

A. Semyonova

(student)

*Siberian-American School of Management Baikal International Business School
Irkutsk State University*

DO IMMIGRANT ENTREPRENEURS INFLUENCE AMERICAN ECONOMY?

For the last few centuries, the United States of America has been attracting immigrants from the whole world. For many people this country seems appealing since it offers supportive economic environment and more opportunities to its inhabitants. Many immigrants, on the strength of their skills and abilities, have become successful entrepreneurs and business people. Such famous immigrant entrepreneurs as Sergey Brin and Pierre Omidyar have founded world-wide recognized companies which have not only improved the entire economy but also created many workplaces for US citizens. However, not only popular immigrants have improved the US economy. All the immigrant entrepreneurs in America now shape its economy and make a huge contribution to its development by creating jobs and bringing in revenue for the country.

It is commonly known that the USA is often called a “salad bowl” because immigrants from different countries and of different cultures live there. An immigrant is a person who was born as a citizen of one country and subsequently moved to another one at some point in his or her lifetime. An immigrant entrepreneur, in its turn, is an immigrant who started his or her company in another country. In the US, immigrant entrepreneurs make huge economic contributions and provide a lot of workplaces. Many US immigrants are successful entrepreneurs and founders of famous companies. The majority of successful immigrants have come from Asia, particularly from India, China, Taiwan, and from Europe. Famous immigrants are mostly involved in Innovation and Manufacturing related services, Software, Computers, and Communications fields. Immigrant entrepreneurs are very adventurous, creative, innovative, well-educated, and dedicated to what they do; they always want to learn and are not afraid of difficulties. They are very valuable since they can contribute the best from their cultures and national peculiarities into the US

culture. This paper considers whether immigrant entrepreneurs influence American economy and future by responding to the following questions:

1. Have immigrant entrepreneurs always been in the US? If yes, how did it influence the US economy?
2. What attracts immigration to the US?
3. Who are the main US immigrant entrepreneurs? What are they famous for and how do they contribute to the US development?
4. Do immigrant entrepreneurs shape the US economy? If yes, how?

Understanding the importance of immigrant entrepreneurs and their contribution to the US economy can help develop the country's economy in the future.

Have Immigrant Entrepreneurs Always Been in the US? If Yes, How Did It Influence the US Economy?

Ever since America was discovered by explorers, it has started to attract millions of immigrants. The pilgrims became the first immigrate people in the USA. Although it might sound strange, it is really so that immigration in America began when the first settlers came. Therefore, the US economy has been dependent on immigrants since the 16th century. In the early years of immigration, a large proportion of the English people who came to America were farmers, and they continued to work on farms in their adopted country. The US also attracted people with technological skills. The case study "Immigration and the US Economy" (2008) gives an example of Samuel Slater, "an expert in making textile machinery,[who] arrived in the US in 1789 and four years later established America's first cotton factory at Pawtucket, Rhode Island" (para. 3). And it is not a single case – many of foreign-born inhabitants of the United States made a great contribution to the US economy.

What Attracts Immigration to the US?

Today, the United States of America is a rather successful and highly developed country, which gives many opportunities to its inhabitants. In many people's minds the USA is associated with something ideal, attractive, and promising. For several hundred years already, people from all over the world have been heading for the US in search of freedom, prosperity, and wealth.

However, the most important reason why immigrants come to the US is better economic prospects. According to Zimmerer and Scarborough (2008), "many immigrants have been drawn to this nation by its promise of economic freedom" (p.21). Often immigrants come from the countries where there are few opportunities and little freedom in comparison with the US. Because of this, they call America "Land of Opportunities" and hope it will provide them with better living conditions. Their immigration is their chance to get good jobs at respected companies or start their businesses, thereby achieving higher standards of living. In the article "The Other Side of Immigration" (2007), Litan and Wadhwa have also argued that "The economic environment here is one that's supportive of starting a business: reasonable taxes and regulation, enforceable contracts and a highly motivated, well-educated workforce" (para. 7).

Moreover, the government of the USA gives the immigrants almost everything. They get the same rights as US citizens just by being there. The government provides immigrants with money, educates both the immigrants and their children for free if it is necessary, makes tax payers pay for immigrants' medical services, and guarantees social security.

All in all, America is the country where not only common immigrants but also entrepreneurial immigrants want to come because they know that they will be given a fair chance to succeed.

Who Are the Main US Immigrant Entrepreneurs? What Are They Famous For and How Do They Contribute to the US Development?

Many immigrant entrepreneurs today are starting their companies in the USA. Most people have never heard about the majority of these companies; however, some immigrant entrepreneurs became lucky founders of such worldwide recognized companies as Google, Yahoo!, eBay, and Intel.

