Immigrant entrepreneurship and transcultural dynamics – A study of Chinese businesses in the grocery and restaurant sectors in contemporary Panama and Belize

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**Introduction**

Does size make a difference? We ask if the scale of a Chinese enterprise operating across a cultural boundary influences business practices. If so, how? One possibility is that small investors will have to adapt more effectively to the local business culture than do large enterprises, which can rely more on their capital and power. Rapid growth of business ties between China and Latin America creates opportunities for testing this question, which we have previously studied for twenty-five years, focusing on how reforms in post-1980 People’s Republic of China (PRC) shaped family enterprises, entrepreneurship, and the role of culture in cross-border Chinese economies.

We followed Hong Kong Chinese cross-border investors to try to explain their success, in a context where many international investors failed to produce profits, frustrated by cross-cultural challenges of doing business in China (see XX 1991). During the first two decades of China’s reforms, foreign direct investment, mostly from Hong Kong, played a key role in kick-starting China’s uninterrupted double-digit annual growth rates. By 2000, China was an economic power. Out-going Chinese investment capital as well as a new wave of Chinese migrants and investors has spread around the globe. This global expansion of Chinese economic involvement is drawing attention. In Africa, alarms about land grabs by PRC investors and state owned enterprises highlight the impact on local Africans’ ability to secure subsistence in traditional ways (Smart 2012). In Canada, unaffordable housing costs in Vancouver and Toronto are blamed on Chinese investors. For Latin America, until China’s recent post-2008 economic slowdown, demand for commodities prompted a resource boom, associated with rapid growth in investment and other economic ties between the regions (Hearn and León-Manríquez 2011, Dussel Peters 2011).

Research on China/Latin America business ties has grown rapidly (Dussel Peters, 2015), but there are still major gaps in our knowledge. In particular, we know far too little about small and medium businesses operating between the two regions. Most research focuses on governments, large companies and state enterprises, or on aggregate trade and investment figures (Czarnecka-Galls 2012). While there is a large literature on the history of Chinese migrants in Latin America, the tendency is to consider them as workers rather than as investors (see Chang-Rodríguez 1958, Cohen 1971, Siu 2005, Lai and Tan 2010). This is also common in migration research elsewhere (Smart and Smart 2012). In addition, in comparison with the study of political and economic ties, social and cultural dimensions are still poorly known. Sometimes there is attention to negative public opinions about Chinese business. In the relatively few studies that include case studies and interviews with business actors, the attention is generally on big corporations, whether Latin American or Chinese. We could certainly benefit from more ethnographic studies of corporations, but the biggest gaps in our knowledge concern small and medium businesses. We offer exploratory insights into how the Chinese run businesses, specifically small and medium grocery stores and restaurants. For the purpose of this paper, we use family-based operations with less than five employees (full time or part-time) as a general identifier of a small size business in the grocery and restaurant sector.

**Methods and research questions**

This article builds on our past research on Chinese entrepreneurs in other regions. Our Central American ethnography is limited to two exploratory trips to Belize (2013) and Panama (2015). Our first visit to Belize in 2013 drew our attention to the ubiquitous presence of Chinese run and operated grocery stores and other services throughout the country except the Ambergris Cays (which have a strong Lebanese retail presence). Proficiency in Cantonese, a common dialect spoken among Chinese immigrants, eased our access to people who would talk to us about their experience. One of us has native fluency, the other is an Anglo with decent comprehension. As long as we shopped at their stores when it was quiet, many seemed to enjoy talking with us. Our extensive research experience in and knowledge of Hong Kong and Southern China makes it possible to establish rapport with the Chinese business operators in Belize and Panama quickly and effectively. We managed to collect information of some depth and great details concerning migration, business, family and other matters that a less informed and qualified researcher might only achieve after multiple attempts over a long period of time. It is unfortunate that we do not have more than basic Spanish. Our information collected from non-Chinese local residents in both countries was either based on conversations in English, or through the translation by local contacts.

