founded and operated by former immigrants to the United States. They

include small factories, commercial establishments of different types, and financial agencies. What makes these enterprises transnational is not only that they are created by former immigrants, but that they depend for their existence on continuing ties to the United States. A study of 113 such firms conducted in the late 1980s found that their mean initial capital investment was only \$12,000, but that approximately half continued to receive periodic capital transfers from abroad averaging \$5,400. Moneys were remitted by kin and friends who remained in the U.S. but were partners or co-owners of the firm. In addition to capital, many firms received transfers in kind, producer goods or commodities for sale (Portes and Guarnizo, 1990:16).

In the course of fieldwork for this study, the authors found a second mechanism for capital replenishment, namely owners' periodic trips abroad to encourage new potential immigrant investors. These trips are also used by factory owners and managers to sell abroad part of their production. Proprietors of small garment firms, for example, regularly travel to Puerto Rico, Miami, and New York to sell their wares. It is common practice to have a prearranged verbal agreement with buyers abroad, including small clothing stores. On their way back to the Dominican Republic, the informal exporters fill their empty suitcases with inputs needed for business such as garment designs, fabrics, and needles.

To the untrained eye, these loaded down international travellers appear as common migrants visiting and bearing gifts for their relatives back home. In reality, they are engaged in a growing form of transnational informal trade. The information requirements for this dense traffic are invariably transmitted through kin and friendship networks spanning the distance between places of origin and destination. By the same token, it is clear that the men and women who operate these firms are not "return immigrants" in the traditional sense of the term. Instead, they made use of their time abroad to build a base of property, bank accounts, and business contacts from which to organize their return home. The result is not final departure from the United States, but rather a cyclical back-and-forth movement through which the

transnational entrepreneur makes use of differential economic opportunities spread across both countries (Portes and Guarnizo 1990: 21-22).

There is a remarkable disparity between the dynamism of transnational enterprise and governmental misunderstandings or ignorance of the phenomenon. Officials of the Dominican and U.S. governments are mostly interested in the size and channelling of immigrant remittances and appear unaware of the intense entrepreneurial activity going on underneath. In the capital city of Santo Domingo, research conducted during the last two years reveals how returned immigrants have pioneered a number of business lines based on ideas and skills learned in the United States. These include fast food borne delivery, computer software and video stores, the selling and rental of cellular phones, automobile detailing and many others. Meanwhile, executives of the Dominican construction industry admit that many of their firms could not survive without demand for second homes and business space generated by Dominicans abroad. Entire new sections of the city, especially toward the west and near the international airport, have been built with the immigrants in mind.<sup>5</sup> Popular lore has designated this population with a distinct name-*dominicans ausentes* (absent Dominicans) or *Dominican Yorkers* (because of their concentration in New York City). They loom increasingly large in the tourism, garment, electronics, construction, and entertainment sectors of the local economy. By and large, the Dominican state in the past has been indifferent and generally unaware of these developments (Guarnizo 1994).

A similar story, but with a unique cultural twist is told by David Kyle (1994) in his study of the Otavalan indigenous community in the highlands of Ecuador. Traditionally, the region of Otavalo has specialized in the production and marketing of clothing, developing and adapting new production skills since the colonial period under Spain. During the last quarter of a century or so, Otavalans have taken to travelling, abroad to market their colorful wares in major cities of Europe and North America. By so doing they appropriate the exchange value pocketed elsewhere by middlemen between Third World indigenous producers and final

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<sup>5</sup> Based on interviews conducted by the author and by a research team headed by Professor Carlos Dore of the Latin American School of Social Sciences (FLASCO) in the Dominican Republic during the Fall of 1996.

consumers. After years of travelling abroad, they have also brought home a wealth of novelties from the advanced countries, including, newcomers to their town. In the streets of Otavalo it is not uncommon to meet European women attired in traditional indigenous dress--the wives of transnational traders who met them and brought them back from their long-distance journeys..

During the same period, semipermanent Otavalan enclaves began to appear abroad. Their distinct feature is that their members do not make their living from wage labor or even local self-employment but from the commercialization of goods brought from Ecuador. They maintain a constant communication with their home town in order to replenish supplies, monitor their *telares* (garment shops), and buy land. The back-and-forth movement required by this trade has turned Otavalans into a common sight not only at the Quito airport but also at street fairs in New York, Paris, Amsterdam, and other large cities. According, to Kyle, Otavalans have even discovered the commercial value of their folklore and groups of performers have fanned throughout the streets of First World cities in recent years.

