

Content

<i>Abstract – the changing world and migration</i>	3
1. Introduction	5
1.1 Description	5
1.2 The research questions	7
1.3 Definitions	9
1.4 Methodology	12
1.5 The structure of the paper	15
2. Theoretical landscape of transnational migration	17
2.1 Who migrates?	17
2.2 International Migration and the ‘three-level’ approaches	18
2.3 The function and nature of migrant networks	21
2.4 The character of networks and social capital of ethnic entrepreneurs	24
2.5 The emergence of transnational relations in migration research	25
2.6 The development potential of transnational economic ties	29
3. Peru, Chile and the history of migration	34
3.1 Peru and the phenomenon of emigration	34
3.2 Chile and the phenomenon of immigration	37
4. Peruvian small entrepreneurs in Santiago de Chile and their story of transnationalism	40
4.1 Peruvians in Chile	40
4.3 How to initiate and maintain a business? –use of social capital	50
4.4 Peruvian entrepreneur’s transnational business connections	54
4.5 Flow of information	60
4.6 Transnational flow of remittances	61
4.7 Return Migration	64
5. The potential development impact	66
6. Conclusion	72
Bibliography:	79
Appendix A: Cuestionario	83
Appendix B: Some cards from Peruvian entrepreneurs in Santiago	91

Tables and Pictures

Table 1.1: Development of migration to “MERCOSUR” states since 1980	5
Table 2.1 about the different levels of migration research:	21
Table 2.2: Cross-border activities of different actors.....	26
Table 2.3: The elements of “transnational circuits”	29
Table 3.1: Main groups of immigrants in Chile according to their nationality .	38
Table 4.1: Main places of origin of Peruvian immigrants living in Chile	41
Table 4.2 Group characteristics of Peruvian small entrepreneurs	42
Map 4.3: “Main places of origin in Peru”	45
Table 4.4: Relationship among length of self-employment in Chile and former occupations	48
Photo 4.5: Jesica Rojas with her two children in her grocery store situated in the central market “La Vega”. Generally, Peruvian grocery stores look like that one.	50
Photo 4.6: Many Peruvian art shops are situated in the market “St. Domingo” which lies in the centre of Santiago	54
Table 4.7: Transnational business relations of Peruvian food vendors.....	56
Table 4.8: Transnational business relations of Peruvian art vendors	59
Photo 4.9: Most Peruvian entrepreneurs use the service of “TURBUS” to transport products.....	60
Table 4.10: Amount of remittances sent by entrepreneurs to Peru.....	62
Table 4.11: Different investments taken by family members in Peru	63
Table 5.1: The amount of international remittances sent to Peru 1986-2003 (million US\$).....	67
Table 5.2: Education of Peruvian households with internal and international remittances	68
Table 5.3: Investments into services of households with internal and international remittances in Peru	68
Table 5.4: Investments into consumption goods of households with internal and international remittances in Peru	69

Abstract – the changing world and migration

*“Why do we need cross-cultural traders when we can either simply take what we want in the name of national interest or buy it in a shopping mall?”
(David Kyle, 2002)*

The increasing flow of people across national borders is among the most reliable indicators of the intensity of globalization. The integration of economies and societies into global processes leads to inevitable regional disparities all over the world. These regional disparities describe a certain range of push and pull factors which influence migration flows. Whereas in traditional societies, most people used to spend their lives in their village of origin, migration has become an important process for people, who wish to improve their life standard. Reasons for international migration could be, for instance, “economic development and its disparities, better education possibilities, the population intensity of a country, the ease of travel today, armed and political conflicts, environmental decline and human rights violations.” (World Migration Report 2003, 4) The most obvious reasons for migration are still economic disparities regarding income and differences in employment possibilities between the urban and rural areas, between one region and the other and between countries. Due to economic globalization and changing political strategies of national politicians in order to protect or develop the national economy, former host societies have become sending countries and former sending countries have become destination countries for migrants.

Although it is difficult to give an exact number of migrants at national and international level, it is assumed that the annual flow of people on the move varies between 5 and 10 million people worldwide. During the last 10 years migration routes have been intensified, especially through the emergence of new groups of migrants, such as women and highly qualified migrants.

Since for many people migration gradually becomes a strategy to survive and to improve their lives, theorists and researchers are increasingly concerned with strategies of migration, the situation of immigrants in the countries of destination, the transnational ties with their communities and countries

of origin and so forth. Yet, the question of the way in which migration may contribute to development is of special importance, as Ronald Skeldon (1997) has brought the definitions of migration and development together:

We all intuitively know what 'development' and 'migration' mean but, when we come to identify and delimit their subsistence precisely, they prove elusive indeed. Both are dynamic terms and imply change: development suggests a growth, an evolution, an advancement; migration suggest a shift in place of residence from one area to another. (Skeldon 1997, 1)

Development can be political, economic or social, but it is always identified as a process in which "humans are in some way in control of their destiny and can improve their condition." (Skeldon 1997, 1) In order to generally make an improvement of their own situation possible, immigrants and ethnic entrepreneurs create different types of networks and ties. It is this microperspective of development which shows that the behavior of the individual is essential in guiding migration processes.

This paper is meant to show these different networks and ties of Peruvian small entrepreneurs in Santiago de Chile as well as their potential development character without judging it. In that respect, I agree with Skeldon, who states that "it would be incorrect to see migration as either positive or negative for development: it is but part of that whole process of change that is implied in the term 'development'." (Skeldon 1997, 3)

1. Introduction

1.1 Description

Within the increasing flow of South American migrants, the rising flow of Peruvian migrants to Chile also marks a strategy in search for better opportunities. Peruvian migration to Chile is not a new phenomenon, but its intensification during the last ten to fifteen years is quite remarkable. A study of the “Expert Group Meeting on International Migration and Development in Latin America and the Caribbean” shows that immigration flows of former popular destination countries like Argentina are constantly decreasing, whereas in Chile with its stable economy the immigration population is generally growing (Table 1.1).

Table 1.1: Development of migration to “MERCOSUR” states since 1980

Total number of immigrants	1980	1990	2000
Argentina	1.903.159	1.628.210	1.531.940
Brazil	912.848	606.626	733.000
Chile	84.345	114.597	195.320
Paraguay	166.879	190.907	203.000
Uruguay	-	92.378	-

Source: Vichich 2005, 21.

Statistics show that Peruvian emigration to Chile has been intensified during the last 20 years from 9000 in the 80’s to 39000 in 2002 (Perez Vichich 2005, 6) Especially since the second half of the 90’s “se produce con mayor fuerza el incremento en el flujo migratorio proveniente de este país.” (Stefoni 2002, 60) The reasons for the intensification of Peruvian emigration within the second half of the 90’s are mainly economic. Peruvian immigrants mention „la necesidad de buscar oportunidades de trabajo, de poder enviar dinero...la

posibilidad de encontrar mejores salarios y configurar un proyecto de vida.“ (Stefoni 2002, 65)

The main destination regions for Peruvian immigrants within Chile are the Chilean northern border area as well as the metropolitan area. About 80 percent of all Peruvian immigrants live in the metropolitan region of Santiago, the capital of Chile, whereas the northern border area only counts 15 percent. The principal types of employment of Peruvian immigrants can be found in the second and third sector. Men are mainly engaged as workers in manufacturing and service, whereas women generally find engagements as maids in Chilean families. The group of Peruvian entrepreneurs is comparably small. Within this group Peruvian micro-entrepreneurs, who are engaged in various economic activities, make out the largest share.

Most studies about ethnic entrepreneurship mainly concentrate on local networking rather than international relations when they analyze the impact and importance of social and human capital on start-up and growth of migrant businesses. (see also Greene/Chagnati 2004; Light 2004) Thus, many studies do not contain a direct link between social capital and transnational economic performance of migrant entrepreneurs, though one may find “globally-organized networks of migration merchants.” (Kyle 2002, 29) Therefore, the ability of immigrant entrepreneurs and their transnational relations across borders promises to be another interesting phenomenon.

Studies about international migration and transnationalism describe an emergent as well as divergent field, although the concept of international migration is not new. The concept of transnationalism generally contains the idea of “linking immigrant groups in the advanced countries with their respective sending nations and hometowns.” (Portes 1999, 217) This study additionally underlines the concept of “grass-roots transnationalism” (Portes 1999, 227) by taking into account that the manifold engagements of small migrant entrepreneurs may also have the potential to transform societies. Studies argue that “the most transformative processes and phenomena of migrant transnationalism have concerned remittance and information flows between countries of origin and destination.” (Vertovec 2004, 984) Other forms of development may be the international flow of skills, goods and further investments.

The present study deals with 2 groups of Peruvian micro-entrepreneurs in Santiago de Chile, who either deal with Peruvian food products or art products, and their economic networks. It will show the strategy of migrants to set up and maintain businesses. A special part is made out by transnational economic networks or relations and their particular development potential. Hence, the following study will use a combination of the various concepts of 1. international migration 2. transnationalism, 3. ethnic entrepreneurship or self-employment 4. social networks and 5. development. Economic activities of self-employed Peruvians are interesting in this respect, due to the combination of cultural identity, economic independence and development potential as survival strategy within an era of corporations, globalization, profit and anonymity. A central question will be, whether both groups vary from each other regarding their transnational involvement and why?

1.2 The research questions

International movements have shaped the lives of people for many centuries, but economic globalization and technological progress have led to an intensification of international migration since the 1970's and have brought fundamental changes in immigrant communities and migrant economic activities. It has become clear that growing numbers of migrants of various national origins further participate in the political, social and economic lives of their countries of origin even as they put down roots in another country. These trends have led researchers of ethnic entrepreneurship to ask beyond the existing theories about the causes and consequences of immigrant's independent economic activities. It is a fact that ethnic entrepreneurs are increasingly engaged into transnational economic activities across national and cultural borders. Although there exist distinct types of immigrant entrepreneurs, who are engaged in different economic activities and possess businesses of various sizes, most theories about transnational economic practices of immigrants commonly argue that these will generally contribute to development. In that respect, the overall question of the study will be:

How can transnational economic activities of Peruvian small entrepreneurs in Santiago de Chile contribute to development in the country of origin?

Peruvian small entrepreneurs make out the biggest group of Peruvian entrepreneurs in Santiago de Chile. That was why this particular group was chosen regarding the data collection. The group of Peruvian small entrepreneurs is subdivided into two groups in order to analyze these commonalities and differences. It has become clear that Peruvian entrepreneurs more or less differ from each other according to the intensity of their transnational relations. Nevertheless, these transnational relations contribute to development. It will be interesting to analyze the process and differences of networking of entrepreneurs as well as the different aspects of development potential. In this respect concentration on the following three research questions will be necessary in order to give an answer to the research question above:

1.) What are the profiles of Peruvian entrepreneurs?

The profile and history of entrepreneurs may be significant for the recognition of historical differences between both groups. Each entrepreneur has a different kind of social capital and historical background, e.g. education, reason for migration etc. Only when these characteristics are defined will a sufficient analysis and answer to the following question be possible.

2.) What kind of transnational economic activities can be defined and why is one group possibly more involved into transnational activities than the other?

The basic assumption is that not all entrepreneurs have the same level of transnational economic relations. It is therefore necessary to identify common and different engagements of both groups and to find an explanation for the question of why these differences exist. The concepts of migrant networks and social capital will play a crucial role.

3.) How can these transnational economic activities linked to development in the country of origin?

Many studies have shown that transnational economic activities would have consequences for both ethnic entrepreneurs and their countries of origin. After the different types of transnational relations are defined, they can be linked to specific outcomes of development.

1.3 Definitions

The following defined concepts will serve as background for the theoretical as well as the analytical part. This thesis is based on five main concepts: international labor migration, transnationalism, ethnic entrepreneurship, social networks and development.

International migration describes the flow of people across national borders. The main reason for migration flows can be roughly summarized as the fact that "people generally move from poorer or otherwise disadvantaged areas to richer or more advantaged areas." (Skeldon 1997, 6) The movement of labor is a "response to a wage differential or inequality between the source and destination countries caused by a difference in level of socioeconomic development." (Goss; Lindquist 1995, 317) There exist several types of international migration reaching from return to circular migration. Through globalization and technological advancement, permanent transnational relations across national borders are an important ingredient of international movement and lives. It is important to note that "as forms of electronic communication improved, people would be able to work from home..., so that, over time, circulation would be replaced by increased usage of the electronic media." (Skeldon 1997, 32) In other words, the lives of immigrants are increasingly dominated by the use of technology rather than regular moving.

Transnationalism "enables migrants to sustain a presence in two societies and cultures and to exploit the economic and political opportunities cre-

ated by such dual lives.” (Portes; de Wind 2004, 834) Rather than stressing the concept of assimilation which is about the importance of adaptation of migrants to cultural values of the host society, recent studies show that individualism and transnationalism increasingly become a form of life strategies of immigrants, at least through “developments in transportation and communication technologies which have qualitatively transformed the character of immigrant transnationalism, turning it into far more dense and dynamic cross-border exchange.” (Portes and de Wind 2004, 836) Transnational activities are defined as “sustained connections with people and institutions in places of origin or elsewhere in diaspora.” (Vertovec 2003, 641)

It is important to bear in mind that transnational practices do not automatically describe an overall concept for all immigrant groups. A survey about transnational activities of Latin American immigrants in the United States has shown that less than 15 percent of the people interviewed were engaged in transnationalism. (Portes and de Wind 2004) Thus, “transnationalism, as a new theoretic lens in the field of immigration, is grounded on the activities of only a minority of the members of this population.” (Portes 2003, 876).

Ethnic entrepreneurs are often defined as people, who are “simultaneously owners and managers of their own business, whose group membership is tied to a common cultural heritage or origin and is known to group members as having such traits.” (Zhou 2004, 1040) Some studies concentrate on immigrant self-employment and local contexts. Others take the involvement into transnational activities into account. They emphasize the fact that the majority of self-employed people are actually transnational entrepreneurs who are more or less internationally involved. There exist several types of transnational ethnic businesses, which range from the offering of financial services and import/ export enterprises of various goods to cultural enterprises, which care for the spread and consumption of cultural goods like music and movies. (Zhou 2004, 1055) The recent study will focus on the second group of ethnic entrepreneurs and their local and transnational trade networks. It is important to note that this may not be the only expression of transnational economic activities of immigrant entrepreneurs. They further set up international linkages like information flows, investments and remittance sending mainly with and to the

country of origin. The overall concept behind transnationalism is the idea of social networks or migrant networks.

Social networks are “defined as webs of interpersonal interactions, commonly comprised of relatives, friends, or other associations forged through social and economic activities that act as conduits through which information, influence and resources flow.” (Goss and Lindquist 1995, 329) The members of the network are linked through common interests, personal contact, solidarity and different levels of resources. The kind of ties within a social network leads to different outcomes and resources which are also named “social capital”. The definitions of social capital are manifold. I would like to concentrate on the following one: Social capital “are the institutions, relationships, attitudes and values governing interactions amongst people and contributing to economic and social development.” (Iyer; Kitson and Toh 2005, 1016) Besides the fact that social capital leads to a good performance of ethnic entrepreneurs and development, social capital and social network strategies can be in-group as well as out-group oriented.

Portes and de Wind summarize the importance of transnational activities as contributing to “the identities and social lives of participants, for the political order of sending and receiving states, and for economic development.” (Portes and deWind 2004, 835) Studies about transnational economic networks of immigrants and development show the impact which remittances, regular visits, information flows and special activities may have on the countries of origin. It is important to note that the impact of transnational ties may influence the macro as well as the micro level (Skeldon 1997, 4). Hereby, the macrolevel is represented by economic and political national structures, whereas households, families and communities of the immigrant constitute the microlevel.

Remittances can become an important source for sending countries. Remittances are defined as “money migrants send to their families and communities of origin.” (Vertovec 2003, 984) There are many studies dealing with the significance and insignificance of remittances. The economic and social

impacts of remittances can be divided into 2 groups, which again shows the macro and micro impact. The money, which migrants send back, may be invested in small businesses such as “manufacturing and crafts companies, market halls, bakeries, and transport agencies.” (Vertovec 2004, 985) A large proportion of migrants send money to families for basic subsistence and private consumption. Most studies conclude that remittances bear transformation potentials for countries. It will be interesting to see, why and for what small Peruvian entrepreneurs send money. And what other kinds of transnational economic relations of this group may content a further development potential.

1.4 Methodology

Transnational migrations and international relations of immigrants have become significant subjects of migration research. Many studies concentrate on economic migration and how it has influenced politics and economies of both sending and receiving states. According to the traditional “laws of migration” by Ravenstein (1885), international migration is mostly directed to the cities since they serve as centres of economic development, innovation, finance and international exchange. Many immigrants are engaged in either contracted or non-contracted jobs and may easily become victims of their employer’s arbitrariness. Other immigrants try to find other ways of economic survival by starting their own businesses. In my opinion, immigrant entrepreneurship not only means another form of possibility to earn money. It also provides an opportunity to find an economic alternative of independence and an equal option to stay in contact with the country of origin or other countries. In that respect, many studies “have documented the significance of transnational relations for many contemporary migrant groups.” (Guarnizo 1999, 369)

The creation of transnational economic relations is not possible without sufficient social capital and it will be interesting to see whether all Peruvian small entrepreneurs in Santiago are equally engaged in transnational activities and why or why not. Thus, the individuality of creating networks comprises an interesting point of this investigation. Since the question about the connection between international migration and development still is of major

importance, I wanted to focus on this question in the last part of my paper, too.

