Transnationalism in the Luso-American Community: Networks and economic connections between the Portuguese living in the United States and Portugal.

Carolina Marçalo
1. Objectives, Hypotheses, and Methodology

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   3.3 Investment Plans

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1. Objectives, Hypotheses, and Methodology

MAIN OBJECTIVE:

To investigate more in depth the economic aspect of transnationalism in the Portuguese community living in the United States and, through social and economic networks, their contribution to the development in their home country, Portugal.

HYPOTHESIS 1:
The Portuguese persons living in the United States have structural limits to form trade and economic agreements with the country of origin, Portugal.

HYPOTHESIS 2:
The economic networks and political networks, involving the United States and Portugal are strong enough to prove that the economic ties with the home country (Portugal) will be maintained.

METHODOLOGY:

Theoretical views on Transnationalism, Diaspora, and Economic Relations


Semi-structured in-depth interviews; Case Studies to enterprises
2. Transnational Framework of the Luso-American Community

2.1 Brief Evolution of Portuguese Immigration to the US

Two major waves of Portuguese immigration to the United States:

1\textsuperscript{st}: started around the early 1900’s and peaked during the 1920’s

2\textsuperscript{nd}: started in the late 1960’s and peaked around 1980

Less than 2000 Portuguese people have entered the US each year, since 1997.

Source: Department of Homeland Security
2. Transnational Framework of the Luso-American Community

2.2 Portuguese Persons Living in the USA

Table 2.1

<table>
<thead>
<tr>
<th>State</th>
<th>Total Population</th>
<th>Portuguese Population</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>33,871,648</td>
<td>330,810</td>
<td>1.0%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>3,405,565</td>
<td>44,695</td>
<td>1.3%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>6,349,097</td>
<td>279,513</td>
<td>4.4%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>8,414,350</td>
<td>72,193</td>
<td>0.9%</td>
</tr>
<tr>
<td>New York</td>
<td>18,976,457</td>
<td>43,829</td>
<td>0.2%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>1,048,319</td>
<td>91,387</td>
<td>8.7%</td>
</tr>
<tr>
<td>Florida</td>
<td>15,982,378</td>
<td>48,757</td>
<td>0.3%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>1,211,537</td>
<td>48,521</td>
<td>4.0%</td>
</tr>
<tr>
<td>All Other States</td>
<td>192,162,555</td>
<td>216,910</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>281,421,906</td>
<td>1,176,615</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2000

- California and Massachusetts have the highest number of Portuguese descendents.

- About 80% of Portuguese who claim primary ancestry were born in the US.


2. Transnational Framework of the Luso-American Community

2.3 Socio-economic analysis

EDUCATION CHARACTERISTICS

<table>
<thead>
<tr>
<th>Education Characteristics</th>
<th>Portuguese</th>
<th>%</th>
<th>Total U.S.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 25 years and over</td>
<td>773,722</td>
<td></td>
<td>182,211,639</td>
<td>80%</td>
</tr>
<tr>
<td>High school graduate or higher</td>
<td>580,999</td>
<td>75%</td>
<td>146,496,014</td>
<td>80%</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>147,529</td>
<td>19%</td>
<td>44,462,605</td>
<td>24%</td>
</tr>
</tbody>
</table>

*Source: worked by author from U.S. Census, 2000*

Low educational attainment

More than half of the Portuguese population in New Bedford and Fall River didn’t finish High School.

<table>
<thead>
<tr>
<th>City</th>
<th>Pop w/25 years or older</th>
<th>% Did Not Finish High school</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall River</td>
<td>28,401</td>
<td>54%</td>
</tr>
<tr>
<td>New Bedford</td>
<td>24,146</td>
<td>53%</td>
</tr>
<tr>
<td>Newark</td>
<td>10,808</td>
<td>70%</td>
</tr>
<tr>
<td>San Jose</td>
<td>10,428</td>
<td>22%</td>
</tr>
</tbody>
</table>

*Source: data calculated by the author from U.S. Census, 2000*
2. Transnational Framework of the Luso-American Community

2.3 Socio-economic and network analysis of Luso-Americans

ECONOMIC CHARACTERISTICS

<table>
<thead>
<tr>
<th>Economic Characteristics</th>
<th>Portuguese</th>
<th>%</th>
<th>Total U.S.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>In labor force (population 16 years and over)</td>
<td>629.034</td>
<td>68.3%</td>
<td>138.820.935</td>
<td>63.9%</td>
</tr>
<tr>
<td>Median household income in 1999 (dollars)</td>
<td>48.300</td>
<td>(x)</td>
<td>41.994</td>
<td>(x)</td>
</tr>
<tr>
<td>Median family income in 1999 (dollars)</td>
<td>55.100</td>
<td>(x)</td>
<td>50.046</td>
<td>(x)</td>
</tr>
<tr>
<td>Per capita income in 1999 (dollars)</td>
<td>22.368</td>
<td>(x)</td>
<td>21.587</td>
<td>(x)</td>
</tr>
</tbody>
</table>

Source: US Census Bureau, 2000

The Portuguese ancestry group achieve better results than the total US Population.