The sale of colorful *ponchos* and other woolens accompanied by the plaintive notes of the *quena* flute have been quite profitable. The economic success of these indigenous migrants is evident in their near universal refusal to accept wane labor abroad and in the evident prosperity of their town. Otavalo is quite different in this respect from other regions in the Andean highlands. Its Indian entrepreneurs and returned immigrants comprise a mood portion of the local upper strata, reversing the traditional dominance of white and mestizo elites.

Like the Dominican Republic, El Salvador is a country profoundly influenced by the transnational activities of its expatriate communities. In this case, out-migration was initially prompted by a violent Civil War that sent enough Salvadorans out of the country to decisively alter the country's economic and social fabric. By 1996, remittances totaled approximately \$1.26 billion, exceeding the sum total of the country's export (Landolt 1997). The influence of Salvadoran transnational enterprises goes well beyond this figure. Major travel and package

delivery firms have grown out of small informal concerns to service the manifold needs of the immigrant community and their counterparts at home. Immigrant capital has funded everything from new “Tex-Mex” food stands in the capital city of San Salvador to well-stocked computer software and video stores in the capital and 'In provincial cities such as San Miguel.<sup>6</sup>

In turn, Salvadoran banks and major businesses have come to see the large immigrant concentrations in cities like Los Angeles as a new market and a means of rapid expansion. Thus, the Constancia Bottling Company, a beer and soft drinks concern, set up a plant in Los Angeles to cater to the needs of the immigrant population. Similarly, the Salvadoran Chamber of Industry and Construction (CASALCO in the Spanish acronym) has held real estate fairs in Los Angeles, seeking, to expand the already sizable demand for new housing by Salvadorans abroad. As in the Dominican Republic, expatriates have also acquired a new name in Salvadoran culture, *el hermano lejano* (the distant brother). Having access to the solidarity and resources of such “brothers” has become a vital means of survival, not only for families but for entire communities.

Because of its origins in a harsh civil war and perhaps because of its mostly rural backgrounds, Salvadorans abroad maintain strong, emotional ties with their hometowns. Dozens of *comites de pueblo* (town committees) have been created in Los Angeles, Washington D.C., and Houston to Support the respective communities and advance local development projects. Landolt (1997:20) summarizes the developmental significance of such efforts:

Like the contrast between families that receive remittances and those that do not, municipalities that receive this “grassroots transnational aid” *versus* those that do not,

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<sup>6</sup> This brief summary is based on interviews with informants in the Slavadoran communities of Washington D.C. and Los Angeles and in two major sending cities in El Salvador - San Salvador, the capital, and San Miguel. Interviews were conducted by a field team led by Patricia Landolt of John Hopkins University and Luis E. Guarnizo of the University of California-Davis in cooperation with FUNDE, a Salvadoran non-governmental research organization. The Salvadoran research team was led by Mario Lungo and Sonia Baires. These interviews are part of a comparative project led by the author. For more detailed presentation of these results see Baires and Landolt (1997).

highlight the economic relevance of collective remittance strategies. Towns with a home

town association abroad commonly have paved roads and electricity. Their soccer teams have better equipment, fancier outfits, and perhaps even a well-kept field where they practice.

A final example involves immigrant communities of considerably greater economic power. The very growth of Asian communities in the United States, particularly the Chinese, has created opportunities for moneyed entrepreneurs from Taiwan and Hong-Kong to invest profitably in the United States and, in the process, become themselves part of the transnational community. Smith and Zhou (1995) explain how the rapid growth of Chinese home ownership in the New York suburb of Flushing has been largely financed by new Chinese banks established with Taiwanese and Hong Kong capital. The rapidly growing Chinese population in Flushing and adjacent cities in the borough of Queens is very oriented to home ownership but lacks the knowledge of English and credentials to seek credit from mainstream institutions. To meet the burgeoning demand for housing loans processed in their own language, local entrepreneurs have come to Taiwan and Hone, Kong to pool capital for new banks, and new immigrants have come to the United States bearing the necessary resources. As a result, Chinese-owned banks in Flushing proliferated. Although small by conventional standards, they serve simultaneously the economic interests of the immigrant community and of their overseas investors.