The idea of doing research about ethnic entrepreneurship and transnational ties was born during my studies when I attended the course “Kleinschalige economische bedrijvigheid” about formal and informal businesses and business strategies of migrants and non-migrants. One topic of this course had been the character of transnational activities of immigrant entrepreneurs. The interplay of foreignness, economic independence, transnational activities and dual lives of migrants became a potential subject of investigation for me. The major question was to decide where I would like to do my research? Since I was interested in doing research in South America, I started to check several information resources, which I could find about South American countries and recent migration tendencies. Chile was among the South American countries which had become highly attractive for South American immigrants during the last ten years due to its stable economy and monetary system among others. I further found out that Peruvians represent the greatest group of immigrants in Santiago de Chile, which is the economic centre of the country. Compared with the actual number of Peruvian immigrants in Chile, small businesses provide jobs for only a handful of people. However, I wanted to focus only on this group since small entrepreneurs obviously have less social and financial capital than other immigrants, who have greater ones. Hence, I decided to do my research about small Peruvian entrepreneurs in Santiago and I wanted to find out to what extent these economic grass-root initiatives would be embedded into transnational economic relations and what this may mean for development in the country of origin.

During the preparation period, I read a lot of texts about transnational activities and network strategies of migrants and migrant entrepreneurs in order to collect theoretical material as well as first ideas regarding the research framework. Unfortunately, it was quite difficult to obtain specific information about Peruvian immigrant entrepreneurs in Chile and Santiago. As a consequence, it became quite difficult to me to prepare myself sufficiently for the fieldwork. That was the reason why I decided to do an internship at the “International Organisation for Migration” (IOM) in Santiago in order to hope-

fully gain better insights into the field of South American migration in general and Peruvian migrants in particular.

My internship as well as my fieldwork took place between January and June 2006. This meant a four month period for the collection of data and interviews. I started to read and collect a lot of secondary information about Peruvian emigration and immigration to Chile as well as about the actual situation of Peruvian immigrants in Santiago. I collected theoretical material and studies from the international organization "CEPAL" (Centro económico para América Latina) and "FLACSO" (Facultad Latinoamericana de ciencias sociales). My colleague Ximena Reyes from "IOM" helped me to specify my research ideas and to find sights for interviews. The chief of "IOM", Gabriela Rodríguez, organized an interview with the Peruvian consul, which also gave me valuable insights into life and problems of Peruvian immigrants. Furthermore, a Peruvian friend, Juan Valverde, helped me to get in contact with Peruvian small entrepreneurs more easily. He also helped me a bit during the interviews.

The main places for the interviews were the "La Vega" market in the centre of Santiago, where consumption goods are sold, and the artisan markets "St. Lucia" and "St. Domingo". In this respect, the study will compare two groups of small Peruvian entrepreneurs. One group is engaged in distribution and consumption of Peruvian food products. The other one buys and sells Peruvian artisan products. Both groups have their businesses in markets, which attract many tourists. All in all, I did about 25 personal interviews with Peruvian entrepreneurs. This was not always easy, since many entrepreneurs, who were interviewed, had to work the whole day and did not have much time.

After the collection of material and a first interpretation of answers, I could draw a first conclusion of the findings: The two Peruvian entrepreneur groups had different strategies of operating. In other words, each group had different kinds of social networks and capital and is therefore differently engaged in transnational economic activities, although all of the people interviewed had similar degrees of education and financial means. Thus, people of the same group and class were differently engaged in transnational activities and development. It will be interesting to see, why these differences exist. In

the following study the findings, which I made during my time in Santiago de Chile, will be linked with a theoretical framework, which is described during the second chapter of the thesis.

1.5 The structure of the paper

The first chapter provides some basic information on international migration in general and migration trends within South America in particular. Furthermore, research questions, definitions of the various elements of the research idea as well as the methodology section are mentioned in order to give a first insight into the subject of this paper.

The emphasis in chapter two is to present the basic theoretical framework and ideas. Keywords like international migration and transnationalism, social networks, migrant networks and social capital, ethnic entrepreneurship and transnational ties, remittances and development will be further analyzed and theoretically described. In other words, different theoretical ideas about these concepts are mentioned, which will be the basis for discussion.

The third part will give a historical overview of Peru as former destination country for immigrants and how it has increasingly changed into an emigration country. The core of this chapter will be formed by a description of economic and political changes and problems. Whereas Peru has transformed itself into a sending country, its neighbor Chile has been transformed from a country of emigration into a popular destination country after the end of Pinochet's dictatorship in 1990 due to "neoliberal" reforms. This transformation will also be described any further.

Chapter four will contain the analysis of the interviews. This part will show the analytical results according to the three research questions. First, a profile description of Peruvian entrepreneurs of the two different groups, which are mentioned in the methodology section, will be given. It will not only show the education level of Peruvian entrepreneurs, but also the reasons why they migrated to Chile, what they did before and what their particular future plans are. Second, the different networks of entrepreneurs will be identified and their involvement into transnational activities. The analysis of the first part

of this chapter help to demonstrate why there exist any differences regarding transnational activities between the two groups of entrepreneurs. Finally, the development impact of transnational economic activities of Peruvian entrepreneurs in Santiago de Chile is mentioned. The question is not whether, but how these activities can contribute to development. The microeconomic level has special significance.

The last chapter of the paper, the conclusion, will summarize the different ideas and results mentioned before. Particular emphasis will lie on the question how transnational economic activities of Peruvian entrepreneurs could be channeled more effectively to the development of the country of origin.

2. Theoretical landscape of transnational migration

*When we study migration rather than abstract cultural flows or representations, we see that transnational processes are located within the life experiences of individuals and families, making up the warp and woof of daily activities, concerns, fears, and achievements.
(Glick Schiller in: "From Immigrant to Transmigrant")*

Many studies have dealt with the emergence of transnational spatial movement or international migration. The theoretical landscape of this topic can be roughly divided into "structural" and "functional" approaches, which represent the "macro" and "micro" levels of migration, and the development of "interactionist" views like the "network approach", which forms the "meso" level between the former two.

Especially the "network approach" has led to an increased research interest in nature and consequences of international migration, transnationalism and social networks. These studies emphasize the complexity and variety of migration as well as the interplay among migrants, their households and communities, non-migrants and institutions. One interesting field within this approach is represented by studies about transnational economic networks of migrant entrepreneurs and their development potential.

In order to make a study of economic networking, transnationalism of migrant entrepreneurs and development possible, it is necessary to give a narrow overview of the theoretical field. In that respect, the following part shall serve as guide through this kind of research.

2.1 Who migrates?

In order to respond to this question, a first definition of the term migrant is necessary: The ideal model of a mother country "is considered the place where one fits in, lives in peace, and has an unproblematic culture and individual and collective identity." (Faist 2000, 19) Sometimes, the mother territory does not provide the ideal options to the individual for leading a life under tolerable circumstances. In that case, inhabitants may choose among two options. Either "the relevant public may voice its dissatisfaction, with implicit

or explicit threats of exit. Or it may tolerate unsatisfactory performance for a while because the costs of exit or voice are greater than the loss of quality.” (Faist 2000, 20) Obviously, international migrants seek to escape from unbearable circumstances by choosing exit.

One can mainly distinguish the following two groups of migrants: the refugee and the labor or economic migrant. At best, the terms “forced and voluntary migration can be used as an analytical device to determine the degrees of choice and freedom available to potential migrants”. (Faist 2000, 23) A refugee is a person whose “life, security or their freedom are threatened by widespread violence, foreign aggression, internal conflicts and large-scale human rights violations” (IOM: World Migration 2003, 10) whereas an economic migrant is defined as “a person leaving his/her habitual place of residence to settle outside his/her country of origin in order to improve his/her quality of life.” (IOM: World Migration 2003, 10) Economic migrants “are motivated by the prospect of high wages overseas and the prospect of accumulating sufficient capital to construct a home and/or start their own business.” (Goss and Lindquist 1995, 321) An economic migrant can also be a refugee when the chance to survive in his mother country has become minimal. Regardless of the type of migrant, it can generally be said that internal and international migrants are in search for better opportunities.

2.2 International Migration and the ‘three-level’ approaches

Since the growing of globalization in the 1970’s, the topic of international migration has increasingly become a field of investigation in various disciplines. This variety of disciplines has led to the emergence of many theories and system approaches. These theories can be divided into the following three main approaches: the “structuralist” approach, the “functionalist” approach and the “interactionist” approach. All three approaches have in common that they concentrate on the process of migration as “a response to a wage differential or inequality between the source and destination countries caused by a difference in level of socioeconomic development.” (Goss and Lindquist 1995, 317) This classification is based on the work by Ravenstein and his “laws of

migration”, which he wrote in 1885. Ravenstein already saw the basis for migration in the urban labor shortage and the rural labor surplus.

The “structuralist” approach understands structural diversities (e.g. like civil wars and revolutions, economic inequalities) between countries and regions as being responsible for migration flows. Hence, it describes the “macro”-level process of migration. A typical structuralist, who writes about economic global developments and the changing labour market structure of cities as the causal tendency for internal and international migration to cities is Saskia Sassen. Her analysis “yielded the concept of a degraded ‘manufacturing sector’ and increased service sector demand in ‘global cities’ which have proven useful for the analysis of immigrant employment and adaptation in recent years.” (Portes 1997, 802) She points to the development of a dual labour market structure in cities which is also suggested by Waldinger who writes that “insiders-members of the society by birth or socialization-have plenty of reasons to look for alternatives to jobs of the least desirable sort” (Waldinger 2003, 9), whereas “jobs at the bottom repeatedly attract stigmatized outsider groups.” (Waldinger 2003, 9) In other words, “structuralist” equally assume that migration would mean a step back to exploitation for the migrant rather than a step further to a more economically successful and independent life style. They understand immigrants as victims of economic dependency and exploitation.

The “functionalist” approach understands migration as a consequence of the personal decision making process of people who migrate in response to unequal distribution and lower wages in search of economic betterment. In that respect, theorists of the “functional” approach see migration as consequence of individual strategies to improve the personal situation. Migrants are “income maximizing individuals who mechanically respond to wage differentials in undifferentiated labor markets.” (Prikken 2003, 21) Hence, they willingly decide to migrate. “The weaknesses of these approaches are well known and revolve around its assumption that migrants are individual actors” (Skeldon 1997, 22), who migrate independent from structural forces and influences. Hence, the importance of structural forces who influence both the situation of the migrant as well as the decision making process is wiped out.

In order to bridge the gap between “structural” and “functional” approaches, between macro and micro level, social scientists began to criticize in the early 1990’s the existing migration literature. They began to draw upon the “structuration theory” of Anthony Giddens, who argues that “human agency and structure can not and should not be separated as they continuously reproduce each other.” (Goss and Lindquist 1995, 331) A new group of theories started to focus “on social relations between individuals in kinship groups, households, neighbourhoods, friendship circles and formal organizations”. (Faist 2000, 188), which play a crucial role in influencing the situation before, during and after migration. Furthermore, the recognition of social networks forms a bridge between macro and micro theories. According to Faist (2000) “meso-level analysis does not start from individual potential migrants but from the fact that these individuals maintain strong, weak or symbolic ties with others”. (Faist 2000, 255)

Among the theoretical examples founded on Giddens’ approach is the “network” or “system” approach. This approach mentions the linkages between places during and after migration which may range from political-economic relations to personal relationships between individuals, households, families and communities. Besides the fact that this approach gives way to the complexity and dynamics of migration, it is important to note that it spans two further aspects of migration research: the specific function of migrant networks and the role of ties and social capital (Table 2.1):

Table 2.1 about the different levels of migration research:

<i>MICRO</i> values or desires and expectancies	<i>MESO</i> collectives and social networks	<i>MACRO</i> macro-level opportunity structures
<i>individual values and expectancies</i> – improving and securing survival, wealth, status, comfort, stimulation, autonomy, affiliation, and morality	<i>social ties</i> – strong ties families and households – weak ties networks of potential movers, brokers, and stayers; <i>symbolic ties</i> kin, ethnic, national, political, and religious organizations; symbolic communities <i>content of ties – transactions</i> obligations, reciprocity, and solidarity; information, control, and access to resources of others	<i>economics</i> – income and unemployment differentials <i>politics</i> – regulation of spatial mobility through nation- states and international regimes; – political repression, ethnic, national, and religious conflicts <i>cultural setting</i> – dominant norms and discourses <i>demography and ecology</i> – population growth; – availability of arable land – level of technology

FIG. 2.1. *The three stylized levels of migration analysis*

Source: Faist 2000, 31.

2.3 *The function and nature of migrant networks*

Regarding the research debate about migrant networks and social capital, some theorists deny that “immigrants or ethnic minorities have resources, can exert agency, or can achieve upward mobility on their own.” (Light 2004, 24) Recent research has shown that immigrants indeed may have enough resources or capital to improve their personal situation.

Research about migrant networks has primarily focused on two aspects: the role of networks in the migration process itself as well as after migration and settlement in the country of destination. Families, kinship and organizations may play an important role in facilitating the process of migration. This can be possible, for instance, by lending money or providing information about the country of destination and the migration process itself. The role of networks after migration becomes obvious in the individual’s affords to attain higher benefits. These benefits could be of social, cultural, political or eco-

nomic nature. Regarding a definition of the nature of migrant networks, Waldinger (2003) has described the network behavior of migrants as follows:

Migration networks tend to be closed, in precisely this sense. Migration is risky, and the poor, low-skilled migrants with whom we are concerned here have too few resources to extent without care; thus support gets directed toward ones closest ties and those contacts one knows best. (Waldinger and Lichter 2003, 87)

This assumption describes the immigrant as a victim right from the beginning who has less choice to use other sources than kinship and family ties. The migrant's network is understood as being directed only towards his or her own community and as being rather static than dynamic.

In that respect, Faist (2000) has given a better definition of the character of migrant networks. He has created a useful framework for the understanding of networks and understands the basis of migration systems as consisting of the following four main features:

(1.) Basically, a migration system is here defined as two or more places (most often nation-states) connected to each other by flows and counterflows of people...(2.)...systems theories have stressed the existence of linkages between countries rather than people, such as trade and security alliances, colonial ties and flows of goods, services, information and ideas. These linkages often have existed before migration flows occurred ...(3.) movement is not regarded as a one-time event but rather as a dynamic process consisting of a sequence of events across time...(4) *Social networks* consist of more or less homogenous ties between three or more actors. (Faist 2000, 192-93)

With regard to the first aspect one submits that networks can be transnational and connect two or more countries. Contacts within networks do not have to be direct and personal, which means that "indirect social contacts maintained over large geographical distances may also work." (Faist 2000, 207) The simple rule remains that the more variable the character of resources and ties, the more successful the realization of a migrant's ideas and plans will be.

Second, migrant linkages and networks are not necessarily concentrated on the flow of people and the processes of emigrating and immigrating. Rather the intention of networks may be also the exchange of monetary or nonmonetary flows like "transferring durable and consumer goods, services and technical skills." (Guarnizo 2003, 672) Another definition of networks is made by Portes (1995) who argues that "networks are among the most impor-

tant types of structures in which economic transactions are embedded...Networks are important in economic life because they are sources for the acquisition of scarce means, such as capital and information.” (Portes 1995, 8)

The third point mentions another decisive and influential point of migration research: the recognition of migrant networks as being dynamic. Faist understands dynamism as a self-feeding process. In other words, migration is a “circular, independent, progressively complex and self-modifying system in which the effect of changes in one part can be traced through the entire system.” (Faist 2000, 193) The development of electronic devices facilitates and intensifies this dynamic character.

Regarding the fourth aspect, it has to be said that the basic meaning of social or migrant networks is “to connect movers, former movers and non-movers in countries of origin and destination through social ties, be they relations of kinship, friendship or weak social ties.” (Faist 2000, 193) The assumption of a rather mixed character of networks is already described by Granovetter who differentiates ties among members of a social network according to their strength. In this regard, strong ties “are enduring and involve obligations and often emotions” (Faist 2000, 101) and can be found in institutions like family, friendship or communal ties as opposed to weak ties, “that are more superficial and lacking in emotional investment.” (Sequeira and Rasheed 2004, 77) The assumption of a rather mixed character of social networks rather than pure concentration on ethnic community bonds is also developed by Kearney and his so-called “articulatory migrant network”. He points to a more outward oriented nature of networks where members are driven by “economic necessity...and operates as a ‘vascular system’ through which information, goods and services flow.” (Goss and Lindquist 1995, 330) Regarding the importance of a mixed character of networks Granovetter (1973) wrote that “strong ties promote inbreeding in a network and can never bridge disconnected parts of the network, unlike weak ties, which can facilitate information from distant sources.” (Flap et al. 2000, 153)

An important element which creates the nature of network ties is social capital. Social capital is a kind of resource, but Portes rather underscores the individual’s ability to mobilize resources: “social capital refers to the capacity

of individuals to command scarce resources by virtue of their membership in networks or broader social structures.” (Waldinger and Lichter 2003, 87) It has to be said that these kinds of relationships help people to reach their goals more quickly and effectively. Thus, the ability to use social capital is an important contribution to development and change.

2.4 The character of networks and social capital of ethnic entrepreneurs

Regarding research about network orientations of ethnic entrepreneurs, different ideas have been formulated. Some understand the essential character of ethnic enterprises as being “no more than a set of connections and regular patterns of interaction among people sharing common national background or migratory experiences.” (Sequeira and Rasheed 2004, 79) Other theories focus on a broader orientation of networks which does not necessarily include community members. Rather the amount of social capital of ethnic entrepreneurs is created by both “formal/professional (e.g. business contacts, bank, lawyer, local government, organizations and associations) and informal/personal sources (family, personal friends, acquaintances).” (Sequeira and Rasheed 2004, 81) They further argue that “economic activities do not need to be strongly embedded in these systems over extended periods of time through solidarity. Exchange- and reciprocity- based resources are sufficient.” (Faist 1998, 223) The ability to use social capital before and during the maintenance of ethnic businesses depends on both the particular personal situation and the history of the people. It can be said that the type and function of social capital may differ between the following two phases of ethnic entrepreneurship: the start-up and maintaining of businesses.

