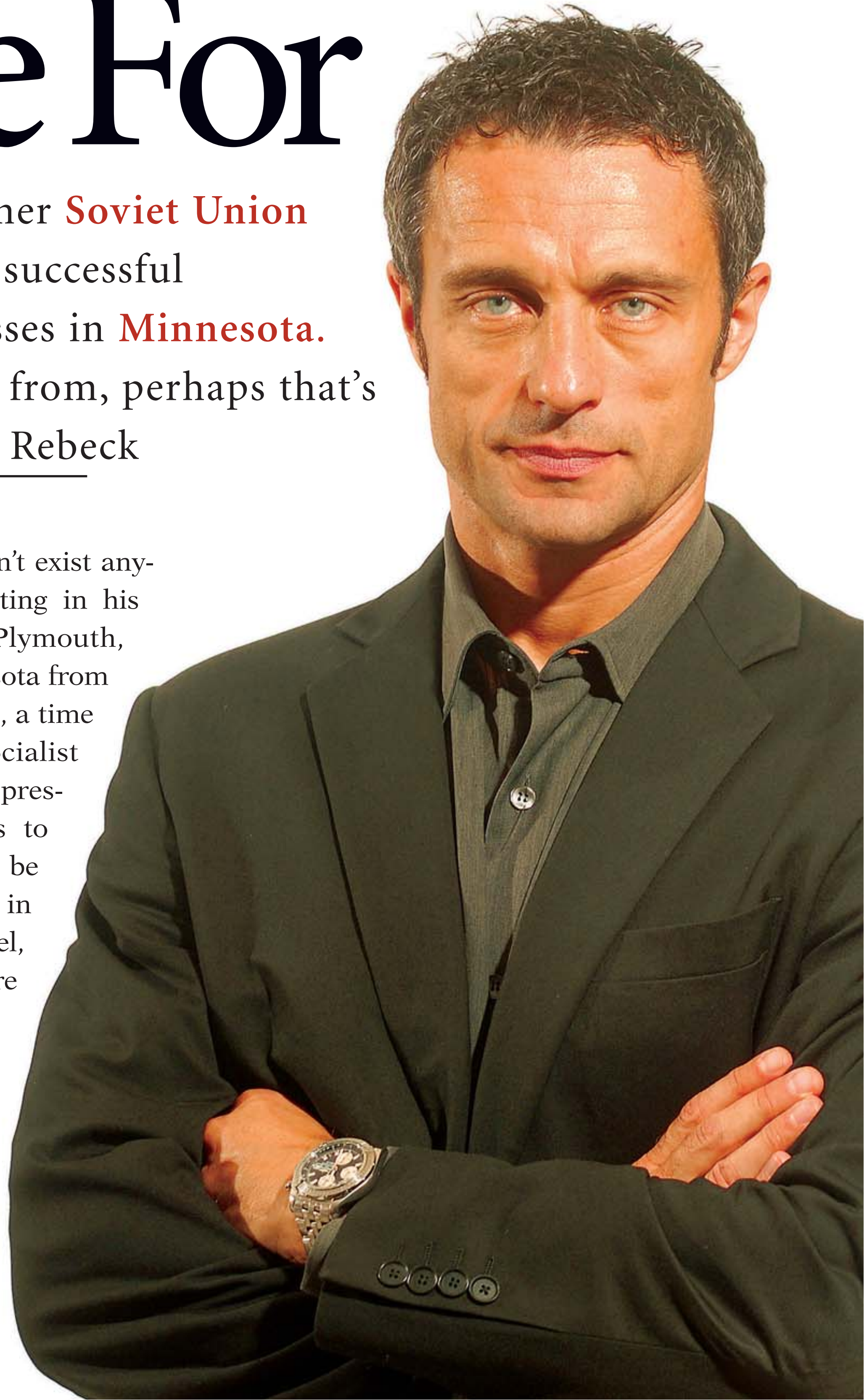
As Seen in November 2007 TwinCities BUSINESS

What We Came For

Emigrés from the former **Soviet Union** have been remarkably successful at establishing businesses in **Minnesota.** Given what they came from, perhaps that's no surprise. *By* Gene Rebeck

"I come from a country that doesn't exist anymore," Mark Stipakov notes. Sitting in his office near Highway 169 in Plymouth, Stipakov recalls coming to Minnesota from Leningrad at the age of 26 in 1979, a time when the Union of Soviet Socialist Republics, under international pressure, allowed its Jewish citizens to emigrate. (That window would be shut after the Moscow Olympics in 1980.) While many opted for Israel, Stipakov decided the USA was more his style.