Three thousand miles to the West, the city of Monterey Park, California has been transformed into the "first suburban Chinatown" largely by the activities of well-heeled newcomers (Fong 1994). Many Taiwanese and Hong-Kong entrepreneurs established businesses in the area less for immediate profit than as a hedge against political instability and the threat of a Chinese communist takeover. Opening, a new business in the United States facilitates obtaining permanent residence permits and many owners bring their families along to live in Monterey Park, while they themselves continue to commute across the Pacific.

The activities of the “astronauts”, as these entrepreneurs are dubbed locally, adds a new layer of complexity to the transnational community. In this instance, returned immigrants do not invest U.S.-accumulated savings in new enterprises at home but rather immigrants bring new capital to invest in firms in the United States. The birth of a child in American soil guarantees U.S. citizenship and anchors the family definitively in their new setting, As a result of the twin processes of successful investments and citizenship acquisition, Chinese immigrants have moved swiftly from the status of marginal newcomers in Monterey Park to the core of the city's business class (Fong 1994).

I have dwelled on these examples at some length to give credibility to a phenomenon that when initially described, strains the imagination. A multitude of similar examples could have been used, as illustrated in the pioneering collection by Basch and her collaborators (Basch, Glick Schiller and Blanc-Szanton 1994). The central point that these multiple examples illustrate is that, once started, the phenomenon of transnationalization acquires a cumulative character expanding not only in numbers but in the qualitative character of its activities. Hence, while the original wave of these activities may be economic and their initiators can be properly labeled transnational entrepreneurs, subsequent activities encompass political, social, and cultural pursuits as well.

Alerted by the initiatives of immigrant entrepreneurs, political parties and even governments establish offices abroad to canvass immigrant communities for financial and electoral support. Not to be outdone, many immigrant groups organise political committees to lobby the home government or, as in the case of multiple Salvadoran and Dominican immigrant initiatives, to influence the local municipality on various issues. To provide yet another example, Mexican immigrants in New York City have organized vigorous campaigns in support of public works in their respective towns. Smith (1992) tells about the reaction of the Ticuani (Puebia) Potable Water Committee upon learning that the much awaited tubing has

arrived and, with it, the final solution to the town's water problem. They immediately made plans to visit the new equipment:

On first sight, this is no more than an ordinary civic project . . . Yet when we consider certain other aspects of the scene, the meaning becomes quite different.

The Committee and I are not standing in Ticuani, but rather on a busy intersection in Brooklyn ... The Committee members are not simply going, to the outskirts of the town to check the water tubes, but rather they are headed to JFK airport for a Friday afternoon flight to Mexico City, from which they will travel the five hours overland to their pueblo, consult with the authorities and contractors, and return by Monday afternoon to their jobs in New York City.

Churches and private charities have joined this movement between home country and immigrant community with a growing number of initiatives involving both. Finally, the phenomenon acquires a cultural veneer as borne performers and artists use the expatriate communities as platforms to break into the First World scene and as returnee artists popularize cultural forms learned abroad. The end result of this cumulative process is the transformation of the original pioneering economic ventures into transnational communities, characterized by dense networks across space and by an increasing number of people who lead dual lives. Members are at least bilingual, move easily between different cultures, frequently maintain homes in two countries, and pursue economic, political, and cultural interests that require a simultaneous presence in both. It bears repeating that the onset of this process and its development is nurtured by the same forces driving large-scale capitalist globalization. Marx describe the proletariat as created and placed into the historical scene by its future class adversaries, so global capitalism has given rise to the conditions and incentives for the transnationalization of labor.

It is important to note, however, that not all immigrants are involved in transnational activities, nor everyone in the countries of origin is affected by them. The sudden popularity of



this term may make it appear as if everybody is “going transnational,” which is far from being the case. In this sense, little is gained, by the re-labeling, of immigrants as “transmigrants” since the new term adds nothing to what is already known. It is preferable to reserve the term “transnational” for activities of an economic, political, and cultural sort that require the involvement of participants on a regular basis as a major part of their occupation. Hence, the Salvadoran merchant who travels regularly back home to replenish supplies or the Dominican builder who comes periodically to New York to advertise among his compatriots is a transnational entrepreneur; the immigrant who buys one of those houses or who travels home yearly bearing gifts for his family and friends is not. Reasons for the emergence of this novel phenomenon and its bearing, on international and domestic inequalities are explored next.

