

CLASS, RACE AND ETHNICITY:
CHINESE CANADIAN
ENTREPRENEURS IN VANCOUVER

by

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Abstract

In research on immigrant enterprise, scholars argue that entrepreneurs mobilize informal support and resources from ethnic affiliations to overcome barriers associated with their immigrant or 'racial' status. The presumed relationship between ethnicity and entrepreneurship is relatively straight forward: immigrant entrepreneurs facing cultural or economic barriers use ethnic resources to propel their economic strategies.

This assumption is brought under scrutiny in a study of Chinese Canadian immigrant entrepreneurs in Vancouver, Canada who arrived after 1967, many of whom are skilled professionals, affluent investors, and experienced entrepreneurs. Some have formed corporate ethnic enterprises and many maintain extensive social and commercial ties abroad. What relationship exists between ethnicity and entrepreneurship in this setting? Do these conditions necessitate new approaches or concepts? These questions are explored in the course of the study.

Using ethnographic methods, this study examines the changing patterns and composition of Chinese Canadian immigrant entrepreneurship and the role of ethnic ties in this process. Consideration is given to the historical precedents and class and cultural politics surrounding the immigration and participation of Chinese Canadian entrepreneurs and workers in the Vancouver economy. The study concludes that existing theory on immigrant enterprise needs move beyond a narrow focus on ethnicity to consider the historical and cultural context of immigrant entrepreneurship.

TABLE OF CONTENTS

Abstract	ii
List of Figures	vi
List of Tables.....	vii
Acknowledgements.....	viii
 Chapter 1: Introduction, Theory and Methods	
Introduction	1
Upward Mobility and Business Formation.....	2
Mechanical Progressivism and Capitalist Logics	4
The Ethnic Economy	5
Trader Minorities in an Industrial Economy.....	5
The Ethnic Enclave	6
Ethnic Networks and Immigrant Entrepreneurship.....	8
Ethnicity, Race and Class	12
The Organization and Purpose of the Study.....	15
Methods and Data	16
Qualitative Data Analysis	17
Making Contact	17
Why Import/Export Companies?	18
The Interview Schedule	19
Quantitative Data	19
 Chapter 2: Forming an ethnic economy: Chinese identity in B.C. society 1850 to 1930	
Introduction	22
Producing 'Race', Forming an Industrial Economy.....	22
Work Strategies of Early Chinese Migrants.....	25
Racializing Labour Markets	26
Immigration Policy and 'Racial' Nationalism	29
Segregation and Immigration Policy	31
Business Formation in Chinese Socio-Economic Networks.....	33
The Organization of Chinese Ethnic Networks.....	34
Ethnic Structure and Firm Development	35
Chinese Merchants and Ethnic Economic Networks.....	37
Anglo-Canadian and American Industrialists and Chinese Merchants.....	39
Ethnically Integrated Market Produce Chains.....	40
Conclusion	42

Chapter 3: Class, Race, and Ethnicity, 1930 to 1967

Introduction	44
Immigration Policy Changes	45
Early Post-War Ethnic Economy	46
Occupational Segmentation in Early Post-War Chinese Canadian Communities	46
Canadian Born Chinese and Occupational Segmentation	49
Immigration Policy through the 1950s and 1960s	50
Race, Nation and Liberalism	52
Immigration and National Development Policy under Keynesianism	54
Conclusion	56

Chapter 4: Restructuring an Ethnic Economy: New Chinese Immigrants in Vancouver after 1967

Introduction	61
Towards a Neo-Liberal Immigration Regime, 1967-1999	63
Inscribing Chinese Transnationalism: the State and Global Trade Strategy	68
Moulding the Pacific Rim: New Chinese Entrepreneurs, and State Strategy in BC.....	71
The Economic Adjustments of New Chinese Immigrants in Vancouver	76
Occupational Strategies of Chinese Canadians after 1967	77
Occupational Structure of Chinese Canadians in B.C., 1971	78
Occupational Structure of Chinese Canadians in Vancouver, 1991	80
Entrepreneurial Strategies and the Ethnic Economy in Transition	84
Assessing Entrepreneurial Strategies	88
Conclusion	92

Chapter 5: Ethnic Entrepreneurship and Chinese Canadian Trading Companies in Vancouver

Introduction	102
Description of the Sample	103
Period of Immigration	103
Industrial Segments	106
The Social and Cultural Bases of Entrepreneurship	109
Encountering Vancouver	117
Entrepreneurial Strategies	125
Ethnic Business Strategies	127
Labour and Ethnic Networks	133
Expanding into the Mainstream	136
Conclusion	139

Chapter 6: Conclusion	144
Bibliography.....	150
Appendix A: Interview Schedule	162
Appendix B: Letter of Request for Participation in the Survey	163

LIST OF FIGURES

<i>Number</i>	<i>Page</i>
Figure 1.1: Immigrant Landings from Hong Kong, Taiwan and China to Canada	21
Figure 4.1: Immigration to Canada by Entry Class, 1984-1998	94

LIST OF TABLES

<i>Number</i>	<i>Page</i>
Table 3.1: 1951 Occupation by Ethnic Origin and Immigration Status for Men, British Columbia	58
Table 3.2: 1951 Occupation by Ethnic Origin and Immigration Status for Women, British Columbia	58
Table 3.3: 1961 Occupation by Ethnic Origin and Immigration Status for Men, British Columbia	59
Table 3.4: 1961 Occupation by Ethnic Origin and Immigration Status for Women, British Columbia	59
Table 3.5: 1971 Asian Ethnic Origin Population, Vancouver CMA	60
Table 3.6: 1951 & 1961 Asian Ethnic Origin Workforce in Select Industrial Sectors, British Columbia	60
Table 4.1: Immigration from Hong Kong, Taiwan and China to Canada by Entry Class, 1987-1998	95
Table 4.2: 1971 & 1991 Occupational Divisions	96
Table 4.3: 1971 Occupation by Ethnic Origin and Immigration Status for Men, British Columbia	97
Table 4.4: 1971 Occupation by Ethnic Origin and Immigration Status for Women, British Columbia	98
Table 4.5: 1991 Occupation by Ethnic Origin and Immigration Status for Men, Vancouver CMA	99
Table 4.6: 1971 Occupation by Ethnic Origin and Immigration Status for Women, Vancouver CMA	100
Table 4.7: Raw Data for Tables 4.5 & 4.6	101
Table 5.1: Year of Immigration by Type of Enterprise, Interview Sample	143
Table 5.2: Chinese Immigrant Entrepreneurs Interviewed in Vancouver, 1997-1998	142
Table 5.3.: Principal Source of Start-Up Capital, Interview Sample	143
Table 5.4: Percentage of Chinese Canadian Workforce, Interview Sample	143
Table 5.5: Principle Recruitment Channels for Hiring Labour, Interview Sample	143

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Chapter 1: Introduction, Theory, and Methods

Introduction

This is a study of new Chinese Canadian immigrant entrepreneurs who arrived after 1967 and established small to medium sized businesses in Vancouver. It concerns the development of business among immigrants and the role of ethnicity in this process. Researchers studying the field of immigrant and ethnic enterprise usually present entrepreneurship as an economic strategy used by immigrants in the face of blocked mobility. The more optimistic view presents it as a viable means to upward economic mobility for groups yet to “adapt” skills and experiences to local labour markets, while the pessimistic view portrays immigrant entrepreneurship as a survival strategy and an economic dead-end. The assumption made by most scholars is that immigrant entrepreneurs draw on informal resources from ethnic ties to make up for human or financial capital deficiencies.

However, recent research on post-1967 Chinese Canadian immigrants presents a much more complex picture of economic incorporation and entrepreneurship (Li, 1998; Mitchell, 1995; Johnson & Lary, 1994). In contrast to earlier movements of Chinese Canadian labour migrants, merchants, and petty tradespersons, newer Chinese Canadian immigrants are predominantly professionals, investors, experienced entrepreneurs and skilled technicians who are not entering the country at the margins (Figure 1.1). The new diversity of class positions among Chinese Canadian immigrants poses new questions about the relationship between ethnicity and entrepreneurship. Do different strata of immigrant entrepreneurs differ in their use of ethnic ties in the process of business formation? Are entrepreneur classes that enter the high to medium end of the class spectrum reliant on ethnic group structures? These questions are complicated by the presence of corporate Chinese ethnic enterprises in Vancouver, suggesting that commercial activity within the Chinese Canadian community is no longer separated from corporate economies. The fact that so many recent Chinese Canadian

immigrants maintain strong social and commercial ties overseas further complicates these questions (Bai & Mah, 1999; Ong & Nonini, 1997). This too contrasts with the standard view that ethnic entrepreneurs are bounded by local urban economies. This thesis seeks to address these themes - economic status difference and ethnic strategies; corporatization of the ethnic economy; and transnational entrepreneurship and ethnic networks - from the theoretical and empirical literature and in the course of analysis.

The next section examines different approaches to the study of the relationship between ethnicity and entrepreneurship, starting with market theories, moving to class-based approaches, and concluding with actor-network theories that draw heavily on neo-Weberian economic sociology. Using insights from cultural studies, I will critique the conception of ethnicity offered by ethnic enterprise theorists. I will conclude the chapter with some notes on the organization of the thesis, methods and data sources.

Upward Mobility and Business Formation

For market theorists, the economic integration of immigrants is projected on a course of assimilating to income parity with native-born within labour markets that are determined by individual human capital and market opportunities.¹ According to their argument, human capital (education, skill, and work experience) of immigrants is initially maladapted to the labour markets in the host society (Chiswick, 1978). Immigrants therefore gravitate to low-paying occupational sectors. Through time, immigrants 'benefit' from the effect of residing in the host society as they acquire language skills, human capital, and an understanding of the labour market. In doing so, they gradually move up the occupational spectrum.

¹ For US studies see Chiswick, 1978; Borjas, 1985; for Canadian studies see Bloom, et.al., 1995; Baker & Benjamin, 1994

Arguments to explain immigrant entrepreneurship in North America have developed along these lines (Borjas, 1986; Bates & Dunham, 1992; Yuengert, 1995). While it does not substantially improve wage conditions relative to salaried employment, market theorists argue that entrepreneurship represents a more lucrative alternative to waged employment for immigrants that assume the risks (Borjas, 1986 p.501; Maxim, 1992). Borjas (1986) gave two theories as to why this is the case. For one, immigrant entrepreneurs are able to employ 'dependable' family workers, thus avoiding the hazards of employee shirking. Second, they have better access to co-ethnic consumer markets based on their language abilities and better knowledge of ethnic goods and services.

Other market theorists refute the premise made by Borjas that ethnic markets or family labour makes entrepreneurship rewarding (Yuengert, 1995; Razin and Langois, 1996; Bates & Dunham, 1992). Rather, they argue just the opposite: ethnic factors have little to do with rates of self-employment. For one, they argue, rates of self-employment do not correlate with the size of an ethnic population in comparisons between cities (Yuengert, 1995; Razin and Langois, 1996). Yuengert (1995) posits instead that immigrants who come from countries with high levels of self-employment are more likely to be self-employed in the US. Immigrants are said to acquire human capital relevant to entrepreneurship in their home country which transfers through the migration process. Bates & Dunham (1992) argue that differences in levels of educational attainment and household wealth were the overwhelming cause of variations in self-employment among different "racial and ethnic groups" in the US. Variations had little to do with ethnic group factors, which they felt hinder small business viability. They conclude that the decision to enter into self-employment is pursued as a means to achieve upward mobility in the absence of more lucrative employment.

Mechanical Progressivism and Capitalist Logics

In sum, there is a mechanical progressivism of economic assimilationist logic, where immigrants progressively become more productive through the acquisition of 'suitable' human capital. Upward mobility may be facilitated should they gain access to family labour or ethnic consumer market. However, this would mean retaining cultural distinctiveness (ethnicity) and this would have a negative effect on wages of co-ethnic workers.² The overall effect, then, is to stall the process of economic assimilation.

The implications of this argument are twofold; first, ethnicity is regarded as latent pre-migration human capital retained because it offers higher income than adapting to local human capital demands. Ethnic entrepreneurship and ethnic economies are functional substitutes to mainstream economic incorporation, existing so long as they are functional, or in this sense, profitable. Yet, the norm of assimilation is associated with corporate capitalist labour markets which, for most of the century, non-European immigrants, women, and racialized minorities have at least in part been excluded.

Second, immigrants fail to reach the 'economic' norm by virtue of either their own incapacity or because they continue to sustain cultural traits ill-suited to demands in the labour market. By raising arguments against the effects of ethnicity upon entrepreneurship, individual traits and market conditions are understood to be far more important than bounded groups in organizing economic activity and allocating people to positions within these configurations (Hanson & Pratt, 1995). This obscures the extent to which economic activity regularly occurs within well defined groups that produce trust, mores and expectations (Granovetter, 1985).

² Both Borjas (1986) and Yuengert (1995) purported that workers employed with co-ethnic firms tended to have much lower wages than they might otherwise.

The Ethnic Economy

Another body of research centers on the question of the relationship between ethnicity and entrepreneurship. In it, authors present the view that ethnic groups represent an important social field for business formation among immigrants. *Ethnic economy* is a term used to describe the business structure created by an ethnic group within a locality, usually a metropolitan area (Light and Karageorgis, 1994; Portes & Jensen, 1989). At its most basic level, it refers to income generating activities, and class structures of an ethnic group. It differs from mainstream business and the standard labour market in that boundaries are defined by ethnic group membership (Light & Karageorgis, 1994, p.648). This is the critical distinguishing characteristic of *ethnic economies*, which include self-employed, employers and co-ethnic employees in businesses owned by members of an ethnic group. Light and Karageorgis (1994) are careful to point out that the concept of the ethnic economies does not assume that ethnic solidarity or occupational or business niches are present in ethnic entrepreneurship. However, social theories that address ethnic business routinely build these assumptions into their explanations (Bonacich & Modell, 1980; Portes & Bach, 1985; Waldinger, et.al., 1990).

Trader Minorities in an Industrial Economy

Edna Bonacich (1973) developed the concept of the *middleman* or *trader minorities* to account for ethnic economies produced by groups, often with a tradition in merchant activities, that sustain marginal trading businesses on the basis of group solidarity (also Bonacich & Modell, 1980; Light & Bonacich, 1988; Hiebert, 1993, p.246).³ According to Bonacich, social hostility, exclusion from

³ This concept emerged from her work in the 1970s on class positions of ethnic minorities in advanced capitalist societies. Bonacich described the role of ethnic entrepreneurs in contrast to corporate economies, still principally populated by a European-origin, male workforce. She regards ethnic enterprise as a pre-modern form of economic organization that had proved to be adaptable in the context of the "modern" economy. The reasons for this are contextual, and less important to Bonacich than the function this merchant class serves as an engine of capitalist relations by virtue of

standard labour markets, and sojourning orientation reinforce interaction and identification with co-ethnic ties. Out of this, she argues, ethnic entrepreneur classes develop marginal trading niches. While trader minorities are necessarily precarious, they achieve profitability through highly exploitative class relations. Wages are undercut as a way for the minority entrepreneurs to remain competitive (Bonacich, 1980, p.20). Ethnic entrepreneurs either offer cheap sub-contracted production or distribute products to the urban underclass. In either case, middlemen minorities constitute a marginal business class that help the corporate economy exploit labour more effectively (Bonacich, 1993). Examples of trader minorities Bonacich uses include Japanese-American market gardeners and greengrocers (Bonacich & Modell, 1980), and Korean-American grocers (Light & Bonacich, 1988) in Los Angeles.

The work of Bonacich has been criticized for making overtly deterministic statements on a number of fronts. Waldinger (1990) criticizes her presumption that the relationship between the wider society and the ethnic group is necessarily antagonistic. There is also some basis for questioning the view that trader minorities represent a permanent, marginal capitalist class (*petite bourgeoisie*) excluded from corporate structures, since there is a possibility that ethnic strategies can act as the foundation for the development of corporate activities, particularly as the industrial base of society changes and existing ethnic entrepreneurs respond to new opportunities or develop more elaborate business structures.

The Ethnic Enclave

Alejandro Portes in conjunction with other writers formulated the concept of the *ethnic enclave* to account for a more institutionally developed ethnic economy

its classic role as a distributor of industrial products and a collector of the wage capacity of the masses. Max Weber argues that the role of middlemen minorities - sojourners that traveled to different places and accumulated mobile wealth that they could take home - was critical in the

than the middleman minority.⁴ Portes argues that ethnic entrepreneurs can produce something more than the marginal trading economies described by Bonacich. In some special cases, ethnic entrepreneurs generate high degrees of internal economic organization within their ethnic community. Because they are able to stabilize labour and capital inputs, certain ethnic entrepreneurs sustain a constant flow of profit from ethnic networks.

Entrepreneurs in many cases use profits to expand and diversify their business activities within ethnic economies by financing new enterprises, developing real estate, selling credit, and so forth, as was the case among the Jews in New York. Incoming migrants can get readily absorbed within the enclave economy as workers or through loan arrangements if they start a business. Thus, rather than being dispersed into the metropolitan economy, entrepreneurs centralize and reinvest 'community' resources or capital within ethnic networks, producing an effective and somewhat autonomous regime of capital. In the process a community institutional base gets built, which in some cases may produce an *institutionally complete* ethnic enclave, where members of an ethnic community can live and work somewhat autonomously from the wider society.

An important facet to this argument revolves around the presumption that ethnic entrepreneurs have access to otherwise impoverished co-ethnic labour.⁵ Minority workers unable to find work in standard labour markets compete with other minority workers for marginal, or unstable jobs. In these cases, minority workers often find employment with a co-ethnic employer to be superior, since they are able to work in a familiar cultural environment buffered from discrimination or language problems they might otherwise face. Moreover, prospects for upward

transition to modern capitalism. Bonacich situates contemporary ethnic enterprise into this historic role.

⁴ Portes & Bach, 1985; Portes & Jensen, 1989; Portes & Stepick, 1994; Portes, 1995

⁵ As with Bonacich, Portes developed these ideas when North Americans of non-European heritage were significantly isolated from standard labour markets.

mobility are seemingly superior, since they have a better chance of getting promoted in ethnic enterprises, or gaining experiences which might be used to initiate their own enterprise. In these cases, ethnic entrepreneurs can effectively hire a stable co-ethnic workforce and enact informal labour practices which, as Lee (1992) argues, may upgrade the value of their labour and lessen the chance of worker collectivization.

In one account, Portes & Stepick (1993) described how exiled Cuban Americans established an enclave economy in Miami. Ethnic and linguistic ties, a cheap labour pool of Cuban refugees and migrants, and access to start-up capital through personal relations supported the formation and expansion of ethnic enterprises. Reciprocity among entrepreneurs and their workers supported the growth of interrelated Cuban businesses. Firms were small enough for owners to involve workers in most of the firms' operations, giving workers a chance to learn how to operate a business. Having gathered these skills, many employees went on to start their own businesses, often with the assistance of their former bosses or managers. Out of this developed a group of 'successful', yet integrated set of businesses.

Ethnic Networks and Immigrant Entrepreneurship

Theories of ethnic economies which stress social exclusion, discrimination, and market segmentation have come under fire from a small, but growing number of writers who suggest they do not capture the diversity and complexity of contemporary ethnic entrepreneurship (Zhou, 1998, p.228). There have also been concerns raised that these authors make the deterministic assumption that ethnic groups necessarily encounter blocked mobility based on societal antagonism. It is unclear whether it is valid to generalize the influence of racism and socio-economic exclusion on entrepreneurial behaviour (Waldinger, 1990).

Instead of portraying ethnic entrepreneurship as a survival mechanism in the face of societal hostility and economic marginality, writers such as Waldinger, Light, Zhou, and more recent writings from Portes ask how variations of group resources and socio-economic conditions contribute to different forms of immigrant entrepreneurship (Portes & Jensen, 1989, p.930). These authors draw heavily on both neo-Weberian economic sociology and the emerging network paradigm in their accounts. Network theorists posit that people are integrated and circulate in a complex range of linkages or networks to other people and entities in their environment (Yeung, 1994). Key to the idea of networks is that they are constituted socially through interaction, and tend to guide and condition activity once established (Latour, 1988). The focus of network research is on the linkages people use to gather and mobilize 'resources', how networks are produced, and how they stabilize over time and condition activity. In the ensuing section, I will sketch out this networked model based on concepts derived from the literature.

Certain entrepreneurs draw on what Light calls *ethnic resources* more regularly in their business strategies (Light & Bonacich, 1988; Light & Karageorgis, 1995). Light's notion of ethnic resources refers to the positive effects (or advantages) of ethnicity and ethnic group structure for business development and success. Ethnic resources may include entrepreneurial cultures, kin systems, protected labour and commercial markets, credit pools and so forth. Entrepreneurs that mobilize ethnic resources to support business strategies are said to deploy *ethnic strategies* (Bossevain, et.al., 1990).

Affiliations with *ethnic social networks* provide entrepreneurs with dependable channels to access capital and information and to recruit workers, but also provide an established set of norms to govern group action (Bossevain, et.al., 1990; Waldinger, et.al., 1990). A good example is the Indochinese refugee entrepreneurs in St. Paul, Minnesota, who despite minimal capital or formal education, capitalized on ethnic resources, including family labour and a growing,

but linguistically isolated co-ethnic market concentrated in a near-by low-rent district, to build up a cluster of retail businesses and restaurants (Kaplan, 1997). These transactions operate on the basis of *social capital*, or the capacity of individuals to mobilize resources because of personal relations rather than human or financial capital (Fernandez-Kelly, 1994; Portes, 1995). This is a particularly important concept since ethnic networks usually involve a narrow scope of social interaction, meaning that participants have some knowledge of those involved and more trust gets invested in those ties.⁶ Waldinger, et.al., (1990), Portes & Jensen (1989) and others (Wong, 1998; Oxfeld, 1993), stress that the most important social networks for ethnic entrepreneurs are family and extended kinship relations, after which comes other members of their ethnic community.

Social capital and the possibilities of ethnic strategies are shaped by the dimensions of ethnic group structure, including size, intensity of interaction, sharpness of out-group boundaries, spatial proximity, internal cliques, and degree of overlap of relations across social fields such as work, home and community (Portes, 1995, pp.8-12). A particularly vivid example of this is in the case of Jewish Canadians in Toronto in the first quarter of the twentieth century depicted by Hiebert (1993). Neighbourhood concentration and economic clustering in trading activities and garment manufacturing yielded a critical mass of economic linkages to skilled workers, subcontractual networks, specialized services, and interfirm commercial ties between clothiers and retailers. Established merchants and industrialists formed a clique to socialize, and to share information and loans. Another business clique formed from Free Loan Associations that were set up to circulate loans among petty merchants.

By the same token, entrepreneurs are *constrained* in their ability to exploit ethnic resources (Granovetter, 1995). That is to say that the capacity for

⁶ Therefore, there will be variation in the ability of individual entrepreneurs to seek out help from ethnic networks.

instrumental economic behaviour is constrained by their embeddedness in ethnic group structures. Bernard Wong (1998), for instance, shows that Chinese American entrepreneurs in San Francisco acted more like “caretakers” than disengaged owners concerned only with excavating profits from ethnic networks (p.78). Employers were frequently called on by employees for a variety of informal tasks, such as assistance with personal issues or small loans. Constraints can operate in other ways, such as through threats of group sanctions including exclusion and ostracism. The strength of group constraints will be most cogent upon businesses and workers reliant on ethnic networks.

Roger Waldinger (1987, 1990) argues that while ethnicity and ethnic group structures are important, entrepreneurs must have access to viable economic sectors with surmountable entry barriers. Capital and technological requirements and levels of competition within existing industrial sectors shape the parameters of entrepreneurial strategies as well. Drawing on industrial organization theory, he argues that entrepreneurs who make up for capital deficiencies through ethnic strategies are likely only to be viable in labour intensive sectors with low entry barriers. Without the product market dominance or institutional capacity of corporate firms, ethnic entrepreneurs will often have no choice but to serve a local clientele in sectors where standardization is difficult and technical requirements are low. Retail, restaurants, construction, and garment manufacturing are prototypical sectors in this respect (Olson, 1990). Opportunities to satisfy distinctive cultural tastes or needs are also present in ethnic communities, but these are limited by the size of the ethnic market and by co-ethnic competition (Waldinger, et.al., 1990). They may otherwise serve mainstream markets where the potential for growth is greater, but barriers and competition are potentially much higher. Waldinger (1987, 1990) refers to the industrial sectors accessible to ethnic entrepreneurs as *opportunity structures*.

Ethnicity, Race and Class

Most of these authors hold close to Max Weber's notion of ethnicity. Weber (1953) defined ethnicity as a subjective belief in common ancestry with a social grouping different from other groups. Ethnicity is regarded as a form of self-identification and social stratification when groups define or sustain social boundaries based on their ethnic identity (Hiebert, 1994). The source and character of difference are less important than the effect it has on individual and group activity. Yet, Anderson (1991) warns, by framing the study of ethnicity in terms of the behavioural consequences, ethnicity becomes a descriptor for behaviour. This is problematic because it assumes that culture is immutable or primordial. Moreover, it sets up the possibility that ethnic group behaviour can be determined and in turn characterized within a typology of ethnic differences (Gilroy, 1990b).

According to a second view associated with the social constructionist school, rather than allowing it to be a descriptor for behaviour, ethnicity itself should be explained (Gregory, 1989, p.70). In other words, ethnicity shapes and in turn is shaped by social interaction and power relations operating within them, and these social settings where ethnicity is produced, intensified or minimized require consideration. For instance, residential and occupational clustering may intensify in-group interaction and produce or reinforce ethnicity, but such clustering could be affirmed not only by cultural affinity or pre-existing social bonds, but also social and economic exclusion. As Hiebert (1994) argues, people may assert their ethnic identities and affiliations whether or not they are excluded from mainstream institutions (also Anderson, 1998).

The social constructionist approach has its roots in cultural studies. Emerging from the work of Stuart Hall (1980), Edward Said (1978), and Raymond Williams in the 1970s, social theorists began to apply Marxian methodologies to the study of cultural questions, including race, ethnicity and gender. There are three

facets to their approach to ethnicity. First, ethnicity is regarded as a cultural formation that arises historically in particular contexts. Second, it is an active force shaping social relations (Massey, 1991). Third, ethnic identity is reworked ideologically, according to discernible interests that promote certain expressions of group solidarity (informal work relations, for instance) over others (Jackson, 1989, p.50). For instance, Mitchell (1993, 1997) demonstrates that Chinese and Canadian identities were reworked and promoted by various state and business elites among Vancouver residents and Hong Kong immigrants in an effort to reduce cultural antagonism and facilitate the flow of Hong Kong capital into Vancouver. The Canadian government and business elites promoted greater tolerance and cultural pluralism. Chinese Canadian immigrant capitalists identified themselves as 'ideal' Canadian citizens and bridge builders to the Asian economy. An important caveat is also added: ethnicity is not reducible to ideology. Thus, ethnicity in this latter sense is treated as a cultural formation that is molded by ideology and economic pressures over time and in different places.

Ethnicity is often shaped by racist practices and understandings. Ways that Euro-Canadians understood Chinese Canadians as a separate 'race' have become a focal point for research on Chinese Canadian history in Vancouver (Anderson, 1991; Johnson, 1996; Mitchell, 1993, 1997).⁷ The 'race' idea, that people belong to naturally occurring groups based on phenotypic features or innate cultures, has been linked at various periods with a belief in racial hierarchies, or that racial groups are ranked in some way, usually according to civilizing capacity or skill (Miles, 1989; Jackson, 1989). Gilroy (1987) argues that a more benign form of racism has been constituted around *ethnic absolutist* lines. Hierarchical and biological notions of race are replaced with an understanding that 'race' is culturally defined. Cultures are

⁷ According to this argument, maintenance of distinct ethnic identities among Chinese Canadians in Vancouver emerged through an experience of exclusion from dominant political and economic positions in society. They were marked as racially 'other' by the dominant European-origin society that constructed national political communities on the basis of symbolic markers of whiteness that conformed with an imaginative community of Europe.

viewed as fixed properties of 'racial' groups. Kay Anderson (1991) and Katherine Mitchell (1993, 1996) show that Euro-Canadian understandings about what constitutes the category 'Chinese' were constantly changing and being reworked along these lines with different encounters in changing political and economic conditions within Vancouver.

Though Chinese Canadians have been racialized and systematically excluded by the dominant Anglo-Canadian society for most of their history in BC, Chinese Canadians are not a homogeneous social collective. Some of the many internal ethnic divisions within the Chinese community have been based on linguistic groupings, originating regional district in China, period of immigration, religion and source country for Chinese immigrants who came after 1967 (Con, et.al, 1982; Stanley, 1995). Cantonese speakers mostly from Hong Kong and Southern China are the numerical majority, and Mandarin speakers, mainly from Northern China and Taiwan are the minority of a broadly diffuse collection of language groups from regions inside and outside China. Differences in language have meant that many Chinese Canadians communicate across dialect groups in English. Another axis of difference is between older pre-WWI Chinese settlers, who held stronger and less permeable in-group identities, and the post-1967 immigrants who have taken on new roles in the mainstream. However, many connections exist between these groups through kinship ties. Locality or regional district associations were common for pre-WWI Chinese Canadians. The majority post-1967 Chinese immigrants emigrated from countries other than China, and they are referred to as Overseas Chinese. There are also important class and gender differences within the Chinese community (Chan, 1983; Adilman, 1992). Differences in Chinese Canadian ethnic identity rebuke any notion of an ethnically homogeneous, stable "Chinese" identity (Lowe, 1994; Chow, 1991).

The framework for the interpretation of immigrant entrepreneurship outlined here will be used in the course of this study. Drawing on resources from ethnic

networks, ethnic strategies of immigrant entrepreneurs are used to carve out a niche from the opportunity structures of the local economy. In this sense, ethnic solidarity is promoted ideologically, though subject to group conflicts, pressures, and dynamics. Yet, ethnicity actively molds social relationships, and therefore will have bearing on one's lived experience and one's capacity for economic action (Massey, 1991; McDowell, 1991). Thus, both entrepreneurship and ethnicity are socially and politically constructed and affect each other in contradictory ways. Moreover, ethnic identity is constructed over a particular terrain in the context of a wider set of power relations and economic pressures.

The Organization and Purpose of the Study

The aims of this study are fourfold: to come to terms with new Chinese immigrant entrepreneurs who have arrived after 1967, many of whom are professional, highly skilled, and have tremendous built-up assets; to explore the historical and cultural context of the Chinese ethnic economy in Vancouver; to describe the process of entrepreneurship and the role of ethnic networks; and, fourthly, to consider the cultural and class politics surrounding Chinese Canadian entrepreneurship.

Chapters 2 through 4 provide a historical backdrop to the contemporary Chinese ethnic economy through a review of significant developments in Canadian immigration policy, and the politics surrounding the economic participation of Chinese Canadians in Vancouver. These chapters stand against readings that present Chinese Canadian as merely impoverished victims of racism, showing the tactical significance of capital and the entrepreneur class in the Chinese ethnic economy. The making of an ethnically and 'racially' segmented economic geography between 1858 and the 1930s is the subject of chapter 2. In chapter 3, this analysis is extended to consider ethnic segmentation and 'racial' discourse in occupational structures and immigration policy through a period between the 1940s and 1967. It is argued that

so long as they were considered marginal to the developmental priorities of the state, Chinese immigration would continue to be held back. An overview of the critical changes occurring after the removal of 'race' based criteria for immigrant selection in 1967 is presented in chapter 4. Changes in class position and the industrialization of East Asia contributed to the shifts in popular and state representations of Chinese Canadian identity. These changes also introduced significant alterations to the Chinese ethnic economy. No longer marginal to state and capitalist development strategies, steps were taken to encourage business formation among the growing number of immigrant capitalists and 'nouveau riche' from Hong Kong and Taiwan who disproportionately settled in Vancouver, though, as will be discussed, this appears more problematic than assumed. Finally, in the last chapter, the entrepreneurial strategies of Chinese immigrant entrepreneurs interviewed for this project are analyzed according to the theoretical framework outlined in this chapter. Starting with the ethnic networks that fostered business formation and the constraints imposed by Vancouver's economy geography, chapter 5 concludes by exploring their entrepreneurial strategies in the context of existing local co-ethnic and corporate business networks.

Methods and Data

Ethnographic-based research methods were employed in this study to generate most information on the subject area. Ethnographic accounts, as Jackson (1996) notes, are mostly based on "first hand observation in the field" to convey the richness and multiple textures of a particular social group or area, and, as such, "aims for depth rather than coverage" (p.174). As Ley (1988) purports, the job of the researcher employing ethnographic methods is to assemble and decipher a range of texts within an interpretive framework to make sense of a situation.

Ethnographers can interweave quantitative and qualitative methods in their endeavor to produce richer stories. Rigour is established on the quality of the interpretation, and defended against the established body of research that guides the research

process.

Qualitative Data Analysis

A combination of qualitative and quantitative methods was used in this project. The bulk of this data was sought through in-depth, semi-structured interviews with 24 owners of Vancouver-based Chinese Canadian businesses and 9 others working in the local Chinese Canadian business community, including community leaders, journalists, and representatives of Chinese Canadian business associations and Canada-Asia trade associations. Interviews were conducted in the 12 months between August 1997 and July 1998. Data gathered from interviews were supplemented with participant observation, attendance at a variety of functions, including the World Chinese Entrepreneurs Convention held in Vancouver in August 1997; various trade shows, luncheons, including one hosted by the Hong Kong-Canada Business Association, and other meetings and events. Articles, brochures, program guides, annual reports, and other documents gathered from the field were used in the course of analysis.

