



CENTRE FOR THE STUDY OF THE
CHINESE SOUTHERN DIASPORA

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Ethnic Chinese in Europe
and Southeast Asia

AN OCCASIONAL PAPER

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Chinatown and Transnationalism: Ethnic Chinese in Europe and Southeast Asia

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This paper examines some conceptual premises of the notion of transnationalism in the light of work on Chinese in Britain and in Malaysia and Singapore.¹ It finds that in the communities studied, migrants are likelier than settled groups to identify transnationally.

Concepts and Definitions

(a) Chinatown

Chinese living in big cities overseas tended in the past to form compact and comparatively exclusive settlements known as Chinatowns, in which they resided, worked, and traded.² The classic ideal-type Chinatown was compounded by Lawrence W. Crissman from studies on Chinese societies in Southeast Asia and North America.³ Although Crissman's model is often criticised, even studies that adopt contrary approaches take their bearings by it.

According to Crissman, the same segmentary organisation underlies the "superficially different characteristics" of Chinatowns everywhere. The prime division is into speech groups, which correspond to discrete localities in China and therefore allow an expression of the sub-ethnic distinctions in geographical (or native-place) terms. Each speech community segments into sub-communities based on counties or villages. Surnames (of which China has relatively few in widespread use) are the basis for a further division. These two principles of segmentation, locality (or speech group) and surname, create a set of overlapping sub-communities. Communities of people from the same village are the basic units. They spiral upwards into ever larger communities, with their associated organisations, "until the level of speech communities and the total Chinese community is reached". The leaders of the "total" community settle disputes between Chinatowners, conduct Chinatown's affairs, mediate between Chinatown and the indigenous authority, "and even have what amounts to foreign relations with the government of China".

How can we explain Chinatown's worldwide "structural uniformity"? In China, the rural and the urban are closely interknit: the principles of "descent, locality and occupation" that order rural life are mobilised by rural migrants to cope with living in the cities. The same happens when Chinese villagers go abroad. Chinatown represents their projection onto alien settings of "traditional [Chinese] urban forms".⁴

Conceiving Chinatown as an extension of homeland practices was, for a time, quite commonplace. In the 1950s, G. William Skinner and others studied "overseas Chinese" societies as a substitute for China, rendered inaccessible by the revolution, and used them to explain Chinese society itself.⁵ Stanford M. Lyman (1974), writing about the United States, noted that Chinese social organisation

"was transplanted overseas".⁶ Bernard P. Wong (1982) traced the associations of America's Chinatowns back "to traditional principles of social organization ... in the home communities of the early Chinese immigrants".⁷ Wang Gungwu (1994), commenting on Chinatown in general, said that a core of Chinese values "followed the urbanized traders and artisans when they traveled to foreign parts".⁸

The idea that Chinatown copies structures that rural sojourners export to urban China is ingeniously neat and architectonically elegant, but ultimately deceptive. Migrants of many different national and cultural backgrounds form compact, seemingly atavistic settlements abroad, either because they like to live among "their own sort" or because government policy or racial discrimination drives them into enclaves. What's more, not all Chinese migrants set up Chinatowns.

Chinatowns arise where there is a felt need, where space obtains, and where Chinese occupational patterns permit concentrated residence. They are no pre-programmed propensity, like spider-webbing, but the product of complex interactions with host societies. Where circumstance requires and allows Chinatowns, Chinese migrants bring familiar principles into play. However, resort to them is a matter of choice and calculation, made according to expediency and need. Homeland forms are not mimicked in every detail. They undergo changes in adapting to new environments, and they start to die out with the migrant generation (as we go on to show). This paper perpetuates the term Chinatown (together with Chinaport, a variant rendering), but only for the sake of brevity and convenience.⁹ It takes none of the terms' implied content or associations for granted.

(b) Transnationalism

The concept of transnationalism has a shorter history. Masao Miyoshi (1993) drew attention to the evolution of "multinational" corporations (MNCs) into "transnational" corporations (TNCs),¹⁰ able through their web of investment networks in numerous countries to shift their operations across national borders.¹¹ Subsequently, Basch, Glick Schiller, and Szanton Blanc (1995) (writing about Caribbean and Filipino migrants to the United States) pointed up the complexity of the concept of migrant "belonging". They argued that the term "transnationalism" as previously employed by social scientists lacked specificity and failed to recognise that immigrants develop ideologies, life-styles, and networks that span homeland and host society. Defining it as "the processes by which immigrants forge and sustain multi-stranded social relations that link together their societies of origin and settlement", they argued that immigrants tend to "develop and maintain multiple relationships – familial, economic, social, organizational, religious, and political – that span borders". Both Miyoshi and Basch, Glick Schiller, and Szanton Blanc focus on the rights of individuals within nation states in an age of growing cross-border movement by corporations and people.

In its currently accepted definition, a transnational community is a social formation best exemplified by ethnic diasporas. It relates in the manner of a triad to its globally dispersed self, the states it inhabits, and its ancestral homeland. Its medium is the network, dynamised by new technologies. Multiple identifications and a cultural fluidity, represented as creolised or hybrid, mark its "consciousness". Economic transnationalism is mainly the province of global corporations, but ethnic groups are also players in the world economy, by virtue of their remittances to and investments in the homelands. Governments know the worth of this inward flow and play on the ethnic loyalty of "nationals" abroad to gain access to their capital. Economic resources flow through diasporic networks as well as to the homeland. As technology speeds the globalisation of politics, diasporas become politically more vocal, at both ends of the migration process. This paper deals with two key issues in that definition.