Regarding the start-up of migrant businesses, strong ties and “value in-trojection” may play a fundamental role within a network, which means that “morality or the acting out of collectively held values may influence both the character of personnel goals and the selection of means to attain them.” (Portes 1995, 4) Therefore, during the initial phase of businesses the selection of financial support and workforce is exclusively based on bonds guided by emotions. In many cases, migrant entrepreneurs seek the support of family and friends whom they are closed to.

The economic act of maintaining a business and business relations may be rather embedded within a wider network of both strong and weak ties. New kinds of “reciprocity” transactions may arise, which means that an individual shapes his/her network according to rational economic values rather than “a higher group morality.” (Portes and Sensenbrenner 2001, 115) Now the ethnic entrepreneur also “refers to second-order resources that are available through ties.” (Flap, Kumcu and Bulder 1995, 150) These ties are characterized by “exchanges of roughly equivalent values in which the actions of each party are contingent on the prior actions of others.” (Faist 2000, 105)

With regard to the phenomenon of international migration, the idea of social ties and capital generally gains a further function. Social capital then “operates as a transmission belt that bridges collectives and networks in distinct and separate nation-states.” (Faist 2000, 120) The idea about transnational ties and social capital form one essential feature of studies about “transnational corporations”. More recently, it has become part of studies about ethnic entrepreneurship as well.

2.5 The emergence of transnational relations in migration research

Meanwhile, research about international migration and transnational ties in the era of globalization and technological development has reached a new importance. Although international migration has a long historical background, former migration theories were rather silent about the formation of transnational ties after the migration process itself and saw “assimilation”, which means “adopting the values of the community at large” (Wetherick et al. 2001, 13) as the ultimate solution for integration and improved economic situation for immigrants.

Improved technology as tool for time-space compression helps migrants to maintain more regular and intensive ties with their mother countries as well as other countries in order to transport goods, information and money as well as people more rapidly across borders. In other words, they live simultaneously in two or more societies and cultures which are part of a transnational

space. Portes (2003) has developed a table which shows various cross-border activities by a range of different actors (Table 2.2):

Table 2.2: Cross-border activities of different actors

Activities	Political	Economic	Socio-Cultural
International	Establishment of embassies and organization of diplomatic missions abroad by national governments	Export drives by farming, ranch and fishing organizations from a particular country.	Travel and exchange programs organized by universities based on a specific country.
Multinational	United Nations and other international agencies charged with nonmonitoring and improving specialized areas of global life.	Production and marketing activities of global corporations with profits depended on multiple national markets.	Schools and missions sponsored by the Catholic Church and other global religions in multiple countries.
Transnational	a.) Non-governmental associations established to monitor human rights globally. b.) Hometown civic associations established by immigrants to improve their sending communities.	a.) Boycotts organized by grassroots activists in First World countries to compel multinationals to improve their Third World labor practices. b.) Enterprises established by immigrants to export/import goods to and from their home communities.	a.) Grassroots charities promoting the protection and care of children in poorer nations. b.) Elections of beauty queens and selection of performing groups in immigrants communities to take part in annual hometown festivals.

Source: Portes 2003, 877.

Within his studies about the transnational behaviour of migrants, Portes describes the strength of the individual to initiate so-called “grass-root transnational activities” (Portes, Guarnizo and Landolt 1999, 220) with the potential to create changes from the bottom-up. In this regard, transnational economic relations of small immigrant entrepreneurs belong to such a kind of sustainable grass-root initiatives. Immigrants can better cope with the challenges of

the new capitalist world economy through starting their own business. "In time transnational activities may evolve into the normative adaptation path among those groups seeking to escape the fate of cheap labour at home or abroad." (Portes 1999, 229) Thus, the initiation of transnational ethnic businesses means both more economic independence and an end of economic exploitation by receiving nations for the immigrants and their families. Furthermore, it is possible for them to invest, for example, in housing or better education facilities. They have chances that had been denied to them in the past and can improve their own socio-economic situation.

Guarnizo (2002) has developed the concept of "transnational living" which "refers to a wide panoply of social, cultural, political and economic cross-border relations that emerge, both wittingly and unwittingly, from migrants' drive to maintain and reproduce their social milieu of origin from afar." (Guarnizo 2002, 667) In that sense, networks of migrants become "quite different from those found among immigrants at the turn of the century." (Portes 1997, 813)

Portes et al. (1999) concentrates on transnational immigrant entrepreneurs and gives a more narrow definition of transnational activities and communities as including "only those people engaged in recurrent binational dealings and focuses mainly on economic aspects." (Itzigsohn et al. 1999, 321) Landolt and her colleagues identified ethnic enterprises as depending "on a steady supply of imported goods, such as foodstuffs and clothing" (Portes, Guarnizo, Haller 2002, 280) from their country of origin. As enrichment to these two definitions, "a recent quantitative analysis of the transnational practices...shows that transnational entrepreneurship involves a diverse web of cross-country ties and it has been adopted by a substantial number of immigrants." (Guarnizo 2002, 676)

Portes further defines transnational entrepreneurs as being included in constant movement. "The case can be made, however, not to use this bodily travel as the primary feature of transnational entrepreneurship." (Maas 2005, 171) The so-called "transition" theory by Wilbur Zelinsky emphasized that people can stay where they are "able to work from home rather than commuting to an office, so that over time, circulation could be replaced by increased usage of the electronic media." (Skeldon 1997, 32) In contrast to what has

been said by Portes, who defines transnational entrepreneurs as people “whose business activities require frequent travel abroad” (Portes, Guarnizo and Haller 2002, 287), “transition” theory is important since it emphasizes that networks and economic transactions can be maintained without making permanent movement or circular migration necessary. In that respect, the group of transnational economic actors is divided into immigrants who have settled down in the country of destination and maintain regular ties with their regions and countries of origin without permanent movement, and so-called “transmigrants” that live between two different places and regularly travel back and forth. In other words, “those who move frequently,...and those whose lives take place within a transnational field.” (Itzigsohn et al. 1999, 323) Faist (2000) uses the term “transnational circuits” (Table) for explaining the transnational nature of immigrant entrepreneurs:

Transnational circuits are characterized by a constant circulation of goods, people, and information transversing the borders of sending and receiving states along the principle of exchange, viz. instrumental reciprocity. Often, economic entrepreneurs use insider advantages such as knowledge of the language, knowing friends and acquaintances abroad to establish a foothold...The astronauts constantly move between the two places. Other entrepreneurs and their dependants are firmly rooted in either the emigration or the immigration or yet another country, and use it as a sort of base from which to carry out entrepreneurial activities in others. (Faist 2000, 206)

Nevertheless, it is wrong to assume that every migrant entrepreneur would automatically be embedded in transnational networks. There may exist some differences regarding the degree of embeddedness among entrepreneurs of one group or nationality. Guarnizo et al. (1999) has described the variation depending on “the social capital they possess; and the social obligations and ties they have with their kin, communities and state of origin”. (Guarnizo et al. 1999, 370) This is what has to be taken into account while analyzing the activities of immigrant entrepreneurs and their consequences (Table 2.3).

Table 2.3: The elements of "transnational circuits"

<i>Types of transnational social spaces</i>	Primary resources in ties	Main characteristic	Typical examples
Transnational kinship groups	<i>reciprocity</i> what one party receives from the other requires some return	upholding the <i>social norm</i> of equivalence; control over members of small groups	<i>remittances</i> of household or family members from country of immigration to country of emigration: e.g. contract workers
Transnational circuits	<i>exchange</i> mutual obligations and expectations of the actors; outcome of instrumental activity (e.g. the tit-for-tat principle)	exploitation of <i>insider advantages</i> : language; strong and weak social ties in peer networks	<i>trading networks</i> , e.g. Chinese, Lebanese, and Indian business people
Transnational communities	<i>solidarity</i> shared ideas, beliefs, evaluations and symbols; expressed in some sort of collective identity	mobilization of <i>collective representations</i> within (abstract) symbolic ties: e.g. religion, nationality, ethnicity	<i>diasporas</i> : e.g. Jews, Armenians, Palestinians, Kurds

FIG. 7.2. Three types of transnational social spaces arising from international migration and flight

Source : Faist 2000., 31.

2.6 The development potential of transnational economic ties

The initiation of such transnational bondages and transnational entrepreneurship brings various opportunities and changes for both immigrants and their mother country counterparts. Actually there exist two positions: "The first highlights the significance and potential influence of immigrant transnationalism in the receiving and sending nations, while the second questions its importance." (Portes, Guarnizo, Haller 2002, 279)

Zhou points out the fact that transnational economic activities of immigrant entrepreneurs bear possibilities for expansion and development and writes that "transnational economic activities, in turn, have positive impact on state policies, as many nation states have come to depend on migrant remittances and capital investments as reliable source of foreign exchange, collateral for the solicitation of international loans and capital mobilization for eco-

conomic development.” (Zhou 2004, 1058) Furthermore, it is assumed that “increased rates of domestic saving and the application of new skills by returning workers will translate into productive investment and the creation of new employment opportunities in the countries of origin.” (Goss and Lindquist 1995, 321)

Though the development aspect of transnational activities seems to be obvious, “skepticism continues about the significance of these forms of grassroots transnational enterprises.” (Portes 2002, 281) and some critics doubt that transnational practices will have developmental benefits. For instance, “overseas earnings are invested less in productive enterprises rather than expended to repay debts, purchase land and housing or daily subsistence needs, and finance conspicuous consumption.” (Goss and Lindquist 1995, 321)

Nevertheless, both sides of the discussion share the conviction that regular cross-border exchanges of entrepreneurs may contribute to a development which “meets the needs of the present” (Witherick, Ross and Small 2001, 261) Hence, it is important to not “consider the effects of transnational migration as either positive or negative; instead...we expect that the effects of transnational relations are contingent on the contexts in which migration is embedded.” (Guarnizo, Sanchez and Roach 1999, 370) The aim of the following study emphasizes the way how economically independent immigrants are linked to their home country and in what way they might contribute through their transnational economic activities to various forms of transformations in their country of origin.

The idea of small ethnic entrepreneurs and their potential development contribution forms part of the ideas of what is called “poststructural” development geography, “an interest in local autonomy, culture and knowledge; and a position defending localized, pluralistic grassroots movements.” (Peet 1998, 237)

Remittances play an important role with studies and literature about development. Transnational flows of remittances have continuously increased during the last several years. This is due to improved technical possibilities for immigrants to stay in contact with their communities of origin through telephone, fax and internet. As a first definition of remittances, it can be said that

“remittances can be either monetary or nonmonetary (i.e., transferring durable and consumer goods, services and technical skills).” (Guarnizo 2003, 672) In other words, remittances can be divided into social and economic remittances.

Social remittances are defined as practical information and ideas, which pass national borders and may bring political, economic and social changes. Monetary or economic remittances are referred to as part of the migrants' earnings that they send to family and friends in the country of origin through either formal banking systems or informal channels. For the most part, remittances “represent long-distance social ties of solidarity, reciprocity, and obligation that bind migrants to their kin and friends across state-controlled national borders.” (Guarnizo 2002, 671) The sending of remittances has different consequences.

Some theorists argue that the sending of remittances would only make sense, if they were channeled to more rational economic uses like “the promotion of small business investment and other similar initiatives in order to increase local production and combat unemployment.” (Guarnizo 2002, 674) In contrast to that, the private expenditure on housing, sanitation, health care, schooling and food would remain rather unproductive. In that respect, Amin writes that, “due to the selection of the most educated and a productive worker from developing countries, migration represents a geographical transfer of value greater than the return of skills or remitted wages.” (Goss and Lindquist 1995, 322) Hence, both positions argue that, instead of contributing to development, the wrong investment of remittances together with a loss of skilled labour forces through emigration “has contributed to limited growth but not development.” (Connell 1980, 1).

Other theorists have criticized this one-sided point of view. They argue that emigration would not automatically be a threat for the development of mother countries. Furthermore, they argue that critical theorists understand positive development for countries only in economic terms like investment strategies. They argue, that investment strategies are important, but without the achievement and exchange of other potentials like the transnational flows of special knowledge and skills they remain ineffective. For instance, social remittances such as the transmission of useful information about markets and

the organization of economic contacts among entrepreneurs in the country of destination as well as origin may help to improve their economic situation. The opportunity to attain new skills helps people to initiate their own businesses or just their own way into economic independence. In that respect, transnational entrepreneurs may “become conduits of information for others” (Portes 1999, 227) As De Haas (2005) states that “such improvements in well-being and human capital also have the tendency to increase their productivity, freedom of choice and the capacity to participate in public debate.” (De Haas 2005, 1274) Moreover, monetary remittances contribute “to a more favorable balance of payment situation, foster consumption and investment and improve the well-being of migrants’ households.” (Spaan, van Naerssen and Hillmann 2005, 37) They increase the financial benefit of kin and friends, which inevitably has an impact on the macro economy of the countries of origin, since consumer spending may affect economic production and income in the particular country of origin. No matter whether the money is spend for education, health, housing among others, monetary remittances give receivers “greater freedom to concentrate their activities and to allocate investments to those economic sectors and places that they perceive as most stable and profitable.” (Haas 2005, 1275) Another aspect of transnational development relations is made out by transnational business relations. These may contribute to development, since immigrants invest in businesses of their own compatriots who had to remain in the country of origin. Ethnic entrepreneurs may even organize contacts for “home-entrepreneurs” with other entrepreneurs and help them to survive and grow. Thus, they help “to sustain and improve the economic conditions of local small-scale enterprises” (Guarnizo 2002, 675) through economic transactions and by connecting the economies of destination and origin countries or they invest in their own businesses as part of the migrants’ transnational living practices.

In general, migrant entrepreneurs are embedded within an interesting set of ties including “the exchange of both tangible and intangible resources, including people (emigrating, re-migrating, making regular ‘home’ visits), monetary resources (business investments, family remittances, community aid), non-monetary resources (ideas and cultural symbols).” (Guarnizo et al. 1999, 370) The term “exchange” contains the characterization of “the rela-

tionship between migration and development as a reciprocal relationship.” (De Haas 2005, 1269) Hence, both the migration process itself as well as the maintenance of ties include elements of expecting, giving and taking among stayers and movers.

3. Peru, Chile and the history of migration

3.1 Peru and the phenomenon of emigration

*Principio principiando;
principiar quiero,
por ver si principiando,
principiar puedo.*

(Ricardo Palma: Antología de Tradiciones Peruanas, 1996)

The massive number of Peruvian emigrants is a phenomenon of the 20th century which stands in direct opposition to what had been in the century before. During the 19th century Peru and other Latin American countries had rather been a country of destination than origin for people from Europe, Africa and Asia. That is why Peru still has an ethnic diversity among its inhabitants. Peruvian emigration had been considerably small these days and was especially reserved for aristocrats, rich people and professionals who migrated for reasons like descent, the desire to further professionalize or political persecution to destinations like the United States and Europe as well as neighbour countries like Venezuela, Mexico (during the oil “boom” of the 1970’s), Argentina and Chile.

Generally, three different Peruvian migration streams can be characterized during the 20th century. The first had taken place until the beginning of the 50’s. It was mainly a flow of rich people who migrated to European cities like Paris, London and Madrid in order to realize their personal dreams. In most cases, these people invited their children to study in Europe or just to know Europe. These days Europe had been the continent of artists and intellectuals, literature and music and provided for rich Peruvians many possibilities to get a better social position.

The second flow took place during the 70’s when many middle class people and people from rural areas decided to leave their country since they had not found in Peruvian cities what they had been looking for. These just had been unable to absorb high increases of labour demand and people. That was why these groups had to leave since they could not stand both the economic crisis which was torturing the country.

Since 1980 up to now an intensification of Peruvian migration flows has taken place which has its origin in a gradual intensification of a social, political and economic crisis which is further described below. The increase of a Peruvian migration flow directed to Chile is correlated with this third stream. The governmental leadership of the Peruvian president Alan García was finished in 1990. He left the country with a high inflation rate (about 7000%) and repeated social and political violations of human rights through political armed forces like the “Partido Comunista Sendero Luminoso”, which led to the internal displacement of about half a million people from rural areas to cities. Generally the reasons of these internal migration streams during the 80’s must be seen as ancestors of later international migration flows. In 1988 nearly 900.000 Peruvian emigrants resided in the United States whereas in 1992 this number had climbed up to 1.100.000.

The political and social crisis was continued right after the military overthrow by Alberto Fujimori who immediately subjected the country to military rules. For instance, newspapers were not allowed to inform independently anymore. Peruvian law and courts were exclusively subjected to the rules of the military government. With regard to economic changes, Fujimori followed the way of “neoliberalism” which led to the destruction of major parts of small Peruvian economy. These economic reforms, initiated by Fujimori, are still known as “fujishock”. They contained the instant withdrawal of the state from economic activities and social protection especially of labourers and the opening of the Peruvian economic and financial market to foreign countries. This led to the bankruptcy and breakdown of thousands of companies of the national industries, a rapid raise of prices of services and products and a decrease of the minimal value of loans in order to increase the business profit which provided a special advance for great, private, foreign companies especially from North-America, Spain, Japan and Chile.

