

Chinese Ethnic Business

Global and local perspectives

Edited by

Eric Fong and Chiu Luk

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Chinese Ethnic Business

Chinese Ethnic Business seeks to broaden the discussion of ethnic business from an analysis of its internal dynamics to a wider focus on the influence of global economic events. It demonstrates that ethnic businesses can no longer be studied in isolation from the global picture by providing a crucial understanding of how globalization impacts on the development of Chinese businesses. The book analyzes the unprecedented changes in Chinese ethnic business resulting from the direct or indirect consequences of globalization, looking specifically at economic globalization in the key immigrant receiving countries of the US, Australia, and Canada.

Focusing on the main themes of economic globalization and Chinese community development, transnational linkages, local urban structures, homogenization, and place attachment, the team of leading international contributors place the subject of Chinese ethnic business in the wider context of ethnic businesses and globalization. Including excellent methodology such as ethnographic studies, historical analysis, geographic studies, and statistical analysis, *Chinese Ethnic Business* makes an important contribution to the field of ethnic businesses and will appeal to those studying Chinese business, immigration, race and ethnicity, and economic sociology.

Eric Fong is Professor of Sociology at the University of Toronto, Canada.

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Kwok Bun Chan

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1 Introduction

Chinese ethnic business and globalization

Eric Fong and Chiu Luk

In the last few decades, most major cities of key receiving countries have witnessed a growing visible presence of ethnic businesses. Today, when one enters a store located in these cities, it is not surprising, in fact it is quite common, to find it is owned or operated by ethnic members. Anchoring this dramatic growth have been changes in the nature of these businesses. First of all, these businesses are no longer located in the ethnic community, but are scattered through almost every part of the major cities. At the same time, ethnic malls that have emerged in suburban areas become centrifugal forces to attract a concentration of ethnic businesses, and centripetal forces to pull ethnic businesses out from the central city ethnic neighborhoods. Second, clear evidence has shown that today ethnic businesses represent a diverse array of industries. They are not limited to the traditional image of ethnic businesses as neighborhood convenience or ethnic grocery stores. Today, large numbers of computer retail shops, high-class fashion boutiques, or even financial institutions are owned by ethnic members. These changes in ethnic businesses not only highlight developments in the social processes and structures of ethnic businesses in response to larger societal changes, but also show the limitations of the conventional approach to understanding ethnic businesses.

The study of ethnic businesses has been an important topic in the social sciences. In a widely read book published in 1972, sociologist Ivan Light explored the business operations of Chinese, Japanese, and blacks in the U.S. The 1970s and 1980s then witnessed a proliferation of publications in this area. Much stimulated by the original questions asked in Light's book, these studies focused on the factors that contribute to participation in entrepreneurship and the structural operations of these businesses. In the 1990s, the study of ethnic businesses shifted to the economic dimensions of those participating in ethnic businesses (e.g., Portes and Zhou 1996; Portes and Jensen 1989; Sanders and Nee 1987). While most of the previous focuses were on the internal dynamics of the structural and economic dimensions of ethnic businesses, the understanding of how the embedded environment, the larger societal contexts exogenous to ethnic business structures, shapes ethnic businesses has not been fully addressed. In particular, as studies have demonstrated how globalization has been linked to the development of ethnic communities in recent decades (Lin 1998), the natural extension of how globalization affects the development of ethnic businesses, and how unique developments in ethnic businesses due to globalization shape the growth of ethnic communities, is long overdue.

This volume takes as its point of departure the unprecedented changes in ethnic businesses due to globalization in several major immigrant receiving countries, i.e., Canada, the U.S., and in one chapter, Australia. The discussion focuses on Chinese businesses. Chinese were chosen for this study because they are one of the major ethnic immigrant groups in all these major receiving countries. In addition, the advantage of focusing on the businesses of one specific ethnic group in different countries is that it helps filter findings linked to cultural differences among groups. An international team of scholars from various disciplines explores changes in Chinese businesses in these countries. The main body of the book focuses on a general theme: how globalization, specifically economic globalization, affects the development of Chinese businesses in these four major immigrant receiving countries. We addressed three separate but related issues: (1) How economic globalization affects the development of Chinese businesses, which in turn affects Chinese businesses in the Chinese community; (2) how transnational linkages affect the operation of Chinese businesses; and (3) how the local urban structures affected by economic globalization shape the development of Chinese businesses. By addressing these three questions, these chapters collectively provide a better picture of the relationship between ethnic businesses and economic globalization.

To advance the goals, we will situate the discussion in the study of ethnic businesses by highlighting the history of the Chinese in relation to their business activities in the three countries (Australia, Canada, and the U.S.) and by outlining the theoretical discussion of ethnic businesses, in particular Chinese businesses, in the remaining sections of this introduction. By doing so, we will relate how the chapters of this book contribute to the full picture of ethnic businesses and globalization.

Before zooming into the discussion of Chinese businesses in these three countries, we summarize some of the major findings about Chinese businesses in other countries, East and Southeast Asian countries in particular. Given the visible Chinese presence and the prominent history of Chinese businesses in East and Southeast Asia, understanding some of the major themes in relation to globalization in the region can provide a context for studying globalization and Chinese businesses in the countries of our focus, Canada, the U.S., and Australia.

CHINESE BUSINESSES IN EAST AND SOUTHEAST ASIA AND ECONOMIC GLOBALIZATION

For decades, the study of Chinese businesses in East Asian countries has been given considerable attention by researchers. In particular, the drastic economic growth in the 1980s of three of the four “little dragons” (Hong Kong, Taiwan, and Singapore) and other Southeast Asian countries (such as Malaysia, Thailand, and the Philippines) and the overrepresentation of Chinese businesses there have generated substantial public and academic interest (Gomez and Hsiao 2001; Gomez 1999).

Although most of these studies have provided understanding of the unique characteristics of Chinese businesses (Yeung and Olds 2000), such as the prominence