First, while we agree that in Europe, North America, and Australia, still migrant destinations, the notions of dispersed self, host societies, and homeland are helpful for understanding ethnic identity and networks, we argue that identity becomes more complex in the case of groups like the Chinese of Southeast Asia, where large-scale migration ceased in the 1930s and migrants' descendants see their "homeland" as the country of their birth and disown the notion of "host society". Among the

descendants of migrants to Southeast Asia, locally evolved identifications throw the whole question of identity into the melting pot. Locally born generations do not feel themselves to be part of an ancestral "homeland". Many even challenge the ethnic label, seen as a colonial construct that the postcolonial ruling elite perpetuates to divide minority communities from one another and thus facilitate the preservation of its own interests.¹²

Second, the transnational concept comes dangerously close to essentialising ethnicity when applied to ethnic capitalism. The term "network", the premise on which ethnic groups supposedly emerge as key players in the world economy, is used liberally and somewhat uncritically in some of the new literature on transnationalism.¹³ Many studies assume that institutionalised ethnic networks permit diasporic co-ethnics to move capital across national boundaries. Examples can be found in the triumphalist discourses of Chinese capitalism, which argue that the creation of intra-ethnic business networks based on a sense of group cohesion facilitates the movement of funds across borders and the mutually beneficial pooling of resources in enterprise development.

This attribution of the dynamism of enterprises owned by ethnic minorities in Asia and Europe to intra-ethnic business networks rests on a false understanding of the history of Chinese-owned enterprise and on flawed research. It runs the risk of glorifying the way in which such networks do business and of unintentionally creating problems for minority ethnic communities striving to create a new understanding of national identity and of the need for a more inclusive state. Transnationalism in some of its definitions can have a bearing on how state leaders and indigenous communities view ethnic minorities, by suggesting that they identify with their ancestral "homeland" rather than with their country of birth, and threatens to divert attention away from the sense of marginality that ethnic minorities often feel.

This paper aims to explore the complexity of ethnic and national identity by comparing Chinese in Europe and Southeast Asia. The Southeast Asian case shows how identity evolves over time, how its reconfigurations are conditioned by political and economic changes, and how the sense of cohesion of the migrant generation dies away. The disunity of ethnic Chinese populations (and other ethnic minorities) belies the widespread assumption of diasporic solidarity. The disintegration can set in early: our UK research suggests that ideas like homeland, host society, and globally dispersed self are of doubtful relevance even to the first generation of British-born Chinese. As for corporate business, ethnic Chinese networks, originally important, become progressively irrelevant for accumulating wealth.

The emergence of new forms of identification among diasporic groups and their descendants raises important questions about the claim that ethnic Chinese (and other minorities) function as key players in the world economy by virtue of the flow of resources through ethnically-based networks. It also casts doubt on another fashionable theory, that ethnic Chinese channel funds into China due to the "pull of the homeland".

This essay is a first fruit of a larger comparative study by the authors comprising (a) historical and anthropological research into Chinese communities in Europe and Southeast Asia (focusing for the most part on developments in ethnic associations and identity and in language use) and (b) an investigation into the extent and modes of ethnic Chinese involvement in the economies of Western Europe (notably the UK) and Southeast Asia. The prime methods are interviews, archival research, and analysis of business files. Our work on the Chinese in the UK includes a detailed review of the development of 160 companies established by ethnic Chinese migrants from China, Hongkong, Taiwan, Malaysia, and Singapore. We have also looked at patterns of investment in the UK by entrepreneurs from these places. Our study of ethnic Chinese business in Southeast Asia is based on an equally extensive sample.¹⁴ At a later stage, we intend to widen the terms of the research to include the Chinese in Australia.

Our research on Chinese enterprise in Southeast Asia and Europe suggests that the concept of transnationalism fails to capture the identity transformations that occur as diasporic generations deepen.

The identities of even some longer-settled members of the migrant cohort undergo a profound reconfiguration (cf. the Asian migrants elected to parliaments in the UK, North America, and Australia). The manner in which transnationalism is sometimes defined tends to repeat old discourses of fixed origins assumed to bind diasporic communities into cohesive wholes. Writings on the subject extrapolate from the experience of the migrant cohort to the group as a whole, fail to incorporate the experience either of the migrants who strike roots or (more importantly) of the locally born generations, pass over differences of class and sub-ethnic affiliation, ignore other differences that undermine group unity, generally exaggerate the coherence of diasporic groups, and skate over the rich diversity and ambivalence of diasporic identity and the divergent cultural histories of rooted diasporic communities.

This paper argues that the way in which members of an ethnic community represent themselves and their culture is determined largely by their genesis as a group and the social and economic conditions they encounter over time. The lives of migrants and their descendants are shaped by many factors, which can include colonialism, a feeling of displacement, exclusion by the indigenous community, and the material conditions of their own society. Generational change, access to education, economic development, and social mobility influence how individuals reconfigure their sense of self and position themselves within a state. As Homi Bhabha observes, "Culture as a strategy of survival is both transnational and translational."¹⁵ Bhabha's point is that national-cultural identity is invariably differential and relational rather than fixed and essential. The transnational moment, born of a history of colonialism, slavery, indenture, displacement, relocation, and resistance, renders the cultural translation complex. Instead of seeking lateral connections between a real or even symbolic "homeland" and diasporic communities, researchers should aim at a decentred analysis of the histories of diasporic peoples. Writing specific histories of their suffering, adaptation, or defiance would clarify our understanding of the ways in which identities are formed.

