

# microNOTE #56

## Tasting Identity

### Trends in Migrant Demand for Home Country Goods



*Central American cheeses and cream on display in a local ethnic store*

*Migrants manifest a solid demand that looks for quality and product selection, and relies on a network of stores and importers to satisfy those needs.*

### INTRODUCTION

This report is a study on the demand for nostalgic goods and the ways in which local ethnic stores support that demand. The study is the first of its kind and is based on a nationwide survey of 1300 individuals from twelve nationalities and interviews with nearly fifty ethnic stores supplying home country goods to migrant populations. The results of the study show that migrants manifest a solid demand that looks for quality and product selection, and relies on a network of stores and importers to satisfy those needs. This demand reflects realities of community building, identity and transnational links.

Specifically, we find that:

- There exists an extensive demand for a wide range of products, many of which are home country 'non-traditional' exports, albeit they reflect traditional home country commodities (tortillas, cassava, cereal, tea, curry, etc.);
- These products are obtained within the community through local stores that offer most of what migrants seek, in convenient ways;
- The expenses incurred by the purchase of these products amount to almost US\$1,000 a year per person;
- The goods are a material representation of migrants' national and cultural identity;
- The products are part of a larger set of transnational economic activities migrants perform and represent;
- A distribution network exists connecting small and large manufacturers and producers with home country distributors, U.S. importers and middle men, among others;
- The stores increasingly modernize their business operations and directly or indirectly stock their products with U.S. products and imported nostalgic products.

**SEPTEMBER 30, 2008**

This publication was produced for review by the U.S. Agency for International Development. It was prepared by Manuel Orozco of the Inter-American Dialogue. Research assistance provided by Nancy Castillo and Mary Evans.

## **Saudade: the chewing of identity or eating your country, with love**

The tradition among immigrants of consuming home country goods is not a new phenomenon; it is a practice that serves as an affirmation of one's sense of belonging to that which they call homeland. However, as migration intensifies in global scale and transnational networks are better established, migrants seek to adjust to life away from their homeland by adapting and adopting different social and economic practices that reconcile with those from the home country. Importing home country goods by relying on networks of ethnic retailers and international food and crafts distributors is an example of this process of adaptation and community formation.

The demand for and acquisition of nostalgic goods function as a manifestation and expression of three realities that shape immigrant life: community, identity and transnationalism, with very direct implications on economic development for both the U.S. and the homeland. First, these goods are instruments or components of global villages where migrants are living and forming communities of minority and/or ethnic neighborhoods that include convenient nearby stores and commerce servicing migrant labor. Migrants, as the primary but not exclusive consumer of these goods, rely on a network of ethnic stores that supply their needs. Second, the nostalgic goods are a material representation of cultural and national identity that affirms two fundamental realities: a national

attachment and belonging, often manifesting into a diasporized definition of self, and a permanent reminder of forming the Other-as-migrant in the host society, recalling with nostalgia, *saudade*, the place they come from. As such, the motivations and rationales that explain their demands are primarily those of nurturing their identity. Third, these goods are in the most material and practical sense another component of transnational economic links formed by migrants that help integrate countries into the global economy. They are associated with hometown associations, remittances, and transnational families, which in turn, constitute important building blocks of economic transactions and relationships.

### **The Demand of Migrant Populations**

The large majority, if not all migrants (90 percent), are consuming a wide variety of commodities, of which the majority are food products purchased near their communities. There is not a uniform and well-defined type of product that everyone buys, but rather a relatively extensive selection of products. Except in the case of Ethiopian migrants, even the most preferred products they buy are generally less than 30 percent of all products consumed. While everyone may be buying tortillas or curry, the foodstuff is one of a large group of commodities.

The significance of these acquisitions is not negligible. The annual expense of nearly one thousand dollars by 90 percent of migrants purchasing home country goods is

in the billions of dollars. More importantly, despite the wide range of products demanded, they paradoxically appear as the 'non-traditional' type within the export line of products that these countries send to the U.S. These non-traditional exports may represent only a small portion of total exports to the U.S., but they are the most consumed products of their own diaspora.