Accompanied to the socioeconomic crisis which had its main expression in high unemployment and sub-employment rates in Peru, a further negative and terrible factor was the corruption of government, military and entrepreneurs as well as constant violations of human rights and the persecution and execution of an unknown number of people. A re-election of Fujimori was finally prevented and in the year 2000 he fled to Japan leaving the country with

a half of the Peruvian population unemployed and sub-employed and the other half living in poverty. In the year 1998, the emigration flow of Peruvians to countries of destination like Bolivia, Colombia and Chile was even four times higher than immigration flows from these countries to Peru. Generally, there has been a steadily increasing Peruvian emigration flow during the 90's. In 1990, about 90.000 Peruvians emigrated and in 2000, this number had more than doubled to 185.000. (Jimenez and Huatay 2005, 43) The "International Organization for Migration" (IOM) in Peru has informed that in the 2002 more than the half of Peruvian emigrants (in 2002: 2.700.000) remained undocumented.

These days the socioeconomic crisis of Peru seems to continue, since the recent president does not have a clear concept regarding the social discomfort of Peruvians and the economic crisis through the "neoliberal" heritage of Fujimori. Within this context it isn't difficult to imagine a possible continuation of emigration streams. "Así lo confirma un estudio que, para una muestra representativa de la región capital de país, Lima y Callao, revelaba que 6 de cada 10 entrevistados (el 59,5 %) manifestó el firme deseo de emigrar." (Jimenez et al. 2005, 44) The majority of these people (more than 85 %) would like to emigrate out of the desire to find work elsewhere. Furthermore, they are willing to accept all kind of work which they could get. Since the majority of emigrants moves out of the need to do so, it is a small wonder that many choose the way of migrating illegally no matter which kind of danger this includes (e.g. prison, extortion or death through the hands of mafia groups of human trafficking). Meanwhile, about 6 % of the Peruvian population is living elsewhere than at the place of origin. "En el Peru , tanto la migración interna como la internacional han mostrado una evolución creciente en las ultimas decadas: se estima que la población migrante interna representa alrededor del 6 % de la población total; alrededor de la población reside en el extranjero; y una poroporción no conocida de ésta envia transferencias de dinero." (Arellano and Cueva 2005, 3)

The reasons why Peruvians have chosen Chile as country of destination are manifold. The major reason is the higher economic standard of living in Chile. Among the main reasons, a high average income through a stable currency (Chilean peso), a stable political situation and a further increasing econ-

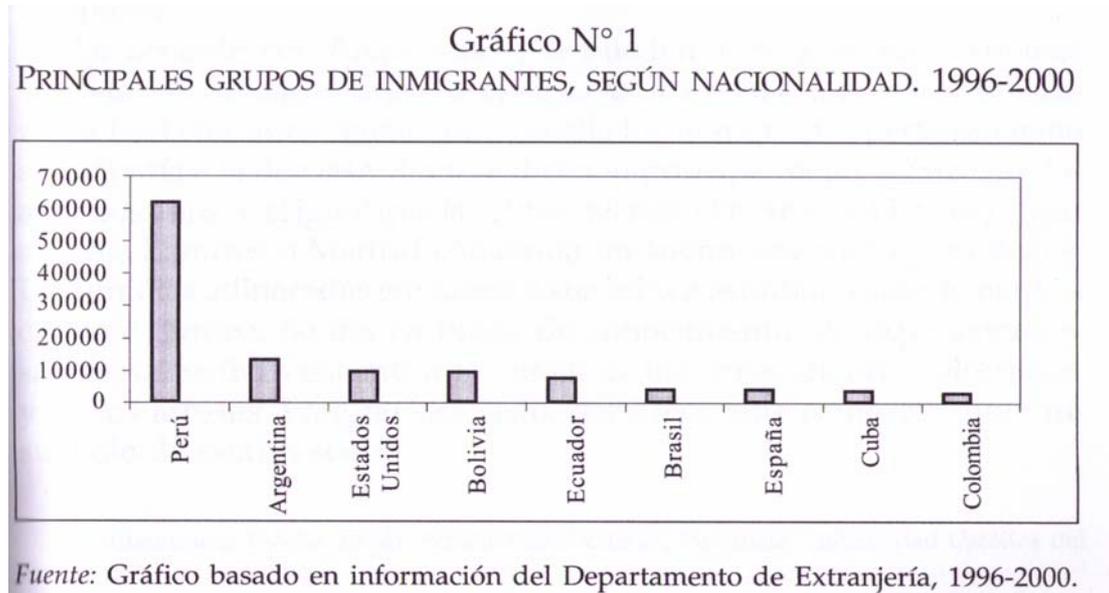
omy can be found. Another reason for migrating to Chile is the fact that Peruvians have the opportunity to move more frequently across the border in order to visit families and friends since Chile and Peru are neighbors.

Carolina Stefoni has underlined the recent importance for Peruvian immigrants living abroad to create networks and ties with the community of origin. She wrote: “La vision tradicional del inmigrante que rompe todos los vinculos con su comunidad de origen está hoy en día en abierto cuestionamiento. La participación y pertenencia a las redes sociales creadas por los inmigrantes peruanos permiten mantener los vínculos con la comunidad de origen.” (Stefoni 2002, 61)

3.2 Chile and the phenomenon of immigration

Historically, Chile had been a country of origin rather than destination of emigration flows. Between 800.000 and 1.000.000 Chileans are living in the exterior whereas between 200 and 250 million immigrants (1.5 % of the total population) recently live in Chile. Since the beginning of the 90's, Chile has attracted high intraregional flows of migrants primarily from Argentina, Brazil, Peru, Colombia, Cuba and Bolivia, at least, through its relative economic, financial and political stability within the region. A restrictive migration policy of European countries and the United States right after the attempts of 11th September 2001 has made it very difficult for Latin-American migrants to enter these countries. Hence, people seek migrating to other Latin-American countries which have a stable policy and economy and where they can get access is easier. As the following table 3.1 emphasizes, Chile has become an important destination country especially for Peruvians:

Table 3.1: Main groups of immigrants in Chile according to their nationality



Source: Stefoni 2002, 55 (Numbers are based on information of the Chilean ministry of foreign relations in Santiago de Chile).

The Peruvian migration flow had always been directed to Chilean northern border areas. The difference now is the recent increasing flow of people to the central area, especially to Santiago de Chile. Though Chile does not represent a desirable option for most of Peruvian emigrants in contrast to the United States, Spain and Japan, Peruvians stand for the biggest group of immigrants in Chile who seek to get a piece of Chile's economic success.

During the dictatorship of Pinochet between 1973 and 1990, the Chilean economy was oriented towards "neoliberal" reforms. In comparison to Peru, these reforms led to the development of a successful economy. Annual exportations and foreign investments increased dramatically between 1985 and 2000. Actually, the capital Santiago de Chile concentrates the highest amount of manufacturing ("a finales de los años noventa más del 51 % de la industria se produjo en Santiago" (Parrreiter, 2005, 9)), services and capital. The most dynamic force for a successful economy and an increased amount of exportations is the centralization of services like transport and communication, trade, hotels and finance in Santiago. Parallel to the economic growth, "la pobreza comenzó a descender seriamente, e incluso la desigualdad disminuyó lig-

eramente.” All in all, the centralization of specific sectors and functions together with the growing labour market of Santiago have attracted and still attracts many Latin-American immigrants in search for occupations and a better future.

Nevertheless, Chile does not have a clear political concept regarding migration although it belongs to one of the most important destination state for Latin-American immigrants. In other words, up to now the Chilean government has refused to develop important reforms since the dictatorship of Pinochet (1973-1990).

It is argued that this behavior would have its roots in a general Chilean refusal to accept the own multicultural heritage of Chilean history, which is guided by one central theme. First, it had been part of the Spanish colonial politics, later it was part of an emulation of European ideals which inspired the desire to claim for independence and, at least, it was influenced by the Latin-American imagination of French, English, German and North-American cultural predominance which inspired and still inspires this Chilean “viejo fantasma”: the history of racism and cultural purity. This is what still influences the thinking of the majority of Chilean inhabitants as well as political strategies of elites sitting in the government. It is the fear of a cultural mixture and a loss of old traditions and it is the fear of people who look different and do not correspond to ideal types. It is a fear of a mixture of “races”. Thus, an attempt to find a good and proper concept regarding to a modernization of migration and integration policy is still missing, although the Chilean government has confirmed its interest to have a “política de fronteras abiertas”. (Stefoni 2002, 121) In other words, it is the political desire to control cross-border migration flows, to facilitate the integration of migrants and the development of special programs, but until now a useful concept does not exist.

All in all, although Chile has no proper migration policy, a steady economic growth in Chile and restricted migration policies as well as economic crisis of former popular destination countries, Chile will probably become a more important destination country for intraregional migrants in the future who constitute a decisive human source for the social and economic development of immigration countries.

4. Peruvian small entrepreneurs in Santiago de Chile and their story of transnationalism

*Y me desmintió el camino,
Lo que en la escuela aprendiera,
No era cierto que mi patria terminara en la frontera*
(Robert Darwin, Uruguayan poet and composer)

4.1 Peruvians in Chile

Though Chile never had been a popular South-American country of destination for Peruvians like Argentina or Venezuela, the actual number of Peruvian immigrants residing in Chile has increased between 2000 and 2003 from 60.000 to 75.000 people. Of course, the actual number of Peruvian residents is higher and quite difficult to verify since a great part of them do not possess a regular residence permit or visa. Nevertheless, in comparison with the amount of other immigrant groups which can be found in Chile, Peruvians comprise the biggest group of immigrants.

Restricted migration policies and economic crisis of former well-known destination countries like Venezuela, Argentina or Canada have made Chile a quite popular immigration country for Peruvians and Argentineans among others since its economy and currency still remain quite strong. The growth of Chile's economy runs parallel to Peru's economic decline: "El atractivo de la emigración económica hacia Chile está en directa proporción con el agravamiento de la situación peruana." (Lungren 2003, 71) During the last two months of the year 1998, Chile gave immigrants who had entered the country until the 8th of July 1998 the opportunity to obtain a regular residence permit without greater difficulties. This amnesty temporarily attracted more Peruvians to Chile than ever.

Traditionally Peruvian immigrants settled in the northern part of the country, near the Chilean-Peruvian border. Since the 1990's an increasing flow of Peruvian immigrants to the 'zona central' or 'metropolitan area' has become obvious. Approximately between 70 and 90 % of them are residing in the capital of Chile, Santiago, and live quite dispersed in middle and lower

income areas or 'comunas' like 'Santiago centro', 'Providencia', 'Recoleta', 'Cerro Navia' and 'Estación central'.

There actually exist three central characteristics which describe the first generation immigration flow of Peruvians. First, female immigrants describe the biggest of this group (about 60 %) (Petit 2003, 48) and they are the first ones who migrate within a migration chain (Stefoni and Nuñez 2004, 273); second, the people are quite young when they first pass the border, but old enough to work and third, about 20 % of them possess at least a high education degree (secondary school or university). The major part of Peruvian immigrants in Chile either originates from cities in Peru like Trujillo, Chimbote, Huacho and others without having migrated to Lima, the capital of Peru, before, or they come from Lima, the Peruvian capital. Thus, international migration has become more important for them than internal migration. The following table gives a more detailed picture about the most important places of origins of Peruvian immigrants in Chile. The figures are based on a study by Petit (2004):

Table 4.1: Main places of origin of Peruvian immigrants living in Chile

Place of origin	%	Cases
Trujillo	30.39	124
Chimbote	20.59	84
Lima	19.85	81
Huacho	9.56	39
Ancash	4.90	20
Arequipa	4.66	19
Cuzco	2.45	10
Cajamarca	1.72	7
Apurímac	1.23	5
Tacna	1.23	5

Source: Petit 2003, 45.

After their arrival in Chile, Peruvian immigrants normally get a tourist residence permit until they find a contracted job which allows them obtaining

visa. Many migrants also stay in contact with their families or friends after migration, either through personal contacts or impersonal ones like the sending of money to Peru which is important for about 54 % percent of Peruvian immigrants (Petit 2003, 42). Carolina Stefoni has written about the Peruvian community in Chile that people, though they have different backgrounds and originate from various places, express their identity while maintaining ties with Peru: “No se trata solo de una comunidad peruana..., pero que mantiene a su vez una identidad anclada en el vinculo permanente con el Perú.” (Stefoni and Nuñez 2004, 268)

Regarding their occupation after arrival, most male Peruvian immigrants work in the manufacturing or construction sector, whereas women usually try to find an employment as housekeeper. After having been rooted in Chile, a small group of these people seeks to advance while searching a way into self-employment. In comparison with the number of Peruvian blue-collar workers, the rate of entrepreneurs is quite small. Only about 7 % of all Peruvian immigrants start or invest in own businesses. They typically invest their money in Peruvian restaurants, grocery stores, agencies specialized in sending remittances and goods to Peru or offering of legal advice among others as well as Peruvian art shops.

Table 4.2 Group characteristics of Peruvian small entrepreneurs

Table 4.2: Main group characteristics of Peruvian small entrepreneurs in Santiago

Name	Type of business	Age	City of origin	Length of stay (years)	Education
Maria Pinedo	Grocery	33	Trujillo	10	Technical University
Madeley M.G.	Grocery	30	Lima	6	Secondary school
Maria Mora	Grocery	24	Lima	5	Secondary school
Katja Anampa	Grocery	18	Lima	6	University
Maritza Oñego	Grocery	32	Lima	2	Secondary school

Jesica Rojas	Grocery	29	Lima	2	Secondary school
Shirley Salazar	Grocery	31	Trujillo	9	University
Juana Zavala	Grocery	40	Lima	10	Technical university
Edzon Gonzales	Restaurant	36	Huaraz	5	Technical university
Denis García	Restaurant	39	Lima	16	University
Jovana Zamora	Restaurant	30	Lima	9	Secondary school
Juana Cruz	Restaurant	50	Lima	13	Secondary school
Victoria Suarez	Restaurant	47	Huaraz	11	University
Roberto Atalaya	Art shop	24	Trujillo	4	Technical University
Jesusa Arroga	Art shop		Cuzco	6	Secondary school
Griselda Mendoza	Art shop	26	Cuzco	6	Secondary school
Delfin Carrio	Art shop	35	Cuzco	15	Secondary school
Maria Ccanihua	Art shop	30	Cuzco	9	Secondary school
Helena Suoa	Art shop	35	Cuzco	10	Secondary school
Francisca Quispe	Art shop	39	Cuzco	10	Secondary school
Juan Ccap P.	Art shop	38	Lima	9	University
David Sacsara	Art shop	36	Ayacucha	10	University

Source: Interviews 2006

The 22 entrepreneurs who were interviewed for the study are divided into two main groups according to the kind of their business: 13 are engaged in selling Peruvian food products in little shops or restaurants and 9 sell art work in artisan markets in the centre of Santiago. The following table will give a short overview about the people who were interviewed for the study.

In general, these people are first-generation migrants and between 25 and 50 years old. The majority (19 people) is between 30 and 50 years old. Generally they left their mother country during the 90's. In comparison with their length of stay in Chile it can be seen that most of them had been in the 20's when they migrated. Many entrepreneurs are female (15 out of 22) which points at the fact that female Peruvian emigration to Chile has increased since the end of the 90's.

The major part comes from cities or urban areas in Peru. Among them the names Lima (10), Cuzco (6), Trujillo (3), Huaraz (2) and Ayacucho (1) can be found. There seems to be a clear division according to the places of origin between people who sell Peruvian food products and people who sell art. The Peruvians who have grocery stores primarily stem from Lima (7 of 13 people) whereas the vendors of art mainly originate from Cusco (6 of 9 people). This result hints at the clear relation between former place of residence and recent occupation of the particular entrepreneurs. Since Cusco serves as Peruvian production and distribution centre of art work, this may explain why most art entrepreneurs originate from there.

Map 4.3: "Main places of origin in Peru"



Source: Oxfam 2002.

The main reasons why they left their country of origin in order to stay in Chile are economic by nature. Requested Peruvian entrepreneurs mentioned the necessity to look for employment elsewhere since they had either lost their jobs or could not afford a certain status of living anymore. Others explained that the economic and social situation especially worsened during the government years (1990-2000) of the Peruvian dictator Roberto Fujimori and his economic reforms of liberalism. They stated that they migrated to Chile in order to use the manifold economic possibilities there. Furthermore they mentioned the proximity to Peru and a stable currency as two other reasons. 2 of them did not want to migrate to Chile as final country of destination. They stated that they had planned to go to Australia because they have family members living there. For instance, **Dennis García** and **Victoria Suarez**, restaurant and shop owners, claimed that they came to Chile in order to obtain visa at the Australian embassy in Santiago, but they had denied them obtaining one. That was why they finally decided to stay in Chile.

“Migré a Chile para tramitar en la embajada de Australia la visa para trabajar, me rechazaron, opté por quedarme un año recuperar la inversión de mi viaje, luego observé que me iba afianzando y ya llevo 16 años.” (Dennis)

“No pude encontrar trabajo en Peru. Quise ir a Australia y estaba realizando tramites para viajar. Como no fue posible, tuve que quedarme en Chile.” (Victoria)

With regard to their motivation into self-employment, the majority of all entrepreneurs interviewed planned to make a living as self employed person out of economic independence (18 people) and better income (7 people) in comparison to what they had earned before in Peru and Chile. 2 described that they generally like being able to work together with other Peruvians. Only 1 woman referred to the necessity to support her family in Peru in order to improve their situation. As main reasons for self-employment, all entrepreneurs express their love for Peruvian products and loyalty to counterparts as well as to the country of origin. For instance, Peruvian art vendors mentioned that their main motivation had been their engagement in the art sector before (‘mi familia siempre fue artesanía’, Jesusa; ‘porque es lo que yo trabajo’, **Francisca Quispe**) and that they could not imagine themselves doing anything else. 5 people saw it as a necessity to maintain ‘artesanía’ as one of

Peru's major traditions ('me gusta artesanía y es una oportunidad buena conservar las tradiciones peruanas', **Griselda Mendoza**). This result again shows that art vendors were mainly driven by loyalty towards their economic roots. Their job means for them a kind of duty and passion for Peruvian art and traditions. As Portes (1995) has written about the motivation of ethnic entrepreneurs: "every action is guided by moral considerations. Morality or the acting out of collectively held values may influence the character of personal goals." (Portes 1995, 4)

Regarding the approximate length of stay, most entrepreneurs stay in Chile for about 7 years. It is quite interesting to see that there is a difference between both groups regarding their length of stay and the start up of business. The owners of food shops and restaurants averagely started self-employment after 6 years of stay. In comparison to that, most art sellers averagely could afford starting their business after 4 years. "A matter of some concern is whether persons with more human and financial capital try sooner to become self-employed." (Flap et al. 2000, 143) The question arises, why did the first group need more time to become self-employed than the other?