In our 3-week fieldwork (2015) in Panama, we used Cantonese to converse with the Chinese business owners and staff. Relying on opportunistic sampling, we spoke with twenty recent PRC immigrants who own and run grocery stores and restaurants in Panama City, Colón and Bocas del Toro. Some conversations were brief, but several involved extended visits on multiple occasions. We employed a similar research protocol in Belize in 2013. During the 10 days in Belize, we spoke with ten recent PRC immigrants in the grocery and restaurant business in Placencia, Caye Caulka and San Ignacio. Our ethnographic observation included many more Chinese run businesses in Belize and Panama which we visited and/or patronized, and whenever possible, we took pictures of the establishment, the goods they carry or the menu they offer, and the business signs and advertisements on site.

We also spoke with local residents in both Belize and Panama when the opportunity arose to inform us of local opinions towards the Chinese and the impact of the expansion of Chinese business. The ubiquitous Chinese presence in the grocery and retail sector in Belize is a relatively new phenomenon less than two decades in the making. In contrast, Chinese immigration to Panama has a history of over 150 years. While the Chinese have a long standing presence in local businesses, there is a noticeable expansion of the Chinese presence in the retail and service sector in Panama since the 1990s. This is especially noticeable in regions outside Panama City and Colón which in the past did not receive any significant influx of Chinese immigrants. No official statistics are available to illustrate these recent expansions of the Chinese presence in grocery retail and other services, but multiple people confirmed our perception of their dominance. Chinese control of the grocery retail sector is noted by local people with ambivalence, and even with suspicion of Chinese mafia connections. These local perceptions raise important questions about tensions in social, political and economic integration of Chinese immigrants in these countries. The Chinese immigrants we spoke with in Belize in 2013 offered rich and diverse narratives of multiple onward migrations linking numerous national boundaries, the centrality of kinship and family in business start-up and subsequent expansion/success, and the strategic deployment of human, cultural and social resources that enhanced their economic and political integration in the host society. These same themes were repeated by the Chinese business operators we spoke with in Panama in 2015. Without exception, all the Chinese business operators in our limited sample are recent immigrants from China whose arrival in Central America is a post-1990 phenomenon.

We address two research questions. First, we ask whether the scale of a Chinese enterprise operating across cultural boundaries influences business practices. If so, what are the social and economic implications and consequences? Second, we ask how kinship networks, regional ties and dialectical origins affect migration decisions. We offer ideas about processes that contribute to (or inhibit) social, economic and political integration of Chinese immigrants into host countries. The next section contextualizes these research questions.

**Petty investment across cultural boundaries**

Research on economic globalization tends to implicitly associate transnational business with large corporations and petty business with localism (Mathews and Vega 2012, Smart and Smart 2005). This has not been true historically, and it is less true now when trade deals, the internet and cheap phone calls facilitate “going global”. When conditions make doing business across national borders feasible and attractive, petty capitalists may be among the pioneers in taking advantage of the possibilities. Cross-border business often involves mobilizing ethnic links to support transnational activities. It is crucial to understand how and why this occurs.

A variety of features have been identified as distinctive about the overseas Chinese style of business, strategies and practices often seen as central to their success, past and present. According to Redding (1990, 3) what is special about Chinese business organization is that “it retains many of the characteristics of small scale, such as paternalism, opportunism, flexibility, even to very large scale. It does not follow the Western pattern of professionalization, bureaucratization, neutralization to anywhere near the same extent.” We disagree. Chinese business organization is not scale-neutral. The ability of small businesses to survive in the face of large competitors is dependent on their distinct practices, particularly how they may take on riskier projects if they promise even slightly higher returns.

Yeung (1998, 219) sees network relationships and synergy as a key competitive advantage of Chinese transnational corporations, “which many Western firms have grave difficulty in matching”. Social networks, or *guanxi* in Chinese (which can be glossed as connections), are constructed and mobilized to develop trust (Olds and Yeung 1999). Personal obligations and paternalism are often emphasized in labour relations. Many studies have pointed to the frequency of the family enterprise among overseas Chinese, crediting the strengths offered by overlap between household and enterprise (Hamilton et al. 1992).

We have argued that it is not cultural identity and commonality per se that facilitated the ability of petty investors to succeed in investing across the radical political and economic differences between colonial Hong Kong and the PRC (XX 1998). There were cultural similarities between Chinese on the two sides of the border, but also great cultural differences. Differences existed particularly in regard to economic culture, e.g. the morality of profit and hard work. It was not just that cultural similarities made their investment possible, or easier, than that by non-Chinese investors. In some ways, cultural similarities and pre-existing social relationships actually made some aspects of cross-border investment more difficult. For example, relatives whether qualified or not, might expect to be offered good employment positions. How the cultural similarities and differences were managed was key, not just that they were common. A big part of their cultural management involved mobilizing cultural values and idioms in such a way as to overcome differences and map one set of expectations onto another.