Yet much writing neglects historical circumstance and the role of generational change in forming identity and hypostatizes ethnicity as the essence of diasporic Chinese. In a transnational context, this essence is said to override "lesser" divisions of class and generation and to underpin ethnic unity. This paper challenges that essentialist thesis by exploring the economic role of ethnic and transnational groups and what sustains them. It focuses on the extent to which ethnic style pervades Chinese business and the related issues of transnational consciousness and politics. It also looks at the variable quality of transnational identity, across and within groups.

Business Style

Researchers claim that the networks that typify transnational communities work at the level of the diaspora as a whole as well as in its separate "homelands" (ancestral and adopted), and that new technologies connect the triad "with increasing speed and efficiency".¹⁶ One observer, in zoomorphic idiom, suggests that Chinese networks can lie dormant, "as *sleepers*, for a generation or longer".¹⁷ To what extent do networks and other attributes of ethnic style inform ethnic Chinese business in the countries studied, and how has their role changed over time?

(a) Britain

In the course of more than one hundred years' residence in Britain, the Chinese have switched en masse from one economic sector to the next, each corresponding more or less to a generation. The first generation of immigrants were seamen recruited in Hongkong, China, and Southeast Asia in the late nineteenth century by British shipping lines. Several hundred, mostly from Guangdong's Siyi ("four counties") region, formed settlements known as Chinaports (*Huabu*).¹⁸ Originally, the quayside community was extremely mobile, scarcely more than a pool of waiting labour. In time, however, some crew jumped ship or were laid off after reaching British ports, giving rise to a more settled group. Some Chinese entrepreneurs and ex-sailors took British wives and began to run small businesses on shore.¹⁹

The trail-blazing generation retreated into its own circles after experiencing racist abuse at the hands of British and other European (and some Black) seamen, whipped up by the Yellow Peril ideology then popular in the trade unions. (Ironically, among their chief tormentors was the “internationalist” Jim Larkin, a legendary “hero” of the early labour movement.²⁰) The seamen, who saw the Chinese as cheap labour bound to undercut their own position on the labour market and as potential and actual strikebreakers, remained hostile to them throughout the First World War, until the deporting of large numbers of Chinese in 1920.²¹ At the same time, new shipping methods (chiefly the switch from coal to oil) resulted in whites doing jobs previously classed as non-white.

Chinese boarding houses, in which the crews lodged between voyages, were the basis for these settlements. Many pioneers ended up running hand-laundries, an occupation that needed next to no capital beyond a washtub and a steam iron. Moreover, most laundry-workers were women, whose interests ranked low on the agenda of the predominantly male trade unions.²² The Chinese switch “from salt to soap” was a continuation of life afloat, where some Chinese laundered for British crews.²³ By 1931, the number of Chinese laundries in Britain was said to have surpassed 800.²⁴ Other Chinese set up dockland kitchens for the all-male community, another landside borrowing and traditionally female occupation. At first, the clientele was Chinese, but later local people also began to patronise the restaurants.

We know too little about the organisation of the early Chinese economy in Britain to say much about its ethnic style, but we do know that the laundry and restaurant trade was at least partly in the hands of clans or lineages. The Lees dominated the laundries in London in the 1900s and the Cheungs controlled many restaurants, from the 1920s through until the 1970s.²⁵ Also in the 1970s, the Tangs owned one third of Chinese catering businesses in York, on the strength of a tie stretching back to the 1920s.²⁶ The early Chinese associations acted as support networks for workers and employers by promoting mutual aid and mediating conflicts.

It would be interesting to know what caused these sectors of clan control to decline. “New Chinese” competition is one likely explanation, but the clans were at each other’s throats long before the Hongkong Chinese arrived. Competition has been the norm in Britain’s Chinese business sectors. Early restaurant associations were formed not to coordinate activities and provide mutual aid, but to stop new restaurants opening.²⁷

The switch to petty entrepreneurship was hastened by new laws restricting immigration, especially the 1905 Aliens Act, which confined immigrants to 14 ports (including Cardiff, Liverpool, and London),²⁸ and the 1919 amendment to the 1914 Aliens Restriction Act, which admitted only self-supporting immigrants. The shipping slump of the 1920s and 1930s shut off for many the chance of a return to the sea, or to China.²⁹

Ethnic ties became less important in later years, even for survivors of the founding generation. The associations formed in the early twentieth century on the basis of politics and native place practically collapsed. In the 1950s, Xu Bin found a very low level of organisation, which he explained partly by the crisis in confidence and polarisation caused by the change of regime in China in 1949 and of representation in London in 1950. The fall of Chiang Kai-shek led to the winding up of organisations with ties to the Guomindang.³⁰ It also severed mainland Chinese (the majority) from their sending places, thus completing their isolation.