Generally, high education degrees can be found among all entrepreneurs. 12 people possess a secondary school degree, 6 people have passed the university and 4 completed their studies at the technical university. This result shows that nobody might have lived in absolute poverty and could afford a certain standard of living in Peru, since it is quite expensive to receive a higher education degree in Peru.

Regarding their former occupation in Peru, 9 people already gained experiences in the retail sector. In comparison with the total number of people interviewed this is quite a small number. 3 people worked as secretary, 2 were students and 2 were mechanics. The others found occupations as electrician, teacher and in the administration and manufacturing sector. It is interesting to see that only 3 out of 12 people possessing food shops and restaurants already gained retail sector experiences in Peru whereas 6 out of 9 art vendors had already worked in the arts and crafts sector before they came to Chile. 2 of them even had their own shops in Peru. Thus, the majority of art vendors had gained specific job skills in Peru before they started their business in the country of destination.

After their arrival in Chile, women mainly worked as housemaids and men had to look for jobs as electricians or mechanics. Almost all people who had gained experiences as art vendors (6 people) in Peru, found an employment in the same sector, since they had the opportunity to get a certain knowledge about it. 2 of them worked as distributors of Peruvian art and traveled back and forth and sold products to entrepreneurs in Chile and other countries like Argentina and Bolivia before they became self-employed. Their particular experiences as art vendors might have helped them to gain specific contacts and knowledge in order to find the way into self-employment a bit earlier than members of the group of food vendors. The following answers underline this statement:

“Me gusta el artesanía. Por ello trabajé al comercio y vendí cosas a Argentina, Bolivia y Chile encontrando mucha gente.” (Juan Ccap)

“Tuve un negocio de artesanía en Perú y ahorré dinero, migré a Chile, vendí cosas artesanales a empresarios en Chile por algún tiempo. Así conocí a productores y pude emprender mi propio negocio en Chile.” (David Sacsara)

The following table will emphasize the relationship between length of stay in Chile, length of self-employment and former occupations in Chile and Peru:

Table 4.4: Relationship among length of self-employment in Chile and former occupations

Business	Stay in Chile (years)	Length of self-employment in Chile (years)	Occupation in Peru	1.Occupation in Chile
Grocery	10	2	Vendor in grocery	housemaid
Grocery	6	4		Housemaid
Grocery	5	1	Secretary	housemaid
Grocery	6	3	Student	housemaid
Grocery	2	1		housemaid
Grocery	2	½	Manufacturing sector	housemaid
Grocery	9	4	Secretary	housemaid

Grocery	10	1/2	Vendor in food shop	housemaid
Restaurant	5	3	electrician	electrician
Restaurant	16	3	administration	Different occupations
Restaurant	9	1	Secretary	housemaid
Restaurant	13	5	Vendor of Peruvian food	housemaid
Restaurant	11	5	Teacher	administration
Art shop	4	2	mechanic	Vendor of art
Art shop	6	3	Vendor of art	Vendor of art
Art shop	6	3	Vendor of art	Housemaid
Art shop	15	2	mechanic	Vendor of art
Art shop	9	7	Student	housemaid
Art shop	10	6	Vendor of art	Vendor of art
Art shop	10	8	Vendor of art	Vendor of art
Art shop	9	7	Vendor of art	Vendor of art
Art shop	10	5	Vendor of art	Vendor of art

Source: Interviews 2006

As a short conclusion of the findings above, it can be stated that all entrepreneurs had to leave Peru since they could not find any work and afford living there anymore. Regarding their particular amount of human capital, it can be stated that whereas both groups of entrepreneurs have high education degrees, their human capital varies in relation to their job experiences. The majority of Peruvian art vendors had worked as art vendors in Peru whereas only 3 people of the group of food vendors had done so. People, who had worked as art vendors, again found an employment as art vendors in Chile. Thus, Peruvian art vendors had possessed a higher amount of human capital according to skills and information than the majority of Peruvian grocery and restaurant owners which might have facilitated them the way into self-employment. Flap et al. (2000) defines human capital as follows: "This human capital includes, next to general education, schooling in business, previous knowledge of the field and previous experience of self-employment." (Flap et

al. 2000, 143) In other words, their previous life and job experiences have supported Peruvian art vendors effectively.

Photo 4.5: Jesica Rojas with her two children in her grocery store situated in the central market "La Vega". Generally, Peruvian grocery stores look like that one.



Mercado "La Vega", Santiago de Chile 2006

4.3 How to initiate and maintain a business? –use of social capital

As the previous paragraph has already shown, it is important to note that educational skills and work experiences (human capital) form an essential part of the way into self-employment. Another fundamental aspect is the role which is played by social capital available for the individual regarding the start-up and maintenance of business. Whereas the degree of human capital depends on the individual, the reach of social capital only lies in the "individual's set of relationships with others." (Portes 1995, 13)

A dominant thinking about immigrant entrepreneurs is represented by the assumption that these would exclusively prefer engaging members of

their own nationality, culture and family than other ones. Waldinger argues that immigrant entrepreneurship is “ a set of connections and regular patterns of economic interaction among people sharing common national background or migration experiences.” (Greene and Chagnati 2004, 61) Other theorists support a more open orientation of entrepreneurs. Flap writes that “ethnic entrepreneurs make differential use of their social capital when starting and maintaining a business. They need help in three areas: financial capital, information and useful contacts in order to run the business and finding labour.” (Flap et al. 2000, 152) With regard to this, social capital can be classified in local or transnational terms. It will be interesting to see, which kind of social capital Peruvian entrepreneurs use when they enter the period of starting and maintaining shops and restaurants.

Before starting a business, the potential entrepreneur needs a certain amount of money. Almost all Peruvian entrepreneurs interviewed had not been able financially to open a business right from the beginning when they arrived in Chile. Only 2 art vendors who had possessed their own shops in Peru were able to use sufficient financial capital to start up a business right from the beginning: “Tuve 2 tiendas en Peru, por eso tuve capital suficiente para emprender una empresa en Chile.” (**Francisca Quispe**) “Tuve un negocio de artesanía en Peru. Vendí cosas artesanales a empresarios en Chile y ahorré dinero. Así pude emprender mi propio negocio.” (**David Sacsara**) The other entrepreneurs had to seek the financial support of their partners and families in Santiago. Only 1 woman stated that her husband, who had been a teacher in Chile, could approve his credit-worthiness and was able to get the support of a Chilean bank (“Banco del Estado”) in Santiago. This remains the only case, when people received financial help from the Chilean state.

Generally, official Chilean agencies in Santiago provide help to immigrants who do not want to be dependent workers anymore. This can be financial support as well as information about how to run a business among others. The most important institutions or agencies are “Fondo de Solidaridad e Inversión Social” (FOSIS), district administrations in Santiago (“municipalidades”), “Banco del Estado” and “Servicio de Cooperación Técnica” (SE-COTEC) among others. All information about these institutions might be found in the ‘Guía del Migrante’ which is published by the Peruvian consulate

in Santiago and freely available there. Yet, most entrepreneurs stated that they never had heard anything about special help programs before. Others just avoided national assistance since previous experiences had taught them to distrust bureaucrats. That is why they were looking for a more trustworthy support of family members.

The same can be said about the hiring practices of Peruvian entrepreneurs, which is another aspect within the start-up and maintenance of enterprises. Between 1 and 4 people are engaged in each business. Since Peruvian entrepreneurs do not have a sufficient amount of money right from the beginning to be able to pay higher loans, they draw upon the work forces of family members and friends who may work for lower loans. Generally all people interviewed work together with family members, for instance, with their parents or brothers and sisters. 4 people stated that they lead their businesses with their wife or husband together. 3 entrepreneurs have employed people with whom they do not have special relationships, but they stated that they generally prefer people originating from Peru. They argued that Peruvian work forces have a better knowledge about the use, taste and history of Peruvian products than people with other cultural backgrounds and nationalities. Only 5 of 22 people had employed Chileans. Though the reliance on the own community is not necessarily as closed as earlier theories about immigrant entrepreneurship have stated, common traditions and strong ties among family members seem to play a great role in the choice of workforces and financial capital.

Many studies have written that immigrant entrepreneurs exclusively focus on customers of their own ethnic group since “special consumer demands of co-ethnics refer to ethnic products or services that co-ethnics know best how to produce and distribute.” (Flap et al. 2000, 144) It is therefore interesting to see that the clientele of each business isn't necessarily Peruvian, but rather has a mixed character of nationality. 21 entrepreneurs said that they have people from Bolivia, Ecuador, Colombia, Brazil, Chile and other countries as customers. Only 1 owner of a food shop mentioned that she would exclusively sell her products to Peruvians. Hence, in order to maintain their businesses and to increase the market, they make use of a mixed clientele network consisting of strong and weak ties or social.

A possible explanation for the openness and mixed character of clientele could be the location of every business. Many Peruvian food shops can be found in the market “La Vega”, which is quite close to the city centre, or in the centre itself. The Peruvian art shops are situated in the markets “Santo Domingo” and “Santa Lucia”. Both sides are situated near the centre as well and “Santa Lucia” is additionally located near a small mountain within the city which can be found in each tourist guide as historical place. All markets are frequently visited by people of various nationalities. Especially the centre attracts many tourists. It is therefore small wonder that Peruvians possess a certain range of weak capital regarding their business clientele.

The description about the use of social capital regarding financing, workforces and clientele seems to create a quite homogeneous picture about Peruvian shop owners. They all seek the support of their family and friends according to their financial help and work. The business clientele consists of people of various nationalities. Both networks are local, but the first two contain more strong ties of social capital whereas the last one is rather a mixture of strong and weak ties than a strict group and family orientation. The following part will show, whether this remains also the case during the maintenance of businesses.

Photo 4.6: Many Peruvian art shops are situated in the market "St. Domingo" which lies in the centre of Santiago



Santiago de Chile 2006

4.4 Peruvian entrepreneur's transnational business connections

There exists a fundamental difference between both groups regarding the involvement into transnational business relations. The range of Peruvian food products is quite huge. Among products which are frequently sold and bought are maize, Peruvian chocolates, red chilly, rocoto, and Peruvian lemonades like the Peruvian brand "Inca Kola". Only 3 women, who have Peruvian grocery stores, buy their products directly from other entrepreneurs in Peru.

Madeley M. G. leads a Peruvian distribution store called "Macchu Pichu", which is situated in the market "La Vega", with her husband and friends together. She explained that either she or her husband go to different places in Peru approximately 4 times a year in order to buy different products from small entrepreneurs. For example, she mentioned that they regularly buy maize from small entrepreneurs in Huaraz whom they already had known before they came to Chile. The products are transported by "TURBUS" which is a famous Chilean transport business. It is quite important for Madeley and her

husband that the products are bought and sold personally since this would be a more quicker and trustworthy way. Another transnational food vendor is **Katja Anampa** who buys her products (maize, chocolates a.s.f.) from friends in Lima. She travels four times a year with “TURBUS” to Lima in order to buy products and to visit her family there. She originates from Lima and still has parents, brothers and sisters, as well as friends still living there. Personal contacts (selection and payment) with business partners are very significant for her, too. The last grocery owner, who has transnational business contacts with Peru, is **Shirley Salazar** who comes from Trujillo. Shirley explained that her products primarily originate from Lima. Friends and other entrepreneurs from “La Vega” had helped her to find and initiate contacts with entrepreneurs from whom she monthly buys maize, chilly and lemonades among others. She does not always travel to Lima. Sometimes she even prefers buying products by telephone when she cannot afford time or money for traveling. In that case, she uses bank payments instead of paying personal. Generally she prefers paying personal, since this contains a greater degree of trust. Her products are transported by “TURBUS”.

It is interesting to see that at least 2 entrepreneurs of them (Madeley, Katja) had known people in particular places before, which might have facilitated them the initiation of regular transnational business contacts. A certain feeling of loyalty towards their friends and people whom they know might have played a further role for the selection of business partners. Loyalty and trust might also play a great role for the personal selection and payment of products, since all entrepreneurs interviewed said that they would prefer buying products personally than buying via other people, telephone, Internet a.s.f. The following table will show a summary of the transnational business relations of Peruvian grocery owners:

Table 4.7: Transnational business relations of Peruvian food vendors

Name	Where?	Who sells products?	How do you buy?	Transport	How do you pay?	How often? (per year)
Madeley	Ica; Huaraz	Acquaintance	personal	TURBUS	personal	4 times
Katja	Lima	Friends	Personal	TURBUS	Personal	4 times
Shirley	Lima	Acquaintance	Telephone/ personal	TURBUS	Bank/ Personal	monthly

Source: Interviews 2006

The transnational business engagement of art vendors seems to be more remarkable. All owners of Peruvian art shops have direct transnational business contacts at least with Peru. Nearly all of them responded the same way. Thus, it is thus only necessary to repeat a selection of answers in a more detailed way. They can serve as examples for the others respondents.

Roberto Atalaya comes from Trujillo and grew up in a milieu of art vendors. He primarily sells “bisutería” (jewelry) from producers in Lima from whom he monthly buys. He prefers buying through the Internet, since it is a cheaper and quicker way for him (“se me hace facil verla en la pagina”). This is why he prefers transmitting money via bank payments. The products are transported by a Peruvian distributor from Lima. Roberto even sells products from other South American countries which he buys from street vendors of other nationalities (“provedores en viario”) in Santiago who regularly come along. **Griselda Mendoza** had the chance to build up contacts with art producers in Cuzco and Lima since her brothers have their own art shop in Cuzco and could help her with the organization of business contacts. She personally buys and pays for wool products from producers who come to certain fairs of art in Lima and Cuzco and makes use of ‘TURBUS’ in order to transport them. She mentioned that personal contacts among buyer and producer are very important for her, because they provide a quicker and more trustworthy solution (‘quieres comprar al gusto de uno’). She does not sell products of other countries. **Juan Ccap P.** (38 years) also sells a broad variety of products which range from wool products to ceramics. During his 2

years proficiency as agent for Peruvian art products, he traveled a lot between Peru, Chile and other countries. Thus, he was able to build up business contacts with Ayacucho, Lima and Cuzco in order to buy wool products, jewelry and ceramics. Furthermore, in order to serve for a broader clientele, he also buys products from producers and entrepreneurs in Chile, Argentina, Bolivia and Ecuador whom he personally knows from his former engagement (“Para tener surtido el negocio vendo productos agradables de Chile, Ecuador, Bolivia y Argentina. Son comerciantes y productores que conocí personalmente antes”). He regularly (once a month) travels between different countries in order to select potential products for his shop (“porque uno quiere apreciar el producto que compra”) and immediately pays for them. His products are transported by “TURBUS”. Another vendor of art, who also has collected former experiences as entrepreneur and agent, is **David Sacsara**. He buys Peruvian products from people in Lima, Cuzco and Ayacucho as well as entrepreneurs and friends from Chile, Argentina and Ecuador since he knows them personally from his former engagement as vendor of art in Peru, but he is not involved into regular movement. He uses Internet (“para ver los modelos”) and telephone (“teléfono es mas directo”) in order to get into contact with other entrepreneurs and he pays via “Perú Service”, a Peruvian remittance agency, which has different branches in Santiago de Chile. He also sells Chilean products to entrepreneurs in Peru and Peruvian and Chilean products to entrepreneurs in Chile, Argentina and Ecuador. For him, having a business like this means “mas aceptación al publico chileno y turistico” (David).

As the different examples above have shown, only 3 of 13 people who have Peruvian food stores and restaurants in Santiago make direct use of social capital in Peru. This can be explained by the fact that these three entrepreneurs stay in contacts with friends who have grocery stores (“almacén”) in Peru who have helped them to initiate contacts with other entrepreneurs and producers in Peru. Nevertheless, these three entrepreneurs are just a drop on stone within this group of entrepreneurs. The majority of grocery and restaurant owners buys their products from Peruvian distributors who are located in the central market “La Vega”. The spatial closeness makes it easier for them to buy products from “La Vega” out of two main reasons: 1. they can

convince themselves of the products' quality more directly, 2. they have lower costs of transport.

The business strategy of Peruvian art vendors is different. They all have direct relations with art producers and vendors in Peru and make regular use of transnational social capital. All 9 art vendors directly buy products from Peru and 6 of them do it either personal or via family members. Either they had known these people from former engagements in Peru or they were helped to initiate these contacts by people who also have art shops in Peru or Santiago. As Portes writes: "By virtue of membership in human groups – from families to churches and associations – individuals acquire a set of privileges and associated obligations that simultaneously further and constrain their self-ish pursuits." (Portes 1995, 4) Thus, art vendors are able to mobilize transnational social capital more intensively than the other group in order to initiate transnational business contacts.

