Mexican Migrant Elite *Empresarios*: Transnational Entrepreneurship and Elite Formation

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**Abstract**

This essay analyzes an emerging transnational Mexican migrant elite – a new social and economic group that has emerged not from established elites or privileged backgrounds, but from poor *campesino* families. Most of these (male) entrepreneur migrants entered the United States without documents and worked in unskilled jobs for extended periods. Eventually, they began to establish their businesses in New York and New Jersey and, within 20 years, accumulated unprecedented wealth. The entrepreneurs are successful in the US and Mexico, distinct from other transnational migrant groups. They have constructed transnational forms of class mobility and citizenship and innovative socio-economic, political, and solidarity networks shaped by neoliberalism. The essay examines how these transnational entrepreneurs became part of such a recent emerging elite in the US and Mexico. Furthermore, these entrepreneur migrants have established political relations with local politicians on both sides of the border. They have gone from being undocumented workers to becoming “Tortilla Kings” or millionaire importers of Mexican goods.
Keywords
Mexican migrants, Elites, Entrepreneurs, Immigration.

Introduction
Félix Sánchez, also known as the first “Tortilla King,” has been “living the dream” since the early 1990s. During the late 1970s, he migrated from Piaxtla, Puebla, to Los Angeles, California, with a few pesos in his pocket and without legal documents. A few years later, he moved with his family to Brooklyn with the dream of opening the first tortilla factory on the East Coast. 30 years later, Sánchez lives in Passaic, New Jersey, in a two-story house with an indoor pool, a one-acre backyard, and two garages. Don Felix (as many people call him) proudly affirms that he is one of the first Mexicans (and still one of the few) who was able to afford a house in the affluent and prestigious neighborhood of Passaic Park. Unlike the more than 50,000 Mexican paisanos who live on the poorer side of town, Sánchez's home is surrounded by houses with impeccable front lawns, luxurious cars, and an artificial lake with fancy Victorian-style benches and geese. He drives around Passaic in the latest Mercedes Benz convertible and owns several properties in town, including the first tortilla factory in the Northeast. Sánchez's life story resembles what many immigrants imagine as the “American Dream.” How can we understand Sánchez's transformation from undocumented migrant to successful entrepreneur?

In this essay, I examine a group of Mexican migrants who belong to a transnational elite with socio-political ties to both the US and Mexico.¹ These migrants are often known to be the “movers and shakers” in their communities. Besides being decision-makers, they are seen as holding and exercising power (Scott 2008). While there are many studies on Mexican migration to the US, focused predominantly on the conditions of the working class of agricultural laborers and indigenous populations, few have examined the emergence of immigrant elites. In this essay, I focus on a recent transnational migrant elite that has emerged, not from established elites nor from privileged backgrounds, but from poor peasant families.

Members of this group migrated to the US from Mexico during the 1980s. They crossed the border as mojados² without passports or money. Over a period of 30 years, these migrants have accumulated an

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¹ This essay is part of my PhD dissertation and is based on three years of ethnographic research that I carried out in the southern Mixteca region of the state of Puebla, Mexico, in Passaic, New Jersey, and in New York City.

² Mojado is the translation of the derogatory term “wetback,” often used by nativists or border militia.
unprecedented amount of wealth and, thereby, gained prestige and status within their communities. During the post-North American Trade Agreement (NAFTA) era, they have taken advantage of the neoliberal policies of Mexico and the US. They have constructed transnational forms of class mobility as well as a new mode of elite formation. This is not an account of historically established Mexican power elites. Instead, it is based on a group of impoverished campesinos displaced by the structural adjustments of the 1980s, who migrated to the US and, lacking business skills or “legal documentation,” used their minimal economic capital to open new enterprises and, ultimately, became successful entrepreneurs and leaders among the Mexican migrant community in New York.

Most entrepreneur migrants built their success and wealth on the exploitation and misery of fellow Mexicans. These entrepreneurs capitalized on the “illegality” of their Mexican paisanos. Achieving what they call the “American Dream” depends, among these migrants, on having someone willing to work for them, whether “illegally” or “legally.” Successful in both the US and Mexico, these entrepreneurs are distinct from other transnational migrant groups (Kearney 1995; Fox and Rivera-Salgado 2004; De Genova 2005; Smith 2006). While most of these entrepreneur migrants left Mexico for the US during the transition to neoliberalism, their wealth creation and entrepreneurial skills are an outcome of a particular neoliberal era.

On the transnational spatial stage, neoliberalism is crucial to understanding their emergence and relation to the nation state (Ley 2010). In this study, I use neoliberalism as a conceptual and empirical presence, a force field in which subjects act (Peck and Tickell 2002; Harvey 2005). Like Catherine Kingfisher and Jeff Maskovsky (2008), I view neoliberalism not as a “homogeneous cultural system in which fixed definitions of personhood, state-civil society relations and market relations are thought to exist,” but as “a set of cultural meanings and practices related to the constitution of proper personhood, markets and the state that are emergent in a contested cultural field” (2008: 120). With the growth of the neoliberal Mexican state, the entrepreneur migrants found new avenues for economic mobility, strategies that involve knowledge and access to goods and services across national borders (Roberts, Frank, and Lozano-Ascencio 1999). Interestingly, these first-generation migrant elites arrived in New York City during the 1980s and 1990s service industry boom. The same political and economic

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policies that “forced” their migration from Mexico to the US two decades earlier allowed them to pursue their entrepreneurial dreams.