After crumbling from within, the Chinaports were finished off by urban renewal and German bombs. In 1934, Liverpool’s Chinatown was torn down during slum clearance.³¹ The blitz on Merseyside and London was followed after the war by the demolition of Chinese streets and buildings. The move from Limehouse to Gerrard Street in London and from Pitt Street to Nelson Street in Liverpool marked the end of an era, and weakened the tie between the two immigrant waves in the first and second halves of the century.³²

In the Second World War, up to 20,000 Chinese stationed in Liverpool helped man the merchant fleet. (Hundreds are said to have fallen prisoner or to have died in the Normandy landings.³³)

Unlike the pioneers, they were not viewed as unwelcome aliens, a change in attitude due both to their own heroic wartime role and to the Yellow Peril's supersession by a more positive view of Chinese, nurtured by Pearl Buck and Edgar Snow rather than by Fu-Manchu and the mixophobes. Several hundred left the sea at the war's end and worked for the Blue Funnel line as shore-based clerks and skilled or unskilled workers.³⁴ They kept an affective attachment to China, but one of their identities was as members of the Liverpudlian working class.

Even so, the trauma that resulted from the exclusion from part of the fleet of the first generation of their compatriots continued to haunt the collective memory of Chinese in Britain. The integration of the postwar generation of Liverpool Chinese remained the exception. Most newcomers did not see competitive labour as a tolerable choice and stuck to enclaves of the sort carved out by the stranded sailors.

In the 1950s, the early restaurateurs were joined by peasants from Hongkong's New Territories, who transformed the food scene. Hand-laundries were no longer a commercial option in the age of washing machines and launderettes; the number of Chinese laundries in London had fallen to just twenty by 1951.³⁵ The catering boom resulted from the new fashion for "eating out", caused by the wartime growth in state and commercial restaurants, women's emancipation, the end of rationing, and postwar prosperity, and by the repatriation from Asia of people familiar with Chinese food.³⁶ The requisite resources were (again) cheap and to hand: a basic knowledge of Chinese cooking, a couple of woks and cauldron-scrappers, a stove, a sink, premises, and a supply of workers, released by the postwar changes in Hongkong's agrarian economy. Widely seen as the domain of foreigners, catering was a safer enclave even than the laundries, and Chinese cuisine anyway required exclusive know-how. Restaurants were an ideal investment for sojourners dependent for labour in the 1960s on the "sponsoring" of migrants. Only the waiters needed English. New arrivals could be fed – and often boarded – on the premises, at little cost.³⁷

The first postwar generation of Hongkong Chinese in Britain was at first almost wholly reliant for staff on ethnic connections in the lineage or village. Owners acquired their workers along migration chains or through clubs and associations. Close ties were maintained with the New Territories by means of remittances, donations to communal projects, frequent return visits, and special pages in Hongkong newspapers devoted to news about the villages and their workers overseas and even to family correspondence. So sure were many exiles of returning that they learned barely a word of English.³⁸

However, legislation in the 1960s undermined and eventually destroyed the sojourner ideal. The 1948 British Nationality Act had allowed Commonwealth citizens to settle in Britain and made immigration by Chinese from Hongkong and Southeast Asia possible, but the 1962 Commonwealth Immigrants Act removed that right of settlement. The act itself, and amendments taking effect in 1968, led to a switch from chain-based migration by Hongkong males to whole-family immigration, which remained relatively unrestricted until the British Nationality Act of 1981 (implemented in 1983). The introduction of Selective Employment Tax in 1966 and Value Added Tax in 1973 drove down restaurant profits.³⁹ These changes combined to promote takeaways (chop-suey houses and fish-and-chip shops) as the main form of catering, for they provided shophouse-style accommodation for the whole family (unlike the all-male restaurant dormitories) and a way round the taxes. Close relatives succeeded lineage-mates or fellow-villagers as the source of labour, to sidestep the ban on primary immigration.

For business reasons, most takeaways are at least a mile apart, making Chinese among the most dispersed of Britain's minorities. Around half live outside metropolitan areas.⁴⁰ Even those in London (which has far more Chinese than any other British city) are scattered rather evenly across several boroughs and far less concentrated than, say, the Chinese in France (who are themselves, by international standards, comparatively dispersed).⁴¹ This isolation in predominantly non-Chinese neighbourhoods is good for business but weakens community and identity. Chinese complain that organisations set up in Chinatown have little relevance to the needs of the great mass of Chinese. The Chinese in Britain have far fewer and smaller associations than in North America and Southeast Asia.

Chinese associations based on clan, surname, dialect, or provenance also play a far smaller role. This fact helps to explain the general lack of structure, for clan-style bodies are the blocks with which overarching and community-wide organisation among ethnic Chinese are mostly built. In the early 1980s, only three kinship-based associations were known to be active, founded not on the more encompassing clan but on lineage. The main form of kinship tie relevant to the great majority of Chinese who do not belong to an elite lineage such as the Man is the extended (and, increasingly, nuclear) family. Families rather than lineages formed the chains along which most reached Britain and upon which most small-scale businesses, usually takeaways, were established.⁴² Even once strong lineages have declined in influence.⁴³ Legislation favouring family reunions in which wives accompanied children speeded the nuclearisation of family and community.