IGOR EPSHTEYN

"If you want to build something on your own, this is the best place to be."

MARK STIPAKOV

"I really enjoy working with immigrants. They want to succeed, they want to find a good place to live. I can relate to them. And that's where I've been successful."

So how did he end up in Minnesota? Stipakov smiles: "That's still a mystery to me." Back in Russia, he'd seen pictures of Seattle, and dreamed of living there. But the nonprofit that was helping him move sent him to St. Paul instead. "I was from a northern city, and maybe they thought that, climate-wise, it would be appropriate for me."

In any case, Stipakov has made himself at home in Minnesota. He arrived here with a business degree, but little English and no family connections. Yet within a few weeks, he'd found a job at Kramarczuk's, the legendary Ukrainian delicatessen in Northeast Minneapolis. A friend later helped him get a job as a technician at Control Data, where he eventually became a programmer. In 1984, he earned a realtor's license, worked for Century 21 and Counselor Realty for six years, then opened his own brokerage, Jem Properties. Starting as a residential broker—his clients were primarily immigrants, and not solely from the USSR—Stipakov branched out into commercial properties as well. His Ukraine-born wife, Bella, works in the office as a mortgage agent.

Besides doing real estate brokerage work, Jem Properties owns and manages the Willow Grove Shopping Center, a 30,000-square-foot retail strip occupied by small retailers and restaurants with a notably multi-ethnic flavor: a Russian art gallery, a Chinese restaurant, Vietnamese and Indian grocery stores. "It's like a small United Nations here," Stipakov says.

In a sense, Stipakov's hometown no longer exists either, since Leningrad has reverted to its original name, St. Petersburg. Indeed, large parts of the former Union of Soviet Socialist Republics have new identities as independent nations, which contributes to the difficulty of determining how many Soviet- or Russian-born people reside in Minnesota. It's probably simpler to think in terms of Russian-*speaking* immigrants.

Whatever the description, the community is smaller than that of Hispanics, Southeast Asians, and various African groups in Minnesota, groups whose presence, particularly in the Twin Cities area, is more visible and familiar. Russian-speaking immigrants have been able to blend in with Minnesotans of European descent.

Like other immigrant groups, they've shown themselves to be highly entrepreneurial. Their motivations, however, are the products of a distinct culture and era. Starting a business isn't the only reason that Soviet and Russian émigrés have come to Minnesota, but it does reflect the mentality of nearly all of these newcomers—the desire to make their own lives, liberated from ideology and the rigid whims of bureaucrats.

VLADIMIR SIVRIVER

"What I loved about Minnesota when I came here: It gives you the opportunity to start from zero."

PHOTOGRAPHY *by* PETE CROUSER

A Community Mirror

Down the hall from Stipakov's real-estate business is the office of Leo Girchener, who came to Minnesota from the former Soviet city of Kishinev, now Chisinau, the capital of a new country, Moldova. Along with his wife, Marianna, Girchener owns a printing and publishing company Zerkalo, Inc.—*zer-kalo* is the Russian word for "mirror"—and is one of the best-positioned Minnesotans to comment on the state's Russian-speaking community.

From his office, which is playfully decorated with Soviet Constructivist posters of Lenin and cheerful workers, Girchener puts out several Russian-language publications. They include a monthly magazine and an annual business directory that caters to Minnesota's Russian speakers—advertisers include many non-Russian-owned companies. In addition, Zerkalo publishes a local newspaper that's written mainly by members of the local Russian community, plus a nationwide monthly newspaper that has inserted sections of local news for communities in other states.

A Minnesota resident since 1990 and a business owner since 1991, Girchener came to the United States with his family "to establish a future. This is number one. And number two, I graduated from the 'university of the printing business.' I was working as a chief manager in a big printing job. Whenever I tried to take my own initiative, every time, it was limited." In short, "there were very limited opportunities to grow your own business or to improve the job that you had."

