



# The Economic Influence of Palestinians in Chile



By Jorge Daccarett

**P**eople migrate in search of a better life. In times of crisis, whether economic or political or both, people leave their countries looking for a better quality of life for their families, and to develop and thrive. At the beginning, this migration

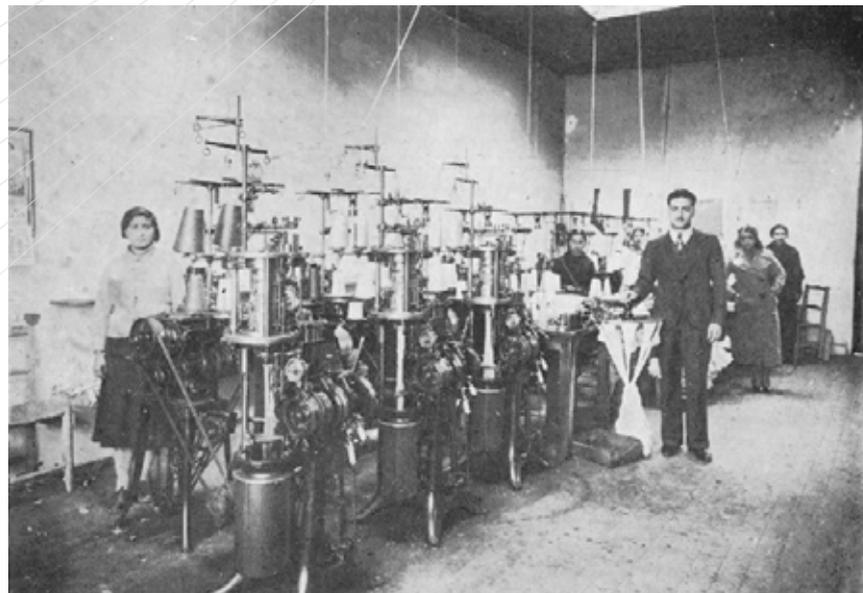
is “for a few years”, until they can return, in the interim sending money back home to support their families. In some cases, these migrations are the first steps of the permanent movement of people who build new lives in foreign countries, adopting them as their own after a couple of generations.

In the last few years, this has been the case with millions of Syrians, Venezuelans, and Haitians who have left their countries to work in foreign lands. This was also the

case with millions of Levantine Christians (Syrians, Lebanese, and Palestinians) who came to Latin America beginning in the late 1890s, originally motivated by the harshness of Ottoman rule, later by the crisis of World War I, and then by the events of 1948 and of 1967. This migration continues to this day.

Palestinians have immigrated everywhere: to Jordan, Kuwait, the United Arab Emirates, Japan, Australia, the United Kingdom, California, Honduras, Colombia. But the country that has hosted the largest Palestinian population outside of the Arab world has undoubtedly been Chile.

The initial roads to Chile have been diverse. Some Palestinian migrants followed the classic route of Syrians and Lebanese to Brazil and Argentina, but once there, they looked for new frontiers and crossed the Andes Mountains, riding horses and donkeys, to arrive to the new land. Others started their journey in France and from there they expanded



**Palestinians arrived in Chile without knowing the language, without any capital or employability, but with the values of entrepreneurship and education. In 120 years, they have worked hard to win the hearts of the Chileans, becoming an integral part of the socioeconomic fabric. First as door-to-door traders, then as small-shop or factory owners, and becoming key players in Chile’s textile industry and banking, the half a million Chileans of Palestinian origin are now an influential and integrated community of professionals and businesspeople all over the country.**

their businesses to Honduras, Colombia, Peru, and Bolivia, where they heard about Chile, its weather, stability, and good business environment, and decided to explore this new country.

Regardless, the first Palestinians arrived in Chile without much knowledge of the place or the

One of the first textile factories in Chile owned by Palestinian immigrants.



A handbag factory named "Iris" in the early 1940s in Santiago, Chile, owned by Arab immigrants.

language, and in many cases without any capital. But they all brought a strong will to succeed, and a natural ability for entrepreneurship.

Back then, immigrants did not have the support of governments as they do nowadays. Palestinians in Chile received neither free education, nor healthcare, nor housing. There were no public institutions speaking their language. Instead, Palestinians created strong solidarity networks within the small, growing community, through which they supported the newcomers by making their arrival easier, and by helping them set up homes and start businesses.

The early stages of Palestinian economic life in Chile were difficult. As they arrived with Ottoman passports, they were called in a derogatory way "Turks", which was a paradox as they were fleeing precisely from the Turks. Chilean

upper society treated Palestinians very differently from European immigrants who were rapidly adopted as part of the society: Italians, Basques, British, and even Croats were incorporated in their social circles and were offered jobs in their companies. German migration was promoted by the Chilean government, with German families receiving lands to colonize in the south of the country.

This differentiation marked the starting point of the economic development and influence that the Palestinian community has had in the country for more than 120 years.

Without command of the language or employability, but with the skills of entrepreneurship and a support network, Palestinians became "self-employed": they started their own businesses. In the beginning, they worked in trade, selling from door to door. They moved all over

the country, selling their goods in small towns and villages, in the countryside, in mining operations - everywhere where there were workers.