In a brief, yet provocative, analysis, David Harvey (2005) contends that "while neoliberalization may have been about the restoration of class power, it has not necessarily meant the restoration of economic power to the same people" (2005: 31). Similarly, Harvey claims, "the opening up of entrepreneurial opportunities, as well as new structures in trading relations, have allowed substantially new processes of class formation to emerge" (2005: 34). Yet, it is worth noting that new processes of class formation are not the same thing as new processes of elite formation. Some entrepreneurs or capitalists share a class origin and, for various reasons, have no interest in joining in the elite group. Moreover, many entrepreneurial migrants are actively engaged in politics, either by endorsing political actors or by funding their campaigns on a local and transnational platform. Others are more philanthropic and donate generous amounts of money to well-known Mexican non-profit organizations or support cultural and sporting events within their communities.

Studying elites not only suggests certain analytical ambivalences, but also offers a different set of methodological and fieldwork challenges. I spent almost two years conducting fieldwork in New York City, Yonkers, Passaic, New Jersey, and Mexico. I visited the Mixteca towns of Chinantla, Piaxtla, and Coatzingo, as well as small municipios like Ciudad Serdán, popularly known as Chalchicomula, located northeast of the city of Puebla. I visited several of the pueblos during their fiestas patronales. Each year migrants return during these fiestas to visit their families and friends or to celebrate bautizos, quinceañeras, or weddings. The entrepreneurs I met with on these occasions were often sponsors or padrinos of the fiesta. These encounters were crucial to understanding the ways in which members of this elite extend their influence and networks across the border. I conducted almost all my interviews in small and large business sites, such as two tortilla factories – Tortillería Chinantla in Bushwick and Mi Pueblito in Passaic. Restaurants owned by the entrepreneur migrants were also a preferred site to carry out interviews. My ethnographic research included participant observations at galas, fundraisers, meetings, political events, street parades, festivals, entertainment venues, and birthday parties, among others. Ultimately, I attained access to this elite group because a distant relative introduced me to a few entrepreneurs. This connection helped me gain their trust and open the door to their entrepreneurial lives.

In what follows, I examine the entrepreneurial story of Féliz Sánchez and his fellow entrepreneurial migrants, not to embrace or fetishize the idea of the American Dream, but to shed light on the importance of the emergence of a "new" class of immigrant group in an era of neoliberalism and the ways in which these elite migrants play an
influential role in shaping society. In this essay, I argue that these new forms of transnational elite formation are key to understanding one feature of neoliberalism, in which money allows some elites to supersede borders while others are hindered by them. While, in the past, migrants sent remittances home and contributed to building a school, a church, or a soccer field, they now do something else: they use their accumulated wealth to signify their new status and to underwrite political influence.

**Mexican Migration to New York and New Jersey: 1970s to Present**

Since the 1970s, New York City, like many other places in the US, has experienced deindustrialization and a simultaneous arrival of “recent” immigrants. The 1980s was a decade when an unprecedented number of immigrants entered the US (Alarcón 2000). Between 1982 and 1991, approximately 8.6 million immigrants received permanent residency (Immigration and Naturalization Service 1998).

In 1986, Mexico entered the General Agreement on Trade and Tariffs (GATT) and, in 1994, signed the North American Free Trade Agreement (NAFTA). In the last 20 years, the latter agreement has had a number of devastating impacts on the Mexican economy, including social and political implications, particularly among the rural and urban-working class populations (see Barkin, Ortiz, and Rosen 1997; de Janvry, Gordillo, and Saudoulet 1997; Dussel 1998; Otero 1996). These international neoliberal policies have affected societies on both sides of the border, and some anthropologists and migration scholars have taken a lead in highlighting the effects on international migration (see Binford 2013; De León 2015).

The neoliberal turn of the Mexican state did generate certain kinds of (mostly low-wage) employment, even as it displaced people from rural areas. The various peso crises of the 1980s (also referred to as the “lost decade”) had a domino effect throughout Latin America (Dussel 1998). In the 1990s, the Mexican state moved to open the economy to foreign trade and investment (privatization of ejidos or communal land) and reduced the role of the state in the economy largely by massive privatization of public-sector firms, cutting most subsidies (reduction of rural credit through BANRURAL, elimination of commercialization through CONASUPO), and giving free control to market forces (Esteva and Barkin 1980; Gledhill 1995; Hewitt de Alcantara 1994; Hellman 1994; Warman 2001). Mexico was not the only country that suffered a colossal impact. The imposition of structural adjustment programs as well as plummeting prices of coffee and basic grains (maize, rice) had an impact across Central America’s rural and urban zones and in other Latin American countries. These policies, subsequently, coincided with an increase in local and cross-border migrations, while others turned

The structural adjustments of the 1980s and the Reform of Article 27 of the Mexican Constitution in 1992 exacerbated inequality throughout Mexico rather than generating the more equitable redistribution of income that economists and technocrats, as former president Carlos Salinas de Gortari and his cronies, had promised. The peasants who inherited Zapata’s "La tierra es de quien la trabaja" ("the land belongs to those who steward it") were quickly becoming international wage laborers.

The Mixteca poblana, the region where Félix Sánchez and most of the entrepreneur migrants were born, "lost more than 100,000 people to migration between 1985 and 2000, resulting in population losses ranging from 5 percent to more than 60 percent in some municipios. Some 70 percent of these migrants went to New York. The Mixteca region accounts for some two-thirds of Mexicans in New York" (Smith 2006: 15). During the 1990s, Mexican migration to New York and New Jersey increased to the extent that one can find several "Little Mexicos" within the five boroughs, but also in places like Passaic, New Jersey (see Smith 2006 to map the different "Little Mexicos" in New York City). In the 2010 US Census, there were 31,798,258 Mexicans or persons of Mexican descent living in the US, a conservative estimate considering that many immigrants fear deportation and decline to speak with census takers. According to the 2010 census, there were more than 319,000 Mexicans in New York City.