Top 3 job occupations of population claiming Portuguese ancestry in the USA:

1. Management, professional, and related occupations
2. Sales and office occupations
3. Service Occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Portuguese</th>
<th>Total U.S. Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>%</td>
</tr>
<tr>
<td>Employed civilian population</td>
<td>594.062</td>
<td>100.0</td>
</tr>
<tr>
<td>OCCUPATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management, professional, and related occupations</td>
<td>177.567</td>
<td>29.9</td>
</tr>
<tr>
<td>Service occupations</td>
<td>95.005</td>
<td>16.0</td>
</tr>
<tr>
<td>Sales and office occupations</td>
<td>163.42</td>
<td>27.5</td>
</tr>
<tr>
<td>Farming, fishing, and forestry occupations</td>
<td>4.511</td>
<td>0.8</td>
</tr>
<tr>
<td>Construction, extraction, and maintenance occupations</td>
<td>64.837</td>
<td>10.9</td>
</tr>
<tr>
<td>Production, transportation, and material moving occupations</td>
<td>88.722</td>
<td>14.9</td>
</tr>
</tbody>
</table>

Source: US Census 2000
2. Transnational Framework of the Luso-American Community

2.4 Political and Economic Networks involving the Portuguese and Americans in the USA

POLITICAL NETWORKS

Political Participation

- Low educational achievement and low earnings  ➔ Low levels of political participation
- Portuguese concentrate in ethnic neighborhoods  ➔ Isolation from US political process

Political Lobbies

- Portuguese political lobbying groups and programs forming incentives for political participation
  - The Portuguese-American Citizen Project
  - The Portuguese-American Leadership Council of the United States *(PALCUS)*
  - Portuguese-American Caucus
- Portuguese-American representing the community in the House of Representatives
2. Transnational Framework of the Luso-American Community

2.4 Political and Economic Networks involving the Portuguese and Americans in the USA

**ECONOMIC NETWORKS**

**Economic “Intra-Ethnic” Networks:**

- Unnecessary use of the English language
- Low-skilled, low-paid jobs
- Distrust in the local community

**Economic “Inter-Ethnic” Networks:**

- Portuguese business entrepreneurs
- Formation of Portuguese Chambers of Commerce
- Integration in the American business associations
3. Economic Connections Involving the Community

3.1 Remittances

Evolution of Immigrant Remittances from U.S. to Portugal, 1996-2006

![Remittance Evolution Graph]

- The year with the highest flow of remittances was 1998, with about 459,500 million euros.
- The currency exchange of the USD-Euro influences the downturn of flows.

**Purposes of remittances:**

1. Real Estate investments
2. Long-term savings
3. Business related

**Characteristics of Portuguese who remit:**

1. First generation immigrants
2. Mostly from continental Portugal
3. Less integrated in the host country (USA)

Source: Bank of Portugal, Balance of Payments
3. Economic Connections Involving the Community

3.2 Commercial Flows

“Case Studies” performed to “Ethnic” Enterprises involving the Portuguese Community in New England and the Azores:

Triumfo-Seabra’s Supermarkets
Moniz Company inc.
Seamans Imports
Portugalia Imports

Business Strategies

1. Pleasing the Portuguese Community
2. Attract other “ethnic” groups
3. Integrate in the local American market

Social Capital and Social Networks

1. Common language
2. Social connections with the home country
3. Know-how exchanges
4. Involvement of second generations
3. Economic Connections Involving the Community

3.3 Investment Plans

Real Estate purchasing: Primary investment among most Portuguese immigrants

Companies Investing in Portugal (Ponta Delgada, Azores)

1. **Whaling Industries** (Fall River) – **Articostura** (Ponta Delgada): Law Office, Police and Fire department clothing manufacturing; 40 employees
   - Know-how exchange
   - Potential export center for northern European countries

2. **João Melo Abreu Lda**: production of soda drinks (Kima and Laranjada); 84 employees
   - Growing annual sales by 10% each year
   - Sell products to Portuguese mainland

3. **Corretora Lda**: production of canned goods (sardines, tuna); 120 employees
   - Growing annual sales each year and potential to grow even more in the future
4. Conclusions

Does more or less integration in the host country lead to more or less transnational economic behavior?

Transnational Contacts linked to first generation of immigrants which fit Hypothesis 1:

✓ Less integrated in the host country  
✓ Low educational attainment and low political participation  
✓ Practice economic transnational behavior through remittances

Other economic transnational connections that fit Hypothesis 2:

✓ More integrated in the host country  
✓ Transnational business entrepreneurs (bilateral trade and investment)  
✓ 2nd and subsequent generations are better educated and suggest a possibility of a more active economic role in the community