All art vendors also sell products from countries like Argentina, Ecuador, Chile and Bolivia. These entrepreneurs argue that since they are confronted with different nationalities, they would have to satisfy a broader clientele. However, only 2 of them directly buy their products from entrepreneurs and producers in these countries. These two already had worked as salesmen of art before and know these people personally. The others directly buy from entrepreneurs who are also situated in Santiago. It is further interesting to see that 1 Peruvian entrepreneur (David Sacsara) also sells Chilean and Peruvian art products to business partners in Lima and Argentina. Hence, there exists a vital business exchange (product and money exchange) among all art vendors in Santiago and art vendors and producers in Peru and other countries. A further description of all transnational business contacts of art vendors can be seen from the table:

These transnational business ties automatically connect Santiago with different places in Peru primarily Cuzco, Lima and Ayacucho as well as places in Argentina, Ecuador and Bolivia depending on the type of product. Peruvian products of wool originate from Cuzco and Lima, jewelry comes from Lima and ceramic products are bought in Ayacucho. One woman said that she prefers buying wool products from producers in Juliaca, since this would be a famous production side for it.

Table 4.8: Transnational business relations of Peruvian art vendors

Name	Where?	Who sells products?	How do you buy?	Transport	How do you pay?	How often?
Roberto	Lima	Producers	Internet	Peruvian distributor	Bank	Monthly
Jesusa	Cuzco	Producers	Personal	TURBUS	Personal	Monthly
Griselda	Cuzco/ Lima	Producers	Personal	TURBUS	Personal	4 times
Delfin	Lima	Entrepreneurs	Personal	TURBUS	Personal	4 times
Maria	Juliaca	Producers	Personal	TURBUS	Personal	2 times
Helena	Lima/Cuzco	Producers	Her sister buys	TURBUS	Sister	4 times
Francisca	Lima/Cuzco	Producers	Personal	TURBUS	Personal	Monthly
Juan	Ayacucha/ Lima	Producers	Personal	TURBUS	Personal	Monthly
David	Ayacucha/Lima / Cuzco	Entrepreneurs	Telephone/ Internet	FLORES	Perú Service	monthly

Source: Interviews 2006

The different findings above show that Peruvian entrepreneurs generally use a mix between strong and weak capital in order to buy products and maintain their businesses rather than exclusively relying on strong ties. Nevertheless, only Peruvian art vendors make regular use of social capital in Peru and are more directly embedded within transnational business relations. They buy from people who produce and sell art products at various places in Peru. Furthermore, most of them travel quite regular across the border to buy products, which are mainly transported by “TURBUS”.

Photo 4.9: Most Peruvian entrepreneurs use the service of "TURBUS" to transport products



Santiago de Chile 2006

4.5 Flow of information

Another type of transnational flows is the flow of information (social remittances) from one entrepreneur to another. Such information can be, for instance, information about the most effective way to finance and lead a business as well as the mediation of trade contacts with other entrepreneurs in Chile or elsewhere. Only 4 of all entrepreneurs interviewed take part in regular support of other entrepreneurs in Peru. These 4 people are vendors of art which could be explained by the fact that they belong to a group of entrepreneurs in Santiago who for the most part grew up in such a milieu and therefore have close contacts and a certain feeling of loyalty to other art vendors or producers in Peru. **Jesusa Arroga, Grizelda Mendoza and Delfin Carrio**, vendors of art at the market "St. Domingo", provide help to family members according to aspects about financing and leading a business. Their own business experiences are very helpful in that respect. Furthermore, Jesusa arranges business contacts for her sister in Peru with other art traders at the

market “St. Domingo”. These do not necessarily have to be Peruvian. **David Sacsara** also organizes business contacts for the same entrepreneurs in Peru from whom he equally buys products. The flow of information is one-sided which means that only entrepreneurs in Peru profit from this kind of transnational relation. There is no mutual exchange of information among entrepreneurs.

4.6 Transnational flow of remittances

The half of Peruvian entrepreneurs interviewed remits money to family members once a month (11 people) in order to support them. 3 entrepreneurs denied that they would do so because they wouldn't have any family members still living in Peru. For instance, **Juana Cruz** explained that nearly all family members (her husband, her two sons and her daughter-in-law) live in Santiago and they all help her maintaining her restaurant. She has a sister who also left Peru years ago and now lives with her family together in Australia. 6 people admit that they do not send any money, since their families would have their own shops and income in Peru and therefore, would be independent economically. For instance, the mother of **Juana Zavala** leads a grocery store in Lima which is equally owned by Juana herself. In that respect, the mother works with her daughter who regularly travels to Lima in order to arrange the business and help her mother. The income of both businesses in Santiago and Lima is shared among both parties. This is why Juana's mother acts and lives quite independently from the support of her daughter.

It is interesting to see that 2 entrepreneurs do not support their family, but invest directly in small entrepreneurs and producers in Peru. **Francisca Quispe** approximately earns 450.000 – 500.000 Chilean pesos per month. Her parents have their own art shop in Cuzco and have their own income which is great enough to be able to afford living on their own. Hence, she decided to send more than 110.000 Chilean pesos (between 100 and 200 €) to Peru in order to support producers from whom she additionally buys products. These people invest in their businesses. According to her, they would buy

machines in order to produce more and hence, would profit from a certain well-being of their business. The same is with **Delfin Carrío** who also sends more than 110.000 pesos to small art entrepreneurs. He said that he wanted to support the art sector in Peru since he feels himself being obliged to that sector. Since both entrepreneurs have a higher income compared to the other ones, they can afford more easily to support the Peruvian small business sector.

Between 50.000 and more than 110.000 (between 75 € and more than 175 €) Chilean pesos per month are sent by the majority of entrepreneurs interviewed. They all said that they prefer send US Dollars since this is a better, more stable and more trustworthy currency than the Chilean or Peruvian peso. On a whole, Peruvian grocery owners send less money than Peruvians who sell art products. 2 grocery owners send less than 50.000 pesos whereas 2 members of the other group (Fracisca Qispe and Delfin Carrío) even send more than 110.000 pesos to Peru. This is explainable by the fact that they financially support producers and small entrepreneurs in Peru.

Table 4.10: Amount of remittances sent by entrepreneurs to Peru

	How much money do you remit per month? (Chilean pesos)			
	less than 50.000	50.000-80.000	80.000-110.000	More than 110.000
Number of entrepreneurs	2	7	2	2

Source: Interviews 2006

Remittances are not channeled through formal bank systems. Most people remit their money via different Peruvian agencies which are situated in the centre of Santiago. Most of them (6 people) make use of the agency “Perú Service”, whereas the others go to agencies like “Flash Money” (1 person) and “Perú más cerca” (1 person) which are also both Peruvian. One restaurant owner (**Dennis García**) mentioned that he would use his own agency since he has a restaurant, grocery and agency altogether called “Comercial mi Perú”. Only 1 person uses the bank (‘Banco del Estado’) as formal money transferor. All the others explained that they would not trust Peruvian banks or

banks in general and find the way to transmit money via Peruvian agencies safer, which contains an impression of community loyalty.

The money which is sent to family members in Peru is spent for different aspects. It is mostly spent for consumption goods and health. Education plays a minor role. Only two people mentioned that they would support the education of family members. Of course, education support depends on the fact whether people still have family members going to school or university or not. **Jessica Rojas** said that her parents would buy books for her sister who still goes to school. **Helena Suoa** has a cousin who studies agricultural science in Cusco. She mentions that it is necessary that she sends money because college fees are quite high in Peru. 1 person mentioned that the family would use the money in order to make business investments and another mentioned investments into an improvement of infrastructure.

Table 4.11: Different investments taken by family members in Peru

	Which investments are taken by the receivers?				
	education	Consumption (food, house, car...)	Business	Health	Infrastruc.
Number of investments	2	12	1	7	1

Source: Interviews 2006

Besides the sending of remittances, entrepreneurs use their income to improve their own social and economic situation in Santiago or Chile. The main part of the money left is used for the maintenance of their businesses (16 people). For instance, they pay the rent, buy furniture and products and are constantly seeking to increase the shop or restaurant in order to earn more and to be more successful. **David Sacsara** wants to invest more in his business in order to earn more. His dream is to have more locals in Santiago or Peru. “Quisiera invertir más en mi empresa, para ganar más y para emprender más locales en Santiago o Peru.” (David Sacsara) Juan Ccap P. also likes to invest and save money in order to grow bigger and to gain more capital. About 9 people mentioned the importance to invest in their own house or households. **Jovana Zamora** belongs to a group of four people who are fi-

nally able to afford their own education or the education of their children (5 people). “Claro, tengo que invertir dinero en mi propio restaurante regularmente y pago para la educación de mis hijos.” (Jovana Zamora) **Katja Anampa** wants to finish her law studies in order to be finally able to bring herself in for changing the actual situation in Peru. “Puedo continuar mis estudios finalmente con el dinero que gano y ahorro. Mi madre, mi hermana y mi tía me ayudan. Mi sueño es terminar mi carrera, yo estudio derecho y apenas mi título quisiera hacer algo por mi país” (Katja Anampa) Permanent investments into health or health insurance are taken by 2 people and 4 people save money in order to realize certain future projects.

4.7 Return Migration

“International migration results in continual processes of return migration, where recurrent migrants regularly go home for varying periods each year or migrants return for good to their communities of origin.” (Faist 2000, 201) All entrepreneurs were asked whether they want or could imagine themselves returning to Peru forever. Furthermore, they had to express their dreams, planes and ideas which they would like to realize there after arrival. Their attitude regarding a return to Peru is generally divided. Less more than half of them (12 people) stated that they would like to return to Peru after the economic situation in Peru had changed or they had reached a stable financial position. Most of them mentioned that they would miss their family, Peruvian traditions, culture and mentality. 10 people responded that they would never like to return even when they have family or a certain economic stability in Peru. They have been adapted to the Chilean way of life, are satisfied and have the chance to better develop economically. Moreover, they have reached a good social position and have integrated themselves in Chile. “No quiero revolver, solo de paseo, por negocios, porque me siento mas tranquilo y seguro en Santiago, además que pude desarrollarme profesionalmente.” (**Dennis García**) “No, porque mis hijos viven aquí y compramos una casa.” (**Juana Cruz**) Nevertheless, the majority of Peruvian art vendors (7 people) responded that they want to go back to Peru, whereas only 5 people of the group of grocery owners responded this way.

It is generally interesting to see, what the potential Peruvian return migrant would like to realize after he or she had reached a stable and successful economic position. This might give an insight into possible development impacts which could take place in Peru. 9 people would like to open their own business or even more businesses in Peru. 2 vendors of art even stated that they would like to further invest in their own business or businesses in Santiago and equally open and invest in new art businesses in Peru so that they might work and travel between both countries. “Quiero volver a Perú despues de he formado un capital más fuerte. Quiero lograr una estabilidad amplia en Chile. Además quiero poner más tiendas en Chile y formar una cabena de tiendas en Perú.” (**Francisca Quispe**) It is quite important to note that self-employment is seen by most entrepreneurs as a necessary condition in order to achieve both a change and a better future in Peru. “Quisiera volver a Peru para visitar a mis padres, hermanos y amigos regularmente. Mi sueño sería formar una pequeña empresa, pues es lo más importante para darles un futuro en cuanto a estudios a mis pequeñas hijas.” (**Maritza Onego**) “Mi sueño es tener un negocio allá. Es que mi familia esté bien económicamente.” (**Jessica Rojos**) 2 entrepreneurs would like to continue their studies of art and mathematics in Peru. 2 others would like to buy their own houses and 1 person thinks about engaging himself in a social project in Peru. **David Sacsara** wants to open a school with his own capital. “Quiero volver a Perú. Creo que aquí soy solo un extranjero y no me pertenece nada. Vuelvo a Perú e instalar una escuela basica privada (con recursos propios) en una zona rural para ofrecer calidad de educación.” (David Sacsara)

Although only about the half of Peruvian entrepreneurs interviewed actually think about returning to Peru forever, it is amazing to see what kinds of dreams and plans they have regarding their potential future in Peru. They all would like to take different investments in order to achieve a better economic and social position for themselves, their families and Peru. It shows that these people certainly believe in the realization of these ideas and they remain hopeful regarding their fulfilment.

5. The potential development impact

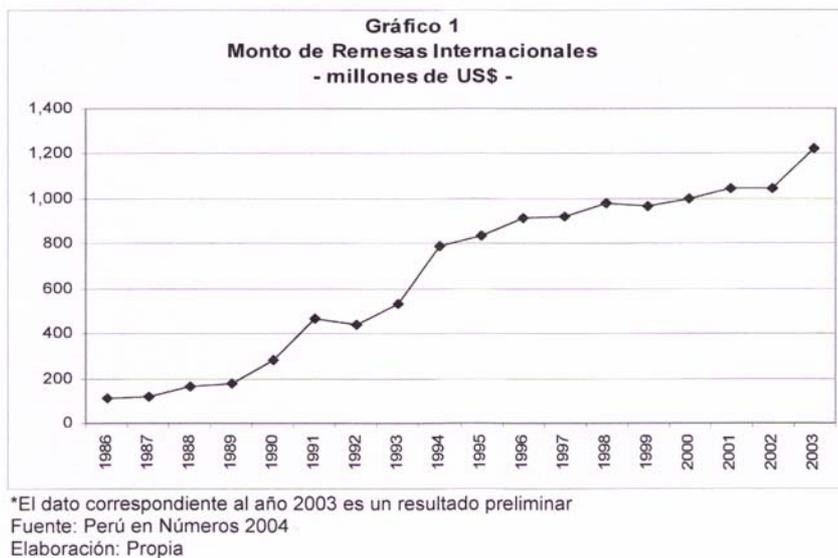
“Mi sueño es que mi país sea como es en Chile, poca corrupción, que haya trabajo y apoyo a los microempresarios y que sea un país con mucho futuro para la juventud.”

(Edzon Gonzales, restaurant owner in Santiago)

Several studies about return migration and transnational networks have emphasized the possibility of an equal development effect of these processes on both migrants and migrant households in their countries of origin (microeconomic-level) and economies and politics of countries of origin (macroeconomic-level). “The pursuit of gain is constrained by reciprocity expectations built up in the course of social interaction...central to the pursuit of economic advantage insofar as they facilitate access to information, capital, and other scarce resources.” (Portes 1995, 5) As already has been stated the creation of development through transnational spaces arises through “regular and sustained social contacts over time across national borders.” (Portes et al. 1999, 219) The following part shall emphasize both potential and real development impact of transnational economic practices of Peruvian entrepreneurs in Santiago on the microlevel of individuals, families and communities in Peru.

Studies have demonstrated that the amount of international remittances to Peru has steadily increased from 112 million US dollars in 1986 to approximately 1.295 million US dollars in 2003 which actually represents about 10 percent of the total value of Peruvian exportations. These numbers only present an estimation of the actual sum, since much money is not sent through formal channels. Thus, the actual amount of money remitted might be even higher. The following table will give an impression about the gradual increase of international remittances flows to Peru since 1986.

Table 5.1: The amount of international remittances sent to Peru 1986-2003 (million US\$)



Source: Arellano and Cueva 2005, 14.

Remittances represent between 8 % and 15 % of total annual incomes of Peruvian households. According to figures of the “Banco Interamericano de Desarrollo” (BID) about 60 percent of remittances sent to Peruvian families are spent for consumption, 21 percent for education, 8 percent for the start up and maintenance of small businesses and about 6 percent remain saved. (Terra Actualidad, Dec. 2005) Although only 7 percent of all Peruvian households, which receive remittances, get money from the exterior, it is amazing that they have a better social and economic status regarding levels of income, education, health investments and others than households which only get money from internal migrants. This may be due to the fact that there are twice as many remittances sent from foreign destination countries than from internal destinations. “Este resultado puede estar explicado por las mejores oportunidades de generación de ingresos ofrecidas en el extranjero.” (Arellano and Cueva 2005, 3) Different levels of investments into education demonstrate the importance of external remittances. Studies have found out that households which only receive internal remittances do have a minor education level than others. The education gap between both types of households comprises about 3 years which can be seen in table No. 1. Another funda-

mental difference among households may be recognized according to various investment levels into non-durable and durable consumption goods. Households with international remittances invest more in public services and goods like food products, television, computer, cars and others. This is emphasized by table no. and no.

Table 5.2: Education of Peruvian households with internal and international remittances

Education	Internal remittances	International remittances	Both types
Chief of household	6	9	8
Education of family (maximum)	9	12	12
Education of husband/wife	6	9	9

Source: Arellano and Cueva 2005, 30.

Table 5.3: Investments into services of households with internal and international remittances in Peru

Service	Internal Remittances	International remittances	Both types
Health insurance	29.5	53.5	55.1
Water	61.7	84.7	81.2
Electricity	67.1	97.3	93.0
Fixed telephone	18.4	68.6	62.1

Source: Arellano and Cueva 2005, 30.

Table 5.4: Investments into consumption goods of households with internal and international remittances in Peru

Consumption goods	Internal remittances	International remittances	Both types
Colour TV	35.3	77.3	79.0
Car	5.8	18.6	11.7
Computer	3.2	14.1	12.9

Source: Arellano and Cueva 2005, 31.

As the interviews have shown, the most common transnational tie of both groups of Peruvian entrepreneurs in Santiago is the sending of monetary remittances to Peru as well as the investment potential of money flows through transnational business contacts. On a whole, approximately 870.000 (1100 €) Chilean pesos are monthly sent by all small Peruvian entrepreneurs to their families. Most remittances are sent via Peruvian remittance agencies in Santiago to family members who live in the particular home areas of entrepreneurs. They mostly invest in consumption goods, but also in education, health, infrastructure and the start up and maintenance of small family businesses.