Not the case in Minnesota. Girchener says that "the Russian community in Minnesota is in second place after Los Angeles in terms of [Russian] people who own their own businesses. This means that in Minnesota, there's a high level of educated [Russian-speaking] people. Most of our community [consists of] people who graduated from university, college, and business school. In my opinion, 80 percent of people who came from

Going Home, Sort Of

A Minnesota business owner looks to his native land for help.

Igor Epshteyn grew up in the Soviet republic of Belarus, now an independent nation. He came to the U.S. in 1992.

"In my case, it was a combination of trying to get better opportunities in life," he says. "Plus a lack of knowledge of America combined with some naiveté, maybe. America was always a distant country to us, not very well known, with lots of dreams and lots of big clouds around it."

He worked in software engineering in New York, San Francisco, then the Twin Cities. Following stints with several local companies, he started his own, Coherent Solutions in Minneapolis, which provides IT consulting and support services, mostly to corporate software departments.

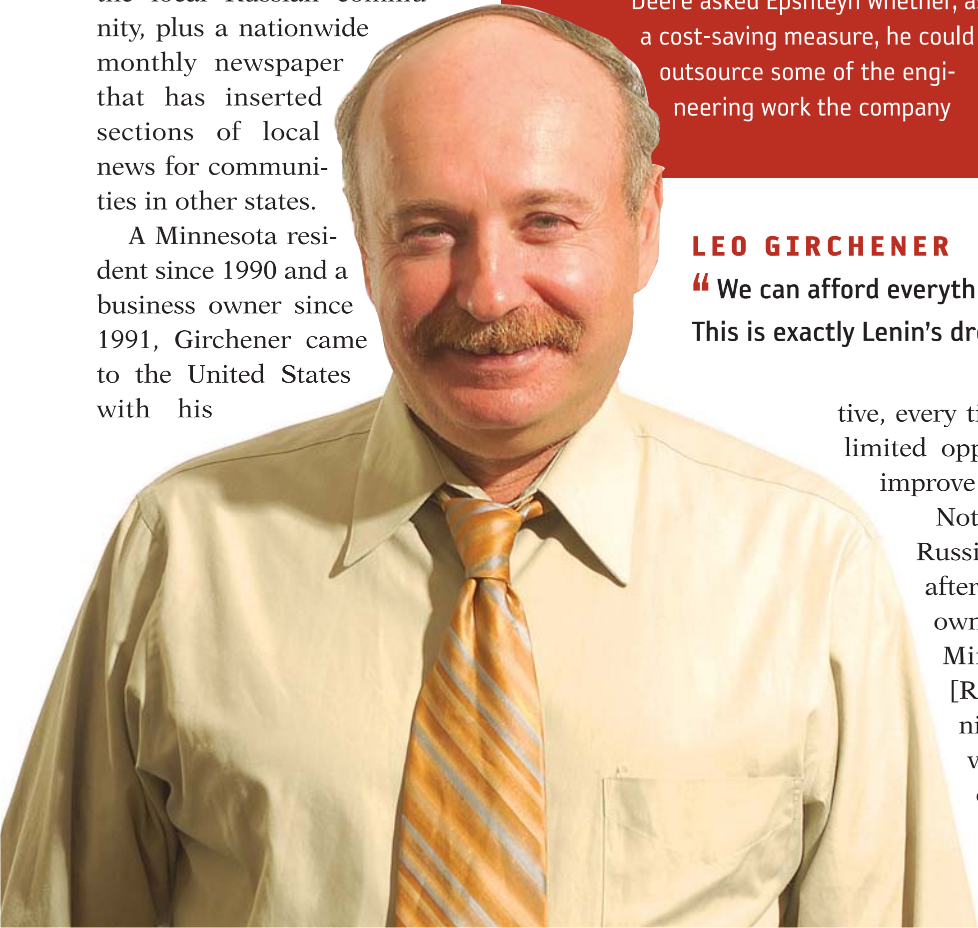
His business prospered during the heady days of the tech boom, at one point managing about 50 consultants. After the bubble burst, Coherent Solutions was able to hold on, thanks largely to layoffs and to accounts with big customers, including Illinois-based John Deere and the Minnesota Department of Transportation.

Deere asked Epshteyn whether, as a cost-saving measure, he could outsource some of the engineering work the company was doing with him. He went to Minsk, the capital of Belarus, and ended up purchasing an IT firm there. That may have saved his company. There now are 150 people working in Coherent Solutions' Minsk operation, most of them engineers and coders; Epshteyn's downtown Minneapolis office, which primarily handles client management, employs about 20.