In spite of the dramatic increase of the Mexican population in the tri-state area, the number of elite members is disproportionately small. The majority of elite members are male entrepreneurs and first-generation immigrants, with an average age of 50. This elite group, compared to other elite groups, is relatively small. When the Mexican Consulate hosts the annual Mexican Independence Day Celebration, all elite members gather to honor their patria. This group consists of an estimated 63 members, which includes empresarios, community leaders, and youth activists. Many occupy (or have occupied) multiple roles and/or positions of power and leadership within the Mexican immigrant community.

The Making of a Transnational Migrant Empresario

What are the particularities of this migrant elite group? The majority of these migrants were born in the Mixteca region of Puebla, where agriculture and livestock are the dominant economic activity. Before they migrated to the US, they worked from a very young age on their family’s ejido, or land. Like thousands of other poblano migrants, they were forced to drop out of school and migrate to the US to help their families make
ends meet. Interestingly, some of these migrants say that they always wanted to own their own business and become self-employed. "El campo nunca me gusto, el campo no era para mí ... I always dreamed of being a businessman, but I didn't have the money to invest when I was living in Mexico," said Antonio, owner of a popular Mexican restaurant in Passaic. In spite of having the disadvantage of being undocumented, low levels of educational attainment, and, in some cases, limited English skills, as well as working long-hour shifts in low-wage and unskilled jobs, these migrants managed to mobilize resources and legally own businesses, building wealth and elite status among the Mexican community in the tri-state area. All relied on personal and family savings as financial capital to kick-start their enterprises. None received bank loans. Some of these entrepreneur migrants have taken a step further by converting their enterprises from local thriving businesses to transnational ones. Furthermore, these migrants are creating new jobs – and not just for foreign-born Mexicans like themselves, but for native-born and other Latino workers.

Yet, the migrants' path to entrepreneurial success is a murky one. Many entrepreneurs built their wealth by capitalizing on immigrants' unskilled and cheap labor. This social reality is not peculiar to the Mexican community as it, historically, existed among other immigrant groups as well (for instance, Italians, Jews, Irish, etc.). The US economy relies so heavily on immigrant labor that it has become "structurally embedded in the economy" (Cornelius 1998: 135). According to Wayne Cornelius (1998), almost every sector of the economy's workforce hires either undocumented or documented immigrants, with agriculture having the highest percentage of immigrant labor.

"The general consensus is that Mexican immigrants in the United States," Mary Lopez and Dolores Trevizo (2009) argue, "exhibit significantly lower levels of entrepreneurship when compared to other groups" (2009: 129; see also Bates 1997). Early studies on entrepreneurship alleged that Mexican immigrants in the US belong to wage workers in the service industry or blue-collar jobs and that they did not own their enterprises (Portes and Bach 1985; Light and Bonacich 1988). Nonetheless, Mexicans, compared to other minority groups (for instance, Cubans, Koreans, or Chinese), are portrayed as disproportionally economically and socially disadvantaged. Why do Mexican immigrants, compared to other ethnic minorities, historically lag behind in entrepreneurial practices, and why, in migration studies, are they often depicted as permanently fixed at the bottom of the socioeconomic ladder? Vilma Ortiz's (1996) explanation for the slow economic mobility of Mexican Americans in Los Angeles maintains that "economic restructuring simultaneously pulls these immigrants into the lowest-paid and most easily exploitable jobs and removes the mobility structures that unskilled newcomers previously used to get ahead" (1996: 165).
This is a partial explanation of the larger structures of inequality, nativism, and discrimination against Mexicans that permeates American society since the creation of the southern border.

Historically, in comparison to other (white) immigrant groups, the US immigration regime has decisively rendered “Mexicans,” and more recently Central American refugees, as the distinctive national name for migrant “illegality” (De Genova 2005; Ngai 2004). According to Nicholas De Genova (2005), “illegality” is a spatialized social condition that becomes inseparable from the particular ways that migrant workers from Mexico are racialized as “illegal aliens” within the United States and, thus, as “Mexican” in relation to “American-ness” (2005: 8). Immigrants migrating from Latin American countries have increasingly faced an aggressive and hostile political climate in the US, mostly in terms of immigration restrictions and regulations. The Trump administration not only racialized Mexicans as “illegals” and “drug dealers,” but even portrayed them as “criminals.” In June 2015, when Trump announced his presidential run, he remarked:

When Mexico sends its people, they're not sending their best. They're not sending you. They're not sending you. They're sending people that have lots of problems, and they're bringing those problems with us. They're bringing drugs. They're bringing crime. They're rapists. And some, I assume, are good people (quoted in McLaughlin 2015).

Indeed, the image of the “illegal alien” as an unskilled and deportable worker is not particular to Trump’s bigotry. It has long been a distinct feature of racialization of Mexicans in the US.

In recent years, however, a significant number of studies have confirmed a slow, but steady growth in entrepreneurialism among Mexican American communities (see Butler, Morales, and Torres 2009; Rajman and Tienda 2003; Valdez 2011). According to the Pew Research Center (2015),

Immigrants are a significant force in self-employment and in creating jobs. There were 2.8 million self-employed immigrants in 2014, and they had a payroll of 4.3 million workers. Immigrants are also responsible for a good share of the jobs created by self-employed workers, hiring workers at virtually the same rate as the U.S.-born.