Making Contact

Participants for this study were recruited in a number of ways. The most common approach was through an initial letter of request addressed to the owner or manager of selected trading companies, followed by a phone call to determine willingness to participate in the research. Names of companies were drawn from Chinese Canadian business directories, business associations, trade publications, and trade shows. This was followed with background searches of different companies using the *Contacts Business Directory*⁸, which lists company details such as the number of employees, names of executives, date of incorporation, and industrial code. For some of the larger companies, information was generated

through web searches and business periodicals.

About a quarter of the sample was generated other ways, mainly through referrals offered by interviewees. This 'snow-ball' strategy was effective for recruiting entrepreneurs from larger firms, who stated they otherwise would not have agreed to participate in the study. Also, three recent immigrants were interviewed prior to an entrepreneur training program offered by a local Chinese Canadian immigrant service agency.

Why Import-Export Companies?

Although a hand-full of participants were drawn from manufacturing companies, the sample was focused on interviews with owners and managers of import-export firms. The decision to study import-export suppliers and distributors was based on a number of considerations. First, import/export activity is a very common form of business among recent Chinese Canadian immigrants.⁹ At the same time, trading businesses are larger, more institutionally developed, and more heavily capitalized than smaller, typically marginally profitable restaurant, retail, grocery or personal service firms. This made it possible to explore a wider array of issues than otherwise would have been allowed with smaller firms. In particular, there was a chance to get some insight into how Chinese Canadian entrepreneurs interacted with non-Chinese business networks in Vancouver, and the tensions that surround this experience. Similarly, since they have more backward and forward linkages among co-ethnic firms, import/export distributors provided a better gauge of the evolution of the Chinese ethnic economy than by interviewing personal or retail service firms who have fewer, lower level business linkages.

⁸ Contacts Business Directory, Lower Mainland Area, British Columbia, Target Market Inc., various years

⁹ Twenty-seven percent of the sample of Chinese business immigrants interviewed by Wong and Ng (1998) in Vancouver, the largest segment, were engaged in import/export activity (p.70).

The interview schedule

The interview schedule consisted of questions examining a range of points including personal histories, descriptions where and how their business operated, how had they accessed to resources such as labour, goods, capital, suppliers, and customers, and what role if any had family or close friends played in this process. I also inquired about the number and ethnic background of employees, and I asked them to reflect on the differences in the conduct of business in Vancouver as compared with East Asia (Appendix A). Though the interview schedule was formed early on, I often didn't hold to it. I tried to pick up on parts of conversations by not rigidly following through each question, mixing the order of the questions as the interview progressed and changing questions in accordance with the company's background information that I gathered.¹⁰

Quantitative Data Analysis

To contextualize occupational patterns and determine the relative degree of occupational clustering by the Chinese workforce, a *representation index* was calculated using the British-origin workforce as a reference population for the years 1951, 1961, 1971, and 1991, based on occupational data from the Census of Canada. This was done for each occupation by dividing the percentage of Asian-origin or Chinese-origin population by the percentage of the total population, then comparing the same values for the British-origin population. Values were generated for both ethnic-origin populations according to immigrant status (immigrants and non-immigrants) and gender. Occupations where ethnic groups are overrepresented relative to the distribution of the total population have index values greater than one

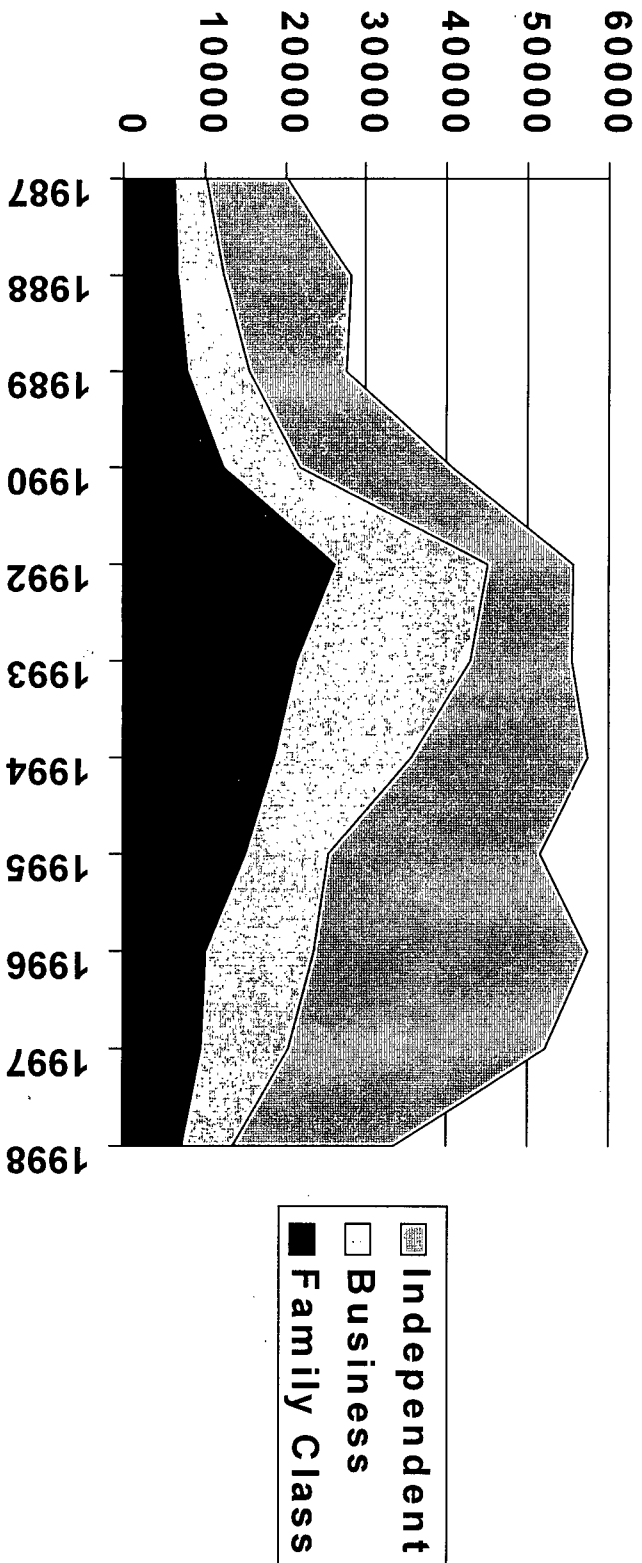
¹⁰ Background information on the company and/or the entrepreneurs was useful in enhancing the content of the interviews and double checking on the details of the interview (Schoenberger, 1992). Having some sense of the company prior to the interview also helped focus my questions and projected me as a interested and informed observer, which allowed the research to progress along paths it might not have otherwise, almost as an insider and outsider at the same time - someone who has some sense of the technical ins and outs.

hundred, while those that are underrepresented have values less than one hundred. The decision to compare Asians with the British-origin group was made in light of the recognition that British-origin Canadians were not only numerically the largest group in BC, but also the cultural and economic elite, or 'charter' group (Porter, 1965; Lautard & Guppy, 1990). This provides a feasible base population for assessing the relative occupational standing of the Chinese workforce in BC.

Data were generated from published Census tables of the paid workforce over 14 or 15 years of age for the years 1951, 1961, and 1971 at the BC provincial level. The 1991 figures were based on a custom tabulation of occupations for the workforce over 15 years of age in the Vancouver CMA. Tables for 1991 had the additional feature of disaggregating between salaried employees and self-employed, which provided greater detail for interpreting occupational patterns, particularly among entrepreneurs. The major occupational categories and some subcategories were used. The subcategories were included to specify particularly important occupational sectors not covered by the standard classification.

For the analysis of Chinese Canadians, Asian single ethnic origin was used for the years up to 1971, and Chinese single ethnic origin for 1991. British single ethnic origin was used across all time periods. However, these data are not commensurate. Statistics Canada changed their sampling technique to allow respondents to list multiple ethnic origins in 1981. The sample of population with multiple ethnic origins was not considered in this survey.

Figure 1.1: Immigration from Hong Kong, Taiwan, and China to Canada



Source: Employment and Immigration Canada, Various Years; Citizenship and Immigration Canada, 1998, 1999

Chapter 2: Forming an Ethnic Economy: Chinese Identity in British Columbia Society, 1850 to 1935

Introduction

The mid-nineteenth century to the Second World War in the late 1930s marked the first period of Chinese immigration and settlement in British Columbia. Business formation among early Chinese British Columbians, as I will argue, was embedded in a social geography associated with industrial capitalism and what Paul Gilroy (1990a) has called “ethnic absolutism”, where ethnic and national identities – in this case those of Anglo-Canadians and Chinese – would become “so wrapped in an absolute sense of culture so powerful that it separates people off from each other and diverts them into historical locations that are understood to be impermeable and incommensurable” (p.116). Ethnic solidarity meshed with racial discourse to define a (contested) boundary between communities. Since contemporary conditions have built on and in many ways mimic relations and values current in this period of Chinese settlement in British Columbia, it is important to explore the historical and cultural context of a segmented BC society during these formative years.

As a means to interpret Chinese Canadian entrepreneurship, two questions are posed: first, how had Chinese Canadians become marginalized in British Columbian labour markets and industrial segments dominated by Anglo-Canadians, and second, how did Chinese Canadians forge enterprises to mediate or contest their status? The initial section of this paper will address the first question, while the latter half concerns the second.

Producing ‘Race’, Forming an Industrial Economy

In BC, placer mining formed the first major wave of capital and labour after the fur trade. With access to world markets facilitated by increasing speed of travel, communication, and transportation, the region became attractive for capital exported

from the western US, extending threads of capitalist relations into BC. A scattering of natural resource procurement industries - from sawmills to coal mines - succeeded placer mines. The capital-labour division carved out of political alignments and social relationships associated with the expansion of industrial capitalism discouraged other social relations or forms of productive activity (Harris, 1997, p.263).¹¹ Accordingly, industrial class identities tended to be emphasized in BC society and space. The resource economy was organized and external trading connections maintained through Vancouver and Victoria, and with the commercial functions in these and other centres, BC was transformed into a tightly integrated industrial-commercial economy.

Industrial formations were organized by and for the Anglo-Canadian cultural and numerical majority and social elite. Operating with an absolute sense of culture, they tended to collapse ethnic difference around symbolic identifications based on 'race', which reproduced asymmetrical socioeconomic relations between 'whites' and 'non-white' others.¹² Moral justification, if needed, was found in the pseudo-scientific idea of racial hierarchies which posited not only a biological difference between 'races', but that 'races' were endowed with different civilizing capacities (Anderson, 1988, p.129). Within these racial discourses, Europe was positioned at

¹¹ Harris makes the useful distinction between places in North America where land was cheap and abundant, generally further from markets, and less attractive to capital and labour, and thus favourable to family-based agricultural production, and areas where markets were accessible and resources attractive, which attracted capital and labour. Extension of capital, labour and extraction technology to resource procurement activities in BC was so conditioned.

¹² Sandel (1982) suggested in a different context that racial discourse, complemented by a "background in implicit practices and understandings", gave rise to the idea of a 'white' community (quoted in Harvey, 1996, p.311). Thus, "...the success of immigrants' attempts to draw boundaries around their own ways of life and keep strangeness somewhat at bay varied with the size and power of the immigrant group. A small, non-English-speaking immigrant minority, with little access to government and not much capital, had little power - beyond an intense local struggle waged at the scale of the family and of community organizations - to defend its own cultural boundaries. Immigrants of British background, a solid majority with the levers of economic and political power at their disposal, were in an altogether different position to defend themselves and their way of life. They set out to define a territory in their terms and make it theirs, in the process creating boundaries that they used to fend off or control others" (Harris, 1997, p.267).

the apex of progressive, enlightened civilization, and the world outside as its negative. In British Columbia, Harris (1997) notes,

such ideas, somewhat abstracted from Europe, encountered their object in a place where social and cultural change was the common lot and an immigrant society, of somewhat uncertain future, was being constructed (p.268).

Drawing on the work of Gramsci and Said, Anderson (1988) argued that the political-cultural community so produced informed an ideology and formed an institutional capacity for Anglo-Canadians to intervene and shape the development of the capitalist economy through regulation of immigration and the division of labour.

In this context, Chinese workers operated in different, subordinate labour markets to Anglo-Canadians. They were selectively appropriated to primary industrial activities only insofar as they were used as cheap labour through contract-labour arrangements, allowing certain industries to develop that otherwise would not have, given the paucity and cost of workers. Self- or co-ethnic employment in the unorganized segments of the economy offered them an alternative and some respite to contracted work.

The construction of segmented labour markets constructed from the various tensions arising out of people's strategies to find work and make money. The particular force of the entrepreneurial strategies of the Anglo-Canadian elite who owned the primary industries and Chinese merchant labour brokers who acted as intermediaries for Chinese labour must be considered as an important constituting element in this process. Yet, these socio-economic boundaries were made then reproduced through a perilous, highly unstable period of the late 1800s that witnessed at least three moments of profound restructuring of the BC capitalist economy. The question is, how had this taken place?

Work Strategies of Early Chinese Migrants

The first Chinese settlers to Canada arrived in 1848 via California (Cheng, 1931, p.35). During the 1850s through to the 1870s, 4,000 Chinese settlers entered BC.¹³ While most Chinese migrated from the US, by the late 1860s, many more were coming directly from Hong Kong and Southern China. Many of these early settlers came to work in the gold fields. A sizable number ended up as washermen and cooks in mining camps and in emerging commercial centres such as Victoria and New Westminster.

An important shift took place in the late 1860s, when the major industrialists started using Chinese labour. Accessible gold had been mined and panning was replaced with industrial placer and hard-rock mining operations, canneries, sawmills, logging operations, shingle mills, and coal mines. Itinerant Chinese miners were left to find alternative work, and growing industrial labour markets in BC provided many with jobs. Seeking to boost profits, mine owners began to employ Chinese labour into capital-intensive mining operations, what was once a domain exclusive to Euro-Canadian workers (Ward, 1990, pp.31-2; Warburton, 1981, p.82).

Migrant Chinese workers were recruited by contractors assigned to complete the last stretch of the Canadian Pacific Railway through the Fraser Canyon to its terminus in what would become downtown Vancouver. Between the late 1870s and 1884, 17,000 male indentured workers from southern China and the US were brought to BC to work on the rail line (Con, et.al., 1982, p.22). Chinese migrant workers performed almost all the work on this final stretch. They endured great hardship, exhaustion, and faced scurvy and occupational injury, and as many as 600

¹³ Almost all were male labour migrants that were recently displaced from farm labour in the context of a transformation towards international trade and capitalist industrialization in Southern China. They came from 8 districts in the southern Chinese province of Guangdong. The districts were

were reported to have died. Most Chinese workers were dismissed without the promised compensation once the line was completed.

With the regional economy of southwest BC in a tailspin after the construction of the railroad, labour competition grew tense. The industries that supplied materials for the railroad construction shut down or scaled back their operations and large numbers of workers were discharged from the industries involved in rail line construction. Displaced workers were forced to compete with 14,000 new, mainly British immigrants for other work amid the recession (Creese, 1988, p.61). Chinese labourers who did not remain with the CPR found work in resource industries, in the ethnic economy, or in middle- and upper-class households as housekeepers and cooks. A small number were able to land semi-skilled, but seasonal work in salmon canneries. Some elected to open up a small shop or start a market garden and others went into various areas of service provision including barber shops, restaurants, or in laundries where they had an early monopoly. Sixteen percent of the Chinese population in BC either ran a business of some sort or was employed by a co-ethnic business in 1884 (Con, et.al., 1982, p.309). This basic occupational pattern remained much of the way through the early part of the twentieth century. Yet, this process of labour market segmentation involved, as Kobayashi and Jackson (1995) posit, "different interest groups, sometimes sharing tactics while in conflict over ends, sometimes in complete collusion according to prevailing political and economic circumstances" (p.33).

Racializing Labour Markets

The major industrialists were receptive to Chinese migrants as cheap labour, but felt they were racially distinct, and therefore not suitable as permanent citizens. The identity of Chinese labour among the capitalist class was that of a piece of

located in the region of Canton, now called Guangzhou, near the British colonial port of Hong Kong. The migrants were exposed to European colonial trading activity that took place in this region.

industrial machinery - industrious, patient, easily governed, cheap, and unskilled (Roy, 1989; see Ward, 1990, p.41). With salaries a third to a half of European workers, industrialists were keen to exploit Chinese labourers in extraction and processing industries (Creese, 1988, p.61). By lowering the value of Chinese labour, employers created different wage regimes for Euro-Canadian and Chinese workers.

Their subordinated class position of Chinese Canadian workers differed relative to that of the European-origin members of the working class. This difference was the source of animosity, particularly when employers hired Chinese Canadian workers to suppress wages and collective worker organization. The perception that Chinese labour was in direct competition informed a particularly virulent acrimony among Euro-Canadian workers towards Chinese Canadians. This hostility was repeatedly asserted, and most forcefully in moments when Euro-Canadian labour felt their wage status to be threatened, such as after the completion of the railway when a large segment of the Chinese workforce was released into the open labour market, or during the twenty years enveloping the turn of the century, a period of high Chinese immigration (Roy, 1989; Ward, 1990). White workers expressed their anger through violence towards Chinese camps, residences and businesses. They arranged boycotts and stigmatized businesses that employed Chinese Canadian workers (Ward, 1990; Anderson, 1987, p.582; Creese, 1988-89). They also lobbied government to impose restrictions on Asian immigration and employment, particularly from better jobs (Creese, 1988-89; Ward, 1990).

However, Euro-Canadian working class sentiment towards Chinese labour should not be reduced to class conflict. Within mining camps, Euro-Canadian workers constructed community around symbolic markers of whiteness, which precluded making connections to a shared class position with Chinese labour (Ward, 1990, p.24). These frontier associations were maintained through the transformation to industrial and urban-based arrangements after 1870. Within the newly emerging resource industries, Euro-Canadian workers organized into unions (Ward, 1980,

p.19). However, organized labour did not extend membership to Chinese Canadians until the 1930s. Unions associated Chinese labour with non-union labour, and frequently blamed Chinese workers for deteriorating work conditions and wage-payments (Creese, 1988-89).

In this way, Creese (1988-89) argued, a racially divisive pattern ensued where Euro-Canadian male workers, with far more political and economic clout than Chinese labour, maintained their monopoly status in the primary labour markets through the exclusion of Asian labour. Exclusion from unions meant also exclusion from the security offered by collective bargaining. The inability of Chinese workers to negotiate collectively with owners compounded their marginality and made the threat of being fired a constant reality. Roy (1989) noted that when they were in a stronger position to negotiate better conditions, early Chinese settlers had been less willing to assume secondary positions, and struck many times. The segmentation of Chinese labour was in turn reinforced through the racist practices of employers who exploited their commodity status in the labour market, often to fill job gaps that few Euro-Canadian men would perform, which both reinforced and legitimized their marginalization.

Societal hostility towards the Chinese in BC, present in state policy and everyday life, also actively set restrictions on the type of work Chinese Canadians could perform. Anti-Chinese protest movements echoed and tried to harness, though sometimes unsuccessfully, political and public sentiment against the patronage of Chinese businesses and employment of Chinese workers. Intrusion and harassment by police and other civil authorities into their shops and homes stigmatized Chinese businesses and neighbourhoods, and reinforced social boundaries (Ward, 1990; Anderson, 1987). The British Columbia legislature enacted over 100 pieces of discriminatory legislation including disenfranchisement, a prohibition of Chinese employment in any public works, and 'license fees' to businesses that employed Chinese labour; however, the federal government overturned at least 18 of these

bills (Anderson, 1988, p.133; Stanley, 1995, pp.9-10; Avery & Neary, 1977, p.25). In Vancouver, the Chinese were unable to enter the professions of pharmacy, dentistry, and law since they were disenfranchised in 1871 (Anderson, 1991, p.182). Lobbying efforts by protest groups and labour organizations persuaded many industries to replace Chinese workers with Euro-Canadian workers, and, after the First World War, returning soldiers. Employers undoubtedly hired Chinese with a certain level of unease given the moral climate of the day.

Immigration Policy and 'Racial' Nationalism

Similar to the contested nature of labour market entry, immigration controls provided an additional means to regulate the movement of Chinese according to the varied political aims of Anglo-Canadian society. The avid monitoring and restriction of labour migrants from China contrasts with the state practices that were aimed at facilitating Chinese merchant class entry into Canada. Both groups were treated differently than immigrants sought from Britain and northwestern Europe. As Avery and Neary (1977) point out: "[n]o agents were commissioned, no promotional literature was distributed and no plans were made for the agricultural settlement of Orientals" (pp.24-5).

Hostilities towards Chinese workers went through ebbs and flows as politicians, especially at the provincial level, and labour leaders regularly renewed calls to limit immigration and the civil rights of Chinese, while a vocal minority pushed for the extradition of Chinese from Canada (Ward, 1990). Aware that they lacked the constitutional power to regulate immigration policy directly, provincial politicians mounted intense protests and lobbying efforts to pressure federal governments to act on the matter.

The federal government - attentive to the lobby of the industrialists, led by the CPR who risked losing labour during the railroad construction, and later a very

lucrative freighting and passenger business¹⁴ - was reluctant to act on the campaigns of labour and civil society calling for the prohibition of Chinese (and Japanese) immigration (Roy, 1989; Avery & Neary, 1977). Fearful of US expansionism into BC, the federal government was particularly sensitive to the cultivation of a "Canadian" presence in the region that had already made the CPR a key platform in its nation-building strategy. From Ottawa then, the Chinese were recognized for their contribution to the production of wealth and generation of industry in the west. Questions concerning the regulation of the Chinese in Canada would be mediated by the nation-state developmental priorities. Therefore, attempts that were made by the BC legislature to regulate the entry of Chinese migrants were disallowed by the MacDonald and later Laurier governments.

When the federal government did respond, their recourse on at least two occasions was to call for a Royal Commission. The first Royal Commission was initiated towards the end of the railway construction period, when the number of Chinese in BC approached almost a quarter of the size of the European-origin population (Ward, 1990, p. 170).¹⁵ In 1885, after the first Royal Commission, the federal government introduced a \$50 head tax on all Chinese entering the country.

The decision to impose the head tax upon Chinese immigrants provoked a backlash in BC among those who felt this measure was inadequate. They called for an outright prohibition of Chinese immigration. Feeling that the distant Ottawa-based government was not responsive to their interests, they continued to push for more restrictive policies. The balance of the debate turned with the urbanization of

¹⁴ Hsu (1999) recounts that the average cost to steamlines of transporting a passenger from Hong Kong to North America in the late 1800s was less than \$5, but companies would typically charge \$55, which meant that profits on tickets were often in excess of 1000% (pp.4-5).

¹⁵ The mandate of the 1884 Commission was to determine whether restrictions on the migration of "inferior and unassimiable" Chinese would hinder in any way industrial and trade development in the region. The commissioners' recommendations, taken up after the completion of the railway so as not to hinder that project, called for modest restrictions to be placed upon Chinese migration that would bar "the diseased, deformed and impoverished". It was felt that this could have been accomplished through the imposition of a \$50 head tax (Ward, 1990, p.40).

BC society, as Chinese settled into urban neighborhoods and diversified into merchant, urban service and farming activities. Anglo-Canadians faced new competition in these sectors and, accordingly, took up a decisive role in the anti-Chinese movement (Roy, 1975; Creese, 1988-89). The presence of prominent merchants and professionals gave new force to what was up to then a disjointed movement of working and middle class organizations opposed to Chinese immigration.¹⁶ The argument in favour of maintaining Chinese immigration for the sake of building up industry was quickly losing force. The Dominion government became increasingly responsive to this alternate vision, since the political consequences of these decisions were becoming apparent. The federal government responded again, this time doubling the head tax and calling for a second Royal Commission. Despite opposition from the big business lobby, the commission's recommendation that a \$500 head tax be imposed on Chinese immigrants was legislated in 1903. It was noted that US trade with China had not deteriorated but grew when their government curbed Chinese immigration. This fact had become an important premise for the commissioners' recommendations (Cheng, 1931, p.51). After the First World War, soldiers returned to the province to look for what work was available amid an economic downturn. Asian Canadians, including the Chinese, were the scapegoats once more for soldiers' unemployment, which incited again anti-Chinese rhetoric. Under these conditions, the federal government feeling pressure from BC, enacted the Chinese Exclusion Act in 1923, which effectively suspended Chinese immigration.

Segregation and Immigration Policy

The relationship between immigration levels and the head taxes was mixed. Around 42,000 Chinese immigrants came into the country while head taxes were in

¹⁶ The province's prominent entrepreneurs, mainly from less advantaged backgrounds, and the social leaders, who were more often than not the educated sons of landed gentry (MacDonald, 1995, pp.158-9), were at odds over the status of Chinese in BC (Ward, 1990, p.70). Around the turn of the

place, bringing into question their effectiveness (Con, et.al., 1982, p.296; Li, 1988, p.61). After the introduction of the head tax in 1885 and completion of the railway, rates of immigration slowed and emigration rates increased, reflecting the return of many of the indentured railway workers to China. By the latter half of the 1890s, many more Chinese began to arrive and fewer left the country. This trend would continue through the turn of the century up to 1923. During the first and second decades of the century, the Chinese population in Canada grew by 22,277 people (Con, et.al., 1982, p.296). Most of those who came at this time were male migrant workers. However, a much larger component of Chinese immigrants than before were women, relatives and children of existing immigrants, reaching as high as 50% in 1916 (Li, 1988, p.60). The composition of Chinese in Canada was dominated by men such that in 1931 there were 1241 men for every woman (Li, 1988, p.60). During the depression years through the 1940s, the Chinese population in Canada declined by 13,911 people as a result of deaths and retiring Chinese workers who made their way back to China (Li, 1988, p.61). By 1951, there were only 32,528 Chinese in Canada, and in Vancouver only 9,879, a sharp drop from the community of 11,952 in 1931 (Cho & Leigh, 1972, p.67).

Not subject to the 1885, 1900 or 1903 head taxes were diplomatic officials, “men of science and students”, tourists, and merchants (Con, et.al., 1982, p.57).¹⁷ Provisions were made to allow merchants and their families to be exempted from the head taxes and subsequent ban on Chinese immigration because of the perceived benefit they brought the country. Even after 1923, merchants and students were still permitted to enter the country despite the exclusion of other Chinese immigrants. However, the category ‘merchant’ was more rigorously defined to specify those that “possess a minimum of \$2,500, invested in a business at least three years old in China dealing exclusively in goods produced in China” (Anderson, 1991, p.139).

century, the social leaders and some merchants in Vancouver participated in anti-Asian social movements (Ward, 1990, p.70).

¹⁷ The ambiguity of the ‘merchant’ class and the lax monitoring provided a loophole to a number of immigrants who were not merchants (Con, et.al., 1982, p.136).

Business Formation in Chinese Socio-economic Networks

Racism greatly informed the experience, and thus the place of the Chinese in BC. However, racism is never the whole story. Common ethnic origin, existing ties and repeated interaction among Chinese settlers organized a network of supports and institutions that provided "an integrative cultural and social context that was important for males without a family in BC" (Creese, 1988, p.74). In as much as the particular arrangement of Chinese economic activity in BC was shaped by racism, so too was it shaped by contradictory and sometimes conflicting imperatives originating within the ethnic community. A combination of mutual aid and exploitation within ethnic networks formed and reinforced an alternative sphere of social and economic relations for Chinese settlers to organize their lives.¹⁸

Faced with marginal economic prospects in the standard labour market, subordinate status in society, and a generally supportive ethnic community, an alternative occupational strategy for Chinese migrants was to open a business or become employed within a co-ethnic firm. Ethnic solidarity provided the essential glue for Chinese entrepreneurs to forge business practices in the face of a hostile culture. The rate of self-employment among Chinese by 1920 was about 20% and business development within the Chinese community kept a steady pace through this period (Creese, 1988, p.66). Entrepreneurialism was facilitated by the structure of the ethnic community. The accumulation strategies of elite Chinese merchants powerfully shaped this process and contributed to the polarized occupational structure that fostered self-employment as an occupational strategy of labour

¹⁸ Ethnic ties and practices, often supplemented with an intense interest in homeland politics, were prominent and the basis for the formation of a number of quasi-government, community-based activities (Con, et.al., 1982; Stanley, 1995). Institutional structures were transported overseas including traditional clan or district associations and others, such as ethnic-wide benevolent organizations and later business associations, that formed in response to local conditions. The associations performed many functions including relief services for unemployed, political representation and advocacy, education, and a form of judicial service (Con, et.al., 1982).

migrants. The remainder of this chapter draws on historical details that will elaborate on the last two points

The Organization of Chinese Ethnic Networks

Central to Chinese economic networks from the earliest period of settlement in BC was a small group of merchants in Victoria and then later Vancouver. Some of the earliest Chinese migrants opened various stores, laundries, barber shops in mining, logging or other industrial towns and camps. Chinese entrepreneurship after 1880 built on the early experiences, but increasingly responded to an urbanizing BC economy.¹⁹ As Vancouver grew in size and diversified in its functions as a port city and a regional business centre, the Chinese ethnic economy expanded beyond traditional ethnic enterprises such as restaurants and laundries to include trading and distribution operations. In addition, a small garment manufacturing base developed that supplied local department stores and custom markets.

By the turn of the century, there was a clear differentiation according to size, scope, and capitalization of ethnic firms between a small number of leading merchants, a few more middle ranking merchant and assorted garment producers and a large number of smaller service or retail businesses (Con, et.al., 1982; Yee, 1983, pp.401). While the latter remained small, and isolated to the unorganized areas of the economy, merchant companies in the urban centres diversified into higher profit trading, opium production, and real estate. It is thus important to differentiate between merchants and other self-employed Chinese Canadians. The

¹⁹ There was similarly a spatial division of Chinese firms. As the primary port and main gateway of incoming Chinese immigrants, Victoria first emerged as the regional centre of Chinese settlement in British Columbia and many small Chinese owned businesses were opened there. In 1880, 2,000 of the 3,500 Chinese and over 75% of BC-based Chinese businesses were located in Victoria (Con, et.al., 1982, p.204; Lai, 1988). After the completion of the railway to Vancouver, the tide soon shifted. Vancouver came to replace Victoria as the primary hub of Chinese society in British Columbia. Only 32 Chinese-owned businesses were in Vancouver in 1887 but by 1924 that number increased to 617 (Anderson, 1991, pp. 64, 120-1).

stratification of ethnic business between leading merchants and other self-employed emerged alongside the formation and circulation of capital within ethnic networks.²⁰

Ethnic Structure and Firm Development

Social ties forged on the basis of ethnicity “furnish[ed] the resources”, as Granovetter (1995) posits, for entrepreneurialism. Generally, most Chinese settlers held positive views of capitalism and a belief in upward mobility through the accumulation of wealth (Yee, 1984, p.45). Moreover, the various ethnic relations and institutions - regional, clan-based, national - served as the basis for the formation and extension of capital. With limited access to mainstream financing, community-based ownership and credit arrangements were critical to business development. Information used to judge the creditability of ventures was readily accessible from community sources or from personal knowledge of individuals involved. Group solidarity in the Chinese community and the sale of niche cultural goods promoted the development of a dependable base for entrepreneurs to access customers.

The self-regulating properties of ethnic affiliations in this setting included enforceable obligations that allowed for the creation of informal credit systems. The well-being and success of individual Chinese entrepreneurs hinged upon access to functions and resources, including credit, offered within the community. This tended to make them reliant upon participation and membership within ethnic networks. The threat of exclusion or sanctions - such as defacement, embarrassment, or boycott - coupled with a reluctance to take matters outside of the community, ensured the salience of ‘community’ morals and obligations.

²⁰ In no way do I wish to signal the structural features of capitalism as the sole determinant of the particular form of Chinese business. The stratification of Chinese networks in BC evolved out of a complex set of historical precedents, some outlined here. Important constituents in this process were the effects and tensions surrounding the formation and maintenance of capitalist relations within ethnic networks. Entrepreneurial and accumulation strategies of the leading merchants figure prominently here.

Merchants and others had a viable framework to organize and regulate the expansion of their capital. Paul Yee (1983, 1984) documented these practices as they evolved in Vancouver. It is no surprise then that, as Yee (1983) demonstrated, leading merchants were also steady investors among ethnic business networks. Organized credit pools, or *hui*, were used frequently to start or expand businesses or to assist with cash flow. Another common means of raising capital and initiating businesses was through different forms of partnership arrangements. Trocki (1996) noted that merchant enterprises would have formed through partnerships between wealthy merchants and local agents or managers.²¹ Yee noted also the presence of investment syndicates of up to 20 local investors that would come together and finance particular ventures.

In both cases, partners involved shared in the profits and liability of the firm in accordance with their investment, while responsibility for the daily operations and decision-making was left to a managing partner. Leading merchants extended their operations transnationally into Vancouver from San Francisco and East Asia largely through *kongsis*, or share-holding partnerships (Chan, 1982; Con, et.al., 1982). Sometimes the scheme acted like a loan-arrangement, where investors received 'shares' in a firm, but dividends paid out, based on the firm's profitability, counted as repayment against the initial investments. Eventually, the managing partner would 'buy out' other investors' shares. Another mechanism involved chains of indebtedness, where a small amount of goods or labour procured by merchants would be given to a local agent to sell, frequently under the company name.

²¹ Though there are many cases of these organizations, the best example is the Kwong Lee Company, a merchant trading *kongsi* that had the second largest land holding in Victoria after the Hudson Bay Company (HBC) in the late 1860s (Con, et.al., 1982). Chong Lee operated a branch of Kwong Lee Company in San Francisco, and expanded to elsewhere including New York, San Francisco, Victoria, Vancouver, and likely other centres (Personal Interview). Chong Lee started but did not run the business in Victoria. Instead he formed a partnership with local agents to operate the business, some distant family members and others who were not related to him. He was the majority shareholder in the company and the various local agents in different locations became minority shareholders.