### **The Structure and Consequences of Transnationalism**

If conditions confronting today's immigrants bore some similarity to those faced by their U.S.-bound European predecessors at the turn of the century, it is likely that they would not have moved so decisively in the direction of transnational enterprise as a means of survival or mobility. That earlier era featured two significant conditions distinct from those today. First, a plethora of relatively well paid wage jobs in industry; second, costly and time-consuming long-distance transportation. The first condition militated against widespread entrepreneurial ventures and gave rise over time to stable working-class ethnic communities. Most Poles and Italians in the United States became workers and not entrepreneurs because labor market opportunities in the American industrial cities where they arrived made this an attractive option. By contrast, today's uncertain and minimally paid service sector jobs strongly encourage immigrants to seek alternative economic paths.

Second, communications and transportation technologies were such as to make it prohibitive for turn-of-the-century immigrants to make a living out of bridging the cultural gap between countries of origin and destination or lead simultaneous lives in both. No trans-Pacific commuting was possible. No means were available for Polish peasants to check how things

were going at home over the weekend and be back in their New York jobs on Monday. Although some activities that could be dubbed “transnational” according to a strict definition of the term did occur among earlier European immigrants, the present process is characterized by three features: First, the near-instantaneous character of communication across national borders and long distances. second, the numbers involved in these activities; and third, the fact that, after a critical mass is reached, they tend to become “normative.”

Airplanes, telephones, fax machines, and electronic mail facilitate contact and exchange among common people on a scale incommensurate with what could be done a century earlier. For this reason, and given the economic political, and cultural incentives to do so, more immigrants and their home country counterparts have become involved in transnational activities. Once the process begins, it can become cumulative so that, at a given point, it can turn into “the thing, to do” not only among the pioneers, but even among those initially reluctant to follow this path. Immigrant communities like Monterey Park near Los Angeles and highly transnationalized towns in El Salvador and the Dominican Republic have begun to approach this stage.

It bears repeating that grassroots transnational enterprises are not set up in explicit opposition to the designs of large banks and corporations. What the world-ranging activities of these major actors do is to provide examples, incentives, and technical means for common people to attempt a novel and previously unimagined alternative. By combining their new technological prowess with mobilization of their social capital, former immigrant workers are thus able to imitate the majors in taking advantage of economic opportunities distributed unequally in space.

*The long-term* potential of the transnationalization of labor runs against growing international inequalities of wealth and power as well as intra-national ones in the countries of out-migration. What the process does, above all, is to weaken a fundamental premise of the hegemony of corporate economic elites and domestic ruling classes. That premise, noted at the start of this chapter, is that labor and subordinate classes remain “local”, while dominant

elites are able to range “global”. So far the process has not run its course to the extent of threatening, Third World labor supplies for runaway multinationals or the abundance of immigrant workers for employers in the advanced world. It has gained sufficient momentum, however, to earn the attention of authorities in small countries like El Salvador and in states of large countries like Mexico that have initiated policies designed to control or co-opt these grassroots ventures.

If, in the long run, transnational enterprise can become an equalizing, force, in the short term, it can have the opposite effect. Reasons have already been noted by Landolt in her comment about growing disparities between sending localities that possess a committee among its migrants abroad and those that do not. Pioneering transnational entrepreneurs who have become successful favor their own families and perhaps their home communities, but also seek to restrict competition from others. Successful political activists who have mobilized support among immigrants strengthen their own parties at home, while trying to prevent others from gaining access to the same resources. Hence, to the extent that the process of transnationalization is short-circuited by the regulatory or co-optive activities of established elites, it may simply incorporate a minority of successful entrepreneurs into these elite ranks, while continuing to exclude others. Inequalities among Third World families and local communities would be exacerbated, not reduced by the transnational activities of immigrants.

There is reason, however, to be optimistic about the long-term effects of this phenomenon. Despite the predictable, indeed inevitable, co-optive and control activities of sending governments and transnational corporations, the process of capitalist globalization is so broadly based and has generated such momentum as to continuously nourish its grassroots counterpart. Every new attempt to market wireless telephones, internet access, or cheaper airline tickets in less developed countries; every effort of employers in New York or Los Angeles to re-supply themselves with new pools of docile immigrant labor strengthens this feedback process. The targets of such initiatives are not simply “customers” or “laborers”, but individuals capable of reacting creatively to the new situation in which they find themselves.

Multinational elites and national governments may believe that the process of transnationalization is still too feeble to pose any significant challenge to the *status quo*. In reality, the tiger may have already left the cage and there would be little point in closing it after him.

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