Furthermore, it is stated that “when considered by racial and ethnic groups, the evidence shows that immigrants are engaged in running businesses far more than U.S.-born workers.” Correspondingly, Mexican entrepreneur migrants in the tri-state area, like other immigrant groups, have demonstrated to be at the forefront of utilizing their entrepreneurial skills to expand their enterprises in new market niches.
From Worker to Empresario: “I Always Had la semillita of Becoming an Entrepreneur”

It is worth considering what the perception of the American Dream is among these elite entrepreneurs. In 2016, the popular television network Univision interviewed Pedro Zamora, owner of Zamora Entertainment, the best-known Mexican entertainment empresario of New York, who owns the largest Latino entertainment production company in the US. In the interview, Zamora said: “Here [in the US], whoever doesn’t succeed it’s because they don’t want to, not because they can’t do it. This country offers many opportunities.” Zamora’s comments relate to his personal experience, but the reality is very different, not only for immigrants, but for the majority of Americans.

But how did members of the Mexican migrant elite become interested in entrepreneurship? Many of them claim to have wanted to become businessmen at young ages, when they were living in rural Mexico. The average age of this group of migrants is 50, but when they first arrived in the US, their average age was 23. They often blamed poverty and lack of opportunities for preventing them from accomplishing their entrepreneurial dreams. “I always had la semillita [the seed] of becoming an entrepreneur,” Félix Sánchez said.

When I was young, I would go around to every pueblo in la Mixteca helping my father sell sea salt, among other goods. We would ride a burro for days under the harsh sun. I probably learned something from that experience.

Indeed, Sánchez’s childhood experience is perhaps where he learned his basic entrepreneurial skills. His father owned a tienda de abarrotes in the main plaza of Piaxtla. I remember visiting his father’s home. His store was in the front part of their larger colonial-era home. The store, compared to other stores in town, was well-stocked, with fresh milk, eggs, canned food, and vegetables surrounding the 15-foot high walls and wood beams.

In contrast, Erasmo Ponce, owner of Tortillería Chinantla, became interested in the tortilla business after migrating to New York City and working in a tortilla factory. According to Ponce, in 1991, he worked as a truck driver delivering tortillas around the city. He earned $190 a week and $10 extra for gasoline. After completing a year in the factory, he requested a raise, but the owner, who was not Mexican, but from the

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4 This empresario owns two of the biggest Latino nightclubs in New York City, both of which have bands and events targeted at a specific Latino audience. In addition, Zamora also owns venues in Illinois, Minnesota, Iowa, Nebraska, Wisconsin, Ohio, and Michigan. In New York City, he also owns Cantina Rooftop, a trendy Mexican restaurant located on a rooftop in Midtown (Univision 2016).
Czech Republic, refused to increase his salary. “No money, there is no money,” Ponce remembers the owner saying.

But I knew how much money he was making because the stores were paying me directly. Soon, I realized that I was making him rich instead of making myself [rich]. In 1992, after quitting my job, I partnered with my co-worker [who actually knew the tortilla recipe] and began Tortillería Chinantla. We both put in $9,000 as our start-up.

Whether they started in a restaurant on the corner of a run-down neighborhood or by selling tortillas out of the trunk of their car, these entrepreneurs relied heavily on family members and migrant networks to launch their businesses. Overwhelmingly, they all depended on family and personal savings while working in low-skilled jobs. Like Mexican American entrepreneurs in Los Angeles, none of the entrepreneurs in my case study applied to financial institutions to obtain bank loans (López and Trevizo 2009; Rajman and Tienda 2003). Like Jesús Ortega, restaurant owner in Yonkers, who borrowed $20,000 from his sibling to start his business, several claimed to have asked for loans from family members or close friends.

In my study, the entrepreneur migrants have little formal education, compared to the fast-growing Mexican American middle class (see Vallejo 2012). They had an average of six years of elementary school, and one did two years of middle school. Only three entrepreneurs had some sort of college education. Zamora, for example, has a bachelor’s degree in teaching. He graduated from a public university in his home state of Nuevo León, Mexico. Ponce studied architecture (but never graduated) at National Autonomous University of Mexico (UNAM) before permanently migrating to the US. Pedro Matar attended private schools and went on to college, but never graduated. Language proficiency is another important factor. When Forbes magazine crowned him the “Tortilla King,” Sánchez could barely speak a few words of English. He relied on his wife and, later on, his children to translate his business transactions.

All of the entrepreneurs I interviewed (with the exception of two) had no legal documents when they entered the US during the early 1980s and 1990s. Several began their businesses without being able to legally work in the US; yet, they managed to own a legal business. Others legalized their status in 1986 under the Immigration Reform and Control Act (IRCA). Most of them obtained US citizenship either by becoming permanent residents or, in some cases, through their business enterprise. The story of these migrants illustrates the paradox in which business is carried out in the US on a daily basis. Furthermore, it elucidates the shadow practices of businesses and how they depend on the illegality of labor.
"Living the Dream": The Making of the First Tortilla King

In 1992, Forbes magazine dubbed Félix Sánchez the “Tortilla King.” The headline read “The Streets Were Paved with Tortillas.” “Don’t try to tell Félix Sánchez this isn’t still the land of opportunity,” Joel Millman (1992) writes. “Despite having only sixth-grade education and a rudimentary command of English, this immigrant from rural southern Mexico worked hard to save $12,000 and then turned the nest egg into a multimillion-dollar business” (1992: 272). In this portrait of a rags-to-riches success story, the clear message is that the American Dream (back in the early 1990s) was still possible. A self-made millionaire immigrant with no business training, Sánchez used hard work and dedication to build a tortilla empire. Tellingly, the author demonstrates how the rapidly growing Mexican immigrant population was expanding not only in the tri-state area, but all along the Northeast. “Sánchez no longer drives his truck,” Millman claimed. “His employees service customers from Maine to West Virginia. The heart of the business remains in the Mexican neighborhoods and the more than 4,000 bodegas and Mexican restaurants” (1992: 274). During the early 1990s, Sánchez’s tortilla business grew so quickly that brands such as Goya Foods, the largest Hispanic-owned food producer in the US, partnered with Puebla Foods to distribute the tortillas in supermarket chains like Grand Union and Pathmark, which were often closed to niche producers.