Tongs, social associations whose membership was based on lineage, fraternity, or locality, offered a platform for the organization of many of these partnership and lending arrangements. Immigrants who shared common kinship, identified with a particular ancestral heritage, or came from the same district or village in China founded 'tongs'. The business activities which emerged from tongs were designed either to allow the organization to purchase facilities and engage in different types of activities or to permit members to profit. Thus, the organizational structure facilitated the formation of corporate business ventures. Like the credit pools described earlier, wealthy merchants were often the biggest proponents of the tongs. Tong-based business structures were involved in property acquisition and building management, and sometimes proceeded to invest in gambling houses (Yee, 1983, pp.79-83). Gambling houses, not exclusive to tong-based business, were regarded as viable means of generating quick capital with limited capital outlays. Real estate ventures, by contrast, required greater investments and the tong structure served as a framework for financing numerous projects within the community.

Chinese Merchants and Ethnic Economic Networks

Leading Chinese merchants amassed their wealth through various trading oligopolies in conjunction with (and sometimes because of) their involvement in labour migration and labour brokering syndicates.²² Tied to Chinese and British trading networks abroad, they acted as labour and migration brokers in BC and import wholesalers for most Chinese stores in western Canada. Much of their export activity consisted of remittances and packages from Chinese labourers. Connections with extractive industries to which merchants supplied labour, Yee (1983) reported, allowed them to acquire export business from these companies. Their roles in

²² While no definitive statement exists on the matter, piecing together various accounts of Chinese activity at this time paints a very clear picture of the internal structure of *kongsis*-based ethnic economic networks (personal interview, 1998; Chan, 1982, 1983; Con, et.al., 1982, part 1; Yee,

overseas trading involved extensive networking with steamship lines from which they were able to capture the business of selling steamship tickets to co-ethnic customers.

Most transactions in BC involving Chinese labour were negotiated through Chinese labour brokers, and often, through not always, by *kongsis* labour brokers (Chan, 1982; Ward, 1990, pp.16-18). One form of brokering entailed the recruitment of Chinese labourers for specific companies in BC either through local agents of multinational *kongsis* or British trading houses in Hong Kong (Chan, 1982, p.516-7). A second form of contract-labour practice occurred when Chinese brokers, not necessarily tied to merchant *kongsis*, recruited or arranged employment for Chinese labourers already in BC for various industries (Ward, 1990, p.17). Since Chinese labourers could rarely speak English, bilingual labour brokers were critical to their ability to access employment (Yee, 1983, p.31).

If Anglo-Canadian and American industrialists contracted the brokers to import labour from China or recruit local Chinese labour, then the labourer would be bound to work for the company over the duration of the contract.²³ The merchant broker provided provisions, housing, and other supplies to workers at the work site. Wages would then be based on what remained from the labour contract after expenses and broker profit were deducted. Workers sometimes sought services and goods from other proximate co-ethnic stores, who were usually agents affiliated with other Victoria or Vancouver-based merchants.²⁴

1983; Li, 1998; Ward, 1990; Roy, 1975, 1989; Stanley, 1995; see Con, et.al., 1982, Chan 1982 and Yee, 1983 for the clearest discussion).

²³ Labour brokers were not always Chinese firms. Chan (1982) noted that most of the labour used in the railway construction was contracted through British trading houses using Chinese compradores (p.517).

²⁴ This is evident in the expansion of merchant *kongsis* in trading and transport activities up the Fraser Valley and then through the BC interior (Con, et.al., 1982, p.18).

Labour-brokering activities enabled merchants to capture a large share of the distribution of labour value among most Chinese. Limiting the claim of workers to this revenue allowed merchants to accumulate capital. The extension of this capital into new ventures through various credit arrangements provided merchants with a steady avenue of economic activity to further accumulation strategies. They had thus developed integrated, overlapping and self-reinforcing trading networks that spanned business sectors, continents, and ethnic groups.

For workers, starting a business within peripheral service and trading sectors could generate a level of economic mobility outside the contractual labour market. The occupational strategies of workers meshed with the more powerful entrepreneurial and accumulation strategies of the labour-brokering merchant class. Although workers formed businesses to escape the contractual labour market, they often remained tied to merchants in other ways, specifically as suppliers and for access to capital. The effects of self-employment were contradictory in that while they achieved sufficient distance from contractual labour markets, they remained connected to the accumulation strategies of merchants.

Chinese Merchants and Anglo-Canadian and American Industrialists

Despite the early prominence of certain Chinese Canadian entrepreneurs, they had been restricted from expanding their capital into British Columbia and owning any of the province's major resource industries. The organization of the Chinese economy through share-holding partnerships and credit regimes with local agents would have limited the fluidity of capital needed to invest in land and fixed capital. Regardless, in the 1870s, the second largest landholder in Victoria after the Hudson Bay Company was the Kwong Lee Company, a Chinese merchant *kongsi* (Stanley, 1995, p.11). Moreover, Con, et.al., (1982) estimate that there were about 30 operational Chinese-owned mines in that same decade, a fifth of whom were

known to be very productive, which must have fueled large scale capital accumulation.

Given their prominence in the placer mining industry, and the fact that they had access to an abundant supply of cheap co-ethnic labour, a clear set of constraints emerged to restrict the movement and consolidation of Chinese entrepreneurs into industrial activities. Preemptive control by Anglo-Canadian and American capitalists over industrial production and limited access to mainstream financing provided one barrier. Perhaps the more significant was the provincial laws that prevented the Chinese from acquiring lands and registering "any Chinese company or association" (Stanley, 1995, p.12).²⁵ The timing of these laws, in the mid-1880s, was significant because at this time Chinese companies were successfully operating in a number of economic sectors, in particular placer-mining, commercial and service activities. With accessible capital generated from a combination of activities and barriers to ownership of resource industries, Chinese entrepreneurs took a decisively urban focus and continued to concentrate on their 'traditional' roles as labour intermediaries to Anglo-Canadian and American industrialists and traders.

Ethnically Integrated Market Produce Chains

One field where Chinese business networks managed to achieve integration and market dominance through this period was market gardening and its corollaries green grocery, hawking, and peddling. The organization of this field displayed ethnic based integration of production, yet the markets crossed ethnic lines. Chinese vegetable and fruit growers around Vancouver sold their produce to Chinese owned grocers and hawkers throughout the city (Cheng, 1938, pp.170-2). Chinese firms dominated local produce production and distribution. In 1922, 31,341 of the 42,934

²⁵ No sooner had crown lands held under railroad reserve became available in 1884 did the provincial government introduce a law prohibiting Chinese from purchasing crown land. A decade later, the BC legislature passed an act to disallow the registration of Chinese companies to any sort of corporate association.

tons, or 73% of market vegetables grown in British Columbia, and 90% of truck produce supplied to Vancouver came from Chinese owned or leased farms (Cheng, 1931, pp.170-1; Anderson, 1991, p.111).

The earliest Chinese settlers were known to have engaged in a variant of market gardening for railway construction camps (Con, et.al., 1982, pp.24-5). Cheng (1931) suggested that this phenomenon had much to do with the fact that most immigrants were farmers or agricultural workers before they came to Canada. Certainly the legal entitlement to land ownership,²⁶ the availability of land, and displacement from primary segment employment made market gardening a viable means of economic mobility. During the periods of displacement from resource industries and railway construction, many Chinese labourers who went to Vancouver or Victoria for work ended up in market gardening. Some opened their own green-grocery store while others hawked fruits and vegetables around town. Most green-grocers began as hawkers and peddlers and once they amassed sufficient capital from savings bought a grocery store. In 1884, there were 246 vegetable gardeners and merchants (some of the latter group were not 'green grocers') and by 1931 that number grew to 5,506 (Con, et.al., 1982, pp.309-10). Many fruit hawkers and peddlers elected to open stores in Vancouver when the municipal government introduced a \$50 licensing fee on their business in 1915 (Anderson, 1991, p.118).

At the time of the First World War, Chinese settlers bought land from departing soldiers, often cheaply. This occurrence and the growth in Chinese green grocers brought the ire of a vocal segment of the Euro-Canadian community who advocated that measures be taken to inhibit further business expansion by the Chinese (Roy, 1975; Con, et.al., 1982, p.120; Anderson, 1991, pp.111-2, 127). In response, Chinese merchants and produce growers throughout the 1920s began to form business associations and alliances to advocate for their interests. Between

1920 and 1950, this course continued, Chinese market gardeners and green grocers expanded and diversified in this field (Con, et.al., 1982, pp.151-2). Many farmers opened greenhouses and began to make better use of truck-transportation. Merchants starting selling a broader range of goods and opened stores in the suburbs, despite resident hostilities. This industrial sector would, nevertheless, prove to be an integral part of the occupational structure of Vancouver's Chinese community.

Conclusion

In writing about the evolving economic geographies of Chinese communities in BC, one can begin to get a sense of the complex range of historical precedents that constituted the grounding for Chinese entrepreneurialism. In this first period of Chinese immigration and settlement from 1850 to the 1930s, migrants from China were marginalized within mainstream labour markets dominated by Anglo-Canadian and American industrialists and workers, and selectively reappropriated within the primary industries through contractual labour arrangements often organized by Chinese merchants. Through a clear-cut division of labour, immigration restrictions, and denial of civil rights, the mobility of Chinese British Columbians was severely imperiled. Bifurcated between an elite merchant class and others, Chinese economic networks offered a viable framework for the formation and circulation of capital that aided in business creation. Ethnic networks helped displaced Chinese workers cope with their oppressed status by providing an alternative social setting, however meager, from which to locate economic activities. In a predictable fashion, migrants formed businesses or found work with co-ethnic business. Yet, the ethnic entrepreneurial strategies were circumscribed by both imposed and contextual limitations. When imposed barriers to accumulation were modest in an area of activity, as in the case of market gardening, there was

²⁶ While Chinese were allowed to hold land, after 1884, they could not purchase crown land with the enactment of the provincial Lands Act of 1884. In other words, what lands they could acquire were

considerable ethnic integration of production. However, networks were often forged on the accumulation strategies of elite merchants active in labour-brokering roles. What modest respite from contractual-labour markets that self-employment might have offered was thus moderated by the accumulation strategies of the merchant class.

from private, not public, landholders.

Chapter 3: Class, Race and Ethnicity, 1935 to 1967

Introduction

During and after the period of the Second World War, the place of Chinese in the stratified lines of Vancouver society and space was beginning to change. Laws that prevented Chinese immigration were appealed, and the mainstream view of the Chinese shifted somewhat. However, the Canadian government still practiced predominantly 'White Canada' immigration policies until 1967 and many Chinese Canadians remained outside of standard labour markets in BC. Meanwhile, the occupational structure of Chinese communities showed both diversification within the Chinese enclave economy among the older immigrant class and convergence with the dominant population among second and third generation Chinese Canadians.

The Second World War had important implications for the social position of Chinese Canadians. Allied in the Sino-Japanese War, China and Canada commenced normal political relations in the late 1930s for the first time. But this broke off once the Communists came to power in China in 1949. Nevertheless, the momentary cooperation between the two states created a more positive climate for 'Chinese' identity in the Canadian consciousness. There was widespread public concern in Canada towards the plight of China's population during the war, which extended to a new concern and interest about the Chinese living in Canada (Con, et.al.,1982). Concurrently, the popularity of eugenic conceptions of 'race' diminished in reaction to doctrines of 'racial purity' and 'racial superiority' that had become associated with the fascist axis regimes, principally Nazi Germany. A conscious attempt was made to remove any similar referents in the Canadian context by refashioning social institutions and the laws around the values articulated in the United Nation's Declaration of Human Rights signed in 1948. This too would prefigure deeper shifts in the social polity. Yet, 'race' as a social construct and an

edifice of differentiation would continue to have currency through the 1940s and 1950s in shaping social life in Vancouver as elsewhere.

Immigration Policy Changes

Changes to the immigration act during this period express the tensions between the desire to maintain a European “national character” for Canada yet acclaim laws that did not discriminate on the basis of “race or religion” (Hawkins, 1988, p.84). In 1947, the Chinese Exclusion Act was repealed, and Chinese immigrants were placed under the rubric of an Order-in-Council, dated from 1930, that restricted immigration to any “Asiatic race” except the wife and children under the age of eighteen of Canadian citizens (Anderson, 1991, p.174). In the debates surrounding these changes, Prime Minister Mackenzie King and others in his caucus argued to maintain the “present character” of Canadian society so that suitable immigrants, being defined by Anglo and West European heritage, could be “absorbed” within the nation’s economy and society (Hawkins, 1988, pp.92-3; Anderson, 1991, p.180).²⁷ The change in policy in 1947 offered early Chinese residents the chance to be reunited with their family members. However, the majority of Chinese Canadians was not able to take advantage of the change in policy since it pertained to Canadian citizens and only 5% of Chinese immigrants were naturalized (Anderson, 1991, p.184). The Order-in-Council was broadened in 1958 to include permanent residents in addition to Canadian citizens of Asian descent. This had positive implications for the pace of Chinese immigration as altogether 24,000 immigrated between 1947 and 1962, the majority between the ages of 15 and 34 (Con, et.al.,1982, p.217; Li, 1998, p.94).

²⁷ A report from the Senate Committee on Immigration and Labour in the late 1940s made this clear when it declared that “the limitation of Asiatic immigration [was] being based on, of course, the problem of absorption” (Hawkins, 1988, p.84).

Early Post-war Ethnic Economy

In Vancouver, segmented geographies of residence and work were not easily eroded. Chinese Canadians were still predominately employed in secondary occupations and resided in the old Chinatown district (Cho & Leigh, 1972). A small segment of second generation Chinese Canadians that managed modest levels of occupational mobility, along with some green grocery store owners, moved into suburban areas and the westside of the city of Vancouver which was dominated by West European middle and upper class households (Patterson, 1974; Ley, et.al, 1992, p.240).

The character of business operations in the Chinese ethnic economy did not change significantly from earlier periods (Con, et.al., 1982, pp.232-2). However, restaurants, speciality shops and import stores expanded in response to increased interest from mainstream society, which greatly benefited Chinese-owned green grocers, butchers and fish merchants (Anderson, 1991, pp.176-7). Truck produce farming operations, however, became less profitable as imports rose from US-based produce firms. Consequently, Chinese produce suppliers were more much dependent on co-ethnic business from restaurants and other enclave consumers. In addition, most of the trade associations that formed in the period before the war had ceased operating by 1960 (Con, et.al., 1982, pp.232-3).

Occupational Segmentation in Early Post-war Chinese Canadian Communities

Through the 1940s and 50s, work strategies among Chinese Canadians changed, though changes were generationally specific and seemingly contradictory. The ethnic economy became more important for the older generation, but their Canadian born children were entering the workforce in a variety of fields outside of the ethnic economy. Overall, however, much of the occupational clustering - arranged in segmented labour markets, ethnic economies and community institutions - remained.

The patterns of occupational clustering occurring in British Columbia at this time can be seen by examining data on labour force participation by ethnicity from the 1951 and 1961 Censuses of Canada (Tables 3.1 - 3.4). The Chinese are grouped within the 'Asiatic-origin' category, reflecting the normative structures current in the construction of Census categories, which includes the Japanese Canadian and Indo-Canadian populations. To differentiate between the immigrant and native-born Chinese Canadian workforce, column totals of Asian born were subtracted from Asian origin populations, which generated figures for Canadian-born Asians.

A few points are worth noting about the use of data based on the 'Asian' origin workforce to discuss the Chinese British Columbian workforce. The first point is that the Chinese were the largest of the three groups represented in this category. Data from the 1971 Census report that Chinese made up roughly 80% of the pre-1961 'Asian' immigrant population and a smaller part of the Canadian-born, Asian-origin population (60%) in the Vancouver CMA (Table 3.5). Second, Indo-Canadians tended to concentrate in sawmills and forestry industry, and Japanese men in market gardening, fishing, and the canneries and women in clerical, nursing and piecework in a scattering of manufacturing industries (Walhouse, 1961). Third, not all born in Asia were deemed of Asian descent, evident by the fact that there are negative values for Canadian-born in certain occupations. While not an entirely foolproof means of generating this information, it represented the most complete source of occupational data for Canadian born Chinese in the workforce from the 1940s through to the 1960s.

Asian-origin men were heavily clustered in certain occupations, and the degree of concentration increased through the 1950s. The extent of concentration is most apparent when contrasted to the British-origin workforce, who were much more representative of the total workforce. The standard deviation of the

unweighted mean index scores,²⁸ which offers a measure of the representativeness of occupational distribution relative to the total workforce, for Asian-origin men stood at 95 in 1951 and rose to 166 a decade later. The rate for British origin men, by comparison, stood unchanged at 23. The majority of Asian-origin men were present in only five occupational categories, including managerial/ proprietary, service, commercial, trade, and farming. Fifty-seven percent of this group worked in these five segments in 1951, and by 1961 that figure rose seven percentage points. What is notable about these occupational categories is that they are functions most closely associated with ethnic enclave activities described in the earlier section. When contrasted with the same values for British-origin men – 32.9% and 35.4% for 1951 and 1961 respectively – the extent of concentration by Asian workers in functions mostly tied to the ethnic economy becomes clear. If one adds the percentage of general labour, a feature of Asian occupations prevalent in the pre-war period, 73% in 1951 and 77.3% in 1961 of Asian-origin men but only 40.1% and 38.5% of British-origin men were in these six occupations. What this represents is the continuity of Asian-origin, and correspondingly Chinese, men in secondary segment and ethnic niche occupations.

Many of the same patterns were repeated among women, but with important contrasts that indicate that gender, in addition to ethnic, patterns of occupational segmentation existed. Some critical qualifications of these observations are that women had much lower rates of participation in the paid labour force and Chinese communities were overwhelmingly male, the outcome of years of imbalanced immigration. In contrast to British-origin women, who were even spread across female-dominated white collar occupations including professions (teaching), clerical, and transportation /communication (stewards, phone operators), Asian origin women were chiefly employed in service, farming and manufacturing (textiles and garments) occupations. This illustrates the importance, similar to men,

²⁸ As described in the introduction, index scores were generated from a formula of: $(x_n/y_n)*100$, where x=the percentage of ethnic group workforce in occupation n, y= the percentage of total

of occupations related to the ethnic economy for Asian origin women. In the ten years observed, farm work became less significant while manufacturing became more so, showing the shift towards an urban-based occupational structure and society in British Columbia for Asian and thus Chinese women.

The increased occupational clustering expresses something of the convergence of the Chinese workforce into the ethnic economy, and more broadly the secondary labour market through the 1940s and 1950s. One third of Asian-origin women in BC and one fifth of the men were engaged in trading and restaurant activity in 1951. A decade later the concentration of men in these sectors increased by four percentage points (Table 3.5). More broadly, what is demonstrated is that Asians, including the Chinese, were very narrowly segmented in the work force and excluded from most professional occupations.

Canadian Born Chinese and Occupational Segmentation

Canadian-born Chinese began at this time to enter the workforce in broad numbers. About 3,000 Canadian-born Asians were in the labour force by 1951 and they displayed a much different occupational profile than the immigrant cohorts. For one, they were less involved in the ethnic economy than their predecessors, signalling a shift in the arena of productive activity of Asian communities. They had lower participation rates in farming, commercial and most significantly in service-based occupations, but higher rates of participation in manufacturing, the trades, and management and proprietorship. There were signs that the second-generation were starting to breach into better paid occupational segments. The incursion into trades and manufacturing and the lower participation in service activity differs from the immigrant group, while their clustering in managerial and proprietary positions represents some continuity. However, they were heavily clustered in a subset of occupations, indicated by the high index value (10.7) and standard deviation (14.3).

workforce in occupation n.

As they achieved upward mobility through professional labour markets, second-generation Chinese Canadians moved to suburban neighborhoods (Cho & Leigh, 1972).

Canadian-born Asian origin women had occupational profiles that more closely resembled British origin women than their counter-parts. In 1961, the percentage employed in clerical (36.1%) and professional/technical (12.7%) occupations were similar to British origin women (35.3% and 17.4%). In that same year, the mean (99.6) and standard deviation (50.5) of the representation index for Canadian born Asian origin women was close to British origin women (84.2 and 28.3), which contrasted with Asian immigrant women, who had values well in excess of 100 (166.2 and 160.3). This illustrates the higher rates of occupational clustering for the immigrant group relative to the Canadian born women. That said, non-immigrant women still were overrepresented in manufacturing, managerial and farm work, reflecting the portion of the workforce engaged in ethnic niches.

Immigration Policy through the 1950s and 1960s

The cluster of interests acting on and actively constituting state decisions and practices during the 1960s is worth looking at closely, since it was then that the substance of immigration policy in the last quarter of the century was given form. The most critical point to mention is that before the 1960s entry criteria were based on the country of origin status of applicants, whereby immigrants from the United Kingdom, its colonies, and the United States were given priority. After this period, entry hinged on an assessment of skills and capacity to contribute to the development of the Canadian economy.²⁹ Non-sponsored Chinese immigration could resume legally for the first time since the 1923 exclusion act, supplementing the previous change in 1947 that authorised (restricted) family sponsored Chinese

immigration.³⁰ However, the 1930 Order-in-Council that prevented Asians from sponsoring extended family members was still enforced until 1967.³¹ When Canadian immigration policy became used as a tool for recruiting knowledge workers, a much different form of Chinese immigration would emerge after 1967, which will be the focus of the following chapter.

Towards the end of the 1950s, there was mounting concern over the number of professional and skilled Canadian workers that were emigrating to the US and the rate of immigration by unskilled sponsored workers from areas outside of the United Kingdom. Immigration levels had also grown to about 2 million between 1946 and 1957 (Knowles, 1992, p.190). A significant component of this movement consisted of sponsored relatives who were generally unskilled and from non-traditional source countries mainly in Southern and Eastern Europe, and elsewhere including Southern China and Hong Kong. Between 1953 and 1965, 400,000 Canadians emigrated to the United States, and there was a concern that a disproportionate share were highly skilled, professional workers (Boyd, 1976, pp.94, 100). Many people drew a direct association between the emigration, immigration and unemployment rates, including officials from the Department of Labour who were influential in the formation of immigration policy.

The Department of Labour advocated the view that immigration policy should be directed to satisfy skill shortages in the Canadian labour market and that immigration levels should be reduced in periods of high unemployment (Hawkins, 1988; Green & Green, 1996). When the priorities of the Department of Labour were translated into practice, immigration rates were fixed to business cycles and lists

²⁹ This applied to independent (non-sponsored) immigrants. A landed immigrant or a naturalized Canadian could sponsor immediate family members and 'dependents'. This was a continuous feature of both periods.

³⁰ Another sense of how things were changing, the definition of "Asia" in Canadian immigration policy had shifted from the world outside of Europe and North America to a more narrow geographical region encompassing South Asia to Northern Japan.

were drawn up of skills sought in Canadian labour markets. The lists were used by immigration officers to give preferential entry to immigrants who fit certain occupational criteria. This led to an unstable period of tap on/tap off immigration through the 1960s (Hawkins, 1988).

These values were significantly embedded in the re-writing of immigration policy in 1962. The regulations governing sponsorship were tightened considerably and a new focus on skill capacity of independent (non-sponsored) immigration was emphasized. Country of origin as the basis for entry could no longer be used and with that the idea that Canada, through its settlement policy, would build a white settler society had officially been compromised. The erasure of 'racial' origins from immigration policy indicated that the mandate of nation building was changing as well.

Race, Nation and Liberalism

The ascendancy of liberal conceptions of civil society reshaped the discourse of Canadian nationalism following the war. The shift towards immigration criteria that would be applied to all applicants irrespective of national origins should be seen as part of this movement. The universality of immigrants' characteristics needed to be built into the determination process, which meant erasing any overt references to 'race' or country of origin necessary to allow for a 'fair' and 'open' selection process. Canada's involvement in international associations such as the UN and the Commonwealth pressured policy makers to embed the principles of liberalism – egalitarianism and universalism – as the basis for all for government policies.³² The reaffirmation of international liberalism in state practice eroded an exclusive sense of nationalism in Canada, based on European 'racial' origins.³³

³¹ A fear that Indian immigrants would come in "overwhelming" numbers through chain migration was the rationale behind maintaining the 1930 Order-in-Council (Knowles, 1992).

³² Taylor, 1994, p.27.

³³ Resnick (1977) documented how in Canada there was a erosion of nationalism under the Pearson and Trudeau administrations; both espoused the virtues of international liberalism in contrast to the

Reconstructing immigration policy to conform with the idea of universal access became imperative under Diefenbaker, although he expressed this in nationalistic rhetoric (Resnick, 1977). He made this clear when in 1962 he said that it was his intention to “overhaul the [immigration] act’s administration to ensure that humanity will be considered and put an end to the bureaucratic interpretations which keep out from Canada many potentially good citizens” (in Knowles, 1992, p.137). Two years after the 1960 Bill of Rights was passed, Ellen Fairclough, Deifenbaker’s minister in charge of immigration policy, initiated the 1962 revisions to the immigration act, with the deliberate attempt to “abolish racial discrimination as a feature of immigration policy” (Hawkins, 1988, pp.127-9). Nevertheless, immigration rights were not fully available to Chinese and other Asian-origin immigrants, since the 1930 Order-in-Council was preserved until 1967.

In the midst of the recalcitrance of the state towards expanding the rights of Chinese immigrants, there was a significant illegal movement of Chinese immigrants to Canada, the US and other countries. The desperation created by deteriorating conditions in China during the Cultural Revolution in the 1960s in combination with the restrictive immigration laws forced much of the movement underground. Lax monitoring of visas issued by Chinese authorities in Southern China and strong demand to leave China enabled the development of an illegal immigration industry that manufactured false identity cards and sponsorship papers. Many emigrants who had no affiliations in Canada passed through the immigration process as sponsored immigrants. News of the illegal circuits caused a backlash from the Canadian authorities and uproar in the press. State action was taken to dismantle these operations and a program was set up to allow illegal Chinese immigrants to have their cases reviewed and have their status adjusted based on existing immigration regulations. The Chinese Adjustment Statement Program

perils of nationalist sentiment that, in their view, had been used by “power hungry politicians, e.g., Mussolini and Hitler, to rally support to their regimes” (p.18).

continued through the 1970s and would be the last element of immigration policy that was applied exclusively to Chinese immigration (Con, et.al.,1982).

Immigration and National Developmental Policy under Keynesianism

Most of the revisions to immigration policy after 1962 were set around state priorities for modernizing the economy and state institutions. The new focus on the skills of applicants rather than 'race' or national origins signaled not only the implications of liberal nationalism but also changes in strategies in the broader sphere of capital accumulation and the shift towards a continental Fordist political economy. At this time, the Canadian nation-state began to assert and expand its institutional capacity that had developed through two World Wars and the Depression. The expansion of state employment and regulatory presence in the post-War period developed around a combination of Keynesian macro-economic management, labour-management relations, and modest welfare provisioning (Clarkson, 1991, p.104). The change is evident in the alteration of terminology in the *economic* argument for immigration used by state officials. While the change in policy permitted a restoration of Chinese immigration, their outsider status would continue so long as they were regarded as peripheral to the economic development of the nation-state.

The new *economic* argument for immigration was that it should serve as a mechanism to build up Canada's human capital pool and that it should work in tandem with other labour market policy measures "to promote a more efficient use of Canada's manpower resources" (Hawkins, 1988, p.140). A skilled segment of workers was needed to design, administer, and maintain technologically-intensive production capacity in Canada and to staff newly formed welfare state bureaucracies, schools, and other state institutions. In a strategy to overcome the deficit in skilled labour, the state invested heavily in the expansion of post-Secondary institutions in the 1960s. While it was felt that this would provide for a

skilled workforce over the longer term, the turnover of a sufficiently large body of the workforce with post-secondary training would take too many years to be realized. In the meantime, immigration was thought by policy makers to be an effective tool to gather a skilled workforce over the short term. Immigration policy thus took on a strategic role in the state's developmental agenda to retain and expand Canadian technological and productive capacity within a continental economic framework.

When the directives were established to co-ordinate immigration policy in line with labour force policies and programs in the mid 1960s, the Department of Manpower and Immigration was formed, the result of reassignment of immigration activity to the Department of Labour. With the announcement of the creation of the new department came new resources to improve immigration facilities and bolster recruitment activity abroad (Boyd, 1976). Additionally, a whole series of studies were initiated on how best to integrate immigration with the objectives to improve Canada's labour force skill capacity.

Two important revisions to the Immigration Act in 1967 were taken from studies commissioned by the new Department of Manpower and Immigration. The first was from an internal task force that proposed a new set of assessment criteria based on measuring applicant characteristics according to a predefined set of categories (Hawkins, 1988, p.162). According to their recommendations, categories would reflect labour market priorities (such as occupational shortages or desirable skills) and attributes that were perceived to facilitate integration and adaptation into Canadian society and economy. Applicants would be given points based on how they measured up to different categories, including education and training, occupational demand, skill, and language ability, and then assessed on the basis of the accumulation of those points (Boyd, 1976, p.85).

The second important revision came from a major report on immigration policy released in 1966 that proposed a system where new measures be taken to give “reasonable control” over the sponsored, unskilled immigrant stream in light of the priority for skilled immigrant workers.³⁴ In essence, the report recommended that immigration policy should restrict the flow of unskilled immigrants while encouraging independent applicants, particularly those with desired skill qualifications. These two proposals - introducing a points system and limiting sponsored, non-dependant, unskilled applications - were the main elements of the changes to the Immigration Act that passed through Parliament on December 21, 1967. The dramatic implications these changes would have on Chinese Canadian immigration and business formation will be explored in the next chapter.

Conclusion

Conclusions one could reach for this period are decidedly ambiguous. On one hand it could be said that this period was characterized by a status quo in terms of the standing of Chinese Canadians in Vancouver. Chinese Canadians remained largely clustered in secondary and ethnic economies. Canadian-born Chinese Canadians started to breach into primary labour markets, although this split between manufacturing and trades for men, and clerical and some professional occupations for women. On the other hand, very important cultural shifts were underway. The move from ‘race’ to liberal conceptions of a national community, and a shift towards economic priorities in immigration practice fostered a gradual allowance of Chinese immigration. Although, that said, racial discourse was still current in popular and state discourse. What should perhaps be realized from this chapter is that the events which took place through this period would prefigure significant

³⁴ *The White Paper on Canadian Immigration Policy*. 1966. Department of Manpower and Immigration. Queen’s Printer. Ottawa. The report recommended that, as a means of regulating the flow of unskilled immigration, non-dependent, sponsored immigrants should be partially assessed on the criteria used for independent applicants, but given some points for sponsorship. Independent applicants were to be gauged entirely on the criteria of assessment. Dependants or immediate relatives were not assessed according to the points scheme.

changes after 1967. Capitalist measures of development remained in ascendancy and the skilled workforce needed to sustain that vision took priority, which set the stage for a new positioning of Chinese Canadian identity in Canadian and more specifically Vancouver's society and space.