2 entrepreneurs only remit money to small entrepreneurs and producers in Peru from whom they equally receive products for sale. Since they have high monthly incomes (about 450.000 pesos (575 €)) compared to the other entrepreneurs, they can afford such an investment more easily. They explained that those entrepreneurs would primarily invest into machinery and furniture and in the growth of their businesses. Therefore, these 2 entrepreneurs directly contribute to the small business development of their country.

Transnational business contacts, primarily among entrepreneurs of the art sector, equally race the amount of transnational money flows through mostly personal economic exchanges. Former statistics show that between 1974 and 1984 the total income of export of Peruvian art products climbed up from US\$ 2.9 million to US \$ 15.7 million. (Maisch ed. 1987, 202) Though these numbers are quite old, they emphasize the great importance of Peruvian art exports for the country. With regard to this, transnational business relations with Peruvian art vendors in foreign countries play a significant role.

About the half of all entrepreneurs interviewed (primarily art vendors) make use of direct transnational economic linkages among Chile, Peru and other countries. Most entrepreneurs regularly cross the Peruvian border (approximately 4 times a year) in order to buy and pay for products personally. Therefore, the business exchange of money and goods across the Peruvian border bears an additional income and investment source for small entrepreneurs in Peru and their households.

Another important role for development is played by transnational flows of information (social remittances) either through constant transnational contacts or return migration which may additionally increase the human capital potential of education and know-how. One of the essential dimensions of skill transfers is the animating force they release in home communities or elsewhere. "Transfer of skills and know-how, in the widest sense, underpin many community-oriented initiatives." (Bryceson and Vuorela 2002, 239). 4 entrepreneurs interviewed stated that they regularly would provide help to entrepreneurs in Peru regarding how to lead and finance a business. About 12 entrepreneurs said that they finally want to return to their country of origin after they have saved enough money. Among certain aims which they would like to realize are the building or buying of houses, initiating own businesses and engaging in social projects. Through the help and assistance of Peruvian associations in Peru, return migrants could be supported more effectively. It needs further research to find out how the regular exchange of information among entrepreneurs actually contributes to small business development in Peru.

The Peruvian entrepreneur's economic activity may also bear over time a precious development resource for himself/herself and his/her family, since "self-employment is considered an important avenue for immigrants' economic mobility." (Van Tubbergen (ed.) 2004, 203). As Flap et al. (2000) has written, the entrepreneur could reach over time "goals like learning hard to acquire entrepreneurial and technical skills, securing a job for his or her children, improving the educational opportunities of the children or being able to start another business." (Flap et al. 2000, 143) This is emphasized by the fact that the majority of small entrepreneurs interviewed take regular investments into their small businesses in Santiago, household and education. 4 of them

stated that they would save a certain amount of money for future investments like buying or building a house for themselves or their children: “Mi mayor sueño sería tener mi casa propia en Chile pero para eso tengo que trabajar muy duro y ahorrar dinero y así hacer que mi sueño se logre con esfuerzo y valentia.” (**Maria Rodriguez Pinedo**) “Ahorro dinero. Así quisiera comprar una casita para mis hijos.” (**Shirley Salazar**) Furthermore, all entrepreneurs explained that they would have better incomes and a better economic position through self-employment than through former engagements in Peru or Chile.

Furthermore, nobody of the entrepreneurs interviewed feels being discriminated in Chile. They stated that they feel satisfied with their economic and personal situation. Only 2 women said that they are in a good position, but feel themselves sometimes being treated badly by Chileans: “Por lo general está Buena, pero a veces mis clients chilenos me tratan mal porque soy peruana.” (**Maria Pinedo**) “Estoy contento porque tengo una oportunidad de trabajar, dar trabajo a las personas que lo necesitan, no importa la nacionalidad que sean. A veces estoy confrontado con discriminación.” (**Edzon Gonzales**) Light (2005) argues that immigrants would look for ways into self-employment because of disadvantages. He writes that “racial, ethnic, and religious discrimination is a major disadvantage.” (Light 2005, 653) With regard to this quote, the answers of Peruvian small entrepreneurs show that the discrimination rate of self-employed people is quite low. The following quotations could stand for about 90 % of all answers to the question, what do you think about your economic and personal situation in Chile?:

“No quiero volver a Peru porque viajo constantemente y no siento nostalgia...Estoy muy contenta acá y no tengo ningunos problemas.” (Juana Zavala)

“Por lo general estoy contento con mi situación en Chile, economicamente y personalmente.” (Roberto Atalaya)

“Ahora estando legal en Chile. No tengo ningunos problemas, sobre todo con las autoridades. Me siento aceptando.” (Juan Ccap P.)

After the findings which were presented above, it can be stated that, remittances of Peruvian entrepreneurs in Santiago “se dedican en mayor porcentaje a actividades económicas dentro del hogar” (Arellano y Cueva 2005, 4) in Peru like consumption, education, health and infrastructure. A small proportion of the money is channeled and used for economic investments and

the development of the small business sector. It can be said that investments into education, health, housing, infrastructure and businesses are long-term investments, which help the individual to improve both the microeconomic situation now and in the future.

With regard to this, self-employment also means a development potential for small entrepreneurs and their families in Santiago, who have better incomes and thus, can afford to take several sustained investments parallel. Furthermore, it has helped them to receive a better social and economic status which is recognizable by the fact that almost all of them do not feel being discriminated.

6. Conclusion

The influence of globalization and liberalization of national economies has led to an intensification of unemployment and poverty in Peru since the 80's. Especially the "neoliberal" reforms of Peru's former president and dictator Fujimori during the 90's drove a great number of Peruvians of different social classes to leave their country out of economic, social and political reasons. All of them were just driven by the desire to improve their own lives and those of their families. Among popular destination countries, old ones like the United States and Argentina as well as new ones like Chile can be found. During the last years an increasing number of Peruvians have chosen Chile as destination country since countries like Argentina or the United States are either marked by an economic and financial crisis or by a gradual restrictive migration policy. In contrast to those countries, Chile has a stable and still growing economy and currency, which also attracts emigrants from other South-American countries like Colombia, Bolivia, Brazil and, recently, Argentina.

About 75.000 registered Peruvian with a residence visa or permit are recently living in Chile and about 50.000 (80%) of them can be actually found in Chile's capital, Santiago, where they live quite dispersed in middle and lower social class "comunas" like "Santiago centro", "Estación Central" among others. Many Peruvians (about 20 %) had possessed a high education degree before they migrated, for instance, a secondary school or university degree and therefore, bring with them a high human capital potential. After their arri-

val in Santiago, male Peruvians normally try to find work as blue-collar workers in the manufacturing or construction sector, whereas women look for an employment as housekeeper. Only a small group of these people (about 7%) seeks to advance after a while through an independent career as small entrepreneur. Since many Peruvians stay in contact with their countries of origin, the maintenance of transnational economic ties may also be an option for Peruvian entrepreneurs regarding the maintenance of their businesses as well as for development in Peru.

On a whole, 22 Peruvian small entrepreneurs were interviewed for this study. 13 people had started their way into self-employment as grocery and restaurant owners and 9 people have Peruvian art shops at specific places in Santiago. All entrepreneurs were first-generation migrants and had already left their mother country during the 1990's when the majority of them was between 20 and 30 years old. They all stated that they left Peru since they could not afford living there anymore. Their education degrees are quite high and range from secondary school to university degrees. Regarding their former occupation in Peru, only 9 of 22 people had gained experiences in the retail sector. However, 6 people, who possess art shops in Santiago, already had worked in small art businesses in Peru before they came to Chile. Thus, they had the chance to gain specific skills, information and business contacts with Peru and other countries before they started their businesses. These experiences might have facilitated their entrance into the Chilean labour market, since the same amount of people found an employment as vendors in the art sector after their arrival in Santiago.

Social capital plays an important role regarding the start up and maintenance of small businesses. The 22 entrepreneurs made use of local friendship and family ties when they both needed money and labour forces in order to start their businesses and since they could not mobilize sufficient money on their own or from other institutions. Hence, the reliance on strong and local capital ties seems to be essential for both groups of entrepreneurs regarding the choice of workforces and the organization of financial start-up capital.

However, it is wrong to assume that the majority of Peruvian entrepreneurs "become trapped in their network by their investments in the local community." (Flap 2000, 151) There are fundamental differences according to

the choice of social capital ties in order to form business contacts with other entrepreneurs and producers. Both groups buy and sell products of various nationalities (Peruvian and other) to a clientele of various nationalities. Nevertheless, there exist differences among both groups regarding their transnational business orientation.

Only 3 of 13 grocery and restaurant owners make use of direct transnational business ties with Peru or other countries. They buy their products from people in Peru whom they already know for quite a long time. The other food vendors buy their products at the local market "La Vega" where they know Peruvian distributors and distributors of other nationalities. This is due to spatial closeness to the market "La Vega" since many entrepreneurs of this group are situated quite close to it or even in it. In other words, this kind of buying is cheaper for the majority of entrepreneurs since they do not have to travel a long way. Thus, the network of business contacts of the group of Peruvian "food vendors" is more locally oriented, although it consists of a mixture between strong and weak ties.

The business strategy of Peruvian art vendors is different. They all have direct transnational business relations with art producers and entrepreneurs in Peru from whom they regularly buy their products. Some of them either worked as vendors in Peru before or just originated from a milieu of art vendors (7 people). Others have friends with art businesses in Peru who have helped them to find contacts with particular traders and producers.

The majority of entrepreneurs pay personally. They say that this kind of paying has a greater amount of trust. Only 4 of all entrepreneurs with transnational business relations make use of modern communication facilities like Internet and telephone. The majority likes to buy and pay personally since they want to see what they buy and argue that this way would bear a greater amount of trust.

Furthermore, it is wrong to assume that these contacts only exist with home cities or regions. For example, the majority of them originates from Cuzco, but equally has business contacts with Lima, Ayacucho and Juliaca. 1 man sells products to business partners in Lima and Argentina. He had worked as salesman and got to know his business partners when he travelled among different countries. He remains the only one of all small entrepreneurs

interviewed who is engaged in a regular export of goods to Peru and other countries.

Another type of transnational relation of Peruvian small entrepreneurs in Santiago is the direct and regular exchange of information with entrepreneurs and producers in Santiago, but this might be important for the minority. 4 entrepreneurs admitted that they would regularly support family members or other business partners in Peru through either the mediation of business contacts with other entrepreneurs in Santiago or the provision of help regarding financing and leading a business. Hence, they support entrepreneurs with the growth of their business or the “conquest” of markets elsewhere.

The transnational flow of money seems to be a more essential feature for Peruvian entrepreneurs. About the half of all entrepreneurs regularly remit money to their areas of origin in order to support family members. 3 people do not send any money to Peru since they do not have family there and 6 people admit that they would not send since their family would be independent economically. 2 do not support family members, but regularly remit money to Peru in order to support small entrepreneurs and producers who buy machines among other in order to grow and produce more. The money, which is sent to family members in Peru is primarily spent on consumption goods of various kinds and health. Only 2 entrepreneurs mentioned that the money would be used for education. Of course, this depends on whether small entrepreneurs in Santiago still have family members who still go to school or university. Direct investments into small businesses and infrastructure are rarely taken.

The remittances are not channeled through formal systems. Most people prefer remitting their money via Peruvian agencies which are situated in Santiago. Between 50.000 and more than 110.000 Chilean pesos (about 75 – 175 €) are remitted by the majority of entrepreneurs each month. The amount does not necessarily depend on the amount of income. After a comparison between statements about monthly income and monthly remittances, it can be said that the amount of money remitted varies between 10 % and 50 % of the total income. Those entrepreneurs who support entrepreneurs and producers in Peru even remit more than 110.000 pesos per month.

Return migration is not common among all Peruvian entrepreneurs. Most of them stated that they do not want to return to Peru since they had built up a new life in Chile. Only a small proportion of them plan to return and to make various investments in Peru after their return like opening new businesses, buying houses or engaging in social projects. These answers were given to the question: "Which kind of a dream would you like to realize in Chile or after your return to Peru?" The answers equally served as a mirror of the fulfillment of desires and needs of Peruvian entrepreneurs as well as people in Peru. Therefore, ideas and plans include a certain development potential as well.

Of course, the income of small entrepreneurs in Santiago is also used for own investments. The main part invests into their businesses and households. For instance, they pay rent, buy furniture and buy products for their shops. Those, who invest into their businesses, would like to grow bigger or to open more businesses in Santiago or Peru or both. Others would like to invest into their own education or their children's education. Regular investments into health are taken by 2 people and 4 people save money in order to have safety and realize future projects.

As a short conclusion, it can be stated that the start-up period of both groups of entrepreneurs is similar and consists only of local and strong community ties and emotional bonds. Regarding further business connections, both groups prefer a mixture of products and rely on strong and weak ties rather than exclusively strong ties.

Nevertheless, the involvement into transnationalism varies between both groups. Though both groups of entrepreneurs have similar and high education degrees, their experiences vary in relation to their former job experiences. This might explain why Peruvian art vendors had started their way into self-employment about 2 years earlier than members of the other group. They just had a higher amount of skills, information and business contacts within that particular sector before which could have facilitated them the way into self-employment and the initiation of direct transnational business contacts. Thus, one might draw the conclusion that self-employment does not necessarily depend on the education degree and it is important to note that not all ethnic entrepreneurs are automatically engaged with transnational

business contacts. It rather depends on former experiences and contacts. The use of modern communication facilities does not play a major role in initiating transnational business contacts. Many still prefer the personal contact since that might contain a greater amount of trust.

The regular transnational flow of information in order to support the creation and development of small businesses in Peru only plays a minor role within cross-border activities of small Peruvian entrepreneurs in Santiago. The half of them is equally engaged in the transnational flow of money. The study has shown that the transnational flow of money strongly depends on the fact whether Peruvian entrepreneurs still have family members living in Peru or not. Thus, strong ties play a major role in that respect. The involvement into weak ties and the financial support of entrepreneurs in Peru is rarely made. Business investments by family members in Peru are rarely taken.

However, though not all entrepreneurs are engaged with transnational business activities, flow of information or business investments, their activities may contain a certain development potential for the country of origin:

First, it is with the deep economic crisis of Peru that transnational economic practices of Peruvian entrepreneurs abroad have become important for the country. Transnational business relations among entrepreneurs in country of origin and destination may not only lead to social mobility and independence for the entrepreneurs themselves, but also contribute to the development of small food (fruit, vegetables among others) and art enterprises in Peru which are able to conquer new markets in other countries. Transnational flows of information and the sending of remittances might also contribute to development. Information may help small businesses to prosper and remittances are spent into investments like food, housing, education and health. Furthermore, the sending of remittances helps people in Peru to be able to take various investments ranging from consumption goods to education which helps to improve the own position. Therefore, it has been shown that the sending of remittances has a strong impact on the microeconomic level. In order to measure the actual impact of these investments on the macroeconomic level, it needs further research in Peru itself. Self-employment also means a development potential for entrepreneurs in Santiago themselves. They have a better monthly income than before and may take several invest-

ments parallel. These range from education over business to household investments, which might contribute to a better social and economic position for them and their families in the long run.

The sustainability of transnational activities of small Peruvian entrepreneurs remains questionable since investments, flows of information and business contacts are not channeled more effectively. In other words, transnational activities of small Peruvian entrepreneurs would have a more sustainable impact on development, if the sending of remittances, information flow and business contacts were brought together in one effective development project sponsored by the government. For instance, investments into education help to increase knowledge, but this knowledge has to be connected with information about how to start businesses in order to be more sustainable and to change something on the microeconomic as well as macroeconomic level of countries. As De Haas writes, that a more sustainable development won't be fulfilled as long as "unattractive investment environments and restrictive immigration policies which interrupt circular migration patterns prevent the high development potential of migration from being fully realized." (Haas 2005, 1269) Such a political model should include, for example, "institutional communication that ensure systematic and legitimate contact with (trade) diasporas, and the joint creation of an agenda of policy initiatives affecting both governments and migrants." ("Considerations on diasporas and development", 12) As an example serves the development program by the Ecuadorian government which is called "Programa de Apoyo al Emigrante Ecuatoriano en la Gneración de oportunidades de Comercio Exterior e Inversiones". (Steinhauf 2002, 166) It shall help migrants to concentrate remittances more effectively. Therefore, transnational economic relations of small entrepreneurs as grass-root activities might stimulate microeconomic development, but they will possibly remain ineffective on a macroeconomic level, if their potential isn't channeled more effectively. However, the statements made in this paper regarding the potential development impact of migrant entrepreneurs just represent a collection of ideas. It needs further and long-term research in Peru regarding this topic in order to show both the actual positive and negative influences on development by the interplay between transnational economic activities of small entrepreneurs living abroad and development concepts.

Bibliography:

Literary Sources:

Asamblea General de Naciones Unidas (2005): "Globalización e interdependencia: migración internacional y desarrollo", *Informe de la segunda comisión*.

Connell, John: Remittances and Rural Development (1980): *Migration; Dependency and Inequality in the South Pacific*, Occasional Paper No. 22, Australian National University, Canberra.

De Haas, Hein (2005): "International Migration, Remittances and Development: myths and facts" in: *Third World Quarterly* 26, no. 8 (2005), pp. 1269-1284.

Faist, Thomas (2000): *The Volume and Dynamics of International Migration and Transnational Social Spaces*; Clarendon Press, Oxford.

Flap, H.; Kumcu, A.; Bulder, B. (2000): "The Social Capital of Ethnic Entrepreneurs and their Business Success" in: *Immigrant Businesses – The Economic, Political and Social Environment*, pp. 142-164.