After the Forbes article was published, Sánchez became the “tortilla king” among the Mexican community in the tri-state area, and his fame spread throughout his home state of Puebla. For more than two decades, Sánchez remained on the throne until Erasmo Ponce, of Tortillería Chinantla, became the new tortilla king. Labeling a successful entrepreneur as a “king” is not unique to Sánchez’s story. Andrés Bermúdez, known as “El Rey del Tomate,” was an entrepreneur migrant born in Jérez, Zacatecas, who built his fortune by farming tomatoes in the San Joaquin Valley, California. Bermúdez not only became “El Rey del Tomate” for inventing a tomato-planting machine that transformed tomato agribusiness, but made headlines by becoming the first migrant to return to his hometown to run for public office (Smith and Bakker 2008).

But how did Sánchez become such a wealthy, successful entrepreneur and, later on, a politically empowered figure in his community? In the early 1970s, Sánchez arrived in New York City from his hometown of Piaxtla, Puebla. After a few years of working in

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5 Forbes magazine is one of the many major media outlets fascinated by Sanchez’s story. In 2011, The New York Times ran another piece on his success. In Puebla, Diario Intolerancia published an interview about his life back in Puebla.

6 According to Sánchez, former governor of Puebla, Manuela Bartlett Díaz, found out about his success because of the article published by Forbes.
restaurants as a doorman and doing other menial jobs, he moved with his family to Los Angeles, where he had some relatives. While working in a restaurant, he met a friend who offered a partnership to start a tortilla factory. He quickly realized, however, that there was too much competition in southern California. “It was really hard to break into the Mexican market in California,” Sánchez recalled. “There is a long tradition of having good quality Mexican products in California. We could never compete against them,” Sánchez said. Sánchez moved back to Brooklyn, where he went back to working as a dishwasher, and his wife worked in a garment factory in midtown Manhattan. “I used to make $350 a week,” he remembered with a surprised look. Until the mid-1980s, Sánchez, with the help of his wife and extended kin, spent extensive hours on weekends making tortillas in their Brooklyn apartment. He bought a second-hand tortilla machine (small enough to fit in their apartment basement) from a friend in California. The tortilla press, as he calls it, cost $8,000. Sánchez utilized $12,000 from his savings as his start-up capital. Once the tortillas were pre-made and packed, he would go around Brooklyn selling them from the trunk of his car. If weather permitted, he would deliver the tortilla packages on his bike. “My wife and I knew exactly where the first paisanos were moving. Sunset Park, Brooklyn, was one of the first neighborhoods [...] [there] you could find plenty of people from the Mixteca poblana, especially from my hometown of Páxla,” he recalls.

By the early 1990s, Sánchez had moved his small tortilla enterprise to an empty factory in Passaic, New Jersey. Within two years, his business had gone from being a small family, artisanal enterprise to a mass production factory that employed dozens of newly arrived Mexican paisanos. During the 1990s, Passaic was an ideal place for pioneer entrepreneur migrants such as Sánchez. It had cheap rents and plenty of recently arrived Mexicans. The “Tortilla King” at some point had more than six million dollars stored underneath his mattress because he did not qualify for a bank account. According to Sánchez, he did not obtain his green card until the late 1990s. For more than 20 years, he used his Mexican passport as his only official identification, which allowed him to carry out his business.

The first time that I met Sánchez was at his tortilla factory in Passaic. I walked into a windowless office where Sánchez was sitting at his desk facing a wall-mounted TV. His oldest son and two friends were watching a telenovela. “I don’t watch novelas, but in this case the Colombian girls are too hot,” he said without me asking. He wanted me to

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7 Sánchez’s salary from more than 35 years ago is almost the same as many immigrants working 10-hour shifts nowadays. What this really means is that the conditions of exploitation have worsened considerably, $350 in 1983 would be equivalent to $909.48 in 2020.
witness the factory’s operation and to experience first-hand the making of tortillas.

Loud bachata music was playing throughout the factory, probably from one of the many local pirate radio stations. After walking around for a few minutes, I counted 20 workers on the shop floor. Four men were putting the tortilla dough into the mixers, while two women were at the other end of the machine receiving the steaming tortillas and placing them in metal containers. The rest of the workers were on the assembly line, packing the tortillas into plastic bags to be boxed and ready for distribution. Mi Pueblito also produces chips, sopes, and tostadas, all derived from corn masa and flour tortillas. Sánchez claims to be one of the first tortilleros to produce flour tortillas in the Northeast. He also states that his factory manufactures about a thousand packs a day. Each package has three dozen tortillas.

Sánchez’s tortilla brand is not as profitable as when he had a regional monopoly and when Forbes published his story in 1992. Nowadays, there are at least 20 tortilla brands competing within the tri-state area. The competition continues to escalate; for example, Trader Joe’s and Whole Foods Market, to name a few, make their own tortillas. Sánchez’s enterprise might not be making millions of dollars, but it is still producing tortillas on a smaller scale and his ex-wife runs a retail store that sells imported Mexican goods in Passaic.