Their customers were not the upper-class society that rejected these "Turks". Rather, they focused on the lower segments of the population that needed basic items for personal hygiene, clothing, sewing, and - as it was their slogan - "anything you might need".

Instead of making customers go to the store, Palestinians would become the first "delivery" service to bring the goods to their customers' working places or to their houses.

In another striking innovation, Palestinians would give credit to the lower classes, something their customers could not even dream of; traditional store owners only sold on cash or, even worse, they deducted the amounts directly from salaries, as wealth in Chile was highly concentrated in a few families that owned companies, banks, and lands.

Palestinians would write by the customer's door the name, date and amount of the debt, so as to charge the installments on the weekly visit. Upper-class store owners would even say that these "Turks" had some special codes that they wrote on their customers' houses. Of course, they wrote in Arabic!

And how could they make sure that they were going to be paid back? It was the humble and friendly personality and character of the Palestinian, who took the time to talk with his customers, to learn about their lives, care for their families, and share his own stories. Palestinians started to win the hearts of the Chilean people. They were accepted

**Palestinians in Chile were innovators: they started the first "delivery" service to bring products to their customers' homes, they gave credit to the humblest people who did not have access to financing, and they cared for the families of their workers. They integrated into society and became one of the leading immigrant communities in the country.**

as part of their communities and became integrated, well loved, and respected.

In the 1930s, businesses started to grow. Palestinians would send letters back to their homeland to tell the good news, and to invite their families to come and help, as there were promising jobs awaiting. Chile was a well-known place in the cities of Bethlehem, Beit Jala, and Beit Sahour, from where many young men started to travel to work with their relatives.

The community in Chile was growing, and it was also blessed by the first Chilean-born Palestinians. According to Chilean law, every person born on Chilean soil is a Chilean citizen. Even though they were of 100 percent Palestinian blood, most had Spanish names, and even though they were raised with some of the Palestinian

traditions and values at home – specially the food – they were Chileans who grew up with Chilean friends in school, whose language was Spanish, and whose mentality was Latino.

Palestinian immigrants did not want their Chilean children to go through the same experience that they did in the beginning. They understood that the best way to strive and develop was through education, so they spent most of their earnings on the education of their children in the best schools and universities.

Half a century after the arrival of the first immigrants, Palestinians in Chile took two different paths. Those who lived in the cities and villages of the provinces settled down and invested in their own stores, which later became the most prominent outlets in those communities. They were highly respected families and became key players in the development of their cities and villages. This is how the saying came about that “in every small town or city in Chile, there is a municipality, a church, a square, and a Palestinian”. The Palestinian economic influence was beginning to take shape.

On the other hand, the Palestinians who lived in the capital city of

Santiago started to take advantage of the economic momentum. During the 1950s, Chile promoted the industrialization of the country through the “Import Substitution Policy” which included government support on taxation and credits for capital goods. This opportunity was leveraged by the Palestinian community to start their own small factories, with handbags, clothing, and plastics being their favorite items.

But the industry that became a trademark for the Palestinian community in Chile was textiles. It started on a small scale, but then – some say by imitation – more families built textile companies that were key players in the Chilean economy. Their factories even had neighborhoods to provide housing for the workers, and regular urban bus lines even had their names as they brought workers from other places to their plants.

Families like Yarur, Sumar, Said, Hirmas, Comandari, and others were very well-known names in the country. And even though they had operations worth billions, the company owners typically were the first immigrants that had started from scratch. They remained faithful to their ancestral values: they had lunch everyday with the workers as one

Urban bus line taking workers to the Yarur and Sumar family textile factories in Santiago.



The main office of the BCI Bank in the El Golf district in Santiago. Founded in 1937 by a Palestinian from Bethlehem, it is now the third largest bank in Chile.

of them, asking about their families, and knowing them personally by name, thus becoming well-loved and respected bosses.

In the late 1960s, Palestinian families were leaders in the textile industry in Chile, widespread and nationwide retail operators, and owned three of the major banks, thus becoming highly influential economically and politically.

After the economic crisis in Chile during 1970-1973, and again in 1982, when many companies in Chile were bankrupt, Chilean-born Palestinians of the new generation, from the 1980s until today, have become highly skilled professionals in every sector of the economy, as doctors, lawyers, engineers, business administrators, architects, etc., shifting the economic power of the community from trade and

industry to the professional arena. As an example, just recently a foodtech start-up co-founded by a Chilean-Palestinian engineer became the first Chilean “unicorn”\* with a billion funding deal in New York.

After 120 years, the Palestinian community is present in every field of the Chilean economy, with a diverse socioeconomic situation. Mainly an upper-middle-class professional community, the Palestinians in Chile keep their forefathers’ values of entrepreneurship and education but are now fully incorporated and highly respected in the Chilean society.

As opposed to the Palestinians in the Gulf, who do not hold their host countries’ citizenship but keep their language, the Palestinians in Chile are Chileans by nationality and do not speak Arabic. Along with the language, they have lost a big part of the ancestral culture and traditions, but never the sense of pride of belonging to the land where they come from: Palestine.

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\* “In business, a unicorn is a privately held startup company valued at over US\$1 billion.” Wikipedia