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The Socioeconomic Potential of an Urban Enclave

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Chinatown

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To Mother and Father

Foreword
by Alejandro Portes

Chinatown: The name evokes images of an exotic world where people different from the rest of us lead secretive, mysterious lives. The excitement one experiences in stepping into these patches of urban territory comes from the paradox of finding oneself in a wholly foreign land without ever leaving home—the Orient a bus ride away. And yet these extraordinary social entities have been the subject of remarkably little sociological inquiry. Perhaps their very foreignness, their vast distance from the everyday realities of American urban life, has ruled them out as serious subjects of investigation. Chinatown is in the city, but not really of it. One might as well study a foreign country.

Most of what has been written about these areas takes two distinct tacks. The first portrays them as dark recesses of capitalism where poor newcomers, ignorant of the language and their labor rights, are mercilessly exploited by fellow nationals for the ultimate benefit of large concerns in the mainstream economy. The Chinatown sweatshop has become a familiar buzzword as an example of what capitalist greed can do to defenseless foreign workers. Even darker practices are adumbrated as common features of this ethnic economy: drug trafficking, illegal gambling, and prostitution. In the final analysis, these uniformly negative writings represent the continuation, in modern academic garb, of the anti-Chinese literature of the turn of the century. Then as now, Chinatown is portrayed as an unruly den of exploitation and iniquity. If the intention has changed—from excluding the foreigners to unionizing them—the consequence is the same, as these portrayals consistently reinforce the bad image of the place. Journalistic and academic critics have had a hard time explaining how it is that, despite all these shortcomings, these ethnic areas have continued to survive and prosper with nary a word of protest from most of the participants. You have never heard of a Chinatown going up in flames.

The second tack is to assimilate these areas into the broader category of early reception areas for recent immigrants. Most large-scale migrations have developed similar staging centers, where new arrivals can be protected for a while from cultural shock and provided with the necessary information to navigate their new social surroundings. The Chinese are no different. In the end, these reception areas are left behind by successful immigrants to decay into ethnic ghettos or to host a new wave of migrants from another country. The average sociology professor out for a casual stroll in Chinatown exudes an air of confident knowledge and understanding. He has read his Robert Park, knows everything about the theory of ethnic transitions, and what he is seeing is a typical immigrant neighborhood sheltering newcomers prior to their certain assimilation into the American mainstream.

Wrong. The area was indeed a place of refuge in its early years, but it has evolved since then to become a large ethnic economy of considerable resilience and vigor. It is not only a residential area, as most immigrant neighborhoods or current inner-city ghettos are, but a veritable enterprise zone. It is the place where Chinese immigrants and their descendants have founded a host of independent small businesses which converted them into one of the most economically successful groups in the history of American immigration. The agglomeration of these ethnic businesses gives Chinatown a bustling ambiance, a thrilling sense of purpose and ambition absent from the inert look of inner-city storefronts. More than anything, this ethnic economy is characterized by giving newcomers an alternative to wage labor in the mainstream labor market—an alternative that may exploit some but gives others their only chance of someday launching their own enterprises.

Understanding the inner dynamics of the Chinese enclave is no easy task because, in addition to the theoretical blinders that have defined it as a lumpen zone or as just another immigrant neighborhood, there is the question of overcoming the barriers of language, local reserve, and custom. Min Zhou has accomplished this task admirably by making use of her knowledge of the culture, while avoiding the influence of widely accepted but erroneous tales about what Chinatown is like. Instead, she painstakingly assembled census and historical data about the Chinese in New York and went into the area to talk to the people in their own language. The results are novel and persuasive. Zhou portrays Chinatown as an old but constantly renewed immigrant community that has gone through many phases before reaching its mature identity. China-

town today is not only a place where impoverished immigrants live but an area with which residents, business owners, and workers alike can identify. It possesses all the characteristics of a well-knit community and, as such, offers to its members a clear sense of place, a source of local pride, and some unique economic opportunities.

The unschooled visitor, unfamiliar with sociological theories, may think of the area instead as a foreign intrusion. Present-day Chinatown gives indeed the impression of an ethnic tour de force, a deliberate foreign creation in America. Zhou's analysis makes clear that the opposite is actually the case: Chinatown is a unique American creation. The original settlers were not profit-oriented capitalists, nor did they plan to settle down in America. They came as miners and railroad workers, recruited in Chinese ports and planning to return to their villages once they had saved enough gold. Few succeeded in this goal because of the relentless exploitation to which they were subjected and the implacable enmity of white workers. The Chinese went to New York to escape xenophobic persecution in California and became small entrepreneurs by default. Barred from regular wage labor by nativist agitation, they took to hand laundries and cheap ethnic restaurants, economic niches that no one else wanted, as a means of survival.