Sánchez’s entrepreneurial trajectory is similar to Jaime Lucero’s. Lucero is a founding member of Casa Puebla, a non-profit located in Manhattan. Lucero has shared his story with major Latino national TV channels and media outlets. In 2014, the Mexican Studies Institute at Lehman College named the institute after Lucero, after he had made several donations to it. In 2017, Lucero launched a new bi-national political party, Fuerza Migrante, with the goal to encourage the diaspora’s political participation in both Mexico and the US.

During the mid-1970s, Lucero left his small rancho located in the Mixteca poblana for New York City. Before becoming an entrepreneur, he worked as a dishwasher for more than 10 years in several restaurants in Queens and Manhattan. In 1993, he established Gold and Silver Incorporated, currently one of the largest clothing distributors in the tri-state area. Gold and Silver’s name was inspired by his mother, who, when living in Mexico sold oro y plata. “I fell into this business by luck,” Lucero proudly declared and elaborated:

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8 Sopes are similar to tortillas, but are smaller and thicker. Most of the time, they are fried and topped with meat or other ingredients.

9 Although in recent years, his name was officially removed from the institute for not fulfilling his promised donations.
I had a few sewing machines in a small storefront I was renting on the Lower East Side. One day, I received an offer from a big company to fix a lot of clothes that another contractor had failed to do. Since that day, my factory grew so rapidly that I had to move into a bigger place. I started my business with $10,000, and I borrowed some money from family and friends.

Lucero currently owns a 600,000-square-foot factory in Harrison, New Jersey, next to the Red Bull stadium. To get around the factory, Lucero and selected staff drive a golf cart. At the reception desk, two secretaries answer calls and greet guests, while more than 250 employees work two daily shifts. According to Lucero, he has a 25-truck fleet that distributes to 47 stores including Saks Fifth Avenue, JC Penny, Dillard's, and Macy's. He has built his wealth by finding "smart ways of using money," as he calls it. For instance, during the late 1990s, he opened one of the first Mexican restaurants on the Lower East Side. Initially, he opened the place because there was nowhere to eat Mexican food near his factory. As such, in the last 20 years, his enterprises have expanded beyond the garment industry, as his publicly known businesses include a garment factory, a tequila brand, a restaurant on the Upper West Side, the highly profitable annual Cinco de Mayo Festival of Flushing, Queens, and a maquiladora (factory) located in San Salvador El Seco, in the northeastern part of the state of Puebla, Mexico. On July 29, 2001, Lucero and his brother Julio celebrated the opening of their new maquiladora on the ex-Hacienda Concepción Malpais. The $21 million-dollar investment was inaugurated by the newly elected President Vicente Fox, who was honoring Lucero for being the first padrino of the national program Adopta un Micro-región.

**Gracias a Nuestro Sudor de la Frente:** Immigrant Labor and Wealth Creation

Media outlets, politicians, and Latino immigrants celebrate Sánchez’s and Lucero’s stories of immigrant upward mobility and entrepreneurship. While their experience of becoming self-made, wealthy people who worked hard against all odds to reach entrepreneurial success merits recognition, there is another side to the story. Their wealth creation derives from the precarious labor conditions – such as low wages, lack of health benefits, exploitation, and discrimination – experienced by wage workers and undocumented migrants. Whether legal or without

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10 Lucero’s business is part of the garment industry. Clothes are assembled abroad, mainly in China and Southeast Asia, and shipped directly to his factory. Once they have reached his factory, the clothes undergo a rigorous quality control inspection. In other words, his company guarantees that every garment is flawless and ready to be shipped to retail stores around the country.

11 Thanks to the sweat of our brow.
documents, migrants experiencing precarious labor conditions are part of the US capitalist system, where extraction and dispossession affect the most vulnerable to enrich a selected few. The entrepreneur migrants in this study are businessmen, above all, and operate like other entrepreneurs do, regardless of their ethnicity or immigrant status. Tellingly, throughout my fieldwork, all of the entrepreneur migrants shared a common thought: they believed that, by hiring their fellow paisanos, they were giving back to the Mexican community. The specific ways in which these entrepreneurs think that they can do well by doing something good have culturally specific aspects that are arguably also a rationale to “soften” the image of capitalism (Gálvez, personal communication).

Stories of upward mobility and wealth creation pervade immigrants’ imaginations and are often presented by mainstream media without critically examining the state of the economy accompanied by years of stagnant wages. Scholars on immigrant entrepreneurship are no exception. In An American Story: Mexican American Entrepreneurship, John Sibley Butler, Alfonso Morales, and David L. Torres (2009) focus their analysis on building typologies based on Mexican immigrant businesses and the strategies leading to greater wealth creation. While the book might be an important contribution to studies of entrepreneurship and the economic contribution of ethnic minorities to the US economy, it overlooks the labor processes through which entrepreneurs build their wealth. Like Salvadoran entrepreneurs living on Long Island or the Fuzhouese immigrants living in New York City’s Chinatown, Mexican businessmen profit from the vulnerability and exploitation of recently arrived migrants (Mahler 1995; Kwong 1998). In American Values, David Pedersen (2013) examines the formation of successful Salvadoran businessmen in the D.C area who profit from fellow immigrants’ remittances by opening community banks. Similarly, many of the Mexican entrepreneurs in my study claimed to have built their wealth and business strategies in the US and imported these practices in their businesses in Mexico. Practices such as taking advantage of declining wages and labor protections.

