Culturally Driven Ethnic Philanthropy:

An Example from an Immigrant Entrepreneur Philanthropist in Pre-State Jewish Palestine

**Abstract**

The dominance of socio-economic perspectives in research on immigrant entrepreneurs means that non-business-related phenomena are rarely investigated. Thus, little research has demonstrated an empirical and conceptual connection between immigrant entrepreneurs and ethno-centric philanthropic activity.

Accordingly, there is a sparse literature regarding the social effects of philanthropic gift-giving on ethnic minority communities. However, studies suggest that co-ethnic entrepreneurs gain access to social capital through volunteering and ethno-centric philanthropy.

There are opposing arguments in the literature regarding the role of ethnic philanthropy in gaining social capital. On the one hand, ethnic philanthropy intensifies co-ethnic social networks and thus fosters immigrant ethnic identity. On the other hand, ethnic philanthropists accumulate social capital which in turn promotes their upward socio-economic mobility.

Given the contradicting arguments found in the literature regarding the correlation between ethnic philanthropy and social capital, a more integrated perspective based on diverse case studies is needed. Further, there is a lack of discussion on the cultural and identity-building processes that are involved in the ethno-centric philanthropy of immigrant entrepreneurs.

Based on archival materials and interviews with key informants, this article analyzes an ethno-centric philanthropic initiative of a scholarship fund for Sephardic youth. The scholarship fund was founded and run by a Thessalonian Jewish immigrant [provide name?], a bank founder[[1]](#footnote-1), in pre-state mandate Jewish Palestine (1938-1945). The Thessalonian Jews ethnically pertained to the Sephardic[[2]](#footnote-2) Jewish community.

Compared to the literature on ethno-philanthropic social capital, this article demonstrates that the scholarship funds supported two intertwined cultural orientations related to ethnic philanthropy: one inclusive and one exclusive. In this instance, cultural orientations include intertwined practices, justifications and interests which underlay the philanthropic activity and which enabled both the bank's founder and the co-ethnic Sephardic Jews to bridge their social networks and resources.

The inclusion-driven philanthropic initiatives sought to promote the upward socio-economic and political mobility of the Sephardic-Jewish community into the pan-Jewish minority community in pre-state Jewish Palestine. Additionally, this initiative identified with the political elite of the pan-Jewish minority, which the bank's owner and his Thessalonian fellows strove to be associated with. In this sense, inclusion-driven ethnic philanthropy contributed to the formation of the national Zionist ethos.

However, exclusion-driven ethnic philanthropy sought to maintain a particular identity and foster the community cohesion of the Sephardic-Jewish immigrants. Thus, it also sought to maintain and instill the Sephardic-Jewish heritage in the following generations.

The cultural orientations of [give the individual’s last name] ethnic philanthropy were embedded in a long-standing tradition of charitable giving rooted in the Thessalonian Jewish community and the emergent Zionist ideology. The intertwined cultural orientations gave birth to a two-faced ethnic identity tied to Jewish nation-building in Palestine, which combined into an ethnic-national identity. Specifically, the cultural orientations which underlay the instance of ethnic philanthropy studied here contributed to the constitution of a particular Sephardic-Zionist identity.

1. The bank was called Palestine Discount Bank Ltd. at the time of its establishment in 1935. [↑](#footnote-ref-1)
2. The Sephardic Jews were the descendants of Jews expelled from Spain (“Sepharad” in Hebrew) in 1492, who then resettled around the Mediterranean, in Italy, the Balkans, North Africa, Palestine, etc. The Ladino-speaking Sephardic Jews were culturally and linguistically distinct from their Ashkenazi counterparts, i.e., the mostly Yiddish-speaking Jews of Central and Eastern Europe. [↑](#footnote-ref-2)