Culture does not in itself account for outcomes, even though certain cultures inculcate a habitus, embodied and taken for granted practices and discourses (Bourdieu 1977) that enable strategies that are hoped to lead to success in business. We have previously criticized the argument that the *strategies* adopted by Hong Kong entrepreneurs are adequate explanations for the successes attributed to them. While the kinds of strategies which have been ascribed to Hong Kong and other overseas Chinese businesses might be involved in their successes, simply attending to the strategies themselves cannot identify the causal mechanisms through which successes are accomplished. Our reservations are due to the undeniable, if largely ignored, fact that large proportions of entrepreneurs following such strategies fail to accomplish their goals, resulting in lower profits than expected, high levels of difficulty in managing their enterprise, or failure and bankruptcy (XX 2012). If the same kinds of strategies are adopted by those who fail as well as those who succeed, we cannot explain success only in terms of the strategy. There must be other factors, including the resources available to the respective entrepreneurs, the conditions in which the strategies are adopted, and the skill with which the strategies are pursued. Most generally, we argue that the effectiveness and utility of any strategy, such as mobilizing ties with co-ethnics across political boundaries, is always an accomplishment, not a necessary outcome of its use in the context of particular cultural norms and features (X 1993).

Economic culture does not determine outcomes. Instead, it is important because it can provide resources that allow people to cooperate despite stark divergences in the rules and conventions across national and social boundaries. Such resources can also be used for numerous other purposes. Even conflict and violence rely on cooperation at other levels.

The "rise" of China in the global economy has made an understanding of the nature of its business operations of increasing importance. In this exploratory study of the small-to-medium size Chinese businesses in Central America, the ethnographic evidences will clarify our theoretical position that Chinese cultural distinctiveness alone is insufficient to explain their success in the retail and service sector in Belize and Panama. Many local and transnational conditions, logistics of resource deployment and business localizations are key filters through which Chinese immigrants respond to local opportunities and challenges.

**The localization of Chinese petty businesses**

We cannot summarize the relevant historical literature on Chinese residing in Latin America over the last half millennium (Lai and Tan 2010). We concentrate here on work that helps to shed light on their business activities in Central America.

The out-migration of Chinese and their subsequent settlement overseas beginning in the early 1500s was mediated either through European colonial labour procurement, or through the independent efforts of individuals drawn to the promise of fortunes to be made in mining and other endeavours in the Americas, Australasia, and Southeast Asia (Chang-Rodríguez 1958). Chinese immigration to the Caribbean, Central and Latin America occurred in three major periods (Lai 2010, 2): first, the early colonial period (pre-19th century) during which Chinese/Asian migrants arrived on galleons and other ships servicing the Manila-Acapulco trade route; second, the targeted recruitment of more than seven million indentured Chinese workers to various European colonies around the globe throughout the 19th and early 20th centuries (ibid: 3); and since the 1980s a “renewed” immigration of Chinese from the People’s Republic of China. The post-1980 PRC Chinese immigration to Central America is a relatively new subject matter of scholarly research (Lai and Tan 2010).

As early as the 1880s and 1890s, there were reports of distinct but “effective business practices” by Chinese traders: stocking up on Creole staples (salt fish, beef, pork etc.), offering lower prices, extending credit to small wage earners and selling provision in small amounts (Hu-DeHart 2010, 74). The great economic success of the ubiquitous “Chinese shops” in the retail trade in the Caribbean was attributed partly to their cultural competency in communication and meeting local consumer needs, often with the help of a wife or concubine of local origin (ibid: 80), and partly to the strength of the Chinese’s capacity to create vertical integration by occupying the retail, wholesale and import/export sectors which greatly enhanced their control over the supply and pricing of commodities. The Chinese shops out-competed their local counterparts by offering lower prices, and by selling large volumes so that sales made up for reduced profit margins. This kind of Chinese operation was known as “farthing trade” in Jamaica (ibid: 77). In Panama today, we heard one person call it “penny business”. The largely Hakka speaking Chinese in Jamaica in the 19th and early 20th century engaged in “creolization or acculturation soon after their arrival, out of necessary, if not inclination” by taking local women as wives or concubines, learning the local language(s) and adopting local names (Hu-Dehart 2010, 80). This process of creolization clearly at least partially localized Chinese businesses, and likely contributed to their success.

