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Title

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<https://escholarship.org/uc/item/0vr1h9gb>

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Publication Date

2022-09-29

CAL-IN-SACRAMENTO FELLOWSHIP PROGRAM, FALL 2022

DIVERSITY AND ENTREPRENEURSHIP IN CALIFORNIA

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In the spring of 2021, IGS launched a two-year Diversity and Entrepreneurship Fellowship as part of the Cal-in-Sacramento Fellowship program. Now in year two, IGS and the Matsui Center are proud to showcase students' original research on the challenges and opportunities facing women- and POC-owned small businesses and diverse entrepreneurs in California. This series includes op-eds, blog posts, policy briefs and other research products. Learn more at <https://igs.berkeley.edu/matsui-center/fellowships/cal-in-sacramento>.

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“Discount Centers”: A safe and permanent pathway to a business startup for indigenous immigrant entrepreneurs

by Jenifer Lopez

Introduction:

The LA Times reported that in 2016, the state of California ranked 6th in the world for its fastest growing economy. Unsurprisingly, the central valley's agricultural fields had a major contribution to such a booming economy. Nonetheless, as many say, these communities do not “enjoy the fruits of their labor,” with a disproportionate distribution of income and excruciating labor practices. These factors push undocumented immigrants to seek something better. A 2012 Survey of Business Owners reported an estimated 8 million small businesses were owned by groups such as Asians, Native Americans, Hispano-Americans, and immigrants. Undocumented immigrants are not only picking and harvesting our fruits, but they are also entrepreneurs; their capabilities truly extend beyond what is portrayed in the media. However, for many undocumented immigrants opening a business and keeping it running inevitably comes with many complications.

Discount Centers:

Santa Maria, CA sits along the central coasts with agriculture and small businesses making up much of the city. “Discount Centers” resemble mall centers, where people walk in and immediately see small businesses in every corner selling their products. What makes these mall centers special? The small businesses are predominantly run by indigenous immigrants. Many of whom are undocumented coming from small indigenous towns in Oaxaca, Mexico. Whether they sell party decor designed by them, or their cultural dress wear, these small businesses provide more than products. It also opens new perspectives on the possibilities of attaining a better life for undocumented immigrants. Discount centers serve as the almost perfect model for enabling

undocumented persons to start their own business, more specifically for indigenous immigrant entrepreneurs who often get overlooked by the federal and state government when addressing business policy. Not only are Discount Centers a safe space, but it provides a shared, physical space for small businesses to promote and sell their products, thus giving them more exposure. However, “discount center” gives us insight into some of the burdens indigenous immigrants encounter. First, discount Centers do not offer a permanent space for businesses. Secondly, due to the size of the business, many small business owners were not eligible to apply for state grants during the pandemic. I was fortunate enough to interview five indigenous immigrant about their overall experience, and many expressed gratitude towards the discount centers as it offers them a different pathway to economic gain.

Their stories

Through the interviews, I was given the privilege to learn more about what encouraged these individuals to start their own businesses, the hurdles that came along, why this was the route they choose, how they have been able to financially sustain themselves from their businesses, the role “Discount Centers” plays in their communities, and solutions on what can be improved. Three out of the four interviewees spoke Spanish and their native language, with one speaking only their native language. Two of them were able to adjust their immigration status, while the other two are still with no legal status. All four previously worked in the agricultural field picking strawberries before transitioning to the entrepreneurial industry and had no prior experience. Even though none of them had an education, three of them shared that the literacy they have obtained has come from books they picked up throughout time. Initially, all four individuals shared that they would work in the fields during the day, and then go to their small businesses. Another individual shared that they decided they were enduring a lot after getting fired for

showing up late, once. Another person shared that prior to moving to a “Discount Center,” they had their own space in a different location, but this did not turn out to be efficient to them, as they did not attract many people, therefore business was not good. An individual reencountered of a time there was a robbery at his old location and commented that because he is now in space with others, he does not fear that this would happen, or at least knows that the likelihood of that occurring are low. -in recent years, the physical abuse towards street vendors has increased. All four individuals expressed that their motives for starting their own business was due to the flexibility of working whenever they could, spending more time with their family, financial freedom, and the safety it provided.

The best model?

In comparison to street vendor businesses, the “Discount Center”, allows people to rent their own physical space in an open community. The problem then transcends to a wider state problem: the financial burdens when starting a business, during and after, and a secure and safe space for which is not always available. Discount Centers offer limited space, and in the past other discount malls have been forced to close, leaving people in temporary despair. In addition, during the start of the COVID-19 pandemic, these individuals either did not receive sufficient financial assistance or received nothing at all, due to eligibility requirements. Because they cannot afford to hire employees, they must take on the role of both the employer and employee. Another issue that was brought up was that during the three months that the discount center was forced to close, the businesses were required to pay rent for their space, which is normally \$2,000 and did not change during this dire situation.

Discount Centers gives everyone the ability to open their own businesses, and in a city like Santa Maria, CA, this has proven to benefit the indigenous, undocumented community. They have

gained insight into how to become their own bosses, even when they don't speak English and sometimes understand little Spanish. Through perseverance and tenacity, they have been able to dream bigger than they are allowed to, and the discount centers have made their dreams possible.

Possible solutions

Current California policies often fail due to the lack of outreach and inclusion of all communities. Something the state of California can start doing is offering direct funding to local governments targeting specific communities, such as the indigenous community. They must also ensure that these policies are community-oriented, understandable and that the information is given in various languages, not solely in Spanish or English. Discount centers are a great example as to how indigenous immigrant communities can thrive in a different industry, however, with only a few centers, many are left with no other option but to keep working in fields. The application to apply for a permit has become more accessible, but once an individual attains this permit, they are left all to their own to find a safe space, must carry with the financial burdens, and constantly worry about their space closing. From waking up at 4 in the morning and going to work under intense weather and conditions, these are individuals who have gone on to become their own bosses and sell their own products to their own people and communities, which is not only a drastic change to their life but one that brings a better lifestyle along with it. With the right tools, California can ensure that all small businesses, especially those owned by marginalized groups, are taken care of before and after.

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