Attaining the American Dream, something the migrant elites in this study achieved, seems out-of-reach for most of the US workforce, including the immigrant population. A 2018 study from the Pew Research Center found that “despite some ups and downs over the past several decades, today’s real average wage (that is, the wage after accounting for inflation) has about the same purchasing power it did 40 years ago. And what wage gains there have been have mostly flowed to the highest-paid tier of workers.” This data accounts for both documented and undocumented workers living in the US.

Sául Domínguez (a pseudonym) is a tall, skinny man with a thick mustache, born in Monterrey, Mexico. As manager of one of Passaic’s
popular Mexican restaurants, Domínguez said the following about the role of Mexican entrepreneurs and their relationship with their fellow Mexican employees:

I have been the manager of this restaurant for three years and I can’t begin to tell you how many issues I have had with the workers, especially the ones that come from Mexico [...] First of all, they don’t like to be bossed around, they complain a lot [...] Here, in Passaic, they are constantly moving from job to job. They go from one workplace to another [...] To be honest, I think they don’t like to work.

Domínguez, a 46-year-old civil engineer who moved from Mexico City with his family to work for a transnational company in New York, never experienced the ordeal of crossing the border without legal documents and working menial jobs. Like so many well-off Mexicans in New York, he had the privilege of arriving at JFK airport with a visa and, most importantly, having a decent paying job with benefits. Yet, for Domínguez, it is incomprehensible that his paisanos, frequently and without advance notice, would simply not show up to work or abruptly leave the premises in the middle of their shifts. Furthermore, he does not share the same working experience as his fellow paisanos; that is, working in the shadows, being under constant threat of deportation, and, in recent years, increased harassment by the local police and ICE agents. Yet, he never mentioned that, perhaps, the workers leave because of the low wages, long hours, or the ways in which they are being treated by the managers.

The labor market conditions described above are not unique to the Mexican community in the tri-state area. In Transnational Tortillas, Carolina Bank Muñoz (2008) compares two tortilla factories situated on opposite sides of the US-Mexico border, both owned by the same transnational. She examines how two different production regimes developed on different sides of the border. In order to maintain labor control on the US side, managers rely on an “immigration policy, which serves to create a vulnerable group of undocumented men,” and, on the Mexican side, they capitalize on “a vulnerable group of single mothers” (2008: 12). Both factory regimes rely on hegemonic and despotic labor control in order to increase the corporation’s profit.

The restaurant industry in New York City is yet another example of how immigrant labor is embedded in urban economies. More than 80 percent of the subjects of my study claimed to have worked as dishwashers, line cooks, busboys, or waiters. In fact, working in New York City restaurants was their first job upon their arrival from Mexico. Jesús Ortega, 53, worked as a dishwasher for 18 years before enduring two failed attempts to open his own restaurant in Yonkers. “In 1984, I moved to Yonkers after working in restaurants in Las Angeles and Las Vegas,” Ortega told me at his Yonkers restaurant, Plaza Garibaldi. He continued:
What I liked about New York, compared to the other cities, was that I could work 12-13 hours a day. *Te matas trabajando* (you kill yourself working), but back in those days you were able to save enough money to do something.

Before opening Plaza Garibaldi, Ortega faced several scams while attempting to open a restaurant. In 1989, he lost a total of $45,000 to fraudulent practices. His former boss promised to partner with him in opening a diner in downtown Yonkers, but disappeared with all his savings. After that, Ortega went back to washing dishes and making $350 a week, but was able to save enough to open his first restaurant. This time, he partnered with his brother. Their start-up capital was $40,000. For one year, Ortega was working two jobs, sleeping four hours each day, to keep up with the costs of his new restaurant. Currently, he owns the biggest Mexican restaurant in Yonkers. Located on the bustling Nepperhan Avenue, three blocks from downtown Yonkers, Plaza Garibaldi sits 200 people and serves traditional Mexican food with mariachi bands playing on the weekends.

Some members of the elite group, however, built their wealth through other means. Oscar Morales (a pseudonym), 62 years old and owner of a Mexican restaurant in Manhattan’s desirable Chelsea neighborhood, has a different life story. During the mid-1970s, Morales built his fortune as a coyote. According to his own account, he worked for more than 20 years smuggling people from Mexico directly to New York and New Jersey. During the immigration boom of the mid-1980s and 1990s, he brought thousands of people from southern Mexico, charging anywhere from 500 dollars to a couple of thousand dollars. Thus, like many other entrepreneurs, Morales built his wealth based on profiting off of other migrants, accumulating enough wealth to purchase a few buildings in Manhattan.

Morales was born in the Mixteca *poblana* and migrated to the US in the early 1960s. "I was one of the first Mexicans to arrive in New York," he recalled and went on:

I helped so many *paisanos* to cross the border during those years. Back then, my job was easy compared to what’s going on now. Being a coyote now seems like a dangerous job, especially if you are caught by the border patrol or narcos.

Parallel to being in the *coyotaje* business, Morales began to organize *bailes* (dance parties) during the 1980s. He recalls bringing famous *conjuntos* (bands) from Mexico, and he would rent a hall near Columbus Circle, enough to fit up to 800 people. Planning *bailes* was Morales’ side business until the mid-1990s when other entrepreneurs began competing for the same market.

Now retired from the entertainment business, Morales claims to frequently make significant donations to several Mexican non-profits as
well as contributing to community events around the city. He runs the restaurant with his wife, and together they attend cultural events such as the Cinco de Mayo celebration or Independence Day. In 2004, he was a loyal supporter of Mario Marín’s gubernatorial campaign in Puebla, and, after the elections, he would frequently host the Governor every time he visited New York.