Localization was originally used to describe the process through which imported products were modified in their content, form of utilization or purpose which resulted in the successful acceptance by local consumers. The use of cognac at Chinese banquets in Hong Kong, the mixing of cognac with tea or soda drinks by Chinese consumers, and the innovative creation of chop suey, egg rolls and ginger beef in Canadian Chinese cuisine are examples of localization (Smart 1999, 2004, 2005). In a broader sense, localization can be conceptualized as a constructive process of modification in an effort to support a working compromise between two or more different cultural realities. A Chinese business in a non-Chinese country must address the consumer needs and normative mode of business conduct that are expected and meaningful in local contexts, while at the same time retain selected cultural competency and practices that enhance economic success. Localization is a necessary process no matter how small in order to succeed in business within or outside one’s own cultural milieu.

China’s new prominence as the second largest economy by purchasing power has made an understanding of the nature of its business operations of increasing importance. The Chinese idea of *guanxi* (connection) is important for doing business in or with China. Yet we know very little about how *guanxi* affects economic cooperation between Chinese and Latin Americans, or other non-Chinese business practitioners.

Hearn, Smart and Hernandez (2011) explored how Chinese investors adapted *guanxi* to the Mexican business environment, using Mexico-based Chinese immigrants and descendants to broker bilateral projects. Chinese entrepreneurs have profited from personal connections with Chinese-Mexican industry counterparts, and the Chinese Associations established themselves as indispensable intermediaries between suppliers, distributors, and investors. Critics argue incorporating Mexicans of Chinese descent into networks exposed them to accusations of disloyalty. More effective cultural tactics might involve including Mexicans of non-Chinese descent in *guanxi* networks, or adapting Mexican cultural practices and institutions for similar outcomes. Resources for such efforts could include the Mexican tradition of fictive kinship, *compadrazgo*, or the use of locally-appropriate forms of banqueting and the exchange of gifts and favors to build local reciprocal relations. Forming cross-cultural relationships to ease tensions is important, but as yet we know very little about this (ibid). Cultural insensitivity is not an advantage for Chinese investors and traders in Latin America, but sensitive localization might be.

Western corporations have been able to insist that their business partners abroad conform to their home business practices. This tendency has been intensified by the rise of anti-corruption campaigns since 1997, which constrain corporate adaptation to what are seen as corrupt local expectations by governments and companies. This ability to export rules of the game has been restricted primarily to American and Western European corporations, although Japan had some ability to do so. Even large companies in poor countries have had less ability to insist that their foreign partners conform to their practices.

The rise of China may be starting to change this situation: Labarca (2014) discusses “sinicization” as the way in which Chinese companies insist that their business partners in Chile follow Chinese ways of doing business in their collaboration. Most of her Chilean respondents defined their role as “those who needed to adapt to the framework provided by their counterparts in order to appear trustworthy to the Chinese. … Chileans need to accept the Chinese way of doing business in order to succeed in the negotiation” (Labarca 2014: 327). Sinicization is intended to allow the Chilean companies to enter into trust-based business networks. What Labarca fails to discuss, however, is to what extent the size of the Chinese business counterpart affects the necessity of sinicization. Our research suggests that smaller Chinese firms might need to “hispanicize” in order to succeed in cross-border business. In addition, she does not point out the similarities to American “cultural imperialism”, or to an earlier age of Pax Brittanica, in business relations: the big economic players have always tended to set the rules. In addition, Labarca tends to treat the “Chinese way of doing business” as a constraint that has to be adapted to, rather than possibly providing new opportunities for certain kinds of economic agents, that is, as enabling as well as constraining. Giese and Thiel (2015: 444), by contrast, examine how the presence of Chinese companies in Ghana allows female porters “to extend their actual and symbolic claims to spatial realms that they were previously excluded from”.