The fact that Chinatowns were not the outgrowth of deliberate entrepreneurial initiative but an adaptive response to harsh realities in the host society had a decisive effect in their subsequent development. The notorious reserve of Chinese entrepreneurs, their "clannishness," and the readiness of community representatives to adopt a "minority" discourse despite the obvious economic progress of the group in recent years can all be related, in part, to an earlier history of persecution. But because Chinatown was an American creation, it also facilitated the adaptation of the small entrepreneurs to the American system and the successful entry of their children into U.S. colleges and universities. Today, the typical Chinatown restaurant owner is probably more knowledgeable about American business practices than most of his patrons. He probably can outbuy and outsell most of them.

More than an outpost of a foreign country in America, the Chinese enclave is a unique American phenomenon, which today plays a significant role as a conduit of modern culture and modern aspirations to the original communities to which it is linked by sentiment and family obligations. An entity suspended in midair between two countries, Chinatown is certainly not. A growing American ethnic economy reaching out to its

historical roots for both family reasons and material gain, it clearly is. Zhou's work has made our understanding of this complex community and its historical origins much clearer than it has been so far. In the future, theory will have to accommodate to the peculiar realities of this unique immigrant group rather than the other way around.

Preface

My focus in this book is on the experience of recent immigrant Chinese in Chinatown's enclave economy and how networks of the ethnic community facilitate their social mobility. Instead of approaching Chinatown as an urban ghetto where poverty and urban diseases prevail, I view it as an immigrant enclave with strong socioeconomic potential for channeling immigrant Chinese into the mainstream U.S. society.

Since the reform of the U.S. immigration law in 1965, which abolished the national-origins quota system favoring European immigrants, the Chinese have entered the United States in unprecedentedly large numbers. As a result, many urban centers and suburban cities have developed visible Chinese populations and satellite Chinatowns. Meanwhile, as a sizable minority group, Chinese-Americans have successfully made headway into the mainstream, exhibiting remarkable socioeconomic achievements. According to the 1980 census, the average levels of educational attainment and median household income for persons of Chinese descent were higher than the national average. For the first time, Chinese-Americans were applauded as a great "success story" and celebrated as a "model minority."

Behind the applause and celebrations, however, little attention has been paid to the socioeconomic potential of Chinatown in helping immigrants fight a general struggle to "make it" in America without losing their ethnic identity and solidarity. Paradoxically, the desire of immigrant Chinese for economic incorporation and security seems in conflict with cultural assimilation. Past studies of American Chinatowns have been limited. Many historians and anthropologists have tended to portray Chinatown as a survival strategy or as a first stop along a unilinear assimilation path by which immigrants enter at the bottom of the socioeconomic hierarchy to begin a process of acculturation and social mobility. Political scientists have tended to view Chinatown as a site facilitat-

ing capital exploitation of cheap and nonunionized labor. These studies uniformly lament a failure of assimilation. In this book, I have tried to uncover Chinatown's socioeconomic potential for serving as a positive alternative for immigrant incorporation.

I have selected New York City's Chinatown for a number of reasons. First, it is one of the nation's largest Chinatowns, concentrating a sizable number of Chinese-Americans and recent Chinese immigrants. Results generated from this study are expected to bear significant import for Chinatowns in other metropolitan cities despite substantial differences that may exist among Chinatowns across the nation. Second, New York City's Chinatown is, after San Francisco's, the oldest Chinatown in the United States. The enclave economy has a long history and has hosted several successive first-generation and some second-generation immigrant entrepreneurs. Although data are cross-sectional, implications can be made intergenerationally. Third, New York City's original Chinatown has experienced rapid decentralization, with satellite Chinatowns being established in outer boroughs, such as Queens and Brooklyn, and with outlets of its economy spreading all over the city. While recent immigrant Chinese tend to be more residentially dispersed, they are still predominantly concentrated in jobs generated in the enclave economy—a pattern prevailing in other major Chinatowns. Finally, New York City's Chinatown is more accessible to me, for there I can benefit not only from my own ethnicity but also from a close-knit social network comprising my immigrant relatives and family friends. Chinatown is my community. My attachment to the community and my personal experience as an immigrant, shared with many immigrant Chinese, give me rapport with the community. During my fieldwork research in Chinatown, I have been able to conduct most of my planned interviews with informants who talked to me as if they were talking to their daughter, sister, or close friend.

Research on Chinatown's enclave economy is a relatively new area. My conclusions are based on qualitative case studies as well as on quantitative data. I rely mainly on the following sources of data, obtained from the U.S. census, documentary accounts, and extensive fieldwork interviews.