**Elite Formation and Influencias**

The relations between entrepreneur migrants and Mexican politicians are complex and evolve over time. Some entrepreneur migrants have moved beyond “friendship” by engaging in *compadrazgo* practices with *poblano* politicians. These *compadrazgo* alliances shape and help reproduce elite status. Political status among these migrants is gained by what they often referred to as holding *influencias* or “connections” with *políticos* on both sides of the border. “I will use all the influences I have with politicians in D.C. to support a comprehensive immigration reform,” said Pedro Matar during the Virgen de Guadalupe mass at Saint Patrick’s Cathedral. This was certainly not the first time that I heard members of the community claim to use their *influencias* to push through legislation for a long overdue immigration reform. In fact, community leaders would often use “undocumented status” and “the need for comprehensive immigration reform” as part of their ongoing discourse, particularly during special events such as parades, festivals, or political campaigns.

I argue that these migrant elites often act as brokers between Mexican politicians and the diaspora. This brokering is continually being defined and redefined depending on what political party is governing. In terms of belonging to a political party, some entrepreneurs and community leaders are more dynamic than others; that is, they tend to move back and forth between different political parties. These migrants benefit from their access to entertainment and/or festivals often used as political platforms and take a step further by becoming political brokers between the Mexican community in New York and Mexican politicians. Thus, they use their transnational networks for political gain. It is not coincidental that during the mid-1990s *poblano* political figures began to notice the diaspora’s potential economic and political capital (Smith 2006). These brokering practices benefit entrepreneurs’ success by negotiating new business opportunities in the US and Mexico. For example, with the support of state representatives, one entrepreneur opened a multimillion-dollar factory in northern Puebla and maximized its profit with Mexico’s low wages.

In this way, the migrants are concerned with creating new political and economic spaces that serve their interests. They are creating novel relationships between successful returned migrants and established politicians in Mexico. In some cases, they have reproduced
and reshaped the embedded corruption in government institutions. “They behave like former mayors; the difference is that they left young to El Norte with no money, but now they return with a lot of money and speaking mix English with Spanish,” one resident from Chalchicomula said. Furthermore, they are replicating similar clientelist practices that helped forced out many generations of Mexicans from rural and urban communities.

Ultimately, they have created new forms and claims of citizenship, as well as national belonging within the Mexican state (Goldring 2002). As Gary Gerstle and John Mollenkopf (2001) point out:

Retaining membership in the polity of the sending state is no longer mutually exclusive with becoming an American citizen or engaging in political action in the United States [...] Instead, some sending states now want their emigrants to play formal political roles both “there” and “here” (2012: 17).

Indeed, these migrants are more than ever actively involved in Mexico’s current democratic process. In 2017, Lucero co-founded Fuerza Migrante, a binational political organization that seeks migrant representation across Mexico. Fuerza Migrante aims to become the first migrant binational political party in Mexico. Thus far, this political movement (as Lucero calls it) is spreading throughout the US and Mexico. In recent years, Lucero has actively been speaking on public forums and media to promote his political bi-national organization.

Concluding Remarks

All of the entrepreneurs in my research believe that achieving the American Dream is built by hard work and plenty of sacrifices. When they left Mexico and crossed the border, they had nothing, but the desire to work and make ends meet. Most importantly, they truly believe that they achieved success and wealth with their sudor de la frente. It is paradoxical because both entrepreneurs and workers use the term to explain their predicament. Sánchez repeatedly mentioned how he would deliver tortillas on his bike after work and emphasized how difficult it was during the hot summer days or harsh winters. No one ever mentioned or recognized (at least publicly) that without the labor of their paisanos, they could never have achieved the American Dream.

It is important to mention that not all wealthy migrants become part of the elite. Members of this elite actively operate as the “movers and shakers” by using their influencias to endorse political influence within their community. In some cases, they make generous donations to regional and local politicians in Mexico or in the US, host dinners or fundraisers, or help mobilize young voters. These migrant elites engage in transnational political activities that go beyond simple friendships or
compadrazgo alliances. My research illustrates how these migrants play an influential role among their communities of origin, either by the influence of remittances or, in their host country, by acting as “political brokers” between Mexican politicians and members of the diaspora. These brokering practices are defined and redefined depending on what political party is in power. In Mexico, migrant elites have found novel ways to capitalize on their wealth and establish relationships with local and high-level politicians in order to win votes. By displaying signs of wealth and success, they use their influencias and advance their own political careers by becoming mayors in their hometowns. Others have gone a step further by building migrant-led binational parties. Members of the elite can and do shift their loyalty to whichever politician or political party that has the most power.

The Latino immigrant community, media outlets, and local politicians take pride in celebrating the stories of immigrant upward mobility and entrepreneurship. While the stories of self-made, wealthy folks who worked hard against all odds to reach entrepreneurial success merit acknowledgment, they also need scrutiny. Achieving the American Dream, something the migrant elites in this study attained, seems out-of-reach for most of the US workforce, legal or not, native-born or immigrant. Most importantly, their wealth creation stems from the structural labor conditions that are pervasive in the US capitalist system. The entrepreneur migrants in this study, above all, are capitalists, and their business practices operate under conditions similar to other businesses, regardless of their ethnicity or immigrant status. Throughout my fieldwork, all the entrepreneur migrants agreed that creating jobs for their fellow paisanos was a way of giving back to the Mexican community. They rarely recognized that, without the labor of their paisanos, they would never have achieved their American Dream.

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