Small Chinese investors cannot usually impose ground rules, except perhaps to some degree with even smaller local business partners. However, it is possible that the broader shift towards Chinese influence may have an indirect effect. It might create business conditions more amenable to their ways of doing business.

We observe a variety of localization practices in Chinese retail outlets in Belize and Panama today. Examples include the use of Spanish as a working language with customers, the stocking of locally in-demand products, supported by highly competitive prices, and convenient location of shops. Fish and fresh meat are sourced from local producers and are sold in cuts according to local usage. Fresh fish are sold unprocessed. Our limited fieldwork did not offer us the opportunity to collect information about credit arrangements with customers, vertical integration in the commodity supply chain, and the relationships along the supply chains which link multiple locations across ethnic, cultural and transnational borders. These areas deserve investigation. In particular, we need to know more about interactions between the Chinese and locals.

Most studies of overseas Chinese focus on the co-ethnic social arena, with less attention to inter-ethnic cultural dynamics. The dangers of such methodological bias can be seen in a description of the Chinese business landscape in Panama:

…Established Chinese merchants often sent for relatives in China to work as their employees. Their familial ties, bound by cultural expectations and disciplinary codes, helped reinforce their business relations and mutual support. The recent immigrants were often sent to new territories to help expand the merchants' distribution. Once the immigrants had accumulated enough capital of their own, they would set up their own kiosks, and later small shops, in these new areas. Chinese business practices were learned and passed on as a cultural tradition through informal apprenticeship, and as the recent immigrants became retailers, the original retailers became wholesalers (Siu 2005, 118).

This account is accurate but incomplete: customers are surprisingly missing. Chinese m\s cannot succeed if they concentrate on co-ethnics. The Chinese m\s in both Panama and Belize cater to the poor and rich, tourists and locals, urban and rural. They come in different sizes, selling basic grocery items both fresh and canned, alcohol, fresh meat, cooked food and sundries, and a variety of imported products. Some may include an in-house pharmacy division with a qualified pharmacist on site, and electronic goods are often sold in the larger operations. Typically there is only one public entrance guarded by a check-out counter behind which is a person of Chinese descent who deals with money and transactions in fluent Spanish. In the bigger stores, there may be two or more check-out counters. Following a long standing practice in Chinese business, handling of cash is a task for the owner, a family member or a trusted relative. Local employees stock shelves, work at the meat counter, do general cleaning and other tasks. While Chinese owners/operators have working or higher proficiency in Spanish, we saw no sign that local staff use Chinese at work. In Panama, as in Belize, the m\s are mostly family run businesses involving husband, wife and children, siblings, sometimes grandparent(s) and other relatives. The Chinese owners/operators often live in quarters behind or above their business. It is not unusual to see owners and staff having their meals on site between transactions. Children are present throughout the day. When living quarters are attached to the business premise, it is common to provide on-site accommodation for Chinese employees.

In both Belize and Panama, the grocery retail sector is dominated by Chinese ownership, so much so that they are known as “Chinos” in Panama and “Chinesse” in Belize. These labels carry two meanings: first, they refer to the business, in this case specifically the m\s operated by Chinese; second, they point to the Chinese as a category of people different from the locals. The Chinese presence in the grocery retail sector in Panama expanded significantly after the 1990s, through the purchase of locally owned businesses and the creation of new ones. Similarly, the Chinese dominance in grocery retail in Belize began 10-15 years ago, correlated with the introduction of the “going out” policy by China in 2000 to encourage Chinese nationals to invest overseas (Nyiri 2010). By creating new institutional support in the forms of preferred loans, state assistance in technology and skill training, and liberalized policy on export of fund to invest overseas and emigration, the Chinese state intends the “going out” policy to boost Chinese direct investments in global markets. This has encouraged an increasing outflow of Chinese immigrants and capital (Smart 2012).