In working with developers and coders in Minsk, Epshteyn has tapped into the former Soviet Union's strong history of science education. "I think that the school system that was established in the Soviet Union was very, very strong," says Epshteyn, who earned an engineering degree there. "The engineering base in the Soviet Union was very strong. The same for math."

Not that Epshteyn plans to return to Belarus himself. Perhaps many of his employees there have dreams like those he had. "I think that if you just want to work for somebody and take two months of vacation and have a great lifestyle, Europe is probably a better place to be," Epshteyn says. "If you want to achieve something, if you want to start a business, if you want to build something on your own, I think this is the best place to be."

—G. R.



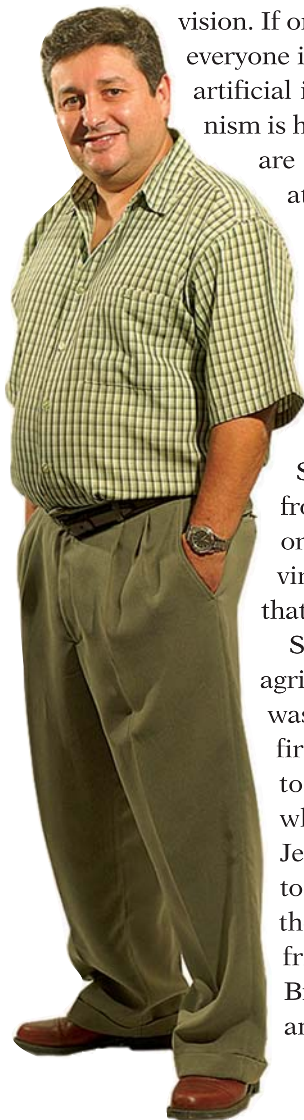
LEO GIRCHENER

"We can afford everything. This is exactly Lenin's dream."

Russia or [former Soviet] countries like Belarus or Ukraine, in five years, they have their own houses [and] own businesses."

The businesses that Russian-Americans start, Girchener says, are typically in real estate and financial services. Many also operate very small service businesses, such as hair salons or home health care. "A lot of people, because of their medical education, become RNs and [go into] other medical fields," he notes. "[There is a] very high percentage of computer programmers, and businesses like car repair, dealerships."

With a touch of wit, Girchener expresses his belief that the United States has actually fulfilled the Soviet vision. If one definition of communism is that everyone is equal (though that "equality" was artificial in his homeland), "I think communism is here [in America]," he observes. "We are all businesspeople. And we are all at the same level. Some people make a couple thousand more, some a couple thousand less. But we can afford everything. This is exactly Lenin's dream."



ALEX UGORETS

Russian workers "have better working habits. They're more educated, and they're more loyal. They're just better workers, period."

"From Zero"

One of the phrases that Vladimir Sivriver frequently uses is "starting from zero." He says it without anger or regret: He believes that one of the virtues of his adopted homeland is that one needn't stay at zero for long.

Sivriver graduated in 1985 from the agricultural university in Chisinau. It was a good school, he says, but not his first choice. "I was advised not to go to the Polytechnical University," which he says had an unspoken Jewish quota of 0.5 percent. "I went to the agricultural university, because the head of the university was a friend of Soviet Premier Leonid Brezhnev, and he said, 'I don't have any quotas.'"

Anti-Semitism wasn't the only reason Sivriver wanted to leave the Soviet Union. He loathed the way "business" was done under communist rule. Bribes and other under-the-table transactions were common. "It's how people were able to better their financial situation," he says.

His own background pointed in a different direction. "My father grew up in capitalism. His family had a factory that produced shearling hats." In 1940, the Soviet government took away the business; his father later became an architect. "My father's mentality was always capitalistic rather than socialistic—having something to sell."

Sivriver soon displayed his own capitalist tendencies. After graduating from university, he worked for several years as a hydraulics engineer for a water research company in Moldova. Then in 1989, he did something unusual for a Soviet citizen—he started a business, a publishing company called Infotrade. Noting the interest his fellow Moldovans had in all things American, he put together an English-Russian language guide. He sold all 100,000 copies he printed. But there was a downside to his success—the suspicion and jealousy displayed by many of his "comrades," subtly and not so subtly.