Glick-Schiller, N.; Basch, L.; Szanton Blanc, C. (1995): „From Immigrant to Transmigrant: Theorizing Transnational Migration“ in: *Anthropological Quarterly* 68, no. 1 (1995), pp. 48-63.

Goss, J.; Lindquist, B. (1995): "Conceptualizing International Labor Migration: A Structuration Perspective" in: *International Migration Review* 29, no. 2 (1995), pp. 317-351.

Guarnizo, Luis (2003): "The Economics of Transnational Living" in: *International Migration Review* 37, no. 3 (2003), pp. 666-699.

Guarnizo, Luis; Díaz, Luz Marina (1999): "Transnational migration: a view from Colombia" in: *Ethnic and Racial Studies* 22, no. 2 (1999), 397-421.

Guarnizo, Luis E.; Sánchez, A.; Roach, E. M. (1999): "Mistrust, fragmented solidarity, and transnational migration: Colombians in New York City and Los Angeles" in: *Ethnic and Racial Studies* 22, no. 2 (1999), pp. 367-396.

Hammar, T.; Brochmann, G.; Tamas, K.; Faist, Th. (eds.) (): *International Migration, Immobility and Development*; Berg, Oxford/New York.

Faist, Thomas: "The Crucial Meso-Level" in: *International Migration, Immobility and Development*; pp. 187-279.

Itzigsohn, José; Cabral, C.; Medina, E.; Vázquez, O. (1999): "Mapping Dominican Transnationalism: narrow and broad transnational practices" in: *Ethnic and Racial Studies* 22, no. 2 (1999), pp. 316-339.

Iyer, S.; Kitson, M.; Toh, B. (2005): "Social Capital, Economic Growth and regional Development" in: *Regional Studies* 39, no. 8, pp. 1015-1040.

Jimenez, Ricardo; Huatay, Carolina (2005): *Algo Está Cambiando: Globalización, Migración y Ciudadanía en las asociaciones de peruanos en Chile*; Consulado General del Perú and Observatorio Control Interamericano de los Derechos de los y las Migrantes, Santiago de Chile.

Levitt, Peggy; De Wind, Josh (2003): "International Perspectives on Transnational Migration" in: *International Migration Review* 37, no. 3 (2003), pp. 565-575.

Lungren, Lisa M. (2003): *La Iglesia Católica como Actor Transnacional: El Apoyo a Inmigrantes Peruanos en Chile 1992-2002*; Tesis para Optar el Grado de Magister en Estudios Internacionales, Universidad de Chile, Santiago de Chile.

Maas, Marisha (2005): "Transnational Entrepreneurship: Exploring determinants and impacts of a Dutch-based Filipino Immigrant business" in: *Asian and Pacific Migration Journal* 14, no. 1-2 (2005), pp. 169-191.

Maisch, Javier (ed.) (1987): *Promoción de la Artesanía y la pequeña Industria en el Perú*; Fundación Friedrich Ebert y Cambio y Desarrollo, Lima.

Parnreiter, Christof (2005): "Tendencias de desarrollo en las metrópolis latinoamericanas en la era de la globalización: los casos de Ciudad de México y Santiago de Chile" in: *Revista Latinoamericana de estudios urbano regionales* 32, no. 92, pp. 5-28.

Peet, Richard (1998): *Modern geographical Thought*; Blackwell Publishing, Malden (USA)/Oxford/Victoria (Austr.)/Berlin.

Petit, Javier (2004): *El desafío de la solidaridad – Condiciones de vida y de trabajo de los migrantes peruanos en Chile*; OIT/Oficina Regional de la OIT para América Latina y el Caribe, Lima.

Portes, Alejandro. (ed.) (1995): *The Economic Sociology of Immigration*; Russell Sage Foundation, New York.

Portes, A. (1995): "Economic Sociology and the Sociology of Immigration: A Conceptual Overview" in: *The Economic Sociology of Immigration*, pp. 1-38.

Portes, A (2003): "Conclusion: Theoretical Convergencies and Empirical Evidence in the study of immigrant transnationalism" in: *International Migration Report 37, no. 3 (2003), pp. 874-892.*

Portes, A. (1997): "Immigration Theory for a New Century: Some Problems and Opportunities" in: *International Migration Review 31, no. 4 (1997), pp. 799-825.*

Portes, A.; De Wind, Josh (2004): "A Cross-Atlantic Dialogua: The progress of research and Theory in the Study of International Migration" in: *International Migration Review 38, no.3 (2004), pp. 828-851.*

Portes, A.; Guarnizo, L.; Haller, W. (2002): "Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation" in: *American Sociological Review 67, no. 2 (2002), pp. 278-298.*

Portes, A.; Guarnizo, L.; Landolt, P. (1999): "The study of transnationalism: pitfalls and promise of en emergent research fields" in: *Ethnic and Racial Studies 22, no. 2 (1999), pp. 217-237.*

Portes, A.; Sensenbrenner, Julia (2001): "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action" in: *The Sociology of Economic Life*; Granovetter, M.; Swedberg, R. (eds.), Westview Press, Boulder/Oxford, pp. 112-134.

Rath, Jan (ed.) (2000): *Immigrant Businesses – The Economic, Political and Social Environment*; MacMillan Press, London.

Skeldon, Ronald (1997): *Migration and Development: a global perspective*; Longman, Harlow (Engl.).

Smelser, Neil; Swedberg, Richard (eds.) (2005): *The Handbook of Economic Sociology*, Russell Sage Foundation, Princeton/Oxford.

Light, Ivan: "The Ethnic Economy" in: *The Handbook of Economic Sociology*; pp. 650-668.

Spaan, E.; van Naerssen, T.; Hillmann, F. (2005): "Shifts in the European Discourses on Migration and Development" in: *Asian and Pacific Migration Journal 14, no. 1-2 (2005).*

Stefoni, Carolina (2002): *Inmigración peruana en Chile-Una oportunidad a la integración*; Editorial Universitaria, FLACSO Chile, Santiago de Chile.

Stiles, Curt; Galbraith, Craig S. (eds.) (2004): *Ethnic Entrepreneurship: Structure and Process*; International Research in the Business Doscipines 4, Elsevier, Amsterdam.

Greene, Patricia G.; Chagnati, R. (2004): "Levels of resources for ethnic entrepreneurs" in: *Ethnic Entrepreneurship: Structure and Process*, pp. 59-76.

Sequeira, J; Rasheed, A. (2004): "The Role of Social and Human Capital in the Start-up and Growth of Immigrants Businesses" in: *Ethnic Entrepreneurship: Structure and Process*, pp. 77-94.

Van Tubbergen, Frank (2004): *The Integration of Immigrants in Cross-National Perspectives-Origin, Destination and Community Effects*; Proefschrift Universiteit Utrecht, Utrecht.

Vertovec, Steven (2003): "Migration and other Modes of Transnationalism: Towards conceptual Cross-Fertilization" in: *International Migration Review* 37, no. 3 (2003), pp. 641-665.

Vertovec, Steven (2004): "Migrant Transnationalism and Modes of Transformation" in: *International Migration Review* 38, no.3 (2004), pp. 970-1001.

Waldinger, Roger; Lichter, Michael (2003): *How the Other Half Works: Immigration and the Social Organization of Labor*, University of California Press, Berkeley/Los Angeles/London.

Witherick, M.; Ross, S.; Small, J (2001): *A Modern Dictionary of Geography*, Arnold and Oxford University Press, London.

World Migration (2003): *Managing Migration, Challenges and Responses for People on the Move*, vol. 2; International Organization for Migration, Geneva.

Zhou, Min (2004): "Revisiting Ethnic Entrepreneurship: Convergencies, Controversies, and Conceptual Advancements" in: *International Migration Review* 38, no. 3 (2004), pp. 1040-1070..

Internet:

Arellano, Francisco; Cueva, Johanna (2005): La Importancia de las remesas en los hogares peruanos, Instituto de Estudios Peruanos, Lima:
<http://www.consortio.org/CIES/html/pdfs/PBA0435.pdf>

Vichich, Nora Perez (2005): El MERCOSUR y la Migración Internacional; Expert Group Meeting on international migration and development in Latin America and the Caribbean, Mexico City:
http://www.un.org/esa/population/publications/IttMigLAC/P05_Vichich.pdf

Steinlauf, Andreas (2002): "Migration in Lateinamerika: Krise oder Entwicklungspotential?" In: Brennpunkt Lateinamerika, no. 16 (2002), pp. 161-168:
http://www.giga-hamburg.de/content/iik/archiv/brennpunkt_la/bpk0216.pdf

Appendix A: Cuestionario

Me llamo Janine Seibel. Soy de Alemania y estudio geografía social en Holanda. Me interesa mucho el tema de la migración peruana a Chile y quisiera escribir mi tesis final sobre las relaciones entre los inmigrantes peruanos que tienen una empresa pequeña en Santiago y su país. Sería muy amable si pudiera responderme algunas preguntas sobre su empresa, sus relaciones con Perú y su situación aquí en Chile. Éste cuestionario no le va a quitar mucho tiempo.

EL EMPRESARIO

Nombre

Edad:

Sexo: m f

Educación: Primaria..... secundaria..... universidad.....
Otros _____

¿De dónde en Perú es usted? _____

¿Qué fue su profesión antes de emprender un negocio?

¿Desde cuando vive usted en Chile? _____

¿Por qué migró a Chile y no a un otro país?

¿Qué había trabajado antes del negocio en Chile?

¿Desde cuando tiene usted un negocio?

¿Puede usted indicarme cuál es un sueño que querría realizar en Chile o en Perú?

¿Qué piensa sobre su situación económica y personal aquí en Chile?

LA EMPRESA (el comienzo)

¿Quién tuvo la idea a emprender un negocio?

¿Qué fue la principal motivación por emprender un negocio? (Schema)
Independencia..... para mejorar la situación de mi familia en Perú.....
no pude encontrar un otro trabajo acá.....mejor ingresos.....
puedo trabajar junto a personas en Perú.....
otros

¿Por qué tiene usted un tipo de negocio así?

¿Quién le ayudó por emprender un negocio y cómo?

¿Recibe usted ayuda para mantener su negocio en Santiago?
 Sí..... No.....(en caso de que responda “no”, no tiene que responder las preguntas a-b).

a. ¿De quién recibe usted esta ayuda? (gobierno chileno; gobierno peruano; asociaciones peruanas; amigos/familia...)	b. ¿Qué tipo de ayuda recibe usted? (dinero; apoyo en caso que tenga problemas; capacitación como dirigir una empresa...)

¿Qué dificultades tuvo para emprender un negocio? (2 ejemplos)

¿Cuántas personas trabajan aquí? _____

¿Relación con esta persona?

¿De dónde es esta persona? (identificación del lugar)

¿Quién son sus clientes? (Schema)

personas privadas..... turistas..... dueños de restaurantes peruanos.....

dueños de restaurantes chilenos.....

otros empresarios peruanos..... empresarios chilenos.....

Otros, es decir _____

¿Puede estimar usted cuantos pesos chilenos gana por mes? (Schema)

menos que 100.000..... 100.000-150.000..... 150.000-200.000.....

200.000-250.000..... 250.000-300.000..... 300.000-350.000.....

350.000-400.000..... 400.000-450.000..... 450.000-500.000.....

más que 500.000.....

Contactos de negocios ("compra y vende de las cosas")

¿Vende usted productos peruanos? Sí..... No.....(si conteste "no", no tiene que responder las preguntas 22 a-h)

a.) ¿Por qué vende usted productos de Perú?

—

b.)

¿Qué productos de los que vende son de Perú?	¿Dónde compra usted estos productos? (identificación de lugar)	¿De quién compra usted estos productos?	¿Cuántas veces al año? (Por ejemplo, semanal; mensual; trimestal...)

d.) ¿Quién le ha ayudado a encontrar contactos de negocios?
 Familia..... conocidos/amigos..... otros empresarios.....
 asociaciones peruanos.....el gobierno chileno.....

el gobierno peruano.....
otros empresarios peruanos..... nadie.....
otros_____

—

¿Dónde viven estas perso-
nas?_____

e) ¿Cómo compra usted por estos productos? (Schema)
por teléfono..... personal..... Internet.....
via asociaciones peruanas.....
otros_____

—

¿Por qué?

—

—

f) ¿Cómo son transportado estos productos?
Empresa de envíos.....(a). correos.....
propio medios de transporte..... distribuidor peruano.....
otros_____

—

(a) ¿Nombre de la empresa de envíos o el si-
tio?:_____

g) ¿Cómo paga usted por estos productos normalmente?
Banco..... empresa de envíos.....(a)
personal..... Internet.....
Otros_____

—

(a) Nombre de la empresa de envíos_____

h)¿Por qué usa este sistema para pagarlos?
más rápido..... sin riesgos..... más confianza.....
Otros_____

—

¿Vende usted productos de otros países también? Sí No (si responde NO, no tiene que contestar las preguntas 23 a-c)

a.) ¿Por qué vende usted productos de Chile también?

b) ¿De quién compra los productos chilenos? (identificación de persona y lugar)

c.) ¿Quién le ha ayudado a encontrar estos contactos?

¿Vende usted cosas a Perú, también? Sí No (si contesta "NO", no tiene que responder las preguntas 24 a-c)

¿Qué cosas?

Alimento..... libros.....
ropa..... aparatos/televisor/radio.....
otros _____

¿Quién recibe estos productos?

Familia..... amigos.....

otros empresarios..... conocidos.....
otros _____

¿A dónde vende usted estos productos en Perú? (Identificación del lugar)

INGRESOS Y REMESAS

¿Qué hace usted con los ingresos de tu empresa? (Schema)
Alquiler..... inversión en mi empresa..... educación.....
medio de transporte..... ahorrar..... salud.....
otros _____

—

b.) ¿Podría especificar los inversiones?

c.) ¿Quién decide la inversión del dinero? (identificación de esta persona)

¿Envía usted dinero a Perú? Sí..... No..... (en caso de que responda “no”, no tiene que responder las preguntas 26 a-g)

¿A Dónde envía usted el dinero? (identificación del lugar en Perú)

¿Podría usted indicarme cuantos pesos envía mensual a Perú?

¿Cómo envía usted el dinero a Perú?

transferencia a un banco..... empresa de envíos.....(a)

Internet personal.....

otros _____

(a) ¿Nombre de la empresa de envíos y dónde está? _____

¿Quién recibe el dinero?

Familia..... amigos..... conocidos..... organizaciones..... empresarios.....
otros _____

¿Qué hacen esas personas con el dinero?

Alimento..... educación..... salud..... infraestructura.....
Construcción..... invertir en tienda propia.....

otros., es decir

¿Podría usted especificar las inversiones siguientes?:

- **Educación:**

quién: _____

tipo de educación:

primaria..... secundaria..... universidad..... privada..... pública.....
ca.....

- **Tienda/Empresa:**

tipo de empresa _____

mobiliario..... contratar más personas.....

comprar máquinas.....

otros _____

Infraestructura:

electricidad..... agua..... calefacción.....

otros _____

Informaciones y retorno

¿Conoce usted personas que tienen un propio negocio / tienda en Perú?
Sí..... No.....(si conteste “no”, no tiene que responder las preguntas)

¿Qué tipo de negocio?

¿Quién dirige el negocio? (qué relación tiene con esta persona)

Entrega usted informaciones a este microempresario? Sí No

Qué tipo de informaciones entrega a este microempresario?
mediar contactos con otros empresarios peruanos.....
mediar contactos con empresarios chilenos.....
como dirigir una empresa.....
informaciones sobre financiar una empresa.....
Otros_____

¿Quiere usted volver a Perú por siempre? Sí..... No.....

¿Por qué / Por qué no?

Appendix B: Some cards from Peruvian entrepreneurs in Santiago



VENTA DE PRODUCTOS PERUANOS

GIROS

Perú: 3%
Ecuador: 3%
Colombia: 4%
Bolivia: 4%
Rep. Dom. 5%
Argentina: 5%

Dennis Sánchez García

comercialdaniel@hotmail.com

Dr. Sotero del Rio N° 471
Fono: 657 8409 / Stgo. Centro
Cel: ~~(08) 797-9057~~

09 3583461



Venta de Productos Peruanos

Ambar

* Bandera 521 - Local 52 y Catedral
* Vega Central 939-A

Fono: 735 83 05
Cel.: 09 439 47 53
08 452 40 78

ARTESANIA JNACCA IMPORT - EXPORT

Le ofrece artesanía en General:
Bisutería, Cobre, Bronce, Tejidos,
Figuras en Cerámica

Ventas por Mayor y Menor

JUAN CCAPA P.

PERSA ARTESANAL
SANTO DOMINGO
SANTO DOMINGO # 831 - L-20
E-mail: Cc_juan@hotmail.com

FONO: (056) (02) 639 0057
CELULAR: 08 740 7048
SANTIAGO - CHILE

RESTAURANT
« El Aji Seco »

Pollos a las brasas comida Peruana e Internacional



Reservas al Fono: 638 8818

SAN ANTONIO 530 - SANTIAGO CENTRO



Distribuidora
MACHU PICCHU

Secos y Congelados



Juan Chero Rosales

Antonia López de Bello 743 - Local 753 - Vega Central
Fono/Fax: 7373944 - 7353915 (09) 9951943 Santiago - Chile



Artesanías
“ROCAS”

Ofrecemos Cerámica Bisutería
Mostacilla, Materiales para armar
Artesanía en General

Import - Export

Ventas por Mayor y menor

CARLOS ATALAYA - INGRID VEGABAZÁN

Santo Domingo Nº 831 Local 197

E-mail: rocas229@hotmail.com

Cel.: (09) 690 2285 - (09) 697 2553 / Tel.: (56-2) 632 0760

