

# Involution and co-ethnic exploitation in ethnic entrepreneurship

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Researchers investigating immigrants' economic practices celebrate ethnic entrepreneurship as an alternative socioeconomic mobility strategy: Immigrants seize emerging market opportunities and utilize ethnic resources to achieve economic advancement when their entry into the mainstream labor market is blocked by language barriers or discrimination. However, ethnic business can be exploitative and thereby constrain migrants' social economic mobility in the host society. This is especially likely when ethnic business is used as a channel for labor migration in a restrictive migration regime, trapping migrants in a narrow economic niche. Excessive concentration in one type of business leads to involution, characterized by low road competition within the community and diminishing returns. This study uses the case of Nepalese immigrants' restaurant business in Japan to illustrate this pitfall of ethnic entrepreneurship. It highlights the roles of the immigration regime and the migration industry in creating involution. The paper argues that an involuted ethnic business creates increasingly precarious situations that aggravate co-ethnic exploitation and fragment ethnic community.



Gracia Liu-Farrer (Ph.D. Sociology, University of Chicago), is Professor at the Graduate School of Asia-Pacific Studies, and Director of Institute of Asian Migration at Waseda University, Japan. Her research examines immigrants' economic, social and political practices in Japan, and the global mobility of students and professional migrants. She is the author of books *Labor Migration from China to Japan: International Students, Transnational Migrants* (Routledge, 2011), *Handbook of Asian Migrations* (co-edited with Brenda Yeoh, Routledge, 2018), and *Immigrant Japan: Mobility and Belonging in an Ethno-nationalist Society* (Cornell University Press, 2020). She has also published over 50 book chapters and journal articles in leading migration and area studies journals.