BORIS PARKER

"The driving forces [of emigration] basically remain the same, with economics or a better way of life playing a more prominent role."

"The more I was becoming successful, the more I was recognized by the mafia," he says. "So what's money worth if you're dead?"

Once, he flew out to Moscow on a same-day round trip. When he came back to his apartment, he found that it had been ransacked by burglars. "So somebody knew there was some money inside."

Arriving in the Twin Cities in 1991, where his sister was already living, Sivriver started "from zero"—no job and little money—and worked his way up. "The second day I came here, I did dishes at the Park Tavern," a St. Louis Park bar and grill. He later got a job teaching swimming at the Jewish Community Center in St. Louis Park.

Meanwhile, he hunted for engineering work. In 1993, he was hired as the crew chief of the engineering department for the south-central Minnesota city of New Ulm, where he spent five years. New Ulm's residents, he says, were "happy that a Russian could survive in a German town." Having earned a civil engineer's license, Sivriver returned to the Twin Cities to work for an engineering consulting company. He also opened a Russian language school called Bookvar, which started with eight families and grew to 80. In 2000, he obtained a land surveyor's license.

Four later years, Sivriver started another business, this time in his field of training. His company, EDS (Engineering Design and Surveying), began by doing small projects, mostly surveying work for small-house construction.

"It doesn't pay very well, but we got started," he says. Soon, he was getting larger projects, many from bigger engineering companies. This year has been his company's most successful so far: Having pulled in just six projects in 2004, it had 120 last year and 130 as of late August.

With his previous employer, Sivriver engineered bridges for the Minnesota Department of Transportation, and built relationships that he hopes will result in more government work. EDS currently works with developers and construction companies on projects including road design and subdivision lot layout. He also continues to operate the Bookvar school at EDS's Golden Valley offices.

"What I loved about Minnesota when I came here: It gives you the opportunity to start from zero," Sivriver says. "I've had ups and downs two or three times in my life. I end up being at zero, and I then end up twice as successful as I was before. This society gives you opportunity, and gives that opportunity to everybody."

The Russians are Here

But how many are there?

Barbara Ronningen of the Minnesota State Demographic Center estimates that 12,500 Russian immigrants had come to Minnesota between the collapse of the Soviet Union in 1991 and 2004. In 2005, she says, about 800 more have arrived. (There are no data yet for 2006.) But Ronningen notes that her numbers don't count people who arrived here before 1991. Nor do they count Russian speakers born in former Soviet regions that are now independent countries, such as Ukraine, Moldova, and Kyrgyzstan. In addition, they don't account for any native-Russian speakers who have died or left the state since immigrating.

Though precise numbers are hard to come by, U.S. Census figures provide a relative measurement of community size in Minnesota:

Community	2000	1990
Latinos	143,382	53,884
Hmong	45,443	16,833
Russians	35,513	31,900
Vietnamese	20,570	9,387
Laotians	11,516	6,381
Somalis	11,164	n/a
Cambodians	6,533	3,858
Ethiopians	5,413	n/a

The census numbers come with some caveats. They include immigrants' U.S.–born children. They also count U.S.–born adults who check the Russian ethnicity box on U.S. Census forms, but not émigrés from other former Soviet countries. The Census Bureau does specify a 2000 population of Minnesotans who were actually born in Russia of 6,061.

Minneapolis attorney Boris Parker, a Soviet native who has long been active in the Minnesota Russian-speaking community, estimates that its total size ranges from 50,000 to 60,000, of whom 20,000 are Jewish.

—G. R.

Making It in Minnesota

Alex Ugorets arrived from St. Petersburg in 1978 as a teenager; his parents came to Minnesota because of a relative who was already here, and because of the climate similarities with their hometown. A few years after graduating from the University of Minnesota with a degree in mechanical engineering, he got interested in making glass furniture. It soon became clear that he couldn't compete with established furniture manufacturers, so he became a project manager for a commercial-glass installation company. In 1988, he struck out on his own.

His company, Midland Glass, started by specializing in interior heavy-glass storefronts and mirrors for retail malls and other commercial structures—early customers included stores at Mall of America and Gaviidae Common. Now based in Hopkins, Midland Glass has become a full-service glazing contractor, handling projects for office buildings and industrial structures. In a competitive industry that's driven by low bids, the company has gained an edge by making or stocking a variety of specialized components, including stainless steel–cladded doors, curved aluminum extrusions and pipes, and customized sheet-metal fabrications.