A. U.S. Census Data

   1. *Census of Population and Housing*, 1980 PUMS—the 5 percent Public-Use Microdata Sample A file. This data set is extracted to include only the Asians and non-Hispanic whites in the New York metropolitan area, that is, New York City

and counties adjacent to the city in New York (Nassau, Rockland, Suffolk, Westchester) and New Jersey (Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, and Union).

2. *Census of Population and Housing*, 1980 STF3A—Summary Tape File 3A. This data set is extracted to include the same set of county groups in New York and New Jersey as specified above. The census tract data contain smaller geographical units and are used to supplement the PUMS data, whose smallest geographical unit is the county. It is used to measure the degree of segregation in decentralized groups of Chinese across the New York metropolitan area.
3. *Survey of Minority-Owned Business Enterprises: Asian and Pacific Islander, 1972, 1977, 1982, and 1987*. The data provide information on growth and changes in development of Chinese-owned firms.

B. Other Statistical Data

1. *Statistical Yearbook of the Immigration and Naturalization Service*. Immigration statistics provide accurate and more recent data on the socioeconomic characteristics of immigrants. This kind of information updates, to some extent, some of the census data.
2. *Manhattan Real Estate Transactions, 1988*. These data are collected annually by the New York City Real Estate Corporation. The data show the property transactions, ownership, payment patterns, and the location of property for sale. I am particularly interested in observing whether properties in Chinatown have changed hands among the Chinese or between Chinese and non-Chinese owners. The data are used to examine patterns of neighborhood take-over and geographical expansion of Chinatown.

C. Documentary and Historical Data

Quantitative data are sometimes misleading and deceptive, since the immigrant Chinese have a tendency to feel intimidated by census personnel and research workers in surveys. Thus, I have supplemented those data by careful examination of historical and other documentary records and by extensive fieldwork.

1. Newspaper files. Old newspapers contain invaluable historical accounts of Chinatown and the settlement patterns of Chi-

nese immigrants. Newspapers also provide clues and sources of a wide range of community data, such as follow-up stories on different issues of interest, the exact dates of events, names of informants, community interviews, and frequencies of Chinatown publicity. I mainly focus on the *New York Times*, and three of the major local Chinese newspapers—*World Journal*, *Central Daily* (*Zhong Bao*), and *Overseas Chinese Daily*.

2. Government records, study reports, and community files. New York City's Department of City Planning has conducted studies on the Chinatown area over the last fifteen years. Also studies on a wide range of broader issues—immigration, racial discrimination, ethnic business development—have been conducted by various government agencies and organizations. Moreover, because many businesses are government regulated for tax purposes, they are required to provide regular reports for the government and the public. These study reports and files help in understanding many community issues.
3. Telephone directories. Those published in Chinatown list most of the Chinese firms in the New York metropolitan area. They provide information on the types and locations of Chinese firms in and out of Chinatown and the changes over an extended period of time. Simple frequency counts display the distribution of Chinatown's economic activities; comparison of the two directories—1958 and 1988—shows changes and development trends over time.

D. Fieldwork

I collected fieldwork data during 1988 and 1989 by periodic observations in Chinatown and extensive interviews with city government officials, local leaders, community organizers, investors and bankers, real estate agents, business owners, enclave workers, and nonenclave Chinese immigrant workers, longtime residents, and finally, American-born Chinese.

I used a snowball sampling method in selecting fifty informants of various occupations. Questions directed to government officials and local community leaders covered the overall perception of Chinatown, the changing policies targeted at community planning, government-community relations, zoning, and revitalization projects. Questions directed to business leaders covered

locational decisions, return on monetary and human-capital investments, previous jobs, advantages and disadvantages of self-employment, sources of financing for business start-up and expansion, and possible upward mobility within the enclave or mobility into the larger economy. Questions for both enclave and nonenclave workers involved the immigration process, education before and after immigration, English proficiency, family relations, ethnic identity, past employment, experience of racial discrimination, inter- or intraethnic labor-market experiences, job satisfaction, and experience with labor unions. I personally conducted all the face-to-face and telephone interviews with my informants and some of their families in Cantonese, Mandarin, and English. The interviewees were informed of the research purpose before interviewing. All the interview information was taped and is either translated or quoted directly from the original, with grammatical modifications in the English quotations. For the sake of confidentiality, pseudonyms are used for the interviewees throughout the book, unless a full name is given.

The Pinyin system of romanization is used for most of the Chinese names unless otherwise specified, that is, Taishan replaces Toishan, Guangdong replaces Kwang-tung, and so on, but Canton remains to refer to a specific area of Guangzhou.

This book does not contend that the Chinese constitute a model minority whose success illustrates the openness of the American society. Rather, I believe their experience shows that there are alternative paths to social mobility in spite of the many obstacles to assimilation, possibly including participation in Chinatown.

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