Table 3.1: 1951 Occupation by Ethnic Origin, Immigration Status for Men, British Columbia

Men	Total	% of total	British Isles	% of total	Index Value	Asian Origin	% of total	Index Value	Asian Born	% of total	Index Value	Asian, Cnd Born	% of total	Index Value
All Occ	346,374		223,593			11,111			8367			27,441		
Proprietary & Mang	35,247	10.2%	26,752	11.5%	113	1398	12.6%	124	959	11.5%	113	439	16.0%	157
Professionals	19,969	5.6%	15,989	7.2%	126	126	1.1%	20	130	1.6%	28	0	0.0%	3
Clerical	18,336	5.3%	14,838	6.6%	125	145	1.3%	25	108	1.3%	24	0	0.0%	24
Farmers and farm workers	26,674	7.6%	13,944	6.2%	80	1789	16.1%	208	1474	17.6%	227	315	11.5%	148
Fishers, Trappers, Hunters	5193	1.5%	1894	0.8%	57	386	3.5%	232	146	1.7%	116	240	8.1%	583
Loggers	17,952	5.2%	8519	3.8%	74	239	2.2%	42	155	1.9%	36	84	3.1%	59
Miners	7,261	2.1%	3,658	1.6%	78	61	0.5%	26	57	0.7%	32	4	0.1%	7
Manufacturers & Mechn.	52,432	15.1%	33,336	14.9%	98	1192	10.7%	71	792	9.5%	63	400	14.6%	96
Electrical Light	8,213	2.4%	5,750	2.6%	108	30	0.3%	11	27	0.3%	14	3	0.1%	5
Construction	28,258	8.2%	17,665	7.9%	97	145	1.3%	16	91	1.1%	13	54	2.0%	24
Transportation and Communication	39,467	11.4%	26,837	12.0%	105	454	4.1%	36	213	2.5%	22	241	8.8%	77
Commercial	17,553	5.1%	13,368	6.0%	118	687	6.2%	122	550	6.6%	130	137	5.0%	99
Financial	4,024	1.2%	3,324	1.5%	128	28	0.3%	22	24	0.3%	25	4	0.1%	13
Service	30,364	8.8%	20,654	9.2%	105	2501	22.5%	257	2257	27.0%	308	244	8.9%	101
Labourers	30,916	8.9%	16,078	7.2%	81	1719	15.5%	174	1222	14.6%	164	497	18.1%	204
Unskilled	5015	1.4%	1,967	0.9%	61	211	1.9%	131	162	1.9%	134	49	1.8%	123
Median Index Value					97.3			84.7			90.5			107.7
Standard Deviation					23.2			84.6			85.72			143.65

Table 3.2: 1951 Occupation by Ethnic Origin, Immigration Status for Women, British Columbia

Women	Total	% of total	British Isles	% of total	Index Value	Asian Origin	% of total	Index Value	Asian Born	% of total	Index Value	Asian, Cnd Born	% of total	Index Value
All Occ	97,978		67,561			1357			412			945		
Proprietary & Mang	4,279	4.4%	3,061	4.5%	104	84	6.2%	142	29	7.0%	161	55	5.8%	133
Professionals	1,3928	14.2%	1,0840	16.0%	113	106	7.8%	55	40	9.7%	68	65	7.0%	3
Clerical	3,0565	31.2%	2,3282	34.5%	110	306	22.5%	72	84	20.4%	65	222	23.5%	24
Farmers and farm workers	1,566	1.6%	726	1.1%	67	118	8.7%	544	51	12.4%	774	67	7.1%	444
Fishers, Trappers, Hunters	58	0.1%	23	0.0%	58	2	0.1%	249	7	1.7%	2870	0	0.0%	
Loggers	12	0.0%	3	0.0%	36	1	0.1%	602	0	0.0%		1	0.1%	864
Miners	8	0.0%	3	0.0%	54	0	0.0%	0	0	0.0%		0	0.0%	
Manufacturers & Mechn.	6,407	6.5%	3,463	5.1%	78	190	14.0%	214	47	11.4%	174	143	15.1%	231
Electrical Light	0	0.0%	0	0.0%		0	0.0%		0	0.0%		0	0.0%	
Construction	58	0.1%	35	0.1%	88		0.0%		0	0.0%		0	0.0%	
Transportation and Communication	4,131	4.2%	3,188	4.7%	112	215	15.8%	376	2	0.5%	12	213	22.5%	535
Commercial	11,896	12.1%	8,287	12.3%	101	4	0.3%	2	27	6.6%	54	0	0.0%	
Financial	327	12.1%	262	0.4%	3	2	0.1%	1	2	0.5%	4	0	0.0%	0
Service	22,367	22.8%	13,149	19.5%	85	276	20.3%	89	106	25.7%	113	170	18.0%	79
Labourers	12,33	1.3%	633	0.9%	74	24	1.8%	141	11	2.7%	212	13	1.4%	108
Unskilled	1,170	1.2%	606	0.9%	75	29	2.1%	179	5	1.2%	102	24	2.5%	213
Median Index Value					529			594.9			1017.7			682.3
Standard Deviation					1487			1593.9			2255.3			1581.9

Source: Census of Canada, IV, Table 13, DBS (1953)

Table 3.3: 1961 Occupation by Ethnic Origin, Immigration Status for Men, British Columbia

Men	Total	% of total	British Isles	% of total	Index Value	Asian Origin	% of total	Index Value	Asian Born	% of total	Index Value	Asian, Cnd Born	% of total	Index Value
All Occ	421,786		244,676		105	120,311		115	66,931		121	53,338		88
Mang	49,900	14.4%	33,762	15.1%	105	18,411	16.6%	115	11,621	17.4%	121	6,791	12.7%	88
Professionals / Technical	33,332	9.6%	24,103	10.8%	112	594	5.3%	56	305	4.6%	47	289	5.4%	56
Clerical	24,120	7.0%	17,122	7.7%	110	469	4.2%	61	210	3.1%	45	259	4.9%	70
Sales	25,850	7.5%	18,358	8.2%	110	594	5.3%	72	345	5.2%	69	249	4.7%	63
Service & Recreation	41,012	11.8%	24,887	11.1%	94	2,366	21.3%	180	2,052	30.7%	259	314	5.9%	50
Housekeepers, waiters, cooks and related	10,954	3.2%	4,607	2.1%	65	1,962	17.7%	558	1,754	26.2%	829	208	3.9%	123
Transportation and Communication	34,110	9.8%	22,008	9.8%	100	527	4.7%	48	164	2.5%	25	363	6.8%	69
Farmers and farm workers	21,388	6.2%	9,662	4.3%	70	1,121	10.1%	163	689	10.3%	167	432	8.1%	131
Loggers	12,846	3.7%	5,629	2.5%	69	129	1.2%	32	37	0.6%	15	92	1.7%	47
Fishers, Trappers, Hunters	4,900	1.4%	1,448	0.6%	46	543	4.9%	345	139	2.1%	147	404	7.6%	535
Miners	4,859	1.4%	2,083	0.9%	66	23	0.2%	15	11	0.2%	12	12	0.2%	16
Craftsmen and Manufacturing Producers	13,0024	37.5%	66,624	29.8%	79	2,631	23.7%	63	1,117	16.7%	44	1,514	28.4%	76
Labourers	27,139	7.8%	11,362	5.1%	65	947	8.5%	109	339	5.1%	65	608	11.4%	145
Unrelated	12,506	3.6%	7,628	3.4%	94	246	2.2%	61	123	1.8%	51	123	2.3%	64
Median Index Value					86.2			101.5			82.0			108.42
Standard Deviation					21.51			87.90			72.02			132.58

Table 3.4: 1961 Occupation by Ethnic Origin, Immigration Status for Women, British Columbia

Women	Total	% of total	British Isles	% of total	Index Value	Asian Origin	% of total	Index Value	Asian Born	% of total	Index Value	Asian, Cnd Born	% of total	Index Value
All Occ	155,862		97,501		103	3,598		130	1,585		130	2,003		130
Mang	7,123	4.6%	4,562	4.7%	116	214	5.9%	69	95	6.0%	130	119	5.9%	85
Professionals / Technical	23,332	15.0%	16,981	17.4%	111	370	10.5%	69	116	7.3%	49	254	12.7%	85
Clerical	49,663	31.8%	34,387	35.3%	111	952	26.5%	83	229	14.4%	45	723	36.1%	114
Sales	16,325	10.5%	10,939	11.3%	108	369	10.3%	98	135	8.5%	81	234	11.7%	112
Service & Recreation	37,187	23.9%	19,211	19.7%	83	745	20.7%	87	437	27.4%	115	308	15.4%	64
Housekeepers, waiters, cooks and related workers	29,093	18.7%	14,993	15.4%	82	529	14.7%	79	335	21.0%	113	194	9.7%	52
Transportation and Communication	3,541	2.3%	2,565	2.6%	116	17	0.5%	21	12	0.8%	33	5	0.2%	11
Farmers and farm workers	3,067	2.0%	1,158	1.2%	60	227	6.3%	321	166	10.4%	529	61	3.0%	155
Loggers	19	0.0%	11	0.0%	93	0	0.0%	59	0	0.0%	132	0	0.0%	
Fishers, Trappers, Hunters	74	0.0%	20	0.0%	43	1	0.0%	59	1	0.1%	132	0	0.0%	
Miners	6	0.0%	1	0.0%	27	0	0.0%	257	0	0.0%	345	0	0.0%	187
Craftsmen and Manufacturing Producers	9,384	6.0%	3,858	4.0%	66	556	15.5%	267	331	20.8%	376	225	11.2%	187
Labourers	15,660	1.0%	6,41	0.7%	66	85	2.4%	236	60	3.8%	376	25	1.2%	125
Unrelated	4,681	3.0%	3,087	3.2%	105	62	1.7%	57	23	1.4%	48	39	1.9%	65
Median Index Value					84.29			128.8			171.12			104.61
Standard Deviation					29.56			97.3			167.22			50.29

Source: Census of Canada, Ill. 1, Table 22, DBS (1964)

Table 3.5: 1971 Asian Ethnic Origin, Vancouver CMA

	Total	Percent	Non-Imm	Percent	Pre-1961	Percent	Post-1961	Percent
South Asian	10,635	18.8%	2,890	12.5%	1,270	10.7%	6,475	30.5%
Chinese	36,405	64.3%	13,670	59.3%	9,235	78.2%	13,495	63.5%
Japanese	9,555	16.9%	6,475	28.1%	1,310	11.1%	1,270	6.0%
Total Asian	56,595		23,035		11,815		21,240	

Source: Census of Canada, 1971, Special Order G00195

The author is grateful to the Metropolis Project for these data

Table 3.6: 1951 & 1961 Select Industries by Asian Ethnic Origin

1951 Asian Ethnic Origin	Men		Women	
Total	11111		1357	
Trade	1561	14.0%	372	27.4%
Wholesale	319	2.9%	63	4.6%
Retail	1242	11.2%	309	22.8%
Manuf. Food & Bev	592	5.3%	68	5.0%

Source: Census of Canada, IV, Table 20, DBS (1954)

1961 Asian Ethnic Origin	Men		Women	
Total	12031		3598	
Trade	2298	19.1%	844	23.5%
Retail	1641	13.6%	621	17.3%
Manuf. Food & Bev	467	3.9%	225	6.3%

Source: Census of Canada, III, Table 27, DBS (1964)

Chapter 4: Restructuring an Ethnic Economy: New Chinese Immigrants in Vancouver After 1967

Introduction

In the early 1990s, *Maclean's*, a prominent English Canadian news magazine, ran a cover story on Vancouver.³⁵ The message echoed throughout the different articles profiling the city and province was its economic prosperity, which seemed to be at odds with conditions in other parts of Canada. While the rest of the country was reeling from the effects of restructuring, Vancouver was an exception, experiencing growth and benefiting from capitalist globalization. Inflows of capital were seen to be having radically transformative impacts on the city, recreating the city as a “high energy...economic powerhouse” (p.14). Another message continually highlighted in the magazine was the city’s new role as a host of Asian capital and Asian immigrants, and the two became, at different points, synonymous. Deploying the metaphor of electricity to describe Chinese immigrants, one of *Maclean's* writers suggested that,

They have brought money, jobs, and an entrepreneurial spirit that have added a jolt of energy into Vancouver and helped British Columbia weather the recession better than other regions of the country (Dalglish, 1992, p.41).

In this light, there was real hope and optimism that Chinese immigrant entrepreneurs would revolutionize the production base in Vancouver, bringing it “forward to Asia and the 21st Century, rather than backward to Europe and the past” (ibid).

Vancouver’s storied growth was in part attributed to its capacity to attract these key global players, hurrying it along the process of development. A set of discourses developed that defined “progress” in capitalist terms as lying in Asia, marking a turning point in the representation of Chinese identities in Vancouver.

³⁵ *Maclean's*, 1992, August 24

Chinese immigration grew after 1970, in a period marked by the expansion of post-Fordist labour markets, economic globalization, and a shift in the perception of Chinese Canadians in popular and state discourse, reasserting in some ways but weakening in others the divisions in Vancouver society and space. By the mid 1990s, just over half of all new incoming immigrants in Vancouver were Chinese immigrants. Unlike an older generation of railway workers and laundries, most new Chinese immigrants were professionals and technical workers, and later, entrepreneurs and investors. These two groups of migrants transferred a considerable amount of capital and expertise into Canada. It is estimated that new Chinese business immigrants that moved to the Vancouver area between 1990 and 1996 control between C\$9 to \$17 billion in assets, not counting undisclosed amounts and overseas assets (Mertl, 1999).³⁶ Thus, newer Chinese Canadians were arriving and operating under much different circumstances than their predecessors. Arriving with capital, familiarity with capitalist economies and skills suitable to those labour markets, they were not entering the country at the margins.

Their occupational and entrepreneurial strategies formed part of a restructuring geography of capitalist accumulation. This was a time of extreme volatility in bulk commodity markets, liberalization of international trade, deregulation of the financial sector, and heightened inter-urban competition for investment. Key Canadian state and business interests mounted strategies through the 1980s to foster greater economic linkages between Vancouver and Asia Pacific. To varying degrees, Chinese Canadians, in particular business immigrants, were enrolled in this effort. The purpose of this chapter is to explore the mutually structuring processes of race-definition and capitalist restructuring and to underscore their implications for Chinese Canadian entrepreneurship and the reproduction of segmented geographies of work based on class, ethnic and 'racial' differences.

³⁶ Ley (1999) estimates that the total figure for all business immigrants landing in Vancouver area during these years to be at least \$18 to \$20 billion in assets (p.5).

The first section deals with changes in immigration policy which have had implications for the expansion of Chinese immigration. In the following section, I examine the occupational patterns of Chinese Canadians within the context of capitalist restructuring and the formation of post-Fordist labour markets. How Chinese immigrants have produced and have responded to change in restructuring labour markets will then be explored. I conclude with some remarks about governmental expectations of the contribution of business immigrants and the reality of their business strategies.

Towards a Neo-Liberal Immigration Regime 1967 - 1999

While labour migration has remained a consistent feature of Chinese Canadian immigration, increasingly these movements are composed of elite agents and owners of capital - investors, entrepreneurs, professionals, and skilled artisans (Miles & Satzewich, 1990). The purpose of this section is to review important changes to Canadian immigration policy after 1967 that paved the way for new forms of Chinese Canadian immigration. Canadian government heralded what Foster (1998) calls a “designer” immigration program, where the criteria for entry and the success of the program are measured by human and financial capital benchmarks and the contribution immigrants make to the nation’s economic growth. While the realities of immigration are far too complex to pin on any coherent logic, immigration policy was shaped by government strategies to promote economic growth and trade through the selection of skilled applicants and entrepreneurs. In this sense, it became a strand of the federal government’s strategy of importing foreign expertise, technology and capital to enhance indigenous industrial capacity and independent business formation (Nash, 1996a).

Reforms to immigration policy in 1967 involved the introduction of the points system for assessing independent applicants, which removed country-of-origin as a selection criterion. Subsequent refinements were made with the

introduction of a new Immigration Act in 1976. Under the new regulations, entry status was divided between 'economic' and 'social and humanitarian' streams. Social and humanitarian immigrants consisted of family and refugee classes. The economic stream, set upon the growth and development objectives for the country, was composed of applicants assessed under the point system. These changes would have immediate repercussions for Chinese immigration, since in 1966 there were only 5,000 Chinese immigrants and by 1973 that figure jumped to 16,000. By the end of the decade, the total population of Chinese Canadian immigrants had reached 183,000 (Statistics Canada, 1998).

In 1978, the federal government introduced the Business Immigration Program (BIP) as a formal administrative category of the independent class and with it came special admission conditions, such as early admission, not available to other applicants. The business immigration program was initially designed to facilitate the migration of American and Western European entrepreneurs who were intending to operate a business in Canada (Nash, 1996b, p.8). The program started with two categories of business immigrants: entrepreneurs and self-employed. Entrepreneurs were required to form or purchase a business that employed 5 others, but this was lowered to 1 employee in 1984.

Changes in immigration policy were situated in broader political and economic shifts underway in Canada. Domestic and international overproduction figured in the decline of profitability of Canadian industries through the late 1970s. The shocks of mounting debt from rising interest rates (peaking at just over 21% in 1982) exaggerated the lingering effects of overproduction. Stagflation through the 1970s compounded ultimately by a series of recessions in the early 1980s, and again in the early 1990s, prompted a general restructuring of the Canadian corporate economy. Canadian branch plants introduced flexible work practices or followed others in dispersing production capacity through global subcontracting production networks that increasingly took East Asia as one of their sites. Governments from

the Pierre Trudeau administration on expedited this process by easing regulations on financial industries and trade, retrenching government services, while pushing the development of nascent, innovative enterprises (Drache, 1991; Norcliffe, 1994). Neo-liberal policy reforms, most notably the deregulation of trade and investment, transpired while finance and specialized producer service activities rapidly expanded in the three largest cities in Canada, Toronto, Montreal and Vancouver. With regulatory and technological barriers to international trade in finance and producer service sectors dropping, principal business functions in these centers increasingly served as a conduit for foreign investment activity between Canadian and overseas investors (Coffey, 1994; Sassen, 1994).

While the social and humanitarian category had been key in the immigrant selection process through much of the 1970s and early 1980s, changes in government and economy precipitated a policy shift in the mid-1980s that set a new course for immigration. After the 1984 election of the Mulroney government, the terms of immigration policy were set by the new government's neo-liberal agenda, and carried forth by the Chretien governments through the 1990s. Officials dramatically increased immigration levels overall, emphasizing the independent and business classes (Figure 4.1; Green & Green, 1996). This was primarily achieved by removing the requirement for prearranged employment among economic applicants in 1985, providing greater resources to officials to process applications, and expanding the business immigration program (Green & Green, 1996; Hawkins, 1988; Nash, 1996).³⁷ There were only 88,000 landed immigrants in 1984, but by 1988 that number grew to 162,000, and averaged 235,000 entrants per year through the 1990s. Another outcome was a substantial increase in the number of Chinese immigrants entering the country. In 1996, three quarters of the 860,000 Chinese

³⁷ Also, more money was spent on promotion and recruitment practices (Nash, 1996b). Business immigration expanded with the introduction of the investor class and easing of entry requirements for entrepreneurs (Nash, 1996b).

Canadians were foreign-born, of whom 70% immigrated after 1980.³⁸ The tide had turned once again in the mid-1990s, when the policy goals shifted to balance independent and family classes and move away from assessment of independents based on job-specific expertise. The new focus was on general skills, education, and experience that would allow entrants to be adaptable to diverse forms of work within post-Fordist labour markets (CIC, 1995; CIC, 1999).

Outside the mixed group of dependents and extended family members that came as sponsored relatives, most of the post-1967 Chinese immigrants qualified in the independent or *economic* classes (Table 4.1).³⁹ Skilled immigrants who qualified under the points system had come from the modestly well off classes of their departure societies and had training which facilitated their integration within Vancouver labour markets. Members of the new middle class (NMC) of Chinese immigrants that arrived were considerably better educated, knowledgeable in English, and cosmopolitan (Johnston, 1996, p.23; Con, et.al., 1982, p.247). The circumstance of their arrival and incorporation into the Vancouver labour market was thus notably different from earlier migrant workers.

As stated, the business immigration program took on new significance through the 1980s. Canadian officials took greater interest in connecting with Asian industrialism as a means to strengthening Canada's industrial base; accordingly East Asian business elites became targets for recruitment into the program (Mitchell, 1996; Froschauer, 1997). Not coincidentally, a third 'investor' category was introduced in 1986 where entrants with a net worth in excess of \$500,000 could

³⁸ Statistics used to describe Chinese Canadians in this section refer to single ethnic origin, as defined in the Census of Canada.

³⁹ As Johnston (1996) notes: "[t]he pragmatic nature of Canadian policy resulted in a change in social status...It is not unreasonable to assume that it is the wealthier members of a given society – those who can afford specialized training and have the English (or French) language skills – who qualify to immigrate to Canada" (pp.23-4). Some came through student migrations as well. Students sent by their parents to attend university in Canada would often stay and apply for immigration. Upon immigration, they would sponsor relatives from abroad. This process was facilitated in the 1970s when family class immigrants were given priority processing.

place a minimum 5 year investment of \$250,000 to \$350,000, depending on the province, into a venture capital fund that would create or continue employment in Canada, or invest \$500,000 into a bank secured deposit.

Expectations about the nature of business investments also changed. Authors of a 1986 report sponsored by the Department of Employment and Immigration capture the language of the period in their suggestion that,

immigrant entrepreneurs, both who come under the business immigration program and others who become entrepreneurs either because they cannot find employment or because they wanted to become self-employed, are well known to have added new jobs to Canada's economy. As Joseph Schumpeter pointed out decades ago: 'The immigrant entrepreneur may innovate: the introduction of a new good or a new quality of good, the introduction of a new method of production, the opening of a new market, the usage of new sources of supply of raw materials, the usage of new sources of supply of raw materials and industrial organization' (Samuel & Conyers, p.14).

The federal government had anticipated the formation of innovative enterprises that would fit within the "new economy" (CIC, 1998). In a word, new East Asian entrepreneurs were represented as instruments of economic growth. Attracting them to Canada was one of the numerous means pursued to transform and revolutionize the industrial base through the importation of capital (Froschauer, 1997).

Indeed, their expectations were not unfounded. In the 1980s, business immigrants from Hong Kong, Taiwan, South Korea, Singapore, Malaysia, and more recently China, a significant number of whom were ethnic Chinese, came in large numbers after 1983.⁴⁰ On average about one fifth of immigrants from Hong Kong

⁴⁰ It is assumed that business immigrants from Hong Kong, Taiwan, China, Singapore, Malaysia and Indonesia are ethnic Chinese, since Chinese are by far the largest group among the first four countries, and they make up the bulk of capitalist class in Malaysia and Indonesia (see Ong & Nonini, 1997). The turning point was the agreement reached between China and Britain over the repatriation of the whole of the capitalist enclave of Hong Kong in 1997. It is hard to discern the actual number of the elite capitalist class from immigration statistics since it is feasible that some proportion qualified through independent or sponsored classes. In all likelihood, however the

and Taiwan between 1987 and 1993 qualified under the business immigration program (Table 4.1). The wealth transferred by East Asian business immigrants was significant. The average declared net worth of entrepreneur and investor immigrants visaed in Hong Kong between 1987 and 1990 destined for BC was \$1.3 million and \$2 million respectively (Li, 1993, pp.236-7). Within Canada as a whole, immigrant investors from Hong Kong and Taiwan accounted for half of the \$3.8 billion intended investment through the program between 1986 and 1996, while entrepreneurs invested a similar percentage of the total \$1.7 billion contributed by this class between 1990 and 1996 (Li, 1998, p.133). An estimate of the value of net assets owned by business immigrants settling in the Greater Vancouver between 1990 and 1996, three quarters of whom were from Hong Kong and Taiwan, is in the range of \$18 to \$20 billion (Ley, 1999, p.5).

Inscribing Chinese Transnationalism: The State and Global Trade Strategy

Through the 1990s, the Ministry of Foreign Affairs and International Trade tried to encourage Chinese business immigrants to act as bridge builders between Canadian and East Asian business networks to promote Canadian exports in this region. The government, concerned that Canadian industry relied too heavily on trade with the US, set out to encourage trade with other regions, most particularly Asia Pacific. It became clear that Canadian trade officials expected Chinese business immigrants to generate trade flows for Canada in this region, especially exports. At the World Chinese Entrepreneurs Convention, held August 1997 in Vancouver, Canada's Trade Minister, Sergio Marchi, stated that:

majority came through the business immigration program. In 1996, immigration from investor class dropped by 40% from its peak in 1992 (Anon, Jan. 13 1999). The percentage of investor immigrants that settled in BC declined by a similar amount, 24.5% (ibid). Given the overrepresentation of Chinese business immigrants that settle in BC, one can infer that much of the loss can be attributed to the slowing of Chinese business immigrants.

Today, more than 60 per cent of immigrants are from Asia... This trend has not only enriched Canadian society, but has created strong bonds across both the Atlantic and Pacific oceans. This year, which is Canada's Year of Asia Pacific, we are celebrating our Pacific identity and putting special emphasis on strengthening our ties to the region... We recognize that the language skills, family ties and cultural knowledge of our two million Asian Canadians are valuable economic assets. In fact, we should, and will, harness this tremendous competitive advantage much more than we have (1997).

Chinese immigrant entrepreneurs were increasingly valued as a conduit for expanding trading activities in Asia. Almost a year later, in an address to the Canadian Chamber of Commerce in Hong Kong, the Trade Minister again repeated the government's strategy to promote and sanction transnational ethnic identities:

You also don't have to be here very long before you begin to feel the Canadian presence. More than 150,000 Canadians live in Hong Kong and the ties between us are strengthened by the half million people of Hong Kong origin living in Canada. Our strong people-to-people ties mean that Hong Kong's continued autonomy, prosperity and the well-being of its people are of direct importance to Canada (1998a).

What is meant by the "direct importance to Canada" of Chinese immigrants was spelt out later in the same speech, as he defined what the government expected would result from their strategy of promoting Canadian trade in the region:

As we approach the next century - which has often been predicted to be the "Pacific century" - Canada is looking more and more to the Pacific Rim for our own economic growth. We recognize that our future is here, that the markets are here, that the greatest opportunities of tomorrow are here. And as the business, financial and communications centre of Asia, Hong Kong is a natural place for us to concentrate our efforts - not only as a destination, but as a gateway for the re-export of Canadian goods to China (1998a).

During the opening of the Canada-China Business Council's meetings in November 1998, Sergio Marchi stated that the government was counting on entrepreneurial small to medium sized businesses to lead Canadian trade in the region:

...we need you to encourage small and medium-sized companies, in both countries, to embrace the opportunities presented by liberalized trade... These enterprises are the backbone of our economy - creating the most jobs and generating the most wealth. They are innovative and adaptable - capable of quickly filling emerging market niches and responding to their customers' changing needs. So involving more SMEs is an important dynamic in creating greater economic activity. We also need to expand our export base beyond the traditional products and outside the traditional areas (1998b).

Connections were forming in state development discourse between the presence of Chinese Canadian business immigrants, their social and business ties within the region, and the entrepreneurialism that was felt to be needed in Vancouver for Canada to compete in "global economy" and gain access to the newly emerging markets in Asia. In promoting transnational ethnic solidarity among Chinese Canadian immigrant entrepreneurs with their home societies for the sake of trade interests, federal government officials appropriated and racialized Chinese identity within state development discourse (Ong, 1997, p.173).

Yet this was not without dispute in government. The ease by which Chinese investor immigrants entered the country through the commitment of sizable investments into Canadian banks was alarming to Immigration Canada officials, despite the enthusiasm of officials from the Department of Foreign Affairs and International Trade of this very reality. After 1997, rules were changed that disallowed investors from qualifying on the basis of a bank secured deposit. The government also tightened requirements for those who could qualify under the BIP in response to concerns about the nature of business investments. In some cases, this was because they were not meeting "expectations" of the BIP, in others, concerns were raised that risk venture funds were improperly managed, causing immigrant investors to lose their investments. Minister of Citizenship and Immigration, Lucienne Robillard, announced in January 1999 further proposals to change the business immigration program to add a more explicit requirement that applicants have "significant business experience", and giving preference to applicants who

have some knowledge of one or both official languages (CIC, 1999). Reforms that were proposed included introducing a mandatory period of 5-year residence to remain in the country for principle applicants. This was clearly aimed at business immigrants who would make it a regular practice to resume business in East Asia once they acquired their Canadian citizenship.

Moulding The Pacific Rim: New Chinese Entrepreneurs and State Strategy in British Columbia

The economic strategies of the new Chinese Canadians should be viewed in terms of the changing conditions of Vancouver's corporate economy in the context of the transition towards "flexible accumulation" in the global economy from the late 1960s through to the 1990s. During a major recession in the early 1980s, state and business actors sought out new strategies to resume accumulation. Fostering local entrepreneurialism and encouraging greater trade and investment within Pacific Rim economies were prominent among their strategies. Within this context, government and business actors attempted to enroll Chinese Canadian entrepreneurs as important and expedient agents to assist them in their efforts, in the process appropriating racial discourse for instrumental objectives. Chinese identities were thus given a new value as intermediaries between the 'west' and the 'east'.

Prior to 1970, the political and economic order imposed by property developers, planners and industrialists upon Vancouver's development process was designed to preserve and extend land values and provide the necessary infrastructure for circulating resource products. With BC's staples economy fully integrated as a resource supplier within the continental Fordist economy, Vancouver became the regional hub of multinational corporate finance, information gathering and administrative activity for BC resource industries. The number of professional jobs grew quite dramatically through the late 1960s and 1970s (Barnes, et.al., 1992), stimulating the development of a moderately wealthy new middle class (MNC) (Ley, 1980). New corporate service labour markets supplemented existing manual

labour markets in transportation (port and rail) functions, and often replaced mixed manufacturing and processing activities.⁴¹ An emerging set of service industries developed around satisfying consumer demands of high salaried workers employed in the corporate service complex, and well-healed tourists (Hutton, 1994, p.221). Vancouver was formed by factions of developers and business groups who were committed to enhancing growth and investment activity by progressively integrating Vancouver into international monetary flows to become part of an ever widening number of urban centres that were built around producer services and consumption-oriented development (Harvey, 1989a).

In the early 1980s, the problems of stagflation in the US economy combined with a surge in oil prices strained the provincial staples economy. A prolonged bust in commodity prices of BC's primary export resources pressured corporations to restructure their operations to make better use of flexible and automated work practices and to diversify into new international markets (Barnes, et.al., 1992). Pro-development coalitions advocated strongly for increased "international exposure" of Vancouver as a site of production and consumption for international finance. Many efforts were made to foster entrepreneurialism and attachments with Asia Pacific capital and promote Vancouver as the North American "gateway to the Pacific Rim".⁴²

To remedy the impacts of the recession, Mayor Harcourt commissioned the Vancouver Economic Advisory Committee (VEAC) to produce a report of economic strategies for Vancouver (VEAC, 1983). The report is notable for its

⁴¹ Following a brief flourish during the Second World War, manufacturing activity was limited and strongly tied to the staples economy (North & Hardwick, 1992, p.200; Bradbury, 1987). Some have argued that the combined effects of isolated location relative to goods-production centres, small local markets, and "wage shadow" created by well-paid jobs in forestry meant that manufacturing in Vancouver had "not advanced far beyond the primary level of food, wood and menial processing and of component assembly" (Bradbury, 1987, p.427; Hutton, 1994).

⁴² As a point of contrast, municipal development strategies in 1973 focused on the service sector and consumption related activities (Davis, 1973; City of Vancouver, 1973), and in 1979, the stress was on

direct reference to Vancouver's strategic position as an intermediary between North America and Asia, and makes reference to the "Pacific Rim" as an economic space where the future of Vancouver would be situated, a notion that would be present in municipal development documents from then on:

In the decade ahead, Vancouver's position on the Pacific Rim and its role as "downtown British Columbia", coupled with the city's wealth of human resources, should provide many opportunities for Vancouver to grow and prosper. However, this prosperity will be fully realized only if the community has the entrepreneurial spirit, the pertinent skills, and the appropriate infrastructure to exploit these opportunities (VEAC, 1983, p.1).

Strategies for renewed accumulation were aimed at fostering entrepreneurialism and creating a sustained set of economic linkages with the Pacific Rim. The VEAC report stated that these activities needed to build on Vancouver's strengths, listed as the "large Asian community, among which are numerous entrepreneurs and business people, its strategic location, the strength and diversity of existing businesses, industries, and social and cultural linkages of the Asian Pacific Rim" (p.12). The link between Chinese Canadians, entrepreneurialism and trade was codified in state development discourse. Two years later, the currency of the VEAC report was still very evident in a GVRD economic development report:

An earlier round of economic improvement ideas study concluded that a shortage of entrepreneurs is one of the things preventing Greater Vancouver from reaching its economic potential...A dozen methods for encouraging entrepreneurship were considered by the panel...Our attitudes are a major stumbling block in the move to a stronger economy...an unwillingness to take risks and a misunderstanding of the Pacific Rim's potential. (GVRD, 1985, p.3).

expanding intra-provincial ties to resource industries within processing and transportation related activity (GVRD, 1979).

In 1988, the association between entrepreneurship and Chinese immigrants in municipal state discourse was by now normalized, evident in a report on Vancouver's economy that stated that

[t]he composition of Vancouver's population is changing... These new immigrants tend to be very entrepreneurial, and provide much of Vancouver's contemporary economic dynamism (City of Vancouver, 1988).

Chinese immigrants, specifically business immigrants, were being valued for their abilities to strengthen Vancouver's industrial base and trading relationships.

There were other deliberate state strategies to reduce barriers to capital movement that were felt to impede the integration of Vancouver within international monetary flows, specifically those from Asia. These strategies included addressing 'racial' discrimination and resistance from growth-control factions (Ley, 1995 & 1998b), promoting multiculturalism, and later, as Mitchell (1995) noted, privatizing large public land holdings including the 1986 World's Fair site (Mitchell, 1993; Olds, 1996b, p.329).

As part of its overall 'Asia' development strategy, the BC provincial government sent regular delegations to Hong Kong, Taiwan and other parts of East Asia to drum up trade and business immigration. Heavy reliance on commodity exports to the US was no longer viewed as practical or desirable, and suddenly a 'need' appeared to diversify trading partners and tack onto Asian burgeoning industrialism. The critical role that Chinese immigrant entrepreneurs could play within this process was thus affirmed. In a position paper offered to a 1995 working group on business immigrants, initiated by Premier Michael Harcourt, the government issued its concern that business immigrants had not been as active as they had hoped in generating productive ventures in BC.⁴³ The government stated

⁴³ Part of the concern was discrepancy between the distribution of investments across the country. Only a fraction, 8.4 %, of the total capital that was invested through the immigrant investor program

that it expected business immigrants, by then dominated by East Asian investors and entrepreneurs, to create innovative, value-added entrepreneurial activity that had export-potential, and that it would involve the transfer of new technologies to the province. It was also hoped that business immigrants would expose BC to foreign investors and potential business immigrants, and expand trade with established and new markets by virtue of their attachment to business networks overseas. To reinforce this objective, the provincial branch of the Business Immigration Program declared that investment in the service sector would not be acceptable (Froschauer, 1997, p.4). Business immigrants were encouraged instead to make investments or undertake business in sectors which the provincial government deemed "high priority" areas, including high tech manufacturing, applications development and natural resource sectors, and to avoid "insurance, real estate, health services, retail and other services" (Froschauer, 1997, p.4).

Reshaping the racial definition process to 'include' Chinese Canadians within state and business capital accumulation strategies involved changing the notions of a 'racially' exclusive white Canadian national community towards one which was inclusive, multicultural (Mitchell, 1993). However, it was a selective incorporation of a specific Chinese identity which conformed to the capitalist ideal of entrepreneur and intermediary to Asian capital. In this sense, Chinese immigrant entrepreneurs were no longer positioned on the periphery of the Canadian capitalist economy, but in the centre, forming part of an emerging Asian global industrial dynamism that was presenting itself in the west.

was made in BC (Hunter, 1999). By comparison, Quebec received 43.5% of the investors capital. In 1991, the government in Quebec took control of the administration of immigrant investor program for the province. Quebec made the approval rate faster and allowed investors to borrow part of the minimum required investment and place capital in guaranteed funds.