The reach of Chinese immigrant entrepreneurship and investments in Central America goes beyond the grocery sector to include hotels and hostels, electronic goods and services, restaurants, laundry, other retails such as the *fiesta* sector (party supplies and gifts) and department stores, and wholesale. While there are observable concentrations of Chinese businesses in specific neighbourhoods such as the new Chinatown in El Dorado in Panama City, by and large Chinese businesses are indistinguishable from local businesses by location, scale and name. Some business names explicitly identify Chinese ownership, such as the 3-generation fruit and produce outlet Chinese Garden in the Canal Zone, m\s Yu Yie in Chepo and m\s Jamie Yau in Almirante. They are exceptions. Most Chinese businesses bear names in Spanish that are either inherited from past owners (e.g. m\s Arturo #2 in Panama City, Neuvo Café Nacional in Colón), or indicative of its geographical location/affiliation (e.g. m\s Bocas, m\s Isla Zapatilla), or a product of the owners’ creativity and sentiment (e.g. m\s Tony’s in Bocas Del Toro, Restaurante Jumbo in Panama City, Super 888 in Almirante).

Chinese businesses in both Panama and Belize cater primarily to the local populations, and not to co-ethnics whose numbers are well below the necessary critical mass to sustain any one business outside the ethnic enclaves in major urban centres. This is particularly true in Belize which until recently had little Chinese immigration (Hu-DeHart 2010, 69). Central American Chinese businesses parallel their development in North America and elsewhere. In Canada, for example, the first “Chinese” restaurants in the second half of the 19th c. and the first half of the 20th c. were only Chinese by the ethnic origin of the owners and workers. These restaurants were known by names like Diamond Café, New Dayton Café and Stavley Hotel Café which offered western styled cooked meat, soup, sandwiches, pies, and coffee (Cho 2010). Not a single Chinese dish was mentioned or offered even though Chinese café owners were known to cook Chinese food for customers when asked. Even today, Chinese restaurants in rural Canada typically offer a menu of western items in addition to Chinese dishes (Smart 2003).

What do local people think of Chinese dominance in some sectors of their economy? A senior Belizean government minister and a local businessman in San Ignacio both offered a similar reaction (summarized by the authors below) which echoes those we heard in Panama from local citizens:

The Chinese are very hard working and they are always there during the opening hours as listed. In contrast, the Belizean store owners are only there whenever they are there, you cannot rely on them for regular working hours and services. Yes, there is some ambivalence about the Chinese displacing the local small business owners. They buy up existing outlets, and they open new ones which are bigger and better stocked. At the beginning they offer the best prices to outcompete the local store owners. When they control the whole sector, they then begin to raise prices. By then, you have no choice. They are very smart business people.

The ambivalence about Chinese businesses is often accompanied by a hint of suspicion about Chinese mafia connections. A handful of people in Belize and Panama express this suspicion in strikingly similar discourses (paraphrased and summarized by the authors):

They hardly spoke any Spanish when they first arrived but they all built their grocery stores with the same layout. How is that possible? They work long hours and make good money. But they live like paupers. Where did they spend their money? The money goes to the mafia. There are well dressed Chinese who come regularly to collect cash from the shop keepers. It is the Chinese mafia.

For the local people who are unaware of the extensive co-ethnic and family resources that support the set up of a new Chinese run grocery outlet, the seemingly miraculous and rapid success of the Chinese business is indeed a mystery. The Chinese mafia connection is a familiar notion in local government and media discourses in the context of real and imagined crimes in illegal immigration, labour exploitation and drug trafficking. In these circumstances, promoting positive perceptions by local people could be important for their future. In the next section, we move beyond the region to consider the role of Chinese translocal ties in the success of overseas Chinese businesses.

**Transnational linkages between the Pearl River Delta and Central America**

The legacy of the Pearl River Delta (PRD) region as source of immigrants helps to explain the strong presence of Cantonese speaking Chinese entrepreneurs in small business in Panama and Belize today. The city of Colón is a stronghold of people from Enping, a city of half a million people in the southwestern part of the PRD. It counts another half million people of Enping origin scattered around the world today, some of whom were among the first waves of Chinese immigrants to the Caribbean, the Americas, Papua New Guinea and Australia, beginning in the early 1880s (Wu 1982). The Hakka speaking people from the Hua Du district in Guangzhou city dominate in Bocas del Toro. The significantly larger Chinese community in Panama City is a diverse mix of Chinese from Enping, Hua Du, Zhongshan, Hong Kong/Macau and Taiwan.