The importance of education in the ethnic Chinese communities of Southeast Asia is well known. Less known is the widespread, phenomenally successful targeting of education by relatively untaught Chinese immigrants to Britain as a means of pushing their children born or raised in Britain up the social ladder. For the migrant cohort, entrepreneurship seems to have been framed primarily as a launch pad for the second generation rather than as a means of achievement in itself.

It is important to note, however, that this association of Chinese with school success was never automatic. In the 1970s, educationalists reported the "failure" of Chinese schooling in Britain.⁴⁴ Many of the first generation of Chinese children, especially those born in Hongkong, were severely alienated from the British school environment and became associated with indiscipline or apathy. They left school with few if any qualifications and usually ended up in the catering business, where, in time, they took over from their parents. Their experience cautions against the simplistic attribution of educational achievement to Chinese "culture".

Many British-born Chinese, on the other hand, climbed to the top of the educational ladder in just one generation. Both parents and children view investment in education as the road to a "normal life" beyond the takeaway counter and value white-collar jobs above the family business. Chinese aged 16 to 24 have more A-levels than any other ethnic group and twice as many higher qualifications as whites. Although only 0.7 per cent of the population, they made up 2 per cent of higher-education entrants in 1998. Today, second-generation Chinese earn more than any other group in the UK.⁴⁵

Yuan Cheng has likened the British Chinese to the US Chinese, often described as a "successful minority". She concludes that being Chinese entails the same propensity to occupational success in Britain as in the US. Many urban Hongkong Chinese join the class of employers, managers, and professionals in Britain more or less directly, whereas British-born or British-educated Chinese males are more likely than other non-whites and just as likely as whites and US Chinese to reach this class.⁴⁶

Despite having settled upon education as their means of upward mobility, British-born Chinese tend to be excluded from the heights of the professions by racist practices ("the coat is white, but the face is yellow"⁴⁷) and to move as a result into other sectors, especially hi tech. Many have set up trading companies, factories, transport businesses, finance companies, and travel firms. Even some older Chinese use the surplus from catering to invest in new forms of enterprise. Several factors besides racism help to explain this development. They include government measures in the 1980s to promote small companies and the general shift from manufacturing to services. Some Chinese even consider moving from Britain to Hongkong, not because of the "pull of the homeland" but because they believe that Hongkong might offer better career prospects.⁴⁸

The retreat from catering was partly caused by its racialisation, a subject treated in the second part of this paper, but it also has an economic explanation. In the mid 1970s, the inability of small-scale family businesses to adapt to changing social needs and the incipient saturation and over-capacity of the catering sector, as more and more businesses fought over a finite market, led to a crisis that caused many Chinese to question the future of catering. In the 1990s, excessive supply was exacerbated by shrinking demand as the wider economy weakened. Sales of ready-made "ethnic" meals at large-scale retailers

like Tesco and Sainsbury boomed, while a wave of modernised, aggressive, and modestly priced British South Asian restaurants targeted Chinese as their main competitors.⁴⁹

This sketch of Chinese employment and self-employment shows that Chinese participated in ever more sophisticated ventures as their resources grew and exclusionist pressures lessened. In the early years, racism combined with the strong cultural identifications of the sojourner generation to produce an enclave mentality. The first generations had scant resources other than a capacity for hard work and ethnic ties. They had little or no capital and few skills relevant beyond Chinaport. The jobs they did were available because local British were not keen to work long and unsocial hours. The Chinese soon became identified with these jobs. ("The great Chinese national industry is laundrying," commented the *Daily News*, as early as September 15, 1892.)

Chinese were happy to accept employment outside the ethnic enclave when it was on offer, as the experience of the Chinese workers in postwar Liverpool shows. Later generations have also shed the enclave mentality and joined the career mainstream on the basis of merit rather than of ethnic ties. Many British-born Chinese were "nationalised" as early as the 1960s, when studies noted that they aspired to jobs outside catering.⁵⁰ For younger Chinese now, quality of life is at least as important as economic success.

As in France, the proportion of Chinese in catering is often greatly exaggerated, as part of a general stereotyping. In the mid 1990s, Chinese sources put the figure at around 90 per cent.⁵¹ However, an analysis of data from the Labour Force Surveys between 1983 and 1989 yields a much smaller figure of just 57 per cent in "distribution, catering, hotel and repairs". (Even so, this percentage is around twice that of other British Asians and of the Chinese in France and three times that of British whites.)⁵²

Some Chinese entered white-collar jobs and middle-class professions. Among the most popular fields are law, accountancy, insurance, finance, computing, medicine, education, architecture, engineering, real estate, and leisure. (By the late 1980s, up to 2 per cent of Chinese were accountants.) In the mid 1990s, Chinese ran several dozen law firms, a dozen Chinese-Western pharmacies, and numerous other service firms, ranging from print shops to cold-storage companies. Four per cent of Chinese men worked in the Health Service, nearly six times the rate of white men (but one third that of Chinese women).⁵³ (This health focus suggests an analogy with Britain's early Chinaport, when Chinese strategically targeted female jobs – first washing, then cooking, and now nursing.) Others have diversified out of catering into related fields.