The Economic Adjustments of New Chinese Immigrants in Vancouver

Within post-Fordist labour markets in Vancouver, two economic strategies available to Chinese immigrants include forms of wage labour or entrepreneurship. Considering similar conditions, Sassen (1991) made two points about the economic adjustments of immigrants within post-Fordist labour markets in New York that bear repeating. She argued first that immigrants provide low wage labour for processing and service related functions that serve both the corporate service complex and the consumption demands of the NMC (1991, p.315). However, many Chinese immigrants qualified for entry in independent categories. The work prospects of Chinese immigrants, including the self-employed, are therefore considered to be much higher.

Second, Sassen posited that immigrants are agents actively engaged in rehabilitating and expanding the productive base of the urban economy through small scale investments of labour and capital. The situation differs again for Chinese immigrants who qualified under the business immigration program. As an immigrant cohort with entrepreneurial ability and ownership of substantial capital, their contribution has been expected to be much greater than that from other immigrant entrepreneurs. As mentioned, business immigrants were specifically courted for their entrepreneurial abilities and their intention of entering into business, and, as Nash (1996b) pointed out, they immigrated through the ownership and transfer of substantial assets into Canada.

Collectively, how have Chinese Canadians fared in Vancouver labour markets since 1967? What economic strategies and adjustments have they employed? The remainder of this chapter is concerned with trying to answer these questions. The first section examines the changing occupational structures of

Chinese Canadians in BC and Vancouver for the years 1971 and 1991 in similar fashion to the previous chapters. In essence, it will follow changes in Chinese Canadian *occupational strategies*. The latter section elaborates on the *entrepreneurial strategies* of Chinese immigrants, the second of Sassen's points, with emphasis on the transformation of the ethnic economy since changes implemented in immigration selection in 1967. While the transformative potential of Chinese immigrants upon the economic process of Vancouver has been widely forecast (DeMont & Fennel, 1989; Cannon, 1989; Li, 1993; Bai & Mah, 1999) and anticipated by the state (Samuel & Conyers, 1986; City of Vancouver, 1988; Government of BC, 1994), a closer reading of the outcomes suggests that this process was varied and more problematic than assumed.

Occupational Strategies of Chinese Canadians After 1967

The manner of participation of Chinese Canadians in Vancouver labour markets builds on a history of 'racial' exclusions and ethnic absolutism. Yet, the occupational strategies of Chinese Canadians in the period after 1967 mark a departure from the dual merchant-labourer class structure present among the older generation of Chinese Canadians. In the early 1970s, at a time when white collar employment in service, finance and trade in Vancouver exploded with the formation of post-Fordist labour markets (Ley, 1980, p.244),⁴⁴ the contours of a Chinese new middle class (NMC) was taking form. Recently arrived immigrant men and the sons of older Chinese Canadians found employment as doctors, dentists, engineers, and other technicians through the 1970s. By the 1990s, Canadian-born Chinese women were also entering professional labour markets.

Thus, a new, cosmopolitan middle class entered the white collar workforce. Yet a significant proportion of the immigrant population remained tied to manual labour and service provisioning activity in fields associated with the enclave

⁴⁴ See table 4.2 for a breakdown of occupations by labour market segments

economy. Through this time, Chinese Canadians were drawn into a limited number of industries, and clustered in occupational segments, one associated with professional labour markets and another with ethnic business niches and manufacturing activity.

Occupational Structure of Chinese Canadians in British Columbia, 1971

The reader is cautioned again about the use of data aggregated for Asians at the provincial level to describe the occupational structure of Chinese Canadians. In 1971, the Chinese accounted for 64.3% of the total Asian population, 60% of non-immigrants and 68% of the immigrant total in the Vancouver CMA (Table 3.3). Chinese in BC were concentrated in Vancouver and to a lesser extent Victoria. Thus, a majority of the Asian origin population was Chinese; however, it is difficult to determine the exact proportion at the provincial scale.

One segment of the Chinese Canadian workforce, dominated by men, entered professional labour markets in large numbers through the 1970s. In 1971, Asian-origin men had above average rates of participation in medicine, chiefly as physicians, and natural science, engineering, and math related fields (NSEM) (Table 4.3). This outcome was related to the remarkable increase in skilled Chinese immigrants and the new graduates of Canadian universities. One fifth of Canadian-born Asian men participated in white collar labour markets,⁴⁵ the same proportion as British-origin men. Yet, Chinese men had proportionately higher rates of participation in medicine and NSEM related fields than British-origin men. By the late 1970s, Chinese Canadians were branching out into other professional activities as many others graduated with degrees in commerce, law and the arts (Con, et.al., 1982, p.251).

⁴⁵ This figure includes managers and related, NSEM, medicine, clerical, teaching, social sciences and related, arts and related occupations.

Canadian-born Chinese women also managed to enter white collar labour markets. However, gender divisions were evident in how they had participated in these roles (Table 4.4). Canadian-born Asian women were much less engaged in service-based employment than Asian immigrant women.⁴⁶ Instead, slightly over half of the Canadian-born participated in white collar work,⁴⁷ in clerical jobs particularly. As with the previous two decades, Canadian born Asian-origin women had occupation profiles that resembled British-origin women, but with important differences. Clerical and teaching, to illustrate, sectors dominated by females, contained two-fifths of either population. What this suggests is that employment in sectors associated with white collar labour markets was more important to Canadian-born Asian origin women, in keeping with Canadian-born Asian origin men. However, the fact that so many worked in female dominated occupations, which patterned British-origin women, suggests that they were operating in labour markets divided along gender lines.⁴⁸

Aside from those in professional and white collar occupations, most Chinese men and women continued to be excluded from primary labour markets, remaining tied to traditional ethnic niches in low-end labour markets. In 1971, the Asian-origin work force was over-represented in service and manufacturing sectors, and a high proportion of Asian immigrants were in sales related occupations.⁴⁹ Asian-origin immigrant women were heavily clustered in service work and manufacturing (textiles and garment industries especially), in keeping with the previous two decades.⁵⁰ A third of Asian immigrants and a quarter of non-immigrants were

⁴⁶ 14.5% for non-immigrant Asian origin women, compared with 24.4% of Asian immigrant women

⁴⁷ See footnote (10) for the list of occupations defined under this category.

⁴⁸ See Hanson & Pratt (1995) for a more extensive discussion of gender divisions of labour markets.

⁴⁹ A telling statistic is that over half of Asian-origin immigrants were employed in these three occupations (service, manufacturing and sales), compared with 35% and 29% of British-origin men and women respectively.

⁵⁰ Almost 20% of Asian born women and 7.8% of Canadian born Asian women were engaged in processing and manufacturing occupations, compared with 2% of British origin women.

engaged in the ethnic business niche sectors.⁵¹ Participation rates in these occupations regularly declined from 1951, denoting that fewer of the newer immigrants and Canadian born participated in ethnic niche activities.

Given the higher mean scores and standard deviations of index scores relative to British origin workers, Asians were evidently more clustered in certain occupations than others.⁵² The sectors containing most of the Chinese workforce were concentrated in secondary labour markets and traditional ethnic niches. The exception was with occupations in NSEM and medicine, reflecting the emergence of a new professional class. Few were engaged in manual labour fields outside manufacturing and farming.⁵³ Lastly, the data, compared with the previous two decades, suggests that there was a decline in the participation in sectors associated with the ethnic enclave economy. A segment of the new immigrants affiliated with the older Chinatown economy, but to a much less extent than immigrants had in the past.

Occupational Structure of Chinese Canadians in Vancouver, 1991

The basic occupational divisions among Chinese Canadians set out in the early 1970s continued through to the early 1990s. However, comparisons with previous years are for a number of reasons tenuous at best. Unlike the 1951 to 1971 samples, data generated from the 1991 Census includes only those who indicated

⁵¹ This figure is based on the proportion of the work force that were either non-government managers, or in sales or service occupations. If the percentage engaged in farming occupations is included, the figure jumps to 37% and 34% of Asian origin men and women respectively.

⁵² The contrasts by ethnicity are stark: in 1971, the mean index scores for British origin men (100.91) and women (93.83) both fall very close to 100 and the standard deviations are quite low as well (17.7 and 21.7), indicating both that their profiles were representative relative to the total and there was little occupational clustering. This is partly a function of population size, given that the British-origin workforce composed roughly 60% of the total labour market. By comparison, the standard deviations on the index scores for the Asian origin workforce were quite high, always in excess of 100, with one exception of Canadian-born Asian women which was itself quite high (69.54).

⁵³ The segregation index of managers and administrators for Asian men was 46 and 128 for British origin men. Only 1% of Asian women were employed either as doctors or in managerial related occupations, in contrast to 6.7% of British origin men and 2% of British origin women.

single Chinese and British ethnic origins, and refers specifically to the Vancouver CMA rather than BC as a whole. This made longitudinal comparisons infeasible. The 1991 occupation data was divided between wage labour and self-employed which affects the interpretation of fields where rates of self-employment are generally high such as law, medicine and managerial occupations. By splitting the groupings, the ability to identify occupational clusters was somewhat hindered.⁵⁴

Recognizing the difference in scale and data collection, patterns diverge from past decades in interesting ways (Table 4.5 & 4.6). The occupational clustering exhibited by Chinese Canadians contrasted again with the Canadian-born British origin sample. Non-immigrant British-origin men and women both had fairly comparable distributions relative to the total populations for men and women respectively. Chinese women had both low mean representative index scores (between 77.5 and 84.9) and high standard deviations, indicating that there were certain occupations in which they were underrepresented and a small number of occupational clusters where they were overrepresented.⁵⁵ Chinese men, those born in Canada particularly, had by contrast much greater variation across occupational categories, despite numerous clusters.

Outside of the segment of Chinese immigrant men in technical professions and women employed in clerical positions, Chinese immigrants were clustered in ethnic business niches,⁵⁶ and in processing/ manufacturing occupations (women in textile and garment processing and men outside this activity). Of those who were self-employed, almost sixty percent engaged in ethnic business niches. Chinese immigrants were underrepresented in manual labour fields outside manufacturing, and also in white-collar professions such as teaching, the social sciences, and law.

⁵⁴ See *methods* section in the introductory chapter for a more substantive discussion of data issues.

⁵⁵ For the employed, the standard deviation for non-immigrant British origin men was only 7.2 in contrast to 66.4 for Canadian born Chinese men, and 30.7 and 48.6, for immigrant and Canadian born Chinese women.

⁵⁶ This includes managers, food and beverage services, and sales related occupations.

While it is difficult to be certain, given the aforementioned concerns about longitudinal comparisons, it does appear that a higher proportion of immigrant men entered technical and medical fields, while women continued to be excluded from primary labour markets.

By contrast, Canadian born Chinese men remained absent from secondary, service-based occupations typically associated with ethnic business niches. Only a quarter of the self-employed were engaged in these sectors. Instead, half were employed in white collar work, surpassing comparable rates of British men by fifteen percent. Almost a third of the employed Canadian-born Chinese men and over half of the self-employed were in occupations associated with the primary labour market,⁵⁷ especially in medicine (doctors and medical technicians), and technical professions (natural science), and very few were employed as manual labourers.⁵⁸ Some entered professions in which Chinese immigrants were scarcely present, including law, teaching, and the social sciences. Those outside the primary labour market tended to be employed in clerical and sales related occupations.

The comparison between Canadian-born and immigrant Chinese women could not be more striking. Immigrants tended to cluster in traditional ethnic niches, in particular those occupations associated with the enclave economy, whereas the Canadian born were virtually absent from these sectors and active in technical and white-collar occupations.⁵⁹ Most notably, Canadian-born women were concentrated in professional occupations, including natural science, doctors and medical technicians, but also in clerical occupations. Forty-seven percent of Canadian-born Chinese women were employed in clerical positions, roughly 10 percent higher than

⁵⁷ Primary labour markets include the following categories: managers, professional/ technical related, and physicians and medical technicians.

⁵⁸ This includes manufacturing, a pattern that differs from immigrant men.

⁵⁹ It is worth pointing out that unlike the discrepancy between Chinese immigrant and Canadian-born women, there was significant continuity in the occupational profiles of immigrant and non-immigrant British-origin women.

British-origin and total non-immigrant women, again denoting the importance of gender-related divisions in local labour markets.

One of the features of the work process under flexible accumulation in Canada has been the rise of labour markets characterized by sharp divides between professional and non-professional segments (Norcliffe, 1994; Rutherford, 1996). These labour markets are also grounded in a history of 'racial' exclusion and ethnic absolutism, mediated by a discourse of multicultural nationalism. Moreover, educated, skilled Chinese immigrant men and Canadian born men and women were entering the workforce through the 1970s and 1990s.

The manner in which Chinese Canadians participated in Vancouver labour markets embodies these paradoxes. Occupational differences based on ethnicity were meaningful, as were intra-ethnic divisions between professional and non-professional service workers that were gender- and generationally specific. The overrepresentation of Canadian-born Chinese men and women in white collar jobs and immigrant Chinese men in NSEM and medicine contrasts with the presence of immigrant Chinese men and women in low-wage service fields associated with ethnic business niches and in manufacturing.

One conclusive finding is that occupational polarization was present among Chinese Canadians. However, their participation in primary labour markets defines also a new set of middle class positions, dissolving the older dual 'merchant-labourer' class divisions among Chinese Canadians. These are similar to findings in other Canadian studies, which show that certain non-Charter groups have responded to growing professional occupational segments and others are excluded from them (Richmond, 1992; Hiebert, 1997; Preston & Giles, 1998). Ethnic identity appears to be prominent in labour force segmentation but, as Preston & Giles (1998) argue, increasingly important are internal divisions within single ethnic groups in Canada (also Richmond, 1992).

Entrepreneurial Strategies and the Ethnic Economy in Transition

A rapid expansion and transformation of Chinese Canadian business activity in Toronto and Vancouver, observed by Peter Li (1993, 1998), Marger & Hoffman (1992), and others (Olds, 1996; Mitchell, 1995; Hutton, 1998), took place with the addition of new forms of Chinese business activity in Toronto and Vancouver generated by post-1967 immigrants. There was not only a greater mix and wider range of Chinese Canadian business activity in each city, but segments of these ethnic economies were integrated into transnational circuits of capital.⁶⁰

In the context of Vancouver, which has a service-dominated economy and a weak manufacturing base, Chinese Canadian enterprises were concentrated in service sectors. Ninety-four percent of all entrepreneur immigrants in BC entered service-related sectors including real estate, retail, wholesale, and professional service between 1986 and 1993 (Froschauer, 1997, pp.10-11). The traditional centre of the Chinese Canadian ethnic economy in Chinatown was surpassed by many new immigrants who settled and set up their businesses directly in suburban Vancouver neighborhoods, especially Richmond (Li, 1992; Johnston, 1996). Yet, there appear to be two distinct types of experiences and trajectories, one tied to global capital and professional labour markets and the other excluded or working on the margins of Vancouver's service economy.

⁶⁰ Although this has not been confirmed, there is some suggestion that the Toronto and Vancouver Chinese enclave economies are quite different. Waldinger & Tseng (1992) remarked on the differences between the Chinese ethnic economies in New York and Los Angeles, the top two destinations of Chinese immigrants to the US, and found that in New York, enclave activity was centred on the 'traditional' downtown Chinatown, and the garment industry played an important role, and in Los Angeles, enclave activity was largely suburbanized, and centred on service and high tech industries (also Zhou, 1998; Kwong, 1996). Conceivably, Vancouver and Toronto would diverge in similar ways based on the contrasting descriptions offered by Li (1992) who was concerned with the new Chinese economy in the Vancouver suburb of Richmond, BC, and Marger & Hoffman (1992), who described the Chinese economy in Toronto.

Through the 1980s and 1990s, the Chinese ethnic economy has been the recipient of large flows of foreign investment. Capital flows to Vancouver came either through the transfer of capital by business immigrants or through foreign investment tied to individual and corporate globalization strategies of overseas Chinese principally in Hong Kong (Li, 1993; Olds & Yeung, 1997).⁶¹ Foreign investors sought promising, but more meaningfully “safe” sites to diversify their investments in the wake of the patriation of Hong Kong to China in 1997 and lingering political insecurity in East Asia. Overseas Chinese were prepared to accept lower margins of return relative to the then booming East Asian economies in exchange for the security of the *relatively* cheap and available Vancouver properties, and connecting to settlement strategies of compatriot Chinese who were migrating to the region.

Real estate purchases had been by far the primary vehicle for this investment into Canada (Gutstein, 1990).⁶² Nash (1996a) estimated that between 60 and 80% of

⁶¹ Capital was generated during a period of massive expansion of manufacturing activity in Asia. Overseas Chinese capitalists, mostly from Hong Kong and Taiwan, were particularly prominent in investing and organizing production networks throughout East and Southeast Asia, often on the basis of ethnic identity (Lever-Tracy, et.al., 1996). Some exploited low-wage labour and low tax environments in unstable socio-political regions, while others developed highly sophisticated production processes using technical workers in sectors such as IT and consumer electronics (see Ong & Nonini, 1997; Castells, 1997, chapt. 3). Many commentators have highlighted the advantages offered to Chinese entrepreneurs by having access to industrial sites, joint state ventures, or factories in China (Hsing, 1998; Castells, 1998; Smart & Smart, 1998). Hsing (1998) argues that the cultural proximity that overseas Chinese entrepreneurs share with municipal officials in China not only facilitated access to production and markets in China, but also eased the movement of capital in and out of China. These advantages, not regularly shared by non-Chinese companies, assisted overseas Chinese entrepreneurs to take control of production chains in the region. Through sub-contracting arrangements with European, American and Japanese multinational companies, overseas Chinese business networks proceeded to connect the production of goods with distribution chains world-wide (Castells, 1998). By dominating foreign investment inflows into factories throughout Asia, overseas Chinese capitalist accumulated a great amount of capital quickly, much of which was absorbed straight back into Hong Kong and Taiwanese property or industry. Some of this capital has been divested out of the region into real estate mainly in North America, Australia, and Europe, including Vancouver (Olds & Yeung, 1997, p.12; Lever-Tracy, et.al., 1996).

⁶² The investment activity of Li Ka-shing, one of the wealthiest Hong Kong residents, has been widely heralded as a turning point for attention it brought to Vancouver property markets among Overseas Chinese capitalists. His 1987 purchase of the World's Fair site with fellow Hong Kong billionaires Lee Shaw-kee and Cheng Yu-tung, which accounted for one sixth of the downtown area, led to a \$3 billion high-density mixed use development project. Mr. Li's ownership of assets in

investment from Hong Kong into Canada went into real estate. Investments financed property development or the purchase of real estate in hotels, office buildings, condominiums, and commercial complexes.⁶³ It was estimated that 15% of high-rise offices, apartments, condominiums and plazas developed in Vancouver in 1997 were owned by Chinese Canadian companies in Vancouver (Howard, 1997, p.D3).

Also, immigrant entrepreneurs formed businesses in 'traditional' ethnic niches, such as restaurants, grocers, wholesale, and the import/export trade. Most sectors that new entrepreneurs entered were not dissimilar to those of the older generation, and many of the older Chinese family-run business have remained. However, the major difference is that the newer establishments are much larger in scale and capitalization, and are largely suburbanized (Li, 1992, pp.130-1). Investor and entrepreneur immigrants and overseas investors, often in concert, produced a novel form of large-scale, capital intensive ethnic enterprise (Li, 1993).

One example is T & T Supermarket, which sells Asian groceries primarily to the Chinese Canadian NMC in Vancouver. The company, which operates 7 stores in the Vancouver area, is a joint venture between President Enterprises Corporation, the largest food conglomerate in Taiwan, Tawa Foods, an Asian American supermarket chain based in California, and local Taiwanese Canadian food wholesaler, Canda Enterprises (Lee, 1997, p.10). About half of the operating capital was generated from Taiwanese immigrant investors eager to find a safe venue for their required investments (Chow, 1997, p.D2). T & T Supermarkets is owned by

Canada, including major shares in the Hong Kong Bank of Canada, a 54% stake in Husky Oil (with his son Victor), plus the immigration of his two sons Victor and Richard, assured many overseas Chinese capitalists of the viability, if not desirability of investing in and immigration to Canada. Numerous high-profile overseas Chinese investors - including Macao gambling magnate Stanley Ho, Sally Au, owner of Sing Pao newspapers, one of Hong Kong's largest dailies, and millionaire property developer Caleb Chan - subsequently looked to Canada for the diversification of their families' capital into secure, politically stable Canadian property markets. The investment strategies have typically been enmeshed in immigrant flows (Olds, 1996, p.17).

⁶³ Tutchener & Ley (1998) and Brousseau, et.al., (1996) also described the large scale acquisition, some speculative, of homes in the westside of Vancouver by Hong Kong and Taiwanese investors during the 1980s and 1990s which precipitated rapid inflation of property values.

President Canada Syndicates, a holding company whose other functions include fund management, and real estate development, and who built the high-profile President's Plaza shopping mall and an adjoining 184-room Radisson Hotel in the suburban municipality of Richmond (Dolphin, 1995; Financial Post, 1997).

Another important development was the expansion of professional and business service activities within the ethnic economy. The number of Chinese Canadian owned professional and business service firms expanded quite dramatically through the 1980s and 1990s. These included a range of activities from medical services, media,⁶⁴ and financial, legal and other types of producer services.

One part of the ethnic service economy has evolved to accommodate and encourage wealthy Chinese business immigrants and to assist with co-ethnic business formation.⁶⁵ The needs of business immigrants have been provided by other Chinese Canadian professionals familiar with their business practices, cultural context, and language, and who are frequently embedded in the same business networks (Johnston, 1994, p.124; Collins, 1994, p.38; Li, 1993).⁶⁶ Two-thirds of the Chinese immigrant entrepreneurs interviewed by Wong & Ng (1998) solicited the services of co-ethnic professionals for their business operations. Some firms were

⁶⁴ Professionally-run Chinese media companies that have headquartered or located branches of international corporations in Vancouver have proliferated (Bula, 1997, C1). There are 3 Chinese language daily newspapers, two television stations, and three radio stations within the Chinese community. Media outlets are largely supported by advertising revenue largely generated by mainstream firms seeking to access Chinese consumers (Bula, 1997, C1; Collins, 1994).

⁶⁵ The role that immigration advisors, fund managers, and lawyers in Canada and Hong Kong was recounted by Hardie (1994) and it has been the subject of numerous journalistic investigations (DeMont & Fennell, 1989, Chapt. 4; Cannon, 1989, Chapt. 1).

⁶⁶ David Lam and Andrea Eng are the best known of this group. David Lam immigrated to Canada from Hong Kong with his wife in 1967 to escape from the turmoil during the cultural revolution in China which spilt over to Hong Kong. Lam, former Lieutenant Governor of BC, became a millionaire trading real estate properties locally and with clients in Hong Kong from the mid 1970s up through the 1990s (Mitchell, 1997, p.224; DeMont & Fennell 1989, p.167). In the 1980s, Andrea Eng, a second generation Chinese Canadian, arranged the purchase and sale of real estate investments made by many Hong Kong investors through Colliers International Property. She arranged some very large purchases, including \$227 million worth of deals in the years 1987 and 1988 alone, and then went on to become a real estate fund manager of the Pacific Century Group for

explicitly formed or entered Canada from abroad to accommodate the movement and management the investments of business immigrants. For instance, many Chinese Canadian real estate companies formed throughout the 1980s in Toronto and Vancouver such as Grand Adex, run by Victor Li, the son of Hong Kong billionaire Li Ka-shing, and Terry Hui, son of wealthy Hong Kong developer Kau Mo Hui; while others, including the Tiffany Group of Hong Kong, and the Presidents' Group of Taiwan, expanded into Canada from overseas (Ley, 1995, p.191; Olds, 1996, p.23).

The entrepreneurial strategies of Chinese Canadians fostered both linkages and competition within different segments of the ethnic economy. At the corporate level, linkages formed between Chinese business immigrants and foreign overseas Chinese multinationals and among syndicates of investor immigrants. Professionals mediated the movement of capital and immigrants and assisted the formation of businesses. At another level, competition developed for ethnic niche markets between small and labour-intensive and corporate or capital-intensive forms of ethnic enterprise (Li, 1992).

Assessing Entrepreneurial Strategies

One set of authors assessing new forms of Chinese Canadian business activity has taken a generally positive view of the implications of entrepreneurialism for Chinese business immigrants. Under contemporary conditions, Li (1993) argues, the participation of Chinese business in the Canadian economy has taken a much different form than in previous eras. Operating under corporate structures, guided by capitalist rationality, and tied to foreign investment, Chinese businesses are no longer confined to marginal segments of the economy. Taken as the embodiment of

corporate and individual clients (Cannon, 1989, p.115; DeMont and Fennell, 1989, p.146; Smedman, 1996, p.5).

the process of capitalist globalization, they have the capacity to rework the urban development process, which distinguishes them, argues Bai & Mah (1999), thus,

[w]hat we see emerging is a new reality of immigration that directly conflicts with the traditional stereotype of the immigrant labourer, shop keeper, or refugee who enters the country at the lowest rung of the socio-economic ladder struggling to make ends meet, concentrating on adapting and assimilating into Canada. Instead, newcomers are actively directing changes in Canada, and are challenging the meanings of immigrant adaption and integration, issues which new approaches to ethnic entrepreneurship will need to consider (p.14).

In theory, Marger and Hoffman (1992) suggest, the businesses they generate should be larger, better capitalized and employ salaried workers and therefore be less reliant on ethnic or kinship networks for access to required resources (investment, labour, customers). These authors share the view with government officials that enterprises operated by business immigrants would not be in secondary sectors in service or distributive functions, but that they would develop innovative sectors of the economy to strengthen and diversify Canada's production base.

A number of papers have been written specifically about the experience of business formation mainly in Vancouver based on in-depth interviews with Chinese (and Korean) business immigrants (Smart, 1994; Froschauer, 1997; Woo, 1998; Wong & Ng, 1998; Ley, 1999). Emphasizing the precariousness of their strategies, these authors paint a much different picture of the business experiences of Chinese Canadian business immigrants. They suggest that *structural conditions and state practices* frequently hinder entrepreneurial strategies of Chinese Canadian business immigrants and often relegate them to marginal business sectors that demand highly exploitative labour practices.

Korean and Chinese entrepreneur immigrants interviewed in Froschauer's study (1997) stressed the difficulties experienced when they applied their business strategies in Vancouver. Expertise and experience garnered overseas were not

automatically applicable, and few had adequate time or opportunity to develop local business contacts and clients before starting their required businesses. They identified Vancouver's weak industrial base that made manufacturing inoperative. Without a local base of supportive industries, they would have had to depend on distant markets, materials and machinery. The factors of production that they felt were needed were not in place: there was an absence of institutional and business networks that they could easily insert themselves; materials needed for production were more cheaply available elsewhere; and the high costs of operating in BC made starting a manufacturing plant unfeasible. Many compensated by employing ethnic business strategies in service sectors of the enclave market.

Wong & Ng (1998) observed from the entrepreneur immigrants they interviewed that the necessity of satisfying the immigration requirements to open a business reinforced their attachment to entrepreneurialism, even if it meant operating an extremely marginal business with high rates of self and family exploitation. Three-quarters of those who came with business plans (about a third of their sample) found that the plans proved difficult to apply within the structural conditions of the economy of Vancouver. Like the entrepreneurs in Froschauer's study, many that aspired to serve mainstream markets because they felt it would be more profitable had found they were compelled to operate within the enclave market to stay afloat. Others returned to their former pursuits in Asia or attempted to conduct business between Asia and Vancouver.

Smart (1994) argued that the Business Immigration Program was problematic to begin with because it linked settlement with business formation, and the two are not necessarily compatible processes. Fearing deportation, many noted that they were pressured into starting a business that was likely to fail in order to satisfy the requirements for their immigration visa. She noted the difficulty this posed for recent immigrants who lacked experience or an understanding of Canadian markets. They were restricted from changing or leaving businesses or

moving to different locations that might have allowed them to generate profitable enterprise (pp.117-8). Moreover, the perception that there was little adequate wage employment compatible with their skills and experience, and age, immigrant, and 'racial' status, reinforced the attachment to marginal entrepreneurial strategies.

In the case of business immigrants, it would appear from these readings that state regulation and structural conditions in Vancouver continue to relegate many entrepreneur immigrants to marginal industrial sectors where they engage in exploitative labour practices using under or un-paid family or co-ethnic workers. The stipulation that entrepreneur immigrants must start a business that will make a "significant" economic contribution and employ workers other than dependents was difficult given the problems associated with starting a business and transferring expertise to a different social and economic context. Their skills and business experiences were not easily adapted and many found it difficult to properly select a suitable business given their lack of local knowledge and social connections. These combined with what certain business immigrants regarded as an inoperative industrial structure, where taxes and wages were too high, and access to fixed capital and supplies was limited (Froschauer, 1997; Wong & Ng, 1998, p.75). The hostile reception they sometimes encountered (Ley, 1995; Li, 1994; Johnston, 1996), different language and cultural practices, and lack of social ties outside kin and ethnic networks - all normal experiences for most immigrants - added to their difficulties of adjustment (Wong & Ng, 1998). All of this was compounded by their very real sense there was little meaningful employment in the labour markets which they might find available to them, given their age, immigrant and 'racial' status (Woo, 1998, p.327; Ley, 1999; Wong & Ng, 1998).

Many entrepreneur immigrants have responded by deploying ethnic business strategies and in some way, this has compelled them to open marginal businesses in the ethnic enclave where they engage in super self and family exploitation, or operate transnational business through their home country or region (Ng & Wong,

1998; Ley, 1999).⁶⁷ Some managed to operate viable businesses, but Smart and Woo both found that it was common for Hong Kong immigrants to form unprofitable businesses, risk losing capital, then abandon the businesses once they have satisfied the requirements for immigration. Discouraged by the lack of interest from the local business community, without much assistance from the state in settling and starting a business, and with limited economic prospects, the option of retirement surfaced, even though many felt too young to do so (Ley, 1999; Woo, 1998, p.328; Liu, 1998).

Conclusion

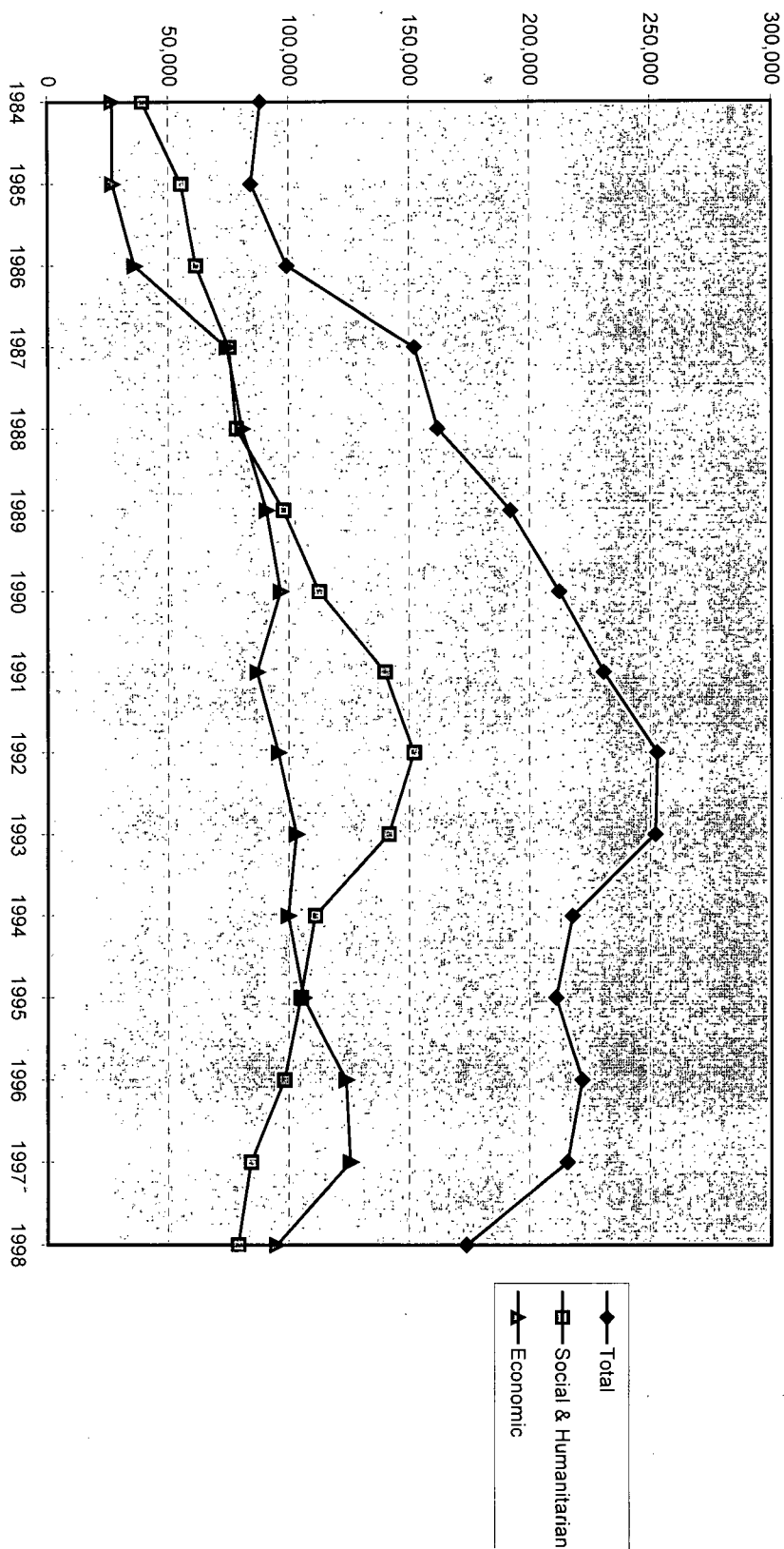
Fundamentally, this chapter was concerned with setting some structural context for understanding the strategies of work and business formation among Chinese Canadians in Vancouver. It was written with the intent of linking with the previous chapters that explored the transformation of the experience of paid work, or the geographies of capitalist work processes, out of which ethnic and 'racial' difference come to be articulated. This chapter was set on trying to explore the relationship between the processes of capitalist restructuring and state regulation with entrepreneurial and occupational strategies of Chinese Canadians. I share Anderson's (1991) view that Chinese cultural identity is neither essential nor permanent, but forged in inclusionary and exclusionary social processes that are historically and geographically produced. The difficulties articulated by business immigrants in the last section of this paper set out the stresses of being identified under hegemonic accumulation strategies as agents of economic development and paint a precarious picture of the experience of entrepreneurialism, even under, as some commentators believe, "advantaged" contexts of reception (Wong, 1993, p.174; also, Johnston, 1996; Bai & Ma, 1999).