Ugorets says his company has "grown significantly in the past five years." He credits most of that to his 20-person manufacturing staff—all of whom are Russian émigrés. When he started Midland Glass, most of his shop people were Americans.

"The Russians are like cancer—they squeezed the Americans out," Ugorets says. More seriously, he adds that "the Russian workers are more talented, more skillful. They used to not have anything back there. They never had materials, they never had tools. So if you give them materials, if you give them tools, they can get very creative and get very complicated jobs accomplished. They're not cheap, but they're reasonable. They have better working habits. They're more educated, and they're more loyal. They're just better workers, period."

American workers, Ugorets believes, tend to leave and "go to bigger companies where you're not so visible. At a smaller company, you know who does what." Most of his office staffers, however, are American born.

Ugorets himself proves to be a thoroughly American small-business owner in his criticisms of labor unions and the tax rates on small companies like his: “I know that I have to earn two dollars to make one.”

Here to Stay

How many manufacturers can claim a former Russian space-program engineer on their shop floor? Ugorets can. Yevgeny Sysoev—“Gene” here in Minnesota—was hired as a sheet metal fabricator in 2004 after arriving from the former Soviet republic and now independent nation of Kyrgyzstan, located between China and Kazakhstan. Sysoev says slyly that he wanted to come to the U.S. because he needed spare parts for his American-made car. He lucked out by winning the U.S.–held “lottery” for a permanent-resident card (or “green card,” though it’s no longer actually green).

Sysoev misses the mountains of his homeland, and his parents, who still reside in his hometown, the Kyrgyz capital Bishkek. What’s more, his technology background makes him eminently employable—and potentially well paid—in Kyrgyzstan. But he and his wife love Minnesota’s stable economy and culture, and see the state as a good place to raise their young family. In Kyrgyzstan, Sysoev says, poverty and crime remain high. He’ll visit, but he won’t go back.

It’s impossible to guess how many other Russian-speaking people will follow Sysoev to Minnesota. The Minnesota State Demographic Center estimates that only about 800 Russians immigrated to the state in 2005, the most recent year for which data are available. The lottery that allowed Sysoev to come to Minnesota was established through the United States Diversity Immigrant Visa Program, which allots 50,000 permanent-resident visas annually to countries, like Kyrgyzstan, that have low rates of immigration to the U.S.

One reason that immigration from Russia itself may shrink in the future is the state of the country’s economy. Russia has averaged gross national product growth of 6.7 percent per year since 1998. The boom has been driven largely by tapping the country’s oil and gas reserves, and by a parallel increase in consumer spending. But as Sysoev’s story shows, that’s not enough for everyone.

Boris Parker, a Leningrad native who came to Minnesota as a child in 1979 and is now an attorney with the Minneapolis firm Bassford Remele, has long been active in the local Russian-speaking community. In the late 1970s, he says, the basis for immigration was rooted in political and religious freedom, along with an accompanying economic component: particularly, a better life for one’s children. Parker’s own father gave up his profession in the USSR as a dentist, driving a school bus for more than 20 years in the U.S.

“The driving forces [for emigration] today basically remain the same, with economics or a better way of life playing a more prominent role, because freedom of speech and religion has improved dramatically in the former USSR, but not to the extent it is here,” Parker says.

Back at Mark Stipakov’s shopping center in Plymouth, another immigrant hopes to build a dream in Minnesota. Ratnakar “Ron” Pasumarty is a software engineer from southern India who’s been in the state for several years. He recently opened the Curry Leaf, a grocery selling Indian foods. He also plans to become a distributor of Indian foods across the Upper Midwest, and to open a restaurant next to his store serving “authentic Indian vegetarian cuisine.” (Local restaurants, he asserts, “Westernize” Indian food.) Pasumarty points to the number of nearby corporate offices that employ Indian engineers—General Mills, UnitedHealth Group—as sources of customers.

Unlike many immigrants coming to Minnesota, Pasumarty says, Indian engineers typically don’t plan to stay here; they’ve usually come over on non-immigrant employment visas. He himself plans to stay for a while. India has a faster-growing economy, but the U.S. still provides distinctive entrepreneurial opportunities.

Just ask his landlord. **TCB**

Gene Rebeck is TCB*’s senior editor.*

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