The desegregation of Chinese employment was helped by a change in the nature of Chinese immigration in the 1990s. The 60,000 people who left Hongkong for various destinations in 1991 included 21,000 in "professional, technical, administrative, and managerial occupations".⁵⁴

In the 1950s and 1960s, relatives or friends pooled their resources in business partnerships or acquired funds from their families in Hongkong or Britain. There is no evidence of rotating credit clubs (*hui*), a Chinese business practice typically based on particularistic ties (and apparently found among Chinese in parts of continental Europe⁵⁵). The sources of capital tended to be either personal or family savings, which explains why most early Chinese businesses relied on only a small capital investment. Few of the business partnerships lasted; most served as springboards to individual ownership.⁵⁶ Strong networks and associations sometimes grow from migrant chains, but such a development was, in the British Chinese case, precluded by the buoyancy of catering in the heyday of community formation, when sponsored immigrants could start up their own businesses and throw off the shackles of clientship and exploitation.⁵⁷

New laws restricting immigration weakened the migration chain and led to an era of immigration by dependants and family formation. In time, obligations to the homeland community came to be seen as irksome and were widely forsaken, except by a few old-style sojourners who invested in property in the New Territories and continued to help finance communal projects.⁵⁸ However, there is evidence that in the 1980s some Chinese entrepreneurs obtained funds to set up firms in the UK from family and friends in Hongkong, worried about the colony's future in view of its then impending retrocession.

Even early studies noted far less social interaction and business cooperation among Chinese in Britain than in other countries. Chinese shopowners in London in the 1960s came from urban Hongkong, unlike most immigrants. Whereas Chinese storekeepers in New York tended to act in various ways on behalf of fellow-exiles from the same clan or district, those in London had a purely business relationship with their customers and shopped where prices were cheapest, regardless of ethnicity.⁵⁹

Chinese who branched out into more substantial ventures sometimes networked with co-ethnics in the start-up period, but such ties rarely lasted. Those partnerships that have endured are primarily with non-Chinese, mainly because most were formed (usually by British-born Chinese) on the basis of common or complementary expertise. The owners of such companies are more likely to use sophisticated financial and market techniques to develop their enterprises or to be publicly listed.⁶⁰

Chinese entrepreneurs draw far less on community resources than British Asians, who use ethnic and family networks to hold down costs and provide access to markets. This difference can be explained partly by cultural and historical factors: the long tradition of business involvement of some Indian groups, especially the Parsis, Sindhis, and Punjabis, and their habit of creating business linkages through marriage ties, even across national borders; the practice of arranged marriages, common among South Asians; and the unifying role of Islam (especially in the context of Islamophobia).

Yet the main explanation lies in conditions of residence and work. Many British South Asian businesses grew up in the 1980s recession, when immigrant workers switched to petty retailing, trading, and manufacturing, often staking their redundancy pay to do so. By the early 1990s, as many as one fifth of working British South Asians were employers or self-employed. They live in compact settlements that provide a niche market and a source of cheap ethnic labour and businesses networks. The Chinese, in contrast, had arrived as petty entrepreneurs. Far from suffering unemployment, they complained of labour shortages. As isolated caterers, they lacked strong communities and the resources for network recruiting. Their businesses depended on special knowledge rather than on ethnic ties.

Some British South Asians already had a business background before coming to Britain, for immigration from ex-colonial to metropolitan countries tends to be from a spread of classes rather than (as, say, in Germany) from just one stratum, usually workers. These traders had a ready-made ethnic market among the workers' families,⁶¹ for the British South Asian population is far bigger than the Chinese, and British South Asians in many cities still live in enclaves. The Chinese also came to Britain to set up businesses, but formed just one narrow stratum. Save for that handful of restaurateurs who catered to Chinese, they lacked an ethnic market and community networks comparable to the British South Asian ones.

Ethnic Chinese who reach Britain from Southeast Asia resemble the ethnic Indians from Africa (and differ from the Hongkong Chinese caterers) in that most have education, financial resources, and experience of both business and living as a minority. (In respect of resources, the relatively uneducated and impoverished ethnic Chinese refugees from Vietnam form an exception.) They have the capacity to source funds in more sophisticated ways than immigrants from the New Territories, by borrowing from banks or setting up public companies. Their behaviour suggests a parallel with France, where ethnic Chinese are far more likely to finance their investment by a bank loan than from community sources.⁶²

Another feature of ethnic style often said to strengthen Chinese business is family enterprise. However, Chinese family enterprise in Britain is strongest at the point of founding and erodes or fractures with each generation. The children of Chinese entrepreneurs, especially those in food-based businesses, show little interest in taking over from their parents, an issue to which we shall return. Some larger family firms have professionalised management by appointing non-Chinese to senior positions. Ownership control of such firms, however, remains with the family, as does decision-making regarding new ventures.⁶³

Few British Chinese investors are powerful enough to act as serious players in the global economy, so the question of transnational networks reaching to other countries, including China, is not relevant in

the way that it is often said to be for the Chinese in Southeast Asia. However, overseas remittances by British Chinese and, more recently, investment in Britain by ethnic Chinese entrepreneurs from Malaysia, Singapore, Taiwan, and Hongkong provide alternative measures of the extent of cross-border ties.