⁶⁷ This interpretation ignores the fact that entrepreneurs use these highly exploitative paternalistic ethnic strategies as a deliberate way to generate profit. Yet, the entrepreneurs themselves are struggling and partake in sometimes extreme forms of self exploitation, and they are excluded from

There are a number of issues that need to be resolved, among them the role of Chinese Canadian entrepreneurs who did qualify as business immigrants within the ethnic economy, and the architecture of inter-firm and intra-firm relations within and among ethnic networks. Other important issues concern how Chinese firms have interacted within non-Chinese business networks and the nature of transnational social and business networks. Finally, we need a discussion of the role that family and kinship relations have played in enabling business to take place. The last chapter deals with each of these issues based on interviews with Chinese Canadians entrepreneurs and notable figures within the Chinese business community in Vancouver.

primary labour markets. This reconfirms that state and structural factors pressure entrepreneurs to engage in exploitative labour practices.

Figure 4.1: Immigration to Canada by Entry Class, 1984-1998



Source: BC Statistics; Citizenship and Immigration and Canada, 1998, 1999.

Table 4.1: Immigration from Hong Kong, Taiwan, China to Canada, 1987-1998 (1)

All 3 Countries	1987	1988	1989	1990	1992	1993	1994	1995	1996	1997	1998
Total	20262	28246	27726	40931	56795	55909	64066	52727	60566	53928	34996
Family Class	6336	6625	7953	12465	26106	21490	18780	15180	10268	9554	7305
Business (2)	3965	5841	7634	9338	18977	21308	16873	10240	13288	10916	6343
Independents	9949	15716	11995	18941	10554	12640	21756	26110	33799	31626	19850
Percent by class	1987	1988	1989	1990	1992	1993	1994	1995	1996	1997	1998
Family Class	31.30%	23.50%	28.70%	30.50%	46.00%	38.40%	29.30%	28.80%	17.00%	17.70%	20.90%
Business	19.60%	20.70%	27.50%	22.80%	33.40%	38.10%	26.30%	19.40%	21.90%	20.20%	18.10%
Independents	49.10%	55.60%	43.30%	46.30%	18.60%	22.60%	34.00%	49.50%	55.80%	58.60%	56.70%
Total	99.90%	99.80%	99.50%	99.50%	98.00%	99.20%	89.60%	97.70%	94.70%	96.60%	95.70%

Source: Employment and Immigration Canada, Various Years; Citizenship and Immigration Canada, 1998, 1999b

(1) Does not include Refugees & Other

(2) Business Class includes principle dependants

Table 4.2
1971 Occupational Division

Primary (*independent*) Occupational Segment

Managers, Administrators and related
Natural Science, Engineering and Math
Social Science
Religious
Teaching
Doctors
Artists, Literature and related
Farming
Fishing and Hunting

Primary (*subordinate*) and Secondary Occupational Segment

Teaching
Forestry
Mining
Processing and Manufacturing
Construction
Transportation

Secondary Occupational Segment

Clerical
Sales
Service (general)
 Food and Beverage
 Personal
General

Categories Associated with Ethnic Business Niches

Non-government Managers
Sales
Food and Beverage Service

1991 Occupational Division

Primary (*independent*) Occupational Segment

Managers
Professional/Technical
 Law and jurisprudence
 Natural Sciences
 Social Sciences
Religious Occupations
Physicians & Technicians
Primary Sector Workers

Primary (*subordinate*) and Secondary Occupational Segment

Nurses and other (medicine and health)
Teachers (general)
Teachers (university)
Processing, Machining & Fabrication
Construction & Excavation
Transportation

Secondary Occupational Segment

Clerical
Sales
Service (general)
 Food and Beverage
Farming and Horticulture
Other
Material Handlers
Fabricating - textiles

Categories Associated with Ethnic Business Niches

Managers
Sales
Food and Beverage Service

Table 4.3: 1971 Occupation by Ethnic Origin, Immigration Status for Men, British Columbia

Men	Total	% of total	British Ethn Orig	% of total	Index Value	Asian Born	% of total	Index Value
All Occupations	602,335		343,265			15,190		
Mng. Admin. and related	27,750	4.6%	20,210	5.9%	128	370	2.4%	53
Non-Gov't mng	24,505	4.1%	17,565	5.1%	126	345	2.3%	56
Nat Sci, Eng, Math	21,865	3.6%	13,480	3.9%	108	870	5.7%	158
Soc-Sci	5,090	0.8%	3,530	1.0%	122	90	0.6%	70
Religious	1,610	0.3%	975	0.3%	106	15	0.1%	37
Teaching	13,390	2.2%	8,815	2.6%	116	320	2.1%	95
Medicine & Health	9,120	1.5%	5,725	1.7%	110	315	2.1%	137
Doctors	4,070	0.7%	2,715	0.8%	117	185	1.2%	180
Artists, Lit and related	5,925	1.0%	3,885	1.1%	115	95	0.6%	64
Clerical	36,750	6.1%	24,695	7.2%	118	830	5.5%	90
Sales	65,695	10.9%	43,330	12.6%	116	1,485	9.8%	90
Service	61,515	10.2%	34,835	10.1%	99	3,315	21.8%	214
Food & Bev	13,485	2.2%	5,595	1.6%	73	2,180	14.4%	641
Personal Serv	3,390	0.6%	1,630	0.5%	84	105	0.7%	123
Farming	21,035	3.5%	9,930	2.9%	83	770	5.1%	145
Fishing, Hunting	4,070	0.7%	1,475	0.4%	64	70	0.5%	68
Forestry	18,810	3.1%	9,525	2.8%	89	90	0.6%	19
Mining	5,700	0.9%	2,670	0.8%	82	35	0.2%	24
Processing & Mant	86,225	14.3%	43,240	12.6%	88	3,160	20.8%	145
Machining, Craft, and Equip	27,945	4.6%	15,065	4.4%	95	520	3.4%	74
Construction	68,345	11.3%	32,950	9.6%	85	455	3.0%	26
Transp & Material Handlers	67,460	11.2%	38,990	11.4%	101	1,380	9.1%	81
Others	54,025	9.0%	29,945	8.7%	97	1,005	6.6%	74
Mean Index Value					100/91			115/50
Standard Deviation					17.70			125/50

Men	Asian Ethn Orig	% of total	Index Value	Asian, Cnd Bor	% of total	Index Value
All Occupations	22,160		6,970			
Mng. Admin. and related	470	2.1%	46	100	1.4%	31
Non-Gov't mng	440	2.0%	49	95	1.4%	34
Nat Sci, Eng, Math	1,185	5.3%	147	315	4.5%	124
Soc-Sci	95	0.4%	51	5	0.1%	8
Religious	10	0.0%	17	0	0.0%	0
Teaching	385	1.7%	78	65	0.9%	42
Medicine & Health	545	2.5%	162	230	3.3%	218
Doctors	275	1.2%	184	90	1.3%	191
Artists, Lit and related	165	0.7%	76	70	1.0%	102
Clerical	1,395	6.3%	103	565	8.1%	133
Sales	2,365	10.7%	98	880	12.6%	116
Service	4,245	19.2%	188	930	13.3%	131
Food & Bev	2,615	11.8%	527	435	6.2%	279
Personal Serv	125	0.6%	100	20	0.3%	51
Farming	1,130	5.1%	146	360	5.2%	148
Fishing, Hunting	385	1.7%	257	315	4.5%	659
Forestry	220	1.0%	32	130	1.9%	60
Mining	65	0.3%	31	30	0.4%	45
Processing & Mant	4,115	18.6%	130	955	13.7%	96
Machining, Craft, and Equip	760	3.4%	65	145	2.1%	45
Construction	665	3.0%	30	305	4.4%	39
Transp & Material Handlers	2,040	9.2%	82	660	9.5%	85
Others	1,920	8.7%	97	915	13.1%	146
Mean Index Value			117.17			121.38
Standard Deviation			107.86			139.09

Source: 1971 Census of Canada, III, Table 5, 94-734, pp 5-33 - 5-40, Statistics Canada (1975)

Table 4.4: 1971 Occupation by Ethnic Origin, Immigration Status for Women, British Columbia

Women	Total	% of total	British Ethn Orig	% of total	Index Value	Asian Born	% of total	Index Value
All Occupations	307,755		184,625			7,410		
Mng, Admin, and related	4,815	1.6%	3,310	1.8%	115	40	0.5%	35
Non-Gov't mgr	4,390	1.4%	3,040	1.6%	115	40	0.5%	36
Nat Sci, Eng, Math	1,755	0.6%	1,075	0.6%	102	50	0.7%	118
Soc-Sci	3,125	1.0%	2,165	1.2%	115	45	0.6%	60
Religious	140	0.0%	90	0.0%	107	5	0.1%	148
Teaching	18,335	6.0%	12,740	6.9%	116	230	3.1%	52
Medicine & Health	24,920	8.1%	15,570	8.4%	104	670	9.0%	112
Doctors	405	0.1%	270	0.1%	111	15	0.2%	154
Artists, Lit and related	2,470	0.8%	1,655	0.9%	112	25	0.3%	42
Clerical	104,980	34.1%	69,235	37.5%	110	1,245	16.8%	49
Sales	30,405	9.9%	19,490	10.6%	107	515	7.0%	70
Service	57,915	18.8%	29,675	16.1%	85	1,805	24.4%	129
Food & Bev	23,775	7.7%	12,810	6.9%	90	620	8.4%	108
Personal Serv	11,800	3.8%	6,570	3.6%	93	240	3.2%	84
Farming	6,710	2.2%	2,795	1.5%	69	435	5.9%	269
Fishing, Hunting	170	0.1%	75	0.0%	74	15	0.2%	366
Forestry	440	0.1%	240	0.1%	91	0	0.0%	0
Mining	30	0.0%	5	0.0%	28	0	0.0%	0
Processing & Manf	10,955	3.6%	3,675	2.0%	56	1,390	18.8%	527
Machining, Craft, and Equip	1,740	0.6%	980	0.5%	94	45	0.6%	107
Construction	510	0.2%	245	0.1%	80	0	0.0%	0
Transp & Material Handlers	4,605	1.5%	2,480	1.3%	90	180	2.4%	162
Others	33,740	11.0%	19,120	10.4%	94	700	9.4%	86
Mean Index Value					93.83			118.21
Standard Deviation					21.70			123.25

Women	Asian Ethn Orig	% of total	Index Value	Asian, Cnd Bor	% of total	Index Value
All Occupations	11,820			4,410		
Mng, Admin, and related	95	0.8%	51	55	1.2%	80
Non-Gov't mgr	85	0.7%	50	45	1.0%	72
Nat Sci, Eng, Math	110	0.9%	163	60	1.4%	239
Soc-Sci	70	0.6%	58	25	0.6%	56
Religious	0	0.0%	0	0	0.0%	0
Teaching	415	3.5%	59	185	4.2%	70
Medicine & Health	1,010	8.5%	106	340	7.7%	95
Doctors	25	0.2%	161	10	0.2%	172
Artists, Lit and related	45	0.4%	47	20	0.5%	57
Clerical	2,780	23.5%	69	1,535	34.8%	102
Sales	1,000	8.5%	86	485	11.0%	111
Service	2,445	20.7%	110	640	14.5%	77
Food & Bev	850	7.2%	93	230	5.2%	68
Personal Serv	370	3.1%	82	130	2.9%	77
Farming	490	4.1%	190	55	1.2%	57
Fishing, Hunting	20	0.2%	306	5	0.1%	205
Forestry	0	0.0%	0	0	0.0%	0
Mining	0	0.0%	0	0	0.0%	0
Processing & Manf	1,735	14.7%	412	345	7.8%	220
Machining, Craft, and Equip	45	0.4%	67	0	0.0%	0
Construction	5	0.0%	26	0	0.0%	0
Transp & Material Handlers	255	2.2%	144	75	1.7%	114
Others	1,285	10.9%	99	585	13.3%	121
Mean Index Value			103.48			86.50
Standard Deviation			86.98			69.54

Source: 1971 Census of Canada, III, Table 5, 94-734, pp 5-33 - 5-40, Statistics Canada (1975)

Table 4.6: 1991 Occupation by Immigration Status, Ethnic Origin for Women, Vancouver CMA

Women Occupation	Immigrant Employed		Immigrant Self-Employed		Non-Immigrant Employed		Non-Immigrant Self-Employed	
	Total	Chinese	Total	Chinese	Total	Chinese	Total	Chinese
Managers	7.7%	10.5%	7.7%	9.8%	10.2%	10.5%	9.8%	10.3%
Professional/Technical	4.6%	5.6%	4.4%	6.6%	8.0%	4.5%	5.1%	4.9%
Law and Jurisprudence	0.3%	0.3%	0.4%	1.7%	2.5%	0.5%	0.7%	0.3%
Natural sciences	1.7%	1.2%	2.6%	1.9%	1.4%	3.4%	1.3%	2.8%
Teachers (university)	0.6%	0.7%	0.3%	0.9%	1.1%	0.0%	0.4%	0.3%
Social sciences	2.1%	3.3%	1.1%	2.1%	3.0%	0.6%	2.7%	2.6%
Teachers (general)	3.6%	6.6%	1.6%	4.8%	8.0%	2.8%	5.7%	6.1%
Religious occupations	0.1%	0.1%	0.1%	0.5%	0.5%	0.0%	0.1%	0.0%
Medical	9.0%	10.8%	5.2%	9.2%	10.4%	7.1%	8.0%	8.4%
Physicians & Technicians	1.1%	1.1%	1.0%	4.4%	6.3%	3.4%	1.2%	1.1%
Nurses & Others	7.9%	9.6%	4.1%	4.8%	4.1%	3.7%	6.8%	7.3%
Clerical	30.8%	36.6%	33.1%	17.2%	21.7%	14.1%	38.8%	38.7%
Sales	10.7%	11.7%	10.5%	16.4%	10.2%	28.0%	12.6%	12.5%
Service workers - general	20.6%	12.6%	17.9%	20.7%	17.0%	20.6%	12.7%	12.3%
Food + Bev.	8.0%	4.7%	10.7%	7.1%	2.8%	12.3%	7.0%	6.6%
Farming + Horticulture	1.7%	0.5%	0.5%	1.4%	0.5%	1.4%	0.7%	0.6%
Primary sector workers	0.1%	0.1%	0.1%	0.4%	0.5%	0.0%	0.2%	0.2%
Processing, Machining & Fabrication	7.0%	1.1%	15.1%	4.5%	2.2%	7.6%	1.7%	1.4%
Fabricating - textiles	3.5%	0.5%	9.1%	1.8%	0.8%	3.4%	0.3%	0.2%
Construction, Excavation	0.2%	0.2%	0.1%	0.6%	1.1%	0.6%	0.3%	0.3%
Transportation	0.3%	0.5%	0.1%	0.1%	0.0%	0.0%	0.7%	0.2%
Material handlers	1.0%	0.3%	1.4%	0.3%	0.0%	0.0%	0.6%	0.6%
Other	2.6%	2.9%	2.1%	8.0%	10.2%	2.8%	2.9%	2.6%
Sum of All Occupations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Women Occupation	Imm SE		NonImm SE		NonImm SE	
	British	Chinese	British	Chinese	British	Chinese
Managers	136.7	100.5	104	106.9	96.2	125.5
Professional/Technical	120.1	94	120.5	68.3	92.7	123.2
Law and Jurisprudence	113	127.3	148.3	33.9	107.3	51.6
Natural sciences	72.6	151.7	72.4	178.6	92	207.7
Teachers (university)	115.3	50	119.4	-	102.9	68
Social sciences	161.6	54.7	142	26.6	95.2	55.5
Teachers (general)	183.9	44.4	166.9	59.2	106.4	101.7
Religious occupations	122.8	60.3	119.4	-	142.1	-
Medical	119.4	57.4	113.5	76.8	104.9	77
Physicians & Technicians	102.4	91.4	142.7	76.9	92.7	113.4
Nurses & Others	121.8	52.6	86.3	76.9	107	70.7
Clerical	118.9	107.3	126.2	82.1	99.7	120.7
Sales	109.4	98.4	61.8	170	99.6	90.8
Service workers - general	60.8	87	82.3	99.6	96.8	63
Food + Bev.	58.5	132.9	40.2	173.6	94.8	90.2
Farming + Horticulture	29.6	44.6	39.8	102.3	92.3	60.7
Primary sector workers	61.9	67.6	136.5	-	122.3	-
Processing, Machining & Fabrication	16.2	216.7	49	170	83.5	64.2
Fabricating - textiles	12.8	256.1	44.8	194.2	63.6	127
Construction, Excavation	109.1	40.6	173.7	89.3	101.4	51.3
Transportation	188.2	20.1	-	-	108.2	23.7
Material handlers	31.4	144.2	-	-	93	39.4
Other	109.5	80.2	127.2	35.3	90.7	98.7
Mean (maj. grps)	101.19	84.22	109.29	96.35	102.86	77.48
Standard Deviation	51.92	48.55	41.37	41.87	14.15	30.2

Source: 1991 Census of Canada, Custom Cross Tabulation

Table 4.7: Raw data for tables 4.5 & 4.6, 1991 Occupation by Immigration Status, Ethnic Origin and Gender, Vancouver CMA

Women	Immigrant Employed			Immigrant Self-Employed			Non-Immigrant Employed			Non-Immigrant Self-Employed		
	Total	British	Chinese	Total	British	Chinese	Total	British	Chinese	Total	British	Chinese
All Occupations	122685	23670	29100	8345	1760	1670	24325	97130	5770	14405	5920	250
Managers	9690	2570	2305	850	185	185	22785	10350	695	1830	720	45
Professional/technical	5640	1360	1300	575	145	80	12960	4950	290	1450	550	35
Law and jurisprudence	365	80	110	145	45	10	1680	705	20	455	230	10
Natural sciences	2130	300	765	165	25	60	3405	1240	165	325	85	10
Teachers (university)	760	170	90	80	20	0	945	385	15	125	30	10
Social sciences	2585	810	335	185	55	10	6850	2620	90	545	205	15
Teachers (general)	4515	1670	475	415	145	50	14535	6120	345	1160	525	30
Religious occupations	105	25	15	40	10	0	160	90	0	10	10	0
Medical	11335	2625	1540	800	190	125	20305	8430	365	1190	535	45
Physicians & Technicians	1410	280	305	385	115	60	3025	1110	80	565	260	25
Nurses & Others	9925	2345	1235	415	75	65	17280	7320	285	625	275	20
Clerical	38750	8935	9840	1495	385	250	9820	38765	2765	3235	1325	70
Sales	13460	2855	3135	1430	185	495	31855	12555	675	1690	710	30
Service workers - general	25940	3060	5340	1800	310	365	31995	12265	470	1930	765	15
Food + Bev.	9835	1110	3100	590	50	205	17205	6455	365	350	115	0
Farming + Horticulture	2180	125	230	120	10	25	1765	645	25	150	50	0
Primary sector workers	125	15	20	35	10	0	475	230	0	55	20	0
Processing, Machining & Fabrication	8740	275	4485	390	40	135	4340	1435	65	340	130	10
Fabricating - textiles	4445	110	2695	160	15	60	675	170	20	160	55	10
Construction, Excavation	260	55	25	55	20	10	835	335	10	105	45	0
Transportation	315	115	15	10	0	0	1810	775	10	95	45	0
Material handlers	1230	75	420	25	0	0	1630	600	15	40	10	0
Other	3320	705	630	695	185	50	7380	2650	170	1510	625	10
Sum of All Occupations	125700	24380	29760	8695	1820	1770	252890	100105	5900	14800	6055	290

Men	Immigrant Employed			Immigrant Self-Employed			Non-Immigrant Employed			Non-Immigrant Self-Employed		
	Total	British	Chinese	Total	British	Chinese	Total	British	Chinese	Total	British	Chinese
All Occupations	143080	27795	31805	16415	3505	3325	285400	121235	6315	27640	11990	575
Managers	18870	5170	4305	2785	695	795	39605	19060	770	4465	2215	90
Professional/technical	14865	3880	3530	2045	655	255	22840	9270	950	4405	2085	120
Law and jurisprudence	385	135	50	260	85	15	1995	960	45	1855	1010	40
Natural sciences	11555	2975	3165	1355	425	225	15785	6250	785	1910	765	80
Teachers (university)	1615	460	205	290	105	15	1585	635	40	230	115	0
Social sciences	1110	310	110	140	40	0	3475	1425	80	410	195	0
Teachers (general)	2560	940	280	195	80	35	6430	2900	140	560	240	0
Religious occupations	555	180	50	45	15	0	730	275	0	45	20	0
Medical	3445	740	830	1435	390	375	4250	1725	230	1745	755	130
Physicians & Technicians	1725	455	440	1160	340	305	1630	690	105	1335	595	105
Nurses & Others	1720	305	390	275	50	70	2820	1035	125	410	160	25
Clerical	11785	1790	3500	470	85	70	28120	11505	1190	960	410	45
Sales	17530	3960	4440	2555	435	800	41600	18745	1090	3375	1530	55
Service workers - general	18850	2040	6440	1315	140	430	29845	12060	755	1275	550	20
Farming + Horticulture	10725	650	5140	835	15	385	13125	4590	540	385	180	0
Food + Bev.	2565	390	325	265	45	35	4635	1800	55	500	220	0
Primary sector workers	1125	155	125	165	15	20	2885	1080	10	510	175	0
Processing, Machining & Fabrication	24650	3465	4830	1530	200	240	36395	14505	435	1985	765	10
Fabricating - textiles	950	60	420	175	10	35	475	130	0	70	25	0
Construction, Excavation	13170	2385	1140	2065	365	110	30975	12120	175	4250	1490	10
Transportation	6720	1330	925	825	100	95	18880	8465	210	1630	750	25
Material handlers	3155	510	575	70	0	10	10075	4375	155	225	65	10
Other	7145	1570	1430	1210	360	190	15760	6745	365	2360	1000	70
Sum of All Occupations	146790	28525	32725	16975	3580	3460	293305	124740	6530	28310	12270	585

Please note discrepancy between "all occupations" column, which represents the published sum, and "sum of occupations", which was the calculated sum. The discrepancy relates to Statistics Canada policy of rounding up figures to increments of five and dropping low values to protect anonymity.
Source: Census of Canada (1991), Custom Cross Tabulation

Chapter 5: Transnational Ethnic Entrepreneurship and Chinese Canadian Trading Companies in Vancouver

Introduction

The last three chapters provide a historical account of the ethnic, 'racial', class and spatial structures that undergird economic strategies of contemporary Chinese Canadians. Through the interpretation of the entrepreneurial strategies of a group of Chinese Canadian merchants in Vancouver, I hope to extend these observations made earlier in this thesis.

This chapter is organized into four parts - after a brief description of the sample of immigrant entrepreneurs, I discuss the pre-existing social and spatial structures that influence business formation, after which I consider constraints entrepreneurs face, and, in the last section, their agency, how they mobilize resources in support of their economic strategies. The first part of this chapter disaggregates the sample of entrepreneurs according to period of immigration, and then discusses the industrial characteristics of their firms. Following the theoretical approach and the methodological principles discussed in chapter 1, the second half pulls apart the sample in greater detail to consider the process of entrepreneurialism in a period of capitalist restructuring and globalization. The account carefully follows the trajectory of entrepreneurs as they move into Vancouver, formulate their business strategies, and ultimately establish their entrepreneurial activities. The first section of this part considers past experiences and ethnic networks that promote and encourage business formation and the advantages they offer for entrepreneurs. Resources offered by ethnic networks do not translate directly into advantages for entrepreneurs since they get shaped and transformed by the socio-spatial structures present in the host society. The constraints on immigrants' economic strategies posed by existing political and economic conditions in Vancouver will be addressed in the second section. Finally, drawing on the work of Portes & Bach (1985), Waldinger (1990) and Granovetter (1995), I explore the business development

strategies employed by Chinese Canadian entrepreneurs that emerge from the interaction of transnational ethnic networks and geographies of work in Vancouver. Particular concern is paid to relations between intra-ethnic linkages and ethnic strategies, and the inclusion and exclusion of entrepreneurs from mainstream corporate networks.

Description of the sample

This section is intended to describe the sample of 24 entrepreneurs and prospective entrepreneurs interviewed for this project by considering them according to their period of immigration and industrial segment. All twenty-four entrepreneurs migrated in the post-1967 period, and half came after 1980 (Table 5.1). Grouping entrepreneurs by period of immigration revealed trends - bound up in changes with Canadian immigration policy and conditions in both Canada and East Asia - related to the changing standing of the local ethnic economy. Following this, the sample is disaggregated according to industrial sector to discuss patterns associated with business clusters and industrial linkages. Entrepreneurs were given pseudonyms to ensure their anonymity.

Period of Immigration

The oldest segment of immigrants interviewed for this project arrived as students or professionals between 1967 and 1973 as part of the initial movement of the Chinese NMC following the removal of 'race'-based criteria from immigration selection procedures. Despite their long presence in Vancouver, most operate small scale import/wholesaling activities in local ethnic niche sectors (Table 5.2). Among this group was a wealthy Vancouver-based real estate developer who branched off into import trading in the late 1970s. Meeting limited success in trading, he concentrated on the more lucrative side of his business in property development.

The next and second largest group arrived in the late 1970s and early 1980s when social and humanitarian objectives were emphasized in immigration policy. Between 1976 and 1980, six of the 24 entrepreneurs landed, of whom half were non-economic immigrants, the highest proportion of any cohort. Like the older group, most clustered in import/wholesaling activities for ethnic niche markets, though their firms were on average much larger. Half of the entrepreneurs expanded into medium to large sized firms, while five of the six were linked with local, primarily ethnic niche sectors (Table 5.2). By establishing their businesses through the 1980s, these entrepreneurs were in a position to capture much of the expanding demand made by new retail and restaurant businesses operated by more recent Asian immigrants. They were thus the prime beneficiaries of the sustained growth that took place in the ethnic economy through this period.

Forming the largest group, entrepreneurs that arrived through the 1980s were markedly different from earlier immigrants.⁶⁸ Three of the seven entrepreneurs to arrive at this time were successful industrialists in their home country, two of whom qualified as business immigrants (Table 5.2). Through the transfer of assets into Vancouver, two of the three emigrant industrialists developed capital-intensive manufacturing plants in Vancouver. Two other entrepreneurs formed partnerships with siblings who qualified as business immigrants to start similar sized manufacturing plants. Companies formed by business immigrants,⁶⁹ as Li (1993) posits, were better capitalized and more institutionally developed at the outset than traditional ethnic enterprises. Four of the seven firms were medium or large companies employing up to 70 people locally and 2,800 abroad. These companies were less integrated in the local economy and thus also had few linkages to local ethnic niche sectors. Only one entrepreneur served a local ethnic niche, and he was a

⁶⁸ Prolonged trade surpluses with OECD countries and escalating currencies in the late 1980s in Hong Kong and Taiwan, and the uncertain future of the region with China, helped to create the conditions for the emigration of the well-heeled business and professional classes (Skelton, 1995). Increased immigration intake levels by the middle of the decade and greater emphasis placed on economic admissions ensured their entry into Canada.

⁶⁹ Meaning those who arrived under the Business Immigration Program.

manufacturer of Chinese food products that distributed to regional centres with large Chinese communities in Canada and the US. Six other entrepreneurs had international distribution chains. These observations contradict Marger & Hoffman's (1993) assessment that enterprises started by business class immigrants would be "quite diminutive, a notch above 'mom and pop' firms that rely exclusively on family workers" (p.975-6).

Five of the 24 immigrant entrepreneurs arrived in the 1990s, when connections between Vancouver and a booming East Asia were both broadening and deepening. This group of entrepreneurs and prospective entrepreneurs barely had the chance to establish their businesses or even themselves in Vancouver by the time they were interviewed. Communication was often strained in the interviews as entrepreneurs struggled with their halting English. Two of the four were operating small, family-run import distribution companies for local ethnic niche sectors, and it seemed that they were losing money. During an interview with one fish distributor who had been in business for half a year, a client emerged to pick up a delivery package no greater than 15 pounds from a 30 cubic foot freezer that was in one corner of the office. More than likely, this was the extent of his fixed capital.

The remaining three were still in the process of setting up their businesses. Interviewed at a training seminar for import/export entrepreneurs hosted by a Chinese immigrant service organization, they were making decisions about what sort of company they would start. What was remarkable about this group was their integration into social networks abroad among kin and friends capable of supporting entrepreneurialism. Jason Lee, for instance, landed in Vancouver two months prior to the interview. He already had plans to start an importing business in partnership with his uncle who owned a paintmaking firm in Vietnam. Such was the case for the remaining two.

Industrial Segments

The largest segment of the sample consisted of nine non-exporting firms that conduct trade in non-durable goods with local ethnic firms, especially restaurant and retail outlets. Foodstuffs happen to be the most common product distributed. Characterized by low economies of scale and high product differentiation, these sectors are accessible to small scale entrepreneurs. With one or two exceptions, companies were small and maintained most of their trading links through ethnic networks. Most of these companies dealt with co-ethnic suppliers, many of whom were overseas. A minority had extensive trading links with mainstream producers who gave them a great advantage over co-ethnic competitors. One company had integrated distribution links between import, wholesale, and retail functions, including a chain of supermarkets. They operate in the traditional "trader minority" roles as distributors and intermediaries for mainstream firms (Bonacich, 1980; Hiebert, 1993). These latter cases will be discussed in greater detail in the ensuing section.

Another segment consisted of four traders who supply mainstream companies in Vancouver and rely on co-ethnic overseas producers. In all cases, these companies remained small, but had some modest engagement with export activity. They remain largely within particularistic networks abroad but branch off into mainstream markets locally. This segment is characterized by low barriers to entry and highly specialized but small trading volumes.

A third segment of international traders pursued a more varied trading strategy, often intermeshing multiple product lines, markets and business activities. Their functions were similar to trading companies that formed the backbone of what Castells (1996) calls "the multidirectional network model of transnational Chinese

entrepreneur networks” (p.161).⁷⁰ They arranged import and export procurement and distribution functions for various firms throughout the Pacific region. As such, product lines were not regularized, and interfirm networks are continually reshaped. Barriers to entry for this segment are high since they depend on access to otherwise closed business networks and continued participation depends on how well they performed on past jobs.

Two such firms were primarily engaged in real estate investment and took up trading alongside their regular activities. Jennifer Cheung, for example, sold building materials, beauty products, medical supplies, and 6 other products in addition to her principal business of property investment. Most of her trading partners were former clients of her real estate business. In the interview, she remarked how often she would encounter clients interested in extending business beyond property into trading activities.

A final segment consisted of larger and medium sized manufacturing companies that operate both locally and abroad. All three firms were opened by business class immigrants.⁷¹ This segment broke down into two subsegments. One was a large garment manufacturer with worldwide production networks that subcontracted for well-known US clothing companies. Ownership and headquarter operations were in Vancouver while production took place in Mexico and the Philippines. Capital came from the owners who were involved in a similar venture in Hong Kong. The other subsegment consisted of two medium sized single-plant

⁷⁰ Hsing (1998) describes similar firms in Taiwan that operated as intermediaries in multinational production networks (pp.61-67). These firms received orders from outside buyers, then split up production among a network of manufacturing plants with whom they maintained close and steady relations. International traders represented in the sample, by contrast, had only engaged in the marketing side (procurement and distribution, or coordinating buyer-seller arrangements). They did not coordinate production among factories.

⁷¹ It must be emphasized that not all of the firms established by business class immigrants had the same stature as these three manufacturers. Of these three industrialists, one had yet to turn a profit, another had its manufacturing plants outside of Canada, and the third was highly successful. Another business immigrant who failed to establish a manufacturing plant, switched over to international trading.

manufacturing companies based in Vancouver. Both were high-tech companies involved in new product development. One was initially financed through a partnership arrangement between two Hong Kong-based investors, the other by a Taiwanese investment syndicate. Both subsequently became public and issued shares in a major US stock exchange.

Firms represented in the sample cover a range of different sectors, sizes and modes of organization. These four subsegments account for new striations in Chinese Canadian business between, as Li (1993) notes, traditional family companies, professional service firms, and capital intensive enterprises. These new striations problematize Waldinger's (1990) theoretical assertions that immigrant enterprise is restricted to sectors accessible to smaller firms, since owners are constrained in terms of resources, poor language, cultural ability, and, as Granovetter (1995) posits, class affiliations. While their observations are useful in accounting for all but the last segment of firms, the presence of capital-intensive, professionally-run companies dispels the notion that immigrant entrepreneurs are limited to secondary industrial segments.

It also points to changes associated with capitalist restructuring and globalization (Sassen, 1998, p.40). East Asian industrialization produced a rapid build-up of capital in the region. The overaccumulation of capital pressured industrialists, also concerned with regional political uncertainty, to export their accumulation strategies abroad, which often tied in with their personal migration to Vancouver. Capital-intensive manufacturing industries in sectors with high technical barriers-to-entry were created using the transplanted capital of immigrant investors and entrepreneurs.

Some consideration needs to be given to the actual process of firm development and the occupational streaming that produces entrepreneurship. In other words, the decision to engage in entrepreneurship as an occupation and the

process of firm development does not occur in a vacuum. It is important therefore to consider the stories that lie behind these categories of enterprises.

The social and cultural bases of entrepreneurship

Scholars of ethnic enterprise recognize that entrepreneurs regularly mobilize resources from ethnic networks to facilitate the process of entrepreneurship, in a sense reproducing ethnic solidarity as a basis for economic advantage, often to counteract the negative effects of immigration or 'racial' status in the standard labour market (Waldinger, et.al., 1990). Others have argued that not only have ethnic networks offered resources in support of economic strategies, but that their strategies get shaped and constrained by these very same associations (Portes, 1995). Another approach to these questions is to see entrepreneurship as part of a process of migration (Sively & Lawson, 1999). As Cole Harris (1997) puts it,

immigrants reestablish elements, but never the sum, of former ways. If for no other reason than that already given, a society in its geographical context in all its complexity are untransferable. Immigrants live within lean replications of the world they left behind...Any substantial group of people represented, at least in principle, an enormous capacity to transfer ways of life from one place to another because of the store of knowledge that accompanies them. Not all of this intellectual and cultural baggage was relevant to new settings. Ideas and culture had been decontextualized (pp.254-5).

What then were the principal cultural and social networks that fostered entrepreneurship? What aspects of past experiences and social relations supported this particular economic strategy?

Entrepreneurs were girded by a culture of entrepreneurialism. They carried over values and norms suited to business formation based on premigration experiences, positive views of capitalism and a belief in upward mobility. Most brought tacit knowledge of how to run a business. Two-thirds of the entrepreneurs

interviewed ran a business or were involved in a family-business prior to immigrating to Canada. Such experience imparted, as a food distributor recalled, skills adapted to entrepreneurship. When asked how his previous experience managing his father's Hong Kong-based garment plant helped him when he started a food distribution business in Vancouver, Thomas Ng said,

I had no experience in the food business to start with, but business sense is kind of universal. You know how to survive, you know what costs of running a business, how to make business survive. That is really important. If I switched from [my former job in] the computer room directly into food business, I don't think I would have succeeded. When I went back to run my family business, that is a different thing. I got all the help I can get from my father for doing business. I learned all the tricks of doing business, which applies to all types of business.

Previous experience in business led them to expect that they would enter business in Canada. Edward Yeung, an international trader, recalled that "By the time I came here, I was looking of another business, because I was already in business for so long, that I tried to look for another business." Even among those who were not involved in business, workforce participation abroad had also conferred resources that supported their entrepreneurial strategies. Ye Wang gained an understanding of various product markets after working for years in the Hong Kong shipping industry. He deployed this knowledge to develop a trading business that distributes herbal products throughout western Canada.

The social fabric of entrepreneurial strategies was constituted from a broad base of ethnic relations, including extended kinship and previous business ties, both local and overseas. Established social networks within the Chinese community, including other Chinese entrepreneurs, were less significant than personal ties. Both were decisive in orientating them towards entrepreneurship (as an occupation), and allowing them to mobilize resources, including reliable economic linkages, information and capital, to support their entrepreneur strategies. Portes & Bach (1985) observed that Cuban entrepreneurs whom they were studying encouraged

workers to form their own businesses by providing successful examples, training, and other supports. They referred to the ethnic social structures that foster entrepreneurial activity as *entrepreneurial chains*. This concept is helpful in interpreting the social structures that were important in fostering entrepreneurialism among these entrepreneurs, only that they were not bounded by the locality of Vancouver, rather they extended transnationally as well as locally, principally through family and former business networks.

Extended kinship relations were important catalysts for entrepreneurship. At least 70% of the entrepreneurs interviewed grew up with parents operating a family business or managing a relative's firm. About a fifth took over a family business that was already in Vancouver. Another quarter either moved the family business to Vancouver or started a local business affiliated with the overseas family company, including Margaret Ho. Ms. Ho's parents operated a trading company in Hong Kong that imported fabrics from China. In her early twenties, Ms. Ho immigrated to Vancouver with her sister and opened an extension of the family's garment business.

Some even took on separate careers and returned to work in the family firm, almost always because they were to inherit the company from their parents. Joseph Wong was an accomplished engineer in Toronto when his father, who was approaching retirement, asked him to help him with his Chinese food distributing company in Vancouver. Thomas Ng returned to Hong Kong after spending a number of years in the early 1970s in Vancouver completing his education while working as a computer technician for a bank. Upon returning to Hong Kong, Mr. Ng took over his father's business and then proceeded to move that business and his family back to Vancouver in 1985.

Kinship ties were also focal points for the acquisition of business acumen and contacts, plus the trust and reputation carried by their families' business

relations. Entrepreneurial families passed on tacit knowledge of how to run a business, and prepared entrepreneurs to continue on in business. As with Margaret Ho, those that took over their family business could rely on the extensive business contacts established by their predecessors. Using their parents' supplier chain, Ms. Ho and her sister maintained regular and reliable access to dependable, low-cost textile producers in China. This *transnational capacity*, as Lever-Tracy, et.al., (1996) describe it, gave them tremendous advantage over domestic firms in the same field.

John Ong secured most of his initial customers for his fledgling import/wholesaling company through his father's network of customers, who had operated a produce grocery in Vancouver since the 1920s. In the process, Mr. Ong, like others in his place, also secured the trust and reputation build up through the years within his father's various economic networks. Trust and reputation functioned as social capital that allowed John greater flexibility in business transactions, and access to informal resources from customers and suppliers, such as the extension of credit and information on new product markets.

Additionally, entrepreneurs mobilized small sums of start-up capital through relatives. Forty-two percent of the entrepreneurs received some or all of their fixed capital from extended family assets - that is capital beyond personal or conjugal savings (Table 5.3). Seven entrepreneurs inherited their family's business while three other entrepreneurs raised up to \$10,000 of start-up investment from extended family networks. Some, including Joseph Kwan, formed partnerships with siblings. Mr. Kwan's brother, Ken, arrived in the early 1990s from Hong Kong under the investor immigrant category. His brother entered a partnership to establish a manufacturing plant in Langley that would produce autoparts. The partnership did not work out so Ken purchased his partner's shares and offered them to Mr. Kwan who was expected to "earn out" his share.

Beyond extended kin-based associations, former business connections supplied the other major social foundation and resource base that supported entrepreneurial strategies. Overseas networks were particularly important for newcomers who had few dependable local relationships. One community leader in explaining why so many entrepreneurs end up turning back to their home countries suggested,

You don't have many friends here. You don't have that many family members here to call on to help you. You have to do that on strangers. It is changing, because of the environment. Back in Taiwan, if there is a problem, they can always call their family to back them up. Here, you have to find friends.

Former business connections were logical starting points to access capital and trading partners. A fifth of the sample returned to do business within former business networks. This group includes Raymond Leung and his partner who formed a garment trading enterprise in Vancouver. They reestablished ties with US-based buyers and Hong Kong-based textile suppliers from their former business. Some entrepreneurs were approached by former bosses or business contacts to act as local distributors including Mr. Ong. Three years after immigrating to Canada, Mr. Ong met up with an acquaintance from Hong Kong who operated a food production facility there. He had plans to expand to North America and asked Mr. Ong if he was willing to set up a local distribution company in Vancouver for his products, which he did. Other Hong Kong-based food companies came to Mr. Ong in this way once informed of this arrangement.

Transnational ethnic networks spawned a range of new business linkages that fostered transnational circuits of capital and reduced the uncertainty of international trading.⁷² The majority of merchants, sixty percent of the sample with data on this question, maintained trade linkages with Chinese companies in East

⁷² Trade shows, government trade councils, and embassies were used by traders without overseas connections.

Asia. These transnational networks helped them to locate dependable suppliers, filtering out less reliable businesses based on personal knowledge. When asked whether he took any measures to reduce the risks associated with international trade, Joseph Wong identified the importance of existing relationships with overseas suppliers:

Right now, as far as we are concerned, we try to know the supplier by reputation. Now, they have to trust us, and we have to trust them. We don't want to do business with somebody who we don't know anything about. If we really don't know them at all, we really hesitate...If I find new supplier, source a new supplier, usually, good connections, friends of friends will introduce them to us, then we know the reputation. We start in small way. If things happen, then it would not be a big loss. Gradually, we build up business; slowly, rather than big shipment.

Transnational ethnic networks provide some structure for locating and dealing with suppliers and customers. Wong (1988) argues that commercial transactions among Overseas Chinese are advantageous because of the high level of trust between actors. Hamilton (1997) added that overseas Chinese businesses prosper where legal regimes are poorly developed, such as over international boundaries, since the trust generated by particularistic ethnic ties is capable of substituting for legally enforceable contracts. Referrals carry information about individuals based on their reputation in business circles (Granovetter, 1985). The threat of in-group sanctions or exclusion act together to reinforce culpability.

Overseas ties also offer important elements of flexibility that provide entrepreneurs with trade advantages (Light & Karageorgis, 1995). For instance, business transactions are sped up and made more flexible. Payment terms were one means to build flexibility through inter-firm networks. Talking about his experience with overseas suppliers, Thomas Ng noted that:

...when you deal with Asia, or Chinese, or Far East suppliers, they are not so rigid. They don't stick to their rules very firmly if they know you. Say credit terms, if I buy locally, I know that I stay with 30 days. In 30 days, I have got

to pay by 30 days or 35 days maximum. In Asia, if they know me, if I know them, if I am tight, I tell them: "Normally, I would pay you in a month's time, but I really tight, I need some money to tie me over or whatever. Can I repay you in 2 months? Sometimes they say yes. I will say, "Okay, I will pay you interest". I tell them, I will give you back time, but I will pay you later because I am very tight right now. Instead, I can pay you interest. They trust me. So, trust and relations and connection are sometimes pretty important. But here, I don't know whether these kind of connections can work. It might. But normally I don't do this with local suppliers. [With local Chinese suppliers,] I may use this strategy...but not very frequently. I have the feeling they will understand.

The flexible terms of credit generated through particularistic relations eased the process of business formation as well. Three entrepreneurs received their start-up capital from overseas suppliers in the form of advances of merchandise. Revenue from the sale of the goods was used to pay off debts and acquire more goods. Most of these arrangements were said to have been done without formal contracts.

One of my respondents noted that the flexible credit terms offered to him by his suppliers - including advances on shipments before payment - meant that he did not have to take out bank loans that would have otherwise stymied the development of his company.

I started small, volumes. I didn't have a good banker to support me at the time. The only reason that I am successful - I call myself successful today - is because I don't owe the bank a lot of money. I feel no pressure to the bank whatsoever. The reason is that all my credit has come through my suppliers. I don't need a L/C (letter of credit) to buy from them. That tells you that I am dealing with a whole bunch of old fashion trade people in Hong Kong. They know me for 10 years, or more than 10 years in the same trade. I am paying my respect to them every time. I honour my word to them. Now, I am getting the number one credit from Hong Kong. In this company, I never opened one L/C so far. I get continuous shipment of products. These people fully trust. They never ask me for a guarantee in terms.

Freed from the burden of debt obligations to financial institutions, he was able to arrange payment to suppliers at a time when he received payments from local customers, providing a constant turnover of capital with limited risks.

For most of these entrepreneurs, overseas kin and former business networks were vital to access economic linkages and support in their economic strategies. In some exceptional cases, entrepreneurs were much less reliant on ethnic resources. Eight entrepreneurs operated without any assistance from extended kinship relations. In four cases, companies were initiated and managed by conjugal, husband and wife, family units. These firms cut across the spectrum, from very small, "mom and pop" operations to large, heavily capitalized enterprises. Unlike many of the other family companies, all firm assets were acquired rather than inherited. In four other cases, kinship relations had not participated in any part of enterprise activity. Two were involved in real estate investment activity and conducted trading on the side. The other two exceptions were individually-run trading businesses with very low product shipment volumes that employed fewer than five workers. There was nothing unusual about their entrepreneurial strategies other than their low levels of reliance on kinship relations to conduct business.

A number of other respondents worked in unrelated fields in their home countries, such as the civil service, and were not associated with business networks abroad. They had a much more difficult time locating suppliers in East Asia. They also appeared to give less credence to overseas suppliers, and were much more rigid about payment terms and delivery schedules. One respondent, who worked as a bureaucrat in Hong Kong prior to opening a trading business in Vancouver, forcefully stated that:

I don't trust people; I say, 'if you want to sell to me, yes. If the product is good, I will pay. If [the product order is shipped] wrong or it is not good, I won't pay. They don't have to sell to me...

Interestingly, their strategies for finding suppliers in East Asia were similar to strategies employed by traders who sought out new, non-Chinese suppliers in Vancouver.

Entrepreneurs were embedded in a series of socio-cultural networks that supported their economic strategies and offered them linkages to capital. The most important of these networks were kin and former business connections, many of whom were overseas. These differ from the locally bounded ethnic networks anticipated by conventional ethnic enterprise theory and from earlier Chinese Canadian ethnic economies. Differences speak to changing historical conditions of production associated with restructuring and globalization. This is not to suggest that such capacity did not exist in the past, but rather that the intensity, scope and accessibility of channels for transnational strategies increased in magnitude. The build up of East Asian industrialism offered an unprecedented range of economic linkages capable of supporting ethnic entrepreneurial strategies. However, these advantages and linkages seem particularly suited to merchant activities, with some notable exceptions, and it is doubtful whether they could easily translate to different industrial sectors (Waldinger, 1990).

Encountering Vancouver

Like Chinese Canadian entrepreneurs in similar studies (Wong & Ng, 1998; Ley, 1999; Woo, 1998), most entrepreneurs found it difficult to generate a profitable enterprise in Vancouver. It is clear that these entrepreneurs faced many more economic than cultural exclusions, with the exception of language for those who had poor English skills. In other words, racist social practices did not come up as a major structuring element to the organization or operation of their businesses. One community observer accounted for much of the difficulty as though the problem was in population differences and culture,

First of all, I think the biggest difference they find is there is a totally different language and culture. But, what they find most shocking, generally speaking, one thing that really leaps out at them is that there isn't the masses. The numbers of people are underwhelming (sic). Unfortunately, they go in with misguided expectations. Because, in Asia, most cities like Hong Kong

or Taipei, there are 4, 5, 6, 7 million people in cities like that. Guangdong, Shanghai, got 11 million, 13 million, Beijing's got 11 million... Let's face it, they can make a lot more money back there.

While much can be said about the effects of cultural difference and population size, entrepreneurs in Vancouver construct capitalist activities in a geography built largely on a staples economy.⁷³ To be more specific, the barriers that were there could be summarized as the organization of business, society, labour and the state around the structural dimensions and accumulation strategies of corporate capitalism organized at the continental level through Vancouver. The range of components include barriers to entry in certain industrial sectors monopolized by corporate control; the government, tax, and amenity conditions; credit regimes; labour conditions; the industrial landscape, and so forth. One way that entrepreneurs made sense of their new surroundings was to describe their impressions of conducting business in Vancouver, and their descriptions speak to structural conditions with which they have had to cope.

The dominance of industrial activity by a small number of large companies was one feature of Vancouver's industrial structure that entrepreneurs noticed. For the newcomers wishing to start a business, the absence of an ample meso-level industrial base meant having to engage with corporate entities and the associated barriers to access business resources at this level were formidable. One respondent who attempted to develop inroads into mainstream business networks posited that,

One of the key things of doing business here is that it is a very, very small business circle. Of course Vancouver is not small, but when you conduct

⁷³ Nevertheless, the quote is important for other reasons, for it clearly articulates some important developments. Unlike most immigrant entrepreneurial experiences, contemporary Chinese entrepreneurs are successful entrepreneurs in their own countries and moving to Canada often means downward mobility (see also B. Wong, 1998, p.41). The second point to note about the passage is the transnational scale of reference. Specifically, the commentator makes reference to the capitalist economies in East Asia in accounting for their entrepreneurial behaviour. Both revolve around a similar point and that is the effect of East Asian industrialization on the experiences of recent Chinese immigrants.

business, the number of players who really are doers and people who do any justice, the whole world will know about it. It is a very close knit business circle. This is why it is very difficult for new people to come and penetrate into the market.

Making inroads with mainstream companies demanded that the entrepreneur establish costly big volume supply transactions that often required a lasting commitment to a corporate entity. Before they could do business with mainstream producers and suppliers, entrepreneurs were required to meet a number of conditions, including showing evidence of high sales volumes, supplying sound credit records from financial institutions, having operations run with a professional staff, and with these came a formalization of inter and intra-firm transactions.

Entrepreneurs recognized that staples export, the propulsive industrial segment in BC, was not suited to smaller export companies. A segment did managed to initiate staples trade in the fisheries, but found it difficult to compete with larger domestic exporters or foreign producers in export markets. Steven Chan, for instance, sold specialty seafood products to co-ethnic markets in Western Canada and East and Southeast Asia. He remarked that it was just not feasible for him to expand export activity as he would want to:

For what we trade, we trade with countries like Singapore, Hong Kong, Philippines. Usually we just sell to small [Chinese] importers, who would buy one ocean container or two container of product at a time. That is all we are equipped to handle. Canada, the west coast, there is not that much product to be exported, really. A lot of the product those countries cannot afford it, except for Japan. Whereas, a lot of the other Asian countries that we deal with, there is always this price affordability issue...

Moreover, as Froschauer (1997) recognized, an industrial geography geared to producer services and staples trade does not lend itself to consumer goods manufacturing activity either. Given the weak local industrial linkages and infrastructure, plus price conditions and labour costs, at least three entrepreneurs dropped the idea of starting garment manufacturing plants in Vancouver. One

elected to move his production plants to regions where he could take advantage of lower labour costs. Two of the three responded by initiating import/export businesses instead, including Thomas Ng. It was not feasible for Mr. Ng to initiate an export business with his business connections in Hong Kong as he had hoped. When asked about local barriers to entrepreneurship, he stated forcefully,

Manufacturing, especially garment manufacturing, is nothing compared to Hong Kong, really nothing. There is no infrastructure or related industry. It is very hard, even now, to operate a proper - from head-to-toe - manufacturing business in Vancouver, because we don't have the environment, we don't have the connections. So I decided to go into the food business which is way simpler, just an import/export business, import foodstuff, and wholesale in Canada. I tried very hard to export Canadian foodstuffs back to Asia, but no success, or very limited success. Partly because of the price, partly because a lot of bigger companies were doing the same thing.

The downgrading of his entrepreneurial strategies speaks directly to the particular organization of social and economic activity in the region.

The compact corporate networks in Vancouver were buffered by highly regulated transactions. Each entrepreneur spoke of the comparative openness of Canadian business structures, but of their extensive orderliness. They took note of how transactions here were reliant upon contractual obligations, and terms were ardently upheld. The use of legal devices, lawyers and courts, official statements, records, notices that are required or get deployed regularly during the conduct of business was quite disconcerting to these entrepreneurs, especially as they came to try to learn the system while practicing business in it. This tended, in their view, to unnecessarily prolong deals, making business a "long, drawn out process", which required "more patience". This also added a layer of complexity to their business and created a critical barrier to their participation in mainstream business.

For example, George Leung had a hard time adjusting to the legalistic format of business. After spending time working for his father's large manufacturing plant

in Hong Kong, Mr. Leung immigrated to Canada in the mid 1980s under the business immigration program. He came with the expectation that he would open a manufacturing plant in Vancouver. After reaching an agreement to purchase an existing Canadian business, lawyers were called in to complete the terms of the agreement. The terms could not be completed since lawyers on either side charged that the offers gave the other party too much protection. Mr. Leung wanted to avoid these steps and agree to general terms based on the earlier verbal arrangement, but this proved impossible. The threat of lawsuits would be too great to proceed without settling on the legal terms of the contract. The company eventually went bankrupt before any deal could be reached. Moreover, this experience dissuaded Mr. Leung from entering into any serious business in Canada.

Entrepreneurs stated that the extensive regulatory and taxation regimes held up their business strategies. An import/export owner spoke not in an uncommon way of his co-ethnic peers that are reluctant to start a business here, since

Our tax system is too high, and they tax you even before you start to do business. Our government is putting too much recreation and asking too much, or controlling too much on the business circles. I do feel that. I have got a lot of people who tell me the same thing. "Why do they kill success in Canada?" They know Canada is small, but if the government doesn't help, then who knows?

Complaints about the tax regime are hardly unique to Chinese immigrant entrepreneurs. However, most of the entrepreneurs came with the expectation that they could easily import their entrepreneurial strategies into Vancouver. Government regulations, including for such ordinary tasks as registering a company or filling employee statements, but also sector-specific trading regulations, such as non-tariff barriers, health and safety inspections, presented unexpected hurdles. They had misgivings about their dealings with health and safety inspectors and frequent misunderstandings and language difficulties. Here as well a contradictory expression emerged in that the general factors which impelled them to come to

Canada, namely social and political stability, a good education system, and universal health care, operate on the basis of the taxes they complain so bitterly about.

There is nothing for free in the world right now. You have to depend on yourself. You cannot bet your life into somebody's hands. You don't want the government support. If I can support myself, why should I depend on somebody. When I came to Canada, I knew that already. I knew that I'd have to pay the high taxes. I never regret doing that. There is something I don't worry about; when I get sick, I know I don't have pay those expensive medical bills, like in America, Hong Kong, or China. Health Care is the only thing I depend on the government on right now. Besides that, nothing else. I can tell you, nothing else.

The new regulatory context posed many challenges to immigrant entrepreneurs, and for many this proved too arduous to surmount. Moreover, the organization of state activities and regulations around a structure of large-scale corporate production differed from the developmental states of Hong Kong and Taiwan that supported small and medium-sized industrialization, perhaps more familiar to Chinese immigrant entrepreneurs (Castells, 1998).

Labour conditions predictably also met with much consternation. Labour costs and worker protection built up over time in BC under the shadow of the well paid forestry and mining sectors. Pliant work cultures, flexible work schedules, and technical workers that they had grown accustomed to managing were not as prevalent in the local labour force (Greenhaugh, 1994). As one interviewee noted,

Back in Taiwan, if I paid you three times, if you don't want it, I can find someone else. But, I need to change the factory, turnover the equipment to meet the deadline, people will work the hours. There is no complaint, because they share the problem. During the height of Taiwan's economy, a regular worker would get 2 years bonus at the end of the year. That means your wages is 12 month, your bonus is 24 months worth of your salary. Here, "No, I don't want that money. It is against the law for me work this late." So, it is very frustrating for many entrepreneurs from Taiwan.

It was well understood that they could not transfer these types of labour regimes to Vancouver. For the garment manufacturer who operated plants in Mexico and the Philippines, the contrasts became evident:

In Southeast Asia, the workers work really hard; they work sometimes 17 hours a day - they never complain... First of all the culture, they learn from their parents, they have to work hard otherwise no one will take care of you. The social system is the same thing. If you don't work hard, and save up money, when you are getting older, no one will take care of you. Here there is a different culture... It is good, I like that too. The social system, the government can take care of me when I am older, I like that very, very much. Sometimes you give the mentality to people, you are relying on to other people or the government too much. You lose the incentive of going hard, working hard.

Entrepreneurs from technologically-intensive manufacturing industries found it difficult to access skilled labour needed to fabricate and design their products, and low-waged unskilled labour to perform non-specialized tasks. Entrepreneurs accustomed to operating within much larger labour markets where industrial class identities were far less politicized found their entrepreneurial strategies much more difficult to materialize in Vancouver.

Entrepreneurs also described the difficulty of accessing credit from formal financial institutions. Fledgling traders could not access the small amount of capital they needed to get started in business. Charter banks did not make available small pools of capital to smaller, less established ventures and this frustrated early attempts at business for those with fewer assets to guarantee loans.

I think the bank here does not help small business. If you are self-employed, and you try to get a loan, and you go to see your bank, 9 out of 10 times, you will be refused because they cannot see your income tax return or your income is reported only by yourself. You don't have a fixed paycheck every two weeks. It is hard for them to give you credit. Even now, it is hard to get a bank loan. In a way, it is good; you don't owe them too much money, you don't have to worry about that. Here, it is easier to get a loan from a Visa card than from the bank. I have the same problem, I got a card for when I

needed it. I had such a hard time to get a loan from a bank. When I tried to take out a loan, I was denied, even though I had credit cards with limits that exceeded that amount.

Trust in this context was infused in the value of assets and legal codes rather than the identity of the entrepreneur as it is often practiced among Chinese entrepreneurs in East Asia (Wong, 1988; Leung, 1993). When the companies reached a certain size or threshold of assets, banks were willing to lend them capital in highly protective terms. Without tangible forms of capital to assure the consistency of credit value to banks, entrepreneurs were forced to rely on informal channels.

Identifying the seemingly insurmountable obstacles to business formation in Vancouver was a common refrain. The entrepreneur's degree of success clearly shaped the perception of barriers to business formation. For the less successful, the perception of situational barriers were greater. The more successful entrepreneurs tended to emphasize barriers as being aspects of regulatory environment that effect their business, and they spoke in more general terms about them. Entrepreneurs such as Edward Yeung, whose international trading business allowed him to prosper while doing business in Canada, were less adamant about business restrictions in BC:

I didn't see much obstacles. First, I investigated the business then, what ever problem would come up, I would solve. Of course not a 100% of the time, but most of the problems I could solve...The regulations here are fair, they treat everyone the same. If you follow the regulations, you can do the same as other people, which means that there is fair competition here, which I like to see.

Margaret Ho, whose garment trading business currently does business with mainstream institutional and industrial firms, echoed Mr. Yeung's sentiment. She attributed much of the newcomers' difficulties to the sectors they happen to be working in rather than to structural impediments in Vancouver:

Everybody says that it is hard to do business in Canada. It is up to what kind of business you are doing here. A lot of Chinese, they open laundry, they open restaurants - there is too much competition. So, that I choose business like, not many companies do the same business here and you can get into this business.

Entrepreneurs faced structural obstacles when implementing business strategies, which attest to some of the profound struggles they incurred while operating in the shadow of corporate capitalism. These struggles were not uniform, and the more successful entrepreneurs minimized their significance. To overcome these obstacles, entrepreneurs have had to adjust their strategies and mobilize resources from various sources, often on the basis of ethnic affiliation. The other option to remain settled in Vancouver was to enter an inhospitable labour market. It is no surprise that they would press on with their business strategies. How then have they responded?

Entrepreneurial strategies

To return again to the framework posited by Cole Harris, in the more traditional sense, immigrants construct their ventures "at the intersection of what, for the people involved, [are] two radically novel circumstances: an attenuating connection with a distant home, and an expanding connection with the ingredients of a new setting" (1997, p.266). What might be said of immigrant entrepreneurs in this study is their persistence or continuation of connections with a not too distant home, rendered closer by technologies that have minimized the time of communicating and moving back and forth. They reside in transnational social fields: the new world they now live out of, which includes elements of their former ways and with familiar and unfamiliar people they encounter. Entrepreneurial strategies evolved from the deletions and encounters of the varied parts of their lives.

The previous section identified many of the conditions and practices that constrain and reshape entrepreneurial strategies. Many had to drastically change

expectations and understandings of economic practice. A key question follows: how have they mobilized resources from their social lives to generate profitable activity in the face of these disabling constraints? Ethnic resources are particularly important to immigrant entrepreneurs in this regard (Light & Karageorgis, 1994). Yet paradoxically, one of the biggest struggles to sustain business ventures in an advanced industrial economy like Vancouver is to forge business networks wider than their families and co-ethnic ties (Granovetter, 1995, p.142). Inclusion or exclusion from corporate networks often determines the sustainability of entrepreneurial strategies. But, it is no longer a matter that ethnic structures compensate or shield immigrant entrepreneurs from competition with corporate networks. The Chinese ethnic economy no longer is an informal nexus outside of corporate activity (Sassen, 1998). A second, closely related question arises: how have entrepreneurs responded to these changing conditions?

Firms were differentially integrated in networks of corporate production and distribution. Of the twenty-four firms considered, nine had direct linkages with corporate networks and they tended to be more stable than the other enterprises. Three of the nine were manufacturing companies whose industrial linkages were mainly with US or Japanese corporations, and, in one case, syndicates of Taiwanese investors. As such, they had minimal local linkages, and their entry into Vancouver-based corporate networks was superseded by the more global orientation of their corporate strategies. Six companies were tied into local non-Chinese corporate networks, and they were involved in the distribution of non-durable goods. However, their eventual integration into corporate networks was incremental, stressful, and largely contained with a role as a "trader minority" or an intermediary to Chinese enclave markets.

In all but a small number of cases then, entrepreneurs proceeded from the reality that they did not have connections with the existing capitalist class who were capable of transmitting information about the leading business sectors and

integrating them within their corporate circuits of capital. Without relations to key business groups with whom to "invest" their expertise, financial capital, and overseas business contacts, they would have to strive to develop enterprises among strangers and the few friends and family willing to assist them.

Ethnic business strategies

Exclusion from primary corporate networks, for the entrepreneurs interviewed here, has not meant exclusion from locally-based social networks. Ethnic networks provided familiarity, shared language and cultural identifiers with which they could identify in a new environment. Kin or friendship relations already established in Vancouver were the first and often most important social field into which migrants arrived. They had offered migrants support with settlement, some direction in how to navigate through a new terrain and connections to new sets of people and places. Ethnic networks extended beyond more immediate sets of relations to include wider community structures. The existence of an institutionally complete Chinese community made it possible to acquire most of what they needed to get by without having to leave the enclave. These ethnically differentiated networks not only offered support with settlement, but also a means to generate an income and get ahead, and for some this meant starting a business. Indeed, this simultaneity was a lingering source of tension.

Local co-ethnic ties were themselves important for filtering norms and values of local discourse, and providing information about local economic conditions that directed entrepreneurial strategies.⁷⁴ Commenting on how they assisted his firm development strategy, one entrepreneur remarked that local connections helped him by,

⁷⁴ It was not as though these entrepreneurs were unfamiliar with conducting business, since many had extensive experience running businesses in their home countries. The issue was the enormous effort required to translate this knowledge into a Vancouver-based business context.

Giving me clientele. Giving me connections, showing me how business is run in Canada, how it is different from running in Hong Kong. Where to buy, how to sell. That is quite important.

Together, local ethnic relations minimized the effects of socio-economic exclusion and the friction of cultural difference that impeded the expansion of their capital.

Returning to the earlier theoretical discussion, ethnic entrepreneurs often rely for advancement or survival on an ethnic group with whom they identify and interact on an ongoing basis, which has the effect of reinforcing group solidarity.⁷⁵ As entrepreneurs expand and diversify activities, they benefit from the organizational capacity of ethnic networks to secure access to labour, capital, and in certain cases new opportunities for profit in ethnic consumer niches (Waldinger, 1990). Stable sets of inter-firm networks emerge as entrepreneurs conduct business with one another, and often produce internal hierarchies that get dominated by an entrepreneurial elite. For example, new immigrant entrepreneurs that cluster in retail and restaurant sectors will often depend on co-ethnic distributors who control supply chains. Portes (1995) referred to these as ethnic enclaves, or clustered networks of ethnic business that are somewhat protected from competition with mainstream companies, serve a co-ethnic market, and employ a significant proportion of co-ethnic workers (Portes & Bach, 1985).

Stable sets of inter-firm linkages were built among ethnic entrepreneurs in this setting. Linguistic and cultural differences from mainstream English-speaking society had the effect of linking a range of firms not readily accessible to mainstream distributors. Closure was in turn reinforced by the employment of co-ethnic workers and the creation of ethnic niche markets. When responding to a question about barriers he perceived to business in Vancouver, Steven Chan, a seafood distributor, stated,

I think the barrier main thing is on culture and language, I think those are the main things, and the understanding of their culture. I don't find myself having too much difficulty dealing with other western restaurants. Maybe some of my sales staff do, because most of my sales staff is not from Canada, and they came when they were not very young. They have not been brought up here. They came when they were quite old, twenty-something years old. So there is a part of a culture here which they don't understand.

It was not only that they themselves were restricted to ethnic networks, but, in effect, their trading partners were similarly bounded. Bernie Fang emphasized that other Chinese Canadian businesses, limited by cultural boundaries, reinforced their connection with co-ethnic producers and distributors like his company. When he was asked whether it helped his business that he could speak Chinese, he remarked,

Yes, better communication. You know what they want. Some of them don't even speak English, in Chinatown, and how can you communicate with them if you don't speak their language? It is really hard to get through in Chinatown when you sound like you don't belong to that group. You see a Canadian walking into Chinatown trying to sell them something. "You are selling me black chicken, this is a Chinese product, not a Canadian one." So, it is easier for the Chinese to deal with the Chinese.

The ability to capitalize on niche product sectors was not only important in bounding inter-firm networks to ethnic affiliations. It also created conditions for their dominance through product innovation. A new immigrant bringing over a product line or production process from Hong Kong, for instance, implicates other firms who end up adopting the practice or product. Edward Yeung grew up working in his father's meat and seafood company in Hong Kong. When he immigrated to Canada in the mid 1970s, he was the first to sell live fish, a practice which is now common among Chinese grocers, markets, and seafood stores in Vancouver.

We are pioneers in changing the habit of Chinese business [in Vancouver]. Before, it was frozen and fresh only. Because I came from Hong Kong, I tried to change that. I knew there was an opportunity in the live market. I

⁷⁵ Thus, in immigrant communities, ethnic solidarity is emergent (Hiebert, 1994).

would buy [my product] directly from the fishermen. You can see live products in stores and restaurants.

He set up a distribution chain with local fishers to take advantage of this growing market segment. The information and capital introduced by Mr. Yeung circulated within Chinese inter-firm networks. Firms that adopted this practice either had to form relations with fishers or purchase from Edward. Social and economic barriers so far discussed meant that many opted to purchase from Edward's firm. Other firms that entered into this field could not achieve the density of inter-firm linkages that Edward had captured. Thus, entrepreneurial activity could develop, indeed thrive in local ethnic business networks through the development of distribution channels, often created by 'innovative' entrepreneurs like Mr. Yeung.

Inter-firm networks also became bound up in moves towards the corporatization of the ethnic economy through the late 1980s and 1990s that occurred along with the extension of capitalist relations from Hong Kong and Taiwan into Vancouver and expansion and upward mobility of the local Asian Canadian population. Networking among new and old Chinese firms spawned significant transformations among existing small-scale merchants who were accustomed to operating in the unorganized segments of the economy. Marietta Yu was among those who initiated corporate enterprises in Vancouver. Two-thirds of Marietta's suppliers consisted of small co-ethnic importers of Chinese goods. She needed to build up capacity among import suppliers to secure larger, more stable channels to stock her burgeoning supermarket company. She complained about the undeveloped expertise, limited infrastructure and "low standard" of local suppliers in this sector.

If I run a hotel business, it is very easy to get experts here, because the hotel business is established and mature here. The product is the same, and the management system is almost the same. If I am the investor, it is easy to get the specialist here. But for Oriental supermarket, no, no expert. So, we have to create our own system, and we have to train people.

In her dealings with local Chinese suppliers, Marietta and her associates passed on requisite techniques to upgrade in order to handle supply levels demanded by the new supermarket. They had to work with suppliers to help them build up their capacity, teach them about government regulations, and encourage them to adopt professional operating techniques.

Yet, the pursuit of ethnic entrepreneurial strategies was a continuing source of conflict, as tensions arose around competition between Chinese firms vying for the same market and on credit systems built around ethnic solidarity. Both of these tensions became caught up in the expansion and corporatization of the ethnic economy. Newer immigrant entrepreneurs formed entry level restaurant and retail enterprises from whom distributors could benefit. More recent immigrants have also formed import/export companies, and since many have deeper pockets, they challenge existing distributors that are limited to capital built up within the local ethnic economy. Discussing challenges to operating in Vancouver, Joseph Wong, whose Chinese food distribution company opened in the 1970s, recounted his current struggle to stay open, despite his long presence in the city. "To be frank with you, there were challenges here, but it was not as bad thirty years ago, twenty years ago competition was not all that great. Right now, it is getting tougher, and tougher. There is more competition." The sheer volume of new, family-based importers challenged the sustainability of Joseph's company. Because they rely on some combination of accumulated savings from abroad and informal labour practices to stay afloat, these smaller firms can offer lower prices than firms like Joseph's company that have higher labour and operational costs.

As trust based on ethnic affiliation substitutes for legal contracts when investments are made within ethnic networks, conflicts arise when moral codes are broken. One lawyer who worked with Chinese Canadian entrepreneurs pointed out:

What is sad to see is that these countrymen, who come from the same country, tend to steal or trick within their same community...where people

are asked to invest, and money is not returned and it has been reviewed most of the time.... They trust someone. Again, same language, same city, they know someone else, a common friend, they trust them. They want to do something here to make money. "Well, so-and-so has invested in you, I'm sure I can invest in that". There is a tendency not to ask for too many protections, documentary protections, guarantees. Either it is because they think that it is embarrassing to ask for it, or they think they will be insulting a person. But, they don't want to ask for it for some reason. And later on, when they get into problems, they try to settle it through the same network - talking, having an intermediary. And only finally, if that fails, will they see a lawyer to resolve it.

One of the downsides of the use of trust as a substitute for contracts is that it can fail. In these cases, ethnic networks sometimes afford mechanisms to mediate the conflict and enforce group norms (Portes, 1995).

Class conflict posed limits to flexibility offered by ethnic solidarity. Distributors regularly offered flexible credit payment to co-ethnic entrepreneurs on the basis of ethnic solidarity. Diffuse time horizons for repayment on purchases is one means of sustaining precarious firms such as restaurants and shops in ethnic enclaves (Portes, 1995, p.29). Once the enforceable trust that sustains these relations breaks down, so too do reciprocity and obligations of the lender, making class identities more of a defining feature of inter-firm relations. Such was the case for Steven Lai, who adopted more rigorous management practices after his Chinese food distribution company's annual sales grew in excess of \$7 million. Under pressure to accelerate the production of capital, time horizons for the circulation of capital get tightened and more formally regulated (Harvey, 1996). Steven conveyed these tensions that accompany the redefinition of inter-firm relations as he recounted changes to relations with long-standing customers:

We have management and good computer people who monitor every one of our accounts. Accounts that go over the credit limit and come out everyday and get passed to collection account people, and they start after them. This is a new strategy that we have learned. Before, we had lost [money] because of relationships again. We have faced a few losses because good relationship. One guy that was in business for quite a few years, and we had relationships

built up with him, and he was getting late to pay, it is difficult to get after him to pay us. He said, "What is a matter with you, Steven, we have been in business for five years, give me a break". But not any more. I am not going out to collect anymore. I have collection people here. To serve 600 or 700 people, we need 3 people out there. No exceptions whatsoever. If you are late, and you don't pay, we cut you off, that is all. To maintain the company in good shape in accounts receivable, that is what we have learned from the western way of doing business.

Tensions often emerge when economic goals are pursued within ethnic networks. When ethnic ties hinder their economic goals, ethnic entrepreneurs may relinquish particularistic features of these ties, in which case they may stand to lose these ties altogether.

Labour and Ethnic networks

Entrepreneurs must also recruit and manage workers cheaply enough to make the firm profitable. Studies commonly recognize that immigrant enterprises are organized along ethnic and kinship lines (Light & Karageorgis, 1994), and that this offers some advantages to merchants in disciplining labour (Lee, 1992) and generating profit in secondary industrial segments (Waldinger, 1990). Thus, how entrepreneurs mobilize labour, whether through personal networks or impersonal means, and whether they rely on a co-ethnic workforce are critical questions that are in many ways intertwined.

The majority of enterprises relied heavily if not exclusively on a co-ethnic workforce. Chinese Canadian workers constituted the majority of employees at sixteen of the 19 firms for which there is data. Eleven companies employed solely a Chinese Canadian workforce and at least 70% of the employees in another three companies were Chinese Canadian (Table 5.4). The remaining three were manufacturing industries that employed a multiethnic workforce.⁷⁶

⁷⁶ This segment includes a machinery manufacturer, an autoparts manufacturer, and a food processing plant.

Social processes are continuously at work dividing and streaming the workforce into different occupations according to aspects of their identity. Decisions made by entrepreneurs during the hiring process, informed by a wider social context, can be seen as one element segmenting the workforce (Peck, 1995). Employers make decisions about who to hire based on a determination of the requirements of the position and an assessment of candidates' abilities, which are in turn informed by wider value systems (Hanson & Pratt, 1995).

Entrepreneurs were careful to point out that they hired Chinese Canadian workers because of their language ability and cultural knowledge. Both language and cultural knowledge were felt to be important in order to communicate with management, deal with co-ethnic customers and to operate in company's markets. That most could speak both a Chinese dialect and English was valued for conducting transactions and other functions in two languages, particularly if the entrepreneurs felt their own English to be poor. For instance, it is common practice for entrepreneurs to hire bilingual secretaries to assist them with government regulations.

Yet, these positions have to be undertaken and for this there needs to be an available workforce capable to perform the tasks. The growth and concentration of the Chinese immigrant workforce into the Vancouver region created the possibilities for forming internal ethnic labour markets of the sort described by Portes & Bach (1985). In their discussion of ethnic enclaves, Portes & Bach introduce the idea that internal labour markets develop within the protective realm of ethnic economies.⁷⁷ Evidence suggests that a similar structure emerged here. However, unlike Portes & Bach's assumptions, the internal ethnic labour market is not composed solely of a

⁷⁷ They argue that ethnic entrepreneurs have access to ethnic and kinship networks that provide a reliable means to secure labour. Ethnic solidarity and traditional authority relations induce labour stability that increases the viability of nascent enterprises, particularly in *precarious secondary industrial segments*.

marginalized workforce, nor are firms that recruit an ethnic workforce necessarily precarious.

Channels that were used to recruit employees mostly revolved around non-particularistic ethnic networks rather than personal relations. Of the nineteen firms for which there was data, 58% of entrepreneurs, or 11 firms, recruited employees through a combination of the two, and another 3 firms relied solely on non-particularistic channels (Table 5.5). Only four small companies could rely on personal networks to fill all of their labour needs, and all but one had fewer than six employees. Non-particularistic channels primarily consisted of government agencies and newspapers, including both locally published Chinese language dailies and mainstream English-language papers. The widespread use of non-particularistic channels for the recruitment of a primarily co-ethnic workforce confirms the view that entrepreneurs regularly hired Chinese workers from the general labour market. When asked about how effective placing an ad in a Chinese language newspaper was in generating applicants, one food distributor commented:

Very! I found that there is a lot of people out there who are looking for work. Every time we have an advertisement, there are a lot of resumes that come in. Once, we had one position that we advertised for, and we had 70 resumes come in.

Thus, the growing Chinese immigrant labour force provided a regular and reliable source of labour. Some entrepreneurs drew on professional segments of this workforce in the process of increasing firm capacity. Joseph Wong and Steven Lai, both Chinese food distributors, recruited professional managers from rival firms to help their companies expand operations. Others counted on a contained segment of this workforce with limited prospects in the standard labour market.⁷⁸

⁷⁸ Thus, employment in the ethnic economy does not necessarily entail the super-exploitation once associated with ethnic enterprise, given the expansion of professional labour markets internal to the ethnic economy.

Expanding into the mainstream

Six companies forged linkages with mainstream corporate producers. The processes through which this occurred offers a perspective on the incorporation of Chinese entrepreneurs within non-Chinese corporate networks. For those who were able, expansion into corporate business networks was an incremental process. While it was relatively easy to trade with wholesalers, dealings with mainstream producers offered deep discounts on purchasing which gave certain distributors a considerable price advantage. One distributor highlighted the important advantage this offered:

There is a few other very strong competitors to our company, but they are not as active as us. The reason is that they cannot make good contact or communication with the Canadians. Now, in other words, they are mainly concentrated on [doing business in] their own society. If they have problems trying to find some product, or with trying to face Canadian people, they will drop it. They will just concentrate to bring their own goods. With our company, we are one of the most complete in terms of the products we distribute. We deal with every major supplier in town, and local manufactures - sugar, salt, oil. These are very major people. Other big brand names, and major lines.

Direct access to mainstream producers was important because it allowed merchants to compete with existing wholesalers within their price range, without having to go through wholesalers. Otherwise, few businesses other than a small number of those developed through particularistic ties would be willing to buy from them.

The first stage involved trading with distributors. Since few respondents had ever done business with firms in North America prior to settling in Vancouver, they could not rely on personal knowledge or contacts to locate local suppliers.

Respondents identified four ways that they had formed linkages in Vancouver with Canadian or American suppliers. One means involved seeking out distributors through business directories, an approach least favoured, but how most found North American suppliers when they first got started in business in Canada. They would sometimes be solicited directly by suppliers; as one respondent put it: "Business is

anxious to do business". Attending trade shows was another approach, but this tended to happen only after they became familiar with companies in their sector.

Since they would not depend on personal ties, supplier transactions were more formal and guarded than among overseas or local co-ethnic suppliers. Joseph Kwan captured the formality of this process as he described a 'typical' meeting with a potential corporate client:

Obviously, one has to do the market research...Getting to know the market will also prepare you to arrive with a favourable proposal. The next step is to talk to the rep, make an appointment to present your company. I am always, other than presenting the company's philosophy - such as "Total Quality Management", prepared to tell my counterpart about the strength of Canadian industries, the quality of the workforce....doing business with Americans and Japanese, I just look at 3 factors: price, quality and delivery...If I can be price superior or equivalent and delivery feasible, than I have business.

These initial transactions seemed very formal and lacking the familiarity or accommodation present in particularistic transactions. Once firms built up their reputation, dependability and purchase levels with local suppliers, inter-firm transactions eased considerably. For instance, describing her experience of trading in corporate networks, one distributor noted that:

When you first started - because they don't know you - it was hard. You have to pay COD with them, and they buy your goods. Right now, we are established and they know us, so our credit is really good. They will give us terms and they know that we will give them the volume every month. We are working very well right now. They keep the best prices that they can... When we first started, we had to call them, and make appointments to see them. After your business is established...they introduce you to that customer or supplier, and that company introduces you to another company. It is like a snowball.

Therefore, once inter-firm relations were established with local suppliers, new supplier relations could be generated through interaction, introductions, and referrals.

Merchants who forged linkages with corporate producers underwent a transformation. Before they could do business with mainstream producers, entrepreneurs were required to meet a number of conditions including showing evidence of high sales volumes, supplying sound credit records from financial institutions, and adopting formalized business procedures. The process of integration, however, was contingent on a measure of their reliability.

Consider the experience of Steven Lai. His integration within corporate networks took place over 7 years. Paper products, unlike imported foodstuffs, represents a sector with high entry barriers, since it is an undifferentiated product that benefits from economies of scale. Steven Lai, a former bureaucrat from Hong Kong, arrived in Vancouver in 1978. Steven and his wife started a paper product distribution company out of their garage six years after they arrived. All of their early suppliers and customers were transferred over from a co-ethnic competitor, for whom his wife worked before quitting to start their business. Early on, none of the major distributors or producers would sell to Steven. The uncertainty of dealing with an unproven, and therefore undependable distributor, in the eyes the suppliers, represented too much of a risk. He instead relied on intermediary distributors, which placed a price disadvantage to intermediary distributors that had direct links to producers.

With the growth of the British Columbian Chinese community and the concurrent expansion of Chinese-owned restaurant and grocery industries, his business grew quickly and he began to make inroads into corporate networks. Suppliers introduced Steven to representatives of the major producers in his field. The informal interaction allowed Steven to develop his reputation as a "dependable"

supplier. Progressive build-up of customers and frequent interaction between Steven and corporate suppliers drew the attention of corporate firms to his company. He was first approached by a US-based paper producer, and this prompted other BC-based paper producers to follow suit. Encouraged by this, Steven applied to join a corporate paper-buying group - one of three in Canada that gives corporations discounts on purchases over other buyers, and was eventually accepted.

As was shown with Steven Lai, the process of integration with mainstream producers in Vancouver among Chinese Canadian firms able to do so was incremental, methodical and therefore much more rigid and formal than within ethnic networks. Capital offered by these networks, however, substituted for what resources they would have otherwise mobilized from ethnic networks. Nevertheless, they were still reliant on co-ethnic ties for access to labour and markets. In effect, they selectively used ethnic resources in mainstream economic dealings to support his accumulation strategies, a feature of the entrepreneurial strategies noted by Saxenian (1999) in her study of high-tech Chinese immigrant entrepreneurs in the Silicon Valley.

Conclusion

In this chapter, I sought to explore the process of entrepreneurialism among 24 Chinese Canadian immigrant merchants in the period after 1967. It was shown how aspects of previous experience and ethnic networks helped to foster entrepreneurship and provide advantages to doing business in Vancouver. Ethnic networks were found to be international in scope, challenging some of the presumptions of ethnic enterprise theory. It is expected that trading companies should maintain trade links overseas. However, given the evolution of the Chinese ethnic economy in Vancouver since the late 1960s, they also speak to changing historical conditions. The rapid build-up of industrial capacity and capital in East Asia provided an elaborate range of linkages available to support entrepreneurial

strategies. Yet, class resources, whether training, capital, labour, or information, and group resources, such as trust, cooperation, and access to support mobilized from social networks are reworked by the environment in which they are set into motion. Situational barriers in Vancouver greatly constrained entrepreneurs' ability to operate.

Entrepreneurial strategies that emerged from the interaction of transnational ethnic structures and post-Fordist conditions were segmented between those included and excluded from corporate producer networks. Entrepreneurs contrasted between a more localized group tied to the ethnic enclave economy and a more mobile entrepreneur class that operated with professional management structures that was integrated in transnational corporate networks. The polarization of status among entrepreneurs expressed different responses to post-Fordist restructurings (Atkinson, 1987; Murdoch, 1995). It was no longer the case either that this division was marked between ethnic and mainstream economies, which represents another point of divergence from theories of ethnic enterprise.

Inter-firm linkages within the ethnic economy, propelled by existing social bonds and ethnic solidarity, formed among entrepreneurs in this setting, producing ethnic enclave structures. Local ethnic networks helped to stabilize capital inputs and provided some structure for recruiting and managing labour, which facilitated the process of business formation. Larger distributors and producers, benefiting from the growth and upward mobility of Asian Canadians and the infusion of capital from overseas ethnic business networks, were no small part of an emerging ethnic economy embedded in transnational circuits of capital. Smaller firms also took part in the expansion of the ethnic economy. Transactions with larger co-ethnic companies gave them resources to upgrade their capacity, affirming the view that ethnic networks offer informal supports that facilitate business success. Yet, while ethnic networks offered a supportive base to entrepreneurs, the pursuit of economic objectives sometimes produced tension and conflict that eroded ethnic solidarity.

Nonetheless, resources offered by ethnic networks were not restricted to trade and service-based firms in the secondary industrial sector. It was not the case that firms outside of local enclave economies were less reliant on ethnic resources.

A segment of entrepreneurs used enclave structures as a platform for expansion into mainstream non-Chinese corporate networks, although as traditional “trader minorities”. As entrepreneurs integrated within mainstream corporate networks, their operations intensified and became more formalized, and in certain cases, informal support mechanisms offered by these entrepreneurs to co-ethnic entrepreneurs on the basis of ethnic solidarity broke down. Moreover, networks that became important for access to capital and information in support of entrepreneur strategies were increasingly those associated with corporate networks. The interaction between transnational ethnic networks and local corporate and enclave structures shaped immigrant entrepreneurial strategies out of which novel forms of immigrant enterprise have emerged in the late 20th century.

Table 5.2: Chinese Immigrant Entrepreneurs Interviewed in Vancouver: 1997-1998

Owner	Imm Status	Year of Imm	Home	Size (loc/ov) ¹¹	Market	Sector	Business Type
Joseph Wong	Independent	1967	HK	26	ethnic	Med loc nonexp	Chinese Foodstuffs
Donald Yung	Independent	1967	Taiwan	10	mixed	Small global	Real Estate & Other Trading
Steven Chan	Family	1967	HK	11	ethnic	Small global exp	Fish
William Lim	Independent	1972	HK	2	non-ethnic	Small loc nonexp	Consumer Goods
Thomas Ng	Independent	1973	HK	9	ethnic	Small loc nonexp	Chinese Foodstuffs
Edward Yeung	Entrepreneur	1976	HK	50 - 4	mixed	Med global exp	Fish & Consumer Goods
John Ong	Sponsored	1976	HK	26	ethnic	Med loc nonexp	Chinese Foodstuffs
Steven Lai	Sponsored	1976	HK	16	ethnic	Small loc nonexp	Paper Products
Richard Pang	Refugee	1976	Cambodia	4	mixed	Small loc nonexp	Consumer Goods
Marietta Yu	Independent	1978	Taiwan	500	ethnic	Large loc nonexp	Supermarket
Ye Wang	Independent	1980	HK	4	ethnic	Small loc nonexp	Chinese Herbal Products
Bernie Fang	Sponsored	1982	HK	50	ethnic	Med regional exp	Chinese Foodstuffs
Jennifer Cheung	Sponsored	early 1980s	HK	10	mixed	Small global exp	Real Estate & Other Trading
George Leung	Business	1985	HK	No Data	non-ethnic	Small global exp	International Trading
Margaret Ho	Sponsored	1986	HK	9	non-ethnic	Small loc nonexp	Textiles
Raymond Chen	Independent	1987	HK	10 - 2800	non-ethnic	Large global	Textiles Manufacturing
Joseph Kwan	Sponsored	1980s	HK	70	non-ethnic	Med global exp	Auto Parts Manufacturing
Peter Han	Business	1988	Taiwan	34	non-ethnic	Med global exp	Machinery
Simon Mah	No Data	1990s	HK	No Data	ethnic	Small loc nonexp	Chinese Consumer Goods
Edward Eng	Entrepreneur	early 1990s	HK	4	ethnic	Small loc nonexp	Fish Distributor
Richard Lee	No Data	No Data	HK	11	ethnic	Small loc nonexp	Chinese Foodstuffs
Jason Lee	Sponsored	1990s	Vietnam				
Michael Wu	Independent	1990s	HK				
Terry Lei	Independent	1990s	HK				

¹¹ Loc = number of local employees; Ov = number of employees in a foreign branch. (these numbers apply for multiple responses only, otherwise all single numbers represent number of local employees)

Table 5.1: Year of Immigration by Type of Enterprise⁷⁹

	<i>ethnic niche</i>	<i>local</i>	<i>medium to large</i>	<i>N</i>
1967-73	3 (60%)	3 (60%)	1 (20%)	5
1976-80	4 (60%)	5 (83%)	3 (50%)	6
1982-90	1 (14%)	1 (14%)	4 (57%)	7
1990s	2 (100%)	2 (100%)	0 (0%)	5

Source: Author's Calculation

Table 5.3: Principal Source of Start up Capital

	<i>Number</i>	<i>Percentage⁸⁰</i>
Transfer of Personal Overseas Assets	5	21
Inheritance of Family Business Assets	7	30
Family Savings or Loan	3	13
Bank Loan (Second Mortgage)	5	21
Shareholders	3	13
Suppliers	3	13
Not Known	3	13
Total	N=24	122

Source: Author's Calculations

Table 5.4: Percentage of Workforce Chinese Canadian, by Firm

<i>Percentage</i>	<i>Number</i>
100	11
70-90	3
50-60	2
<50	3
No Data	5

Source: Author's Calculation

Table 5.5: Principal Recruitment Channels for Hiring Labour, by Firm

<i>Recruitment Channel</i>	<i>Number</i>	<i>Percentage of Total</i>
Employer Network	4	16.7%
Employee Network	1	4.2%
Non-Particularistic	3	12.5%
Hybrid	11	45.8%
No Data	5	20.8%
	24	100

Source: Author's Calculation

⁷⁹ Ethnic niche: number of firms in ethnic niche sectors; Local: number of non-exporting firms; Medium to Large: number of companies employing greater than 25 workers (medium: 26-100; large: >100).

⁸⁰ Note that this figure exceeds 100% because multiple responses were accepted. Twenty-one percent of the respondents used a combination of sources.

Chapter 6: Overview and Conclusion

Conclusion

Chinese Canadian entrepreneurs have had a long and storied presence in Vancouver. They have been intrinsic to the development of the local economic structure and of the cultural tapestry of British Columbian society. Their legacy is a testament to the individual tenacity and ingenuity of the entrepreneurs and the strength and politics of ethnic and family ties that built local businesses at various junctures of Vancouver's history.

During the first hundred years after the arrival of the first Chinese settler in 1858, Euro-Canadian society, which controlled government and major industries and forged an elaborate commercial-industrial economy, set barriers to the equal participation of Chinese Canadians in business activities and civil society. Chinese Canadian merchants were called on as labour brokers to assist them in mobilizing Chinese coolie labourers for railroad construction and resource industries. The formal political process would be used to prohibit Chinese immigration in 1923 in defence of a "White Canada".

Chinese Canadians maintained their own community structures that offered an alternative social space for work and everyday life. The Chinatown enclave contained an elaborate political infrastructure of clan and kinship associations that supported business development through loans and information exchange. By the 1920s, one fifth of Chinese Canadians were operating a business, some in unorganized sectors of the economy, and a small number were elite merchants and labour brokers. Linkages formed among proprietors as elite merchants began to invest in the community, particularly in real estate and financing. Chinese retailers and produce farms formed linkages of their own, precipitating an integrated production and distribution chain that would dominate this sector in Vancouver for many years.

After World War II, immigration laws were amended, permitting the return of Chinese immigration. A segment of new Chinese immigrants in the 1960s and 1970s entered real estate, and many that did become very successful. Others forged businesses in small scale retail and service sectors. New waves of Chinese immigrants arrived, and many were highly skilled technicians, doctors and professionals. After 1983, a new group of elite investors and entrepreneur immigrants entered Canada through the ownership and transfer of substantial assets and experience in business gathered from the flourishing capitalist hubs of Hong Kong and Taipei. Like their predecessors, most invested in real estate, some formed capital-intensive businesses often with corporate structures, and in certain cases these were tied to transnational corporate networks. Associated with this group was a legion of Chinese Canadian business service firms that assisted their entry into Canada, and guided their investment and business activities once they settled. However, as the final chapter demonstrated, transnationalism is not restricted to elite segments of the ethnic economy. Rather, transnationalism appears to be a pervasive feature of contemporary Chinese Canadian entrepreneurial and investment strategies (Mitchell, 1995; Ley, 1999; Olds, 1996; Wong & Ng, 1998). It was common for immigrant entrepreneurs interviewed for this project to organize economic strategies across nation-states.

Forming a business in Vancouver is not easy. Ethnic networks have their limits, and entrepreneurs have had to forge a wider set of social and economic ties in order to sustain themselves in business. Corporate ethnic enterprise and the confluence of new ethnic firms make the ethnic enclave market very difficult to operate in. Community support and informal inter-firm arrangements that once permitted flexibility and ease of business entry occasionally broke down with the strain to regularize transactions and under competition with corporate entities. Linkages with the mainstream economy often require being integrated with corporate networks, but very few had or could foster these connections.

One of the central themes of this thesis has been an exploration of the relationship between ethnicity and entrepreneurship among Chinese Canadian immigrant entrepreneurs, when immigration from East Asia and the socio-economic status of Chinese Canadians had increased. Yet, much of the existing literature on ethnic enterprise frames the issue around low-status "minority" groups and it tends to homogenize the experience of non-European immigrants. Ethnic strategies are regarded as a feature of immigrant entrepreneurs with capital deficiencies. Instead, by emphasizing the embeddedness of economic activities in social networks, I was able to explore the possibility that ethnicity functioned outside of marginal economies. Social networks tend to become segmented according to differences in social identities including 'race', class, and ethnicity. The question about whether ethnicity was relevant to immigrant entrepreneurs was thus reframed as a question of embeddedness and identity in immigrant business networks. The contours of ethnicity for immigrant enterprise can only be understood empirically.

Ethnic affiliations establish some basis to allow entrepreneurs to mobilize group resources. Variations exist in the sort of resources offered through ethnic ties, and in the ability of entrepreneurs to mobilize them. Resources are associated with the socio-economic conditions under which the group operates. Just as the labour of a racialized minority with little access to standard labour markets was mobilized by merchant labour brokers, so too do the business consultants, immigration advisors and real estate agents today activate ethnic associations with the 'nouveau riche' Hong Kong immigrants. Yet, ethnic identities are not immutable, but, in many cases, ideologically produced and politically negotiated. Certain group loyalties and attachments are promoted over others in accordance with discernable interests. In some cases, then, ethnic strategies proved lucrative to medium to high-status entrepreneurs. Steven Lai, for instance, used his attachments with Chinese Canadian restaurants to gain affiliation with mainstream corporate economies.

The fact that co-ethnic hiring, and capital transactions among Chinese Canadian enterprise were as pervasive as they were lends empirical support for Portes' concept of the ethnic enclave economy. In its orthodox reading, ethnic enclaves refer to internal markets in ethnic economies where the recruitment of labour and the build-up of capital occur among generally captive, impoverished minority groups. While the degree of ethnic integration is high, class relations among Chinese Canadians have changed and the volume of capital has intensified, segmenting the ethnic economy in a number of important ways. In addition to different identity-based divisions, ethnic enterprise has become segmented between capital-intensive, professionally managed, and sometimes corporately owned companies and the more traditional, family run businesses.

The expansion of Chinese-owned businesses, particularly in the lower-order sectors of restaurant and retail, and a growing Asian-Canadian middle class, supported the expansion of new businesses catering to ethnic niche markets. New sources of investment, channeled by speculative gains in real estate and imported capital from business immigrants, fostered a diversification in Chinese Canadian owned businesses, including high-tech manufacturing and property development.

Chinese Canadians served as the principal workforce for firms interviewed. However, this workforce was segmented between a growing professional component and a residual working class. Firms that adopted professional management structures recruited from the growing professional segment of Chinese Canadian workforce, indicating that internal ethnic labour markets have evolved alongside the professionalization of the workforce.

Returning to the question of the ethnic strategies of high to medium status immigrants, as Yu Zhou (1998) argues, immigrant business research needs to broaden its focus and consider industrial networks. One needs also to consider the various constraints imposed by the social and economic organization of

metropolitan areas. In addition, greater research is needed on the various ways in-group identities promoted by Chinese Canadian entrepreneurs are contested by workers, women, and others.

Charges that societal hostility associated with racist reception played a role in the process of business formation is by far much less clear, and, without important caveats, probably overstated. As noted in chapter five, the sense among entrepreneurs was that racist social practice was something they never really encountered. Quite clearly, early socio-cultural divisions were shaped by explicit racial discourse. The recent "success" of Chinese Canadians in professional labour markets and the erosion in certain quarters of 'racially' segmented patterns of work and residence attests to certain cultural shifts. Current aspects of socio-spatial division among groups in Vancouver have built on a history of these divisions, and appear to be couched, not in a language of 'racial' hierarchies, but as a naturalization of taken-for-granted cultural categories, where individuals are understood to *belong* to particular 'racial' or ethnic groups. Social and cultural boundaries tend to reinforce these assumed social groupings, which in turn become the matrix for *ethnic strategies*. The author's continued reliance on, and at times uncritical acceptance of these assumed cultural groupings attests to the power that these definitions hold.

This research, nonetheless, opened up new questions about scale – both in terms of accounting for the scale of the firm to include corporate enterprise, and also the scale of the social field of immigrant enterprise to consider linkages beyond the locality of the host city that fostered business formation. Corporate ethnic enterprise and the frequent use of transnational strategies were both relatively new features of the Chinese Canadian ethnic economy in Vancouver. Though, merchants held substantial international connections in the past, the scope of integration of the ethnic economy with a rapidly industrializing Asia Pacific represents an important

transformation that will undoubtedly add to the forces that shape economic cycles in British Columbia.

Since the primary focus of this thesis was on the embeddedness of individual entrepreneurs in ethnic networks, there was insufficient space to consider community-wide business networks that were developing among post-1967 Chinese Canadians. Formal Chinese business associations are important sites for emerging synergies within the Chinese ethnic economy. These associations tend to assume configurations according to pre-migration regional ties. Sunbrite, among Hong Kong Chinese, or the Taiwanese Entrepreneurs and Investors Association, are the most well known, but there is a confluence of new associations that are being formed which assist business start-ups and encourage networking. Some Chinese Canadian business associations are used as a vehicle for their members to meet and do business with the mainstream business community. These associations also gathered together to organize the 4th World Chinese Entrepreneurs Convention in Vancouver, an important event for convening Chinese entrepreneurs from around the world to forge transnational ethnic networks. Also not considered was the role of state officials, trade delegations and consular offices from Asian governments, most notably from China and Taiwan, who have been actively supporting local business associations, recruiting investment, and encouraging trade with Chinese Canadian entrepreneurs. Further, the emerging capital links between Canadian banks and Chinese Canadian businesses represents a critical area of future research. There is an entire thesis waiting to be written on this material alone.

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Appendix A: Interview Schedule

Background

How long ago did you move to Canada? Did you move directly to Vancouver?
Through which immigrant class had you qualified to come to Canada?
Had you had any relatives in Vancouver before you came?
If so, had they affected your decision to come to Vancouver?
When and where did you get started in business?
Was it a family business?
What were your reasons for entering into business as an entrepreneur?

Access to capital

How did you initially finance your operations? Where did you acquire the start-up capital?

Effect of locality

What factors led you to consider conducting your business operations in Vancouver?
Have you considered locating your business outside of Vancouver?
From a business perspective, what are your impressions of conducting business in Vancouver?
What were some of the most difficult transitions you have had to make to adapt to doing business in Canada?

Suppliers

Where are your suppliers located?
How did you find out about (or locate) your suppliers?

Associations

Do you belong to any clubs or formal associations? If yes, do you find your membership to formal associations useful for generating business, accessing customers?

Labour

How many people do you currently employ?
What channels do you use to recruit employees?
Have you found these to be reliable means to find good employees?
Have you ever employed relatives in your firm? How were (or are) they related to you?

Customers & Clients

Which market, business or otherwise, does your business primarily serve?
Have you ever advertised your services?
If so, in which outlets, and with which media?
Have you found these to be effective means to attract customers or clients?

Concluding remarks

Could you recommend or suggest anyone else who might be interesting to talk to?

Appendix B: Letter of Request for Participation in the Survey

Dear M.,

I am a graduate student at the University of British Columbia, and I am conducting research on Chinese-Canadian owned businesses in Vancouver.

The purpose of my study is to examine the role of Chinese-Canadian entrepreneurs in Vancouver's changing economy. I am soliciting interviews with a number of business professionals and entrepreneurs involved in trading activities. I would like to secure your participation in the study.

Your participation would consist of an interview exploring your history, the background of your firm's operations, and your impressions of doing business in Vancouver. Interviews should not last more than 1 hour, and would be arranged at a time and place convenient and suitable to you. Your anonymity would be guaranteed.

If you are interested in participating in this study, please contact me at XXX-XXXX. Otherwise, I will endeavor to contact you within two weeks of mailing this letter to verify your decision. If you have any questions or desire further information with respect to the study, you may contact me at XXX-XXXX, or my research supervisor, Dr. Daniel Hiebert, at XXX-XXXX.

Your consideration of this matter is greatly appreciated.

Sincerely,

Aaron James.
Graduate Student,
UBC Geography.