One of the founders of a popular search engine Google Sergey Brin was born and lived in Russia until his family decided to move to the United States. There, several years later he met his Google co-founder and developed a search engine which was launched in in 1998. In August 2004 the company went public and since then the stock price has risen 420%. (Crane, 2007)

Another famous company Yahoo! was founded by a Taiwanese entrepreneur Jerry Yang and his co-founder in 1995. Yang was born in Taiwan but raised in California. According to Crane, "Today, sneaker-wearing Yang is worth \$2.2 billion, and the company he helped found is worth more than \$43 billion" (para.6).

Another popular name is Pierre Omidyar. The founder of a worldwide known internet auction eBay was born in Paris, France. When he was six, his family moved to America, where in 1995 he launched eBay. Today, his, at that times disruptive technology, is gaining wide recognition, and more than 88 million users all over the world are buying and trading through this portal.

One more immigrant entrepreneur who has made a great contribution to the US economy is Andrew Grove. He was born in Budapest, Hungary, and left his country twenty years later to end up in New York. In 1968 he helped co-found Intel Corporation, which during his presence has grown into a \$112 billion company.

Today, Brin, Yang, Omidyar, and Grove are among the wealthiest immigrant entrepreneurs in the US. They moved to America without knowing their relocation would significantly influence not only their lives but American economy as well. Their companies still prosper, yield high profits for them, and provide a great deal of revenue for the USA. These corporations also provide many workplaces and bring the US to the first place in the top of the most attractive countries to immigrate. The above mentioned immigrants give the lead to the followers who, in their turn, have entrepreneurial and innovative skills to launch their new promising companies and support US economy.

Do Immigrant Entrepreneurs Shape the US Economy? If Yes, How?

Not only famous immigrant entrepreneurs contribute to the US economy. Many American entrepreneurs representing small businesses are of different

nationalities, and they are some kind of engines driving US entrepreneurship. However, in American society there exist different opinions on this topic. It often happens that US citizens blame immigrants because they occupy many market segments thereby reducing opportunities of local citizens to start their businesses; however, Litan and Wadhwa (2007) have another opinion concerning this topic:

Many Americans believe that immigrants with science and technology skills who come to the U.S. are competing with American graduates – and boxing them out of certain jobs. On the contrary, these entrepreneurial immigrants are using their skills, as well as the opportunities for business development present in the United States, to create more jobs for American workers. (para. 3)

America is a big country and all the people have their opportunity to prosper and earn money. Immigrants do not take away these opportunities; on the contrary, they create them. Americans should not blame immigrants for their entrepreneurial skills and innovation; they should simply keep up and follow the example of their foreign-born counterparts.

According to Wadhwa, Saxenian, Rissing, and Gereffi (2007), immigrant-operated companies are widespread in the US, and, as it has already been pointed out, this fact plays a critical role in the country's economic development. In the article "Immigrant Entrepreneurs Shape a New Economy", Bernstein (2007) has argued that the small businesses of immigrant entrepreneurs make significant economic contributions, including creation of "jobs in good times and bad" and creation of "ethnic markets that draw shoppers into the city"; she has also mentioned that these businesses "offset the cyclical slumps of more high-profile sectors like finance in New York or energy in Houston" (para. 26). This is one more evidence which confirms the fact that immigrants have become a significant driving force in creation of new businesses and intellectual property in the US.

In conclusion, it would be fair to say that immigrant entrepreneur activity is very important to the US economy. Moreover, this activity is not only a part of the economy, but is a tool that shapes and drives it and should be considered as valuable and essential part of country's development. Immigrant entrepreneurs' contribution has increased dramatically over the past years and will continue to increase with the further development of technologies which create ample opportunities for educated and innovative foreign-born entrepreneurs in the United States.

References

1. Bernstein, I. (2007, February 6). Immigrant entrepreneurs shape a new economy. *The New York Times* [electronic version]. Retrieved from <http://www.nytimes.com/2007/02/06/nyregion/06entrepreneurs.html?hp&ex=1170824400&en=8df879395e5347ac&ei=5094&partner=homepage>
2. Crane M. (2007, May 29). Famous immigrant entrepreneurs. *The Forbes* [electronic version]. Retrieved from http://www.forbes.com/2007/05/21/outsourcing-entrepreneurs-immigrants-oped-cx_mc_0522entrepreneurs_slide.html
3. Immigration and the US economy (2008). Retrieved from
4. <http://www.icmrindia.org/Casestudies/catalogue/Economics/Immigration-Economics%20Case%20Study.htm>

Научно-практическая конференция "Бизнес-образование как инструмент устойчивого развития экономики"

5. Litan R.E., Wadhwa V. (2007, September 7). The other side of immigration. *The Forbes*. [electronic version]. Retrieved from http://www.forbes.com/2007/07/05/litan-wadhwa-immigration-oped-cx_rel_0709litan.html
6. Wadhwa, V., Saxenian, A., Rissing, B., Gereffi, G. (January 4, 2007). *Research America's New Immigrant Entrepreneurs*. Duke University; School of Information, U.C. Berkeley
7. Zimmerer, T.W., Scarborough N.M. (2008). *Essentials of entrepreneurship and small business development* (5th ed.). New Jersey: Pearson Education Ltd.