Most remittances by Chinese in Britain are to relatives, and most networks are family-based. Money is usually remitted from Britain to the New Territories, but sometimes it travels in the reverse direction. Many Chinese in Britain start their businesses with money sent by relatives in Hongkong. Although remittances from Britain to Hongkong were substantial in the early years of postwar immigration and rose steeply in the 1950s and 1960s, they nose-dived once immigrants started forming families.⁶⁴ Today, Chinese in Britain are less likely to remit regularly than almost any other ethnic group.⁶⁵

Taiwan sources claim that the flow into Britain of Chinese capital from Hongkong, Taiwan, Singapore, and other places in the 1980s and 1990s and its investment in import-export firms, manufacturing, the finance industry, and real estate have had an impact on the British Chinese, by widening their horizons and drawing them into the economic mainstream. In or around 1995, more than 190 Chinese firms were trading in Britain, often as agents for exporters in Taiwan, Hongkong, Singapore, and other places dealing chiefly in sports equipment, leisure goods, and other plastic, rubber, and chemical-fibre products. They also import specialist ingredients to sell to restaurants and individuals, a new growth market. Chinese firms keen to sell and invest in Europe are said to seek out ethnic Chinese as "ideal partners in such cooperative ventures", a form of interaction that has allegedly helped to promote British Chinese interest in the trading sector. Similarly, the branches of Chinese-controlled East Asian banks and finance companies established in London in the 1980s and 1990s are said to have helped British Chinese found finance and insurance companies.⁶⁶

Yet our research suggests that Britain's largest Asian Chinese investors are, at most, lukewarm about intra-ethnic ties. East Asian banks have so far been unable to create a niche for themselves among Chinese firms operating in the UK.⁶⁷ We found little evidence that Chinese firms from Asia link up with British Chinese companies when setting up their businesses. Even though some decide to invest after attending British-sponsored "business conferences" designed partly to bring Chinese entrepreneurs together, none seems to have formed joint ventures with such firms or to use them as sub-contractors or suppliers. Such companies pick their partners strategically; most seem to prefer to work with European firms to gain entry to the UK market. Their investment is more likely a response to a British Government initiative, networking on their behalf, than a result of intra-ethnic cooperation. Some Taiwan Chinese companies form partnerships in Britain to learn about hi tech, a precondition that would disqualify most ethnic Chinese as potential partners. There is little evidence that investment in Britain by big East and Southeast Asian capitalists, which has boomed since the early 1990s, leads them to cooperate or view themselves as an interest group. We turned up only one case of interlocking stock-ownership ties among foreign Chinese investors (between the Indonesian Chinese Oei Hong Leong and Hongkong's Li Ka-shing). In fact, there seems to be much competition among firms from the same country. For example, Taiwanese investors in the UK compete with each other in the manufacturing and distribution of computer products, while rival firms from Malaysia, Singapore, and Hongkong have a major presence in hotels, upmarket retailing and property sectors. Most businesses we studied borrowed primarily from British banks (in particular, Barclays) rather than from East or Southeast Asian banks with British branches, and none claimed to have secured loans on more favourable terms from such "ethnic" banks.⁶⁸

An interesting case is Daloon, a Chinese food-processing company in Denmark with interests in Britain and one of only a handful of European Chinese companies that invests outside its country of registration.⁶⁹ Daloon insists that its business decisions are made independently of ethnic considerations. It does buy raw materials from British Chinese companies, but only because such companies produce Chinese food.

Intra-ethnic ties seem strongest between wholesalers and retailers. Most Chinese wholesalers supply Chinese retailers, and both focus on Chinese restaurants and takeaways. However, such transactions are aimed at maximising profits rather than at facilitating the development of each other's operations.⁷⁰

Ethnic considerations have little effect on the employment strategies of Chinese firms. Like some British Chinese companies, foreign Chinese investors often start by employing ethnic Chinese. Once they take off, however, most employ non-Chinese. Evidence from elsewhere in Europe suggests that many foreign Chinese companies also employ young European Chinese for their local knowledge and language and professional skills, at least initially. But such strategies can be explained as a rational exploitation of special skills rather than as an instance of ethnic networking.

In short, there is little substance to the view that intra-ethnic networking has underpinned the development of Chinese enterprise in Britain. Instead, a combination of factors has contributed to its growth. They include a productive use of experience gained in an industry before venturing into business, the entrepreneurial deployment of resources generated by the initial investment, and a focused approach to business. "Class resources" and entrepreneurial traits (in particular, the ability to predict market trends and take risks by investing in potentially lucrative ventures) are more important than ethnic resources for explaining Chinese business success.⁷¹

A Note on the Diverse Origins of the Chinese in Britain

"Chopstick culture" theories fail to distinguish between different groups of Chinese and posit affectivity and networking at the level of the community as a whole. However, the Chinese in Britain (and not just in Britain) are best understood as a community not of interest but of nativity or attribution, for they fall into sub-groups that are mostly indifferent to and sometimes in conflict with each other. These groups form on the basis of generation, provenance, language, kinship, education, social class, nationality, and other factors. No one group is in a relative let alone an absolute majority. Even within groups, social ties die: in the wider community, they rarely even start to figure.