When migrants were asked what motivates their choice to buy these goods, the majority said simply that they 'like it' and another group responded that it was because the product was unique to their country. Most people connected to the product itself rather than the country. What this shows is that national identity is not affirmed through the symbolism of belonging to a country, but through the perceived uniqueness of the commodity.

A regression model tested the relationship between the number of goods bought and migrant related factors. The results show that in the case of acquisition of goods and rationales justifying their purchase, the number of stores where the purchase is made and the percentage of daily consumption that they comprise are statistically significant. It is also worth noting that the quality of the good and the cost relative to US made items are positively associated with the number of items bought.

Among transnational and demographically related factors, the following are statistically significant: length of time living abroad, citizenship, gender, age, and income level. Moreover, the results show that the

longer the migrant lives in the host country and the higher his or her income is, the less likely he or she is to buy more than 3 items. However, those who have obtained citizenship and also older people are more likely to participate in nostalgic trade.

## **The Supply Side for Nostalgic Goods in the Migrant Community**

The demand for these goods is met by an important range of business that, in turn, relies on a network of distributors that buy the commodities from the various home countries. This network has facilitated a gradual transition from a reliance on the informal acquisition of the goods to a more formal process compliant with current trade regulations. Overall, interviews showed five major issues resulting from their work servicing nostalgic commodities with migrant clients:

- There exists a large market for a wide range of ethnic products, supplied mainly by small, minority-owned, ethnic stores.
- These ethnic stores are supplied by an extensive network of domestic and inter-mestic distributors that interact on multiple levels and in diverse ways.
- The stores have an intrinsic or organic relationship with the communities they serve.
- Stores are seeking more modern and sophisticated approaches while continuing to meet their clients at the grassroots level.

- Ethnic stores also seem to be relatively vulnerable to the external environment.

Overall, the businesses participate predominantly in a mixture of foreign and domestic goods' acquisition, some relying more on foreign goods than others. Moreover, these stores are increasingly focused on performing business operations with less traditional strategies in marketing or outreach, and client service.

## **Leveraging Nostalgia Through Enhanced and Improved Foreign Trade**

These demands for home country goods have important implications for development both in the home country and in the United States as well. The impact of nostalgic trade on development is demonstrated by the size of the demand and the volume of imports resulting from the consumption of predominantly foodstuffs, as well as by a significantly established network of suppliers and distributors. More importantly, these commodities are increasingly setting footprints in most cities in the United States.

There seem to be opportunities to leverage nostalgic goods through strengthening trade ties. For example:

### **Product quality control and development**

Nearly fifty percent of migrants agreed that quality is among the most important reasons to buy these goods. Therefore, the reliance on such foreign commodities will depend on the consistency of their quality rather than its delivery.

Promoting better product quality is a principal component of trade capacity, whether through improved labeling or other attributes of trade quality.

### **Expansion of new products and labels**

Most migrants from all nationalities expressed that despite having their demand for current products satisfied, they also wanted to import other commodities. Some of these commodities may be already developed whereas others have yet to enter formally in the global market. Similarly, there are lesser-known products with unfamiliar labels that may have a market opportunity with consumers.

Improving market research, obtaining credit and technical assistance for producers about how to meet the demand in the diaspora are among those areas where international cooperation can insert nostalgic trade into the broader agenda on trade promotion and trade capacity.

### **Improving competitiveness**

The elements mentioned above are integral to a country's competitive capacity. However, learning and improving knowledge of what else can make a producer more competitive in the global economy is part of trade capacity. Some producers and distributors from El Salvador, for example, expressed that free trade rules have made nostalgic exports more difficult due to the compliance with rules they were not familiar with. Technical assistance in this area can help producers and distributors improve their competitiveness.

## **Improving distribution**

One-third of migrants had difficulties in buying their products, mostly because they couldn't find them. The unavailability of the product relates to an incomplete knowledge of the demand for foreign goods. Supporting market research and promoting products can help improve distribution of such commodities.

These are some issues identified as opportunities to further leverage the demand for nostalgic goods. The lessons resulting from this study are larger, however, and subject to greater discussion and reflection through continued research, issue exploration and data mining.

### **DISCLAIMER**

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