The UNHCR website[[1]](#footnote-1) estimates there are about 150,000 Chinese in Panama (2009 figures), the largest Chinese community in Central America. Chinese immigrated to Panama in three distinct waves: from 1852-56 tied to the railway construction, then in 1940-49 tied to the political upheaval in China, and most recently since the 1990s (Lazarus 2011). In Panama, the first documented Chinese immigrants were 705 contracted workers in railway construction in 1854 (Cohen 1971). Since 1980 many Chinese in the PRD were recruited to work in the Caribbean, Central and Latin America. Numerous Chinese business owners and workers we encountered first came to Panama on an employment contract. Some of them now employ workers contracted from their place of origin in China. Typically an agent – a friend or relative, or a friend of a friend – would actively recruit applicants for contracted employment overseas. A shop owner from Enping is likely to delegate a trusted relative or friend in Enping to recruit labour on his/her behalf. Someone from Hua Du is also likely to seek contract workers from his/her own home community. Concentrations of emigrants from particular localities and dialectical groups throughout the Americas and Caribbean are a direct result of chain migration, mediated through family reunification and labour contracting.

Restaurant JUMBO in El Dorado is considered one of the best Chinese restaurants in Panama City. El Dorado, a fast growing commercial and residential suburb, is the New Chinatown with a much larger Chinese community than the old Chinatown in San Filipe near the waterfront. The owner of JUMBO hails from Zhongshan county in the PRD. He was 20 years old in 1993 when recruited by a person from Zhonshan to work as assistant cook in a Chinese restaurant in downtown Panama City. He had no formal qualification as a cook at the time. He and two other people from his home village signed up to work in the same restaurant. He worked on the same contract for 10 years to learn cooking skills, accumulate capital, and cultivate contacts with suppliers and others, which eventually enabled him to open his own restaurant in 2004. Several contracted workers from Zhongshan staff the kitchen at JUMBO, where the owner is the head chef. His wife, from another area in the PRD, is in charge of the shop front with the help of a young Chinese woman from her hometown and a Panamanian male waiter. The front line Chinese workers speak fluent Spanish. The Panamanian waiter does not speak Chinese. The kitchen staff do not speak Spanish beyond what is needed to receive orders from the waiter.

Neuvo Café Nacional in Colón is a Chinese restaurant that seats 50-60 people. Among its regular customers are the local police. The regular menu, written in Spanish, offers fast food style local food at competitive prices. There is a separate Chinese menu available upon request. Two local young Panamanian women work in the front to take orders, serve, and clean up. The current owner works with two assistants in the kitchen, both Chinese men in their early thirties like himself from Enping. The owner leaves the cooking mostly to his staff. He spends most of his time in the restaurant socializing with selected customers, keeping an eye on things, handling cash and receiving deliveries. Most customers are Panamanians who order from the Spanish menu. Chinese and Filipino crew on long haul ships come to order Chinese food. The owner first arrived in Panama eight years ago on an employment contract with his uncle, the previous owner. His uncle bought the business from its original Panamanian owner twenty years earlier. Several years ago, he bought the business from his uncle. Business is doing well and he has just received approval to bring in two more contracted employees from Enping.

Work contract and family reunion migrations support a growing flow of Chinese immigrants into Central American countries, as clearly evidenced in the two case studies above. But this flow is not one way. Migrants return to China for trade, labour procurement, marriage, family visit and other reasons, typically short visits. Some Chinese immigrants send their Belize- or Panama-born children to China for education in Chinese. These foreign-born children of Chinese immigrants are usually placed with immediate family members during their extended period of stay in China. The parents pay a substantial surcharge to place their children in local schools due to their status as aliens without local household registration in China. In one case, the daughter of a supermarket owner in Bocas del Toro returned after ten years of schooling in China. She chose to bypass the challenge of completing high school in Panama, which requires Spanish proficiency, and ended up working in the family business after an intensive course with a private tutor to gain the necessary proficiency in Spanish to deal with customers and supervise local staff. A younger son is still in school in China under the care of the husband’s parents in Hua Du. In San Ignacio in Belize, we met a locally born teenager who was sent to China for education early and returned after completing six years of school in Chinese. She was placed in the local school in San Ignacio, worked extremely hard to pick up her Spanish and was doing well toward the completion of her high school diploma.