Divisions were present right from the early days of the community, particularly in the first couple of decades after the Second World War, on the eve of the renewal of the community by immigration from Hongkong. In the postwar years, five groups of people set up restaurants: Chinatown veterans, many from Siyi and elsewhere in Guangdong; northerners, including former staff of the old Nationalist Embassy; Chinese from Malaya and Singapore; non-Chinese; and the first wave of Hongkong Chinese. Inter-group relations were characterised by "dislike and rivalry". The old-timers from the southern mainland viewed the "new boys" from Hongkong as rude and arrogant, as carpetbaggers bereft of community feeling.⁷² The newcomers scorned the veterans as old-fashioned.⁷³ Relations between the northerners and the newcomers were also troubled. Separated by the revolution from their home communities, mainlanders who opened restaurants had no choice but to recruit cooks and waiters from Hongkong. Lacking a common Chinese language, bosses and workers communicated where possible in English. Class as well as tongue divided them, for the northerners were comparatively rich. (Many of their restaurants had a capital value higher than the Chinese restaurants in France.⁷⁴) The relationship between staff and owners was more one of sub-ethnic (and class) animosity than of ethnic solidarity.⁷⁵

A principal division among the postwar caterers was between Cantonese Punti (descendants of the first Han inhabitants of southern China, who form the majority in Hongkong) and the Hakkas (whose ancestors went south later and speak a different sort of Chinese). The distinction is of class, too, for the Hakkas till marginal land and are deemed inferior. In Britain, Hakkas form around one quarter of the Chinese population and are concentrated in the midlands and the north.⁷⁶ The distinction between Hakka and Punti has acquired a political dimension in some places, for Hakkas form the majority in London's left-wing Tai Ping Club.⁷⁷

Although Hakka identity was important in the migrant generation, it has become far less so over time. Hakka cultural identity in Britain is in imminent danger of submersion by standard Cantonese and the commercialised cultural products of the Hongkong media industry. Hakka solidarity, once famed in China and among overseas Chinese, no longer plays a prominent role in Hakka business operations. An example: in terms of turnover, the largest Chinese food wholesaler and retailer in Britain, W. Wing Yip plc, is owned by a Hakka, W. W. Yip, once a penniless migrant from Hongkong, while the largest food catering enterprise, Singapore Sam plc, is owned C. L. Wong (a dentist by profession), also a Hakka, from Malaysia. According to Yip, the two men are distantly related. Even so, there are no business links between them.

Even the Cantonese Punti are far from uniform. Not all Punti in Britain are from the New Territories (see below), and even New Territories Punti are divided not only by lineage but by type of lineage. Only one third belong to the powerful elite lineages (whose hold on lineage exiles has, however, weakened). Most come from multi-lineage villages, where lineage resources and identifications count for less.

Between 1963 and 1973, the Hongkong group was further modified by the arrival of some 10,000 "stateless" China-born residents of the territory. These people, mainly Cantonese Punti, were brought over by Chinese already in Britain who found it harder because of the Commonwealth Immigration Act of 1962 to recruit kin, and who therefore took advantage of a loophole in the Act that allowed Chinese "aliens" to enter as a separate category. These newcomers were treated as second class by their employers, who paid them badly and gave them the worst jobs.⁷⁸

In the late 1970s and early 1980s, nearly 20,000 Vietnamese refugees came to Britain, including 70 to 85 per cent ethnic Chinese. Few had much English or were well qualified. Initially, they were dispersed across the country, but they regrouped spontaneously in the big cities, principally London. Their relations with the Hongkong Chinese are mixed. Some Hongkongers employ them, mainly in menial tasks; many despise them as "coarse and unruly".⁷⁹ The Vietnam Chinese are divided among themselves, between southerners (who tend to be better educated) and the majority northerners.⁸⁰

By the 1990s, the composition of the Chinese community had become even more diverse as a result of ageing and further influxes. The 1991 census showed that one third of Britain's ethnic Chinese were from Hongkong, 28 per cent were British-born, and most of the rest were from China, Taiwan, Vietnam, Singapore, and Malaysia.⁸¹ The ever-growing group of British-born Chinese have a different linguistic, educational, and employment profile from their parents and a different cultural identity (discussed below). Recent research showed that only 77 per cent of Chinese in Britain speak a Chinese language.⁸²

Immigrants from the New Territories are fast being outstripped by Chinese from other places. One third of Chinese in Britain were born in Hongkong, but the rest include "twice migrants" from across the world.⁸³ (Yuan Cheng counted 36 countries of provenance in a sample of 1,922 Chinese.) Many originate in former British colonies in Southeast Asia or in Africa or the West Indies.⁸⁴

Urban Hongkong is probably the main source of current immigration. The urban migrants, mainly professionals and capitalists, are far richer and better educated than their rural predecessors. If 130,000 come, as allowed under arrangements made in the run-up to Hongkong's retrocession, the changes of recent years would be greatly speeded.⁸⁵ So, too, would the isolation of the caterers, for the professionals have never maintained ties to other Chinese groups but form their own associations and keep to themselves.⁸⁶

The term "illegal immigrant", first used of Jews who entered or tried to enter Palestine without official permission in the later years of the British mandate and increasingly applied in recent years to the Chinese, refers to people whose entry into Britain is unlawful or who overstay or fail to observe a condition imposed on their leave to enter. Until the twentieth century, there was no statutory machinery for regulating immigration into Britain. The first systematic controls were introduced under the Aliens Act of 1905, when anti-foreign agitators had succeeded in lumping together in the popular imagination "the criminal, the destitute, and the job-stealing alien".⁸⁷ As a result of the Act, aliens thought likely to become a charge on public funds, together with criminals, anarchists, prostitutes, and others of "notoriously bad character", were earmarked for exclusion.⁸⁸