**Kinship, Chinese business ownership and succession**

The success of recent Chinese immigrant business owners in Belize and Panama is hard earned. Not only do they work long hours every day of the week, they also strategically deploy the resources at their disposal to overcome numerous cultural, social and structural barriers to their economic and political integration in the host society. A key barrier to business in Panama is the law that restricts business ownership to residents with citizenship. As one Chinese man who has been in Panama for eight years put it, obtaining Panamanian ID (i.e. citizenship) is very “difficult, most complicated, takes a long time.” He took over a well-established restaurant business in Colón in early 2000, something that was only possible because he was married to a woman with Panamanian citizenship. The transfer of business ownership named his wife as the new owner, not him.

Starting a business in another country, no matter how small, requires skill, resources and connections. One consistent feature of Chinese retail business in Central America is long working hours. They are the first to open and the last to close on any given day. Reliable service and long hours are appreciated by local consumers. Chinese business owners achieve this level of service delivery through self-exploitation, mutual aid and reliance on cultural values such as loyalty, trust and reciprocity within kinship and other social ties.

Caye Caulker is a beautiful island in Belize that attracts many tourists. John is a 30-something Chinese who owns and runs a vending stall on the beach with one local employee. His business sells soft drinks and snacks, and rents snorkel and swimming paraphernalia. After his shop closes, he helps at his sister’s restaurant. John attracts business by canvassing passing tourists in English and Spanish. He is a Cantonese speaker from Guangdong. His wife works in the kitchen for his sister. John, his wife, and his sister help each other out within a complex matrix of kin based obligations, reciprocity and mutual aid.

In some instances, mutual aid between family members can involve substantial financial commitment, such as setting a child up in business. Oliver and his wife Nina bought a restaurant in downtown Placencia (Belize) from a local owner soon after they had their first child. The toddler daughter stays with them in the restaurant all day. Oliver does the cooking, Nina deals with cash and general management. A hired local staff doubles as waitress and bus girl. Oliver migrated to Chetumal (Mexico) with his parents some years ago where he learned Spanish in school. His father owned and operated a restaurant in Chetumal with some success until competition became fierce as more Chinese from their home village near Dongguan (a community in the PRD with strong links to international migration) arrived and opened restaurants. Oliver’s father moved the family to Belize City, connected to Chetumal by ferry. After Oliver got married, his father helped him buy his restaurant in Placencia, while the parents continue to operate their own business in Belize City.

We observe two main strategies in action among the Chinese entrepreneurs around business expansion and succession: first, expansion by setting up family members in their own business in the same location or elsewhere; second, business transfer to people in social networks based on kinship, regional ties and dialectical affinity. The following case illustrates the second strategy of business succession.

Mr. Ng immigrated to Panama more than 20 years ago as a teenager. He worked for many years in a rural area outside Panama City. He married and his wife immigrated to Panama. They have two children. Two years ago they were invited by his patrilineal cousin in Bocas del Toro to consider a business buy-out proposal. This cousin runs a rather large and successful supermarket. The strong tourist traffic in Bocas contributes significantly to the many Chinese run m\s business in this part of Panama. Like most Chinese immigrants, Mr. Ng’s cousin has no plan to pass the business to his children. They are expected to use their education to become professionals or work in jobs with better pay and higher status. It is quite common among Chinese Panamanians to groom their children for university education in the United States with the hope that they may eventually gain employment and permanent resident status in the USA. Mr. Ng and his wife will work at the m\s for a number of years to pay off the purchase price of the business. During this buy-out period, the couple will learn about the business management and operation. Supplier networks will be inherited from the cousin – a very important asset for a retail business. Several young Chinese men, all from Hua Du where Mr. Ng and his cousin come from, are currently employed on contract at the m\s to be joined by two more soon, also from Hua Du.

**Social and Political Integration**

Given the long working hours Chinese immigrant business owners put in, one would expect their social integration within the host society to be somewhat shallow, restricted to social interactions with clients and suppliers mostly within the economic universe of the retail sector. This is largely true, but meaningful friendship and sociality can be developed between shop owners and clients based on regular interactions over an extended period of time. One Panamanian young professional speaks with warmth and familiarity about the Chinese m\s owners in his neighbourhood in the Canal zone (from our interview in English):

For the first five years or so, John and Liz work like dogs, they dress in rags, they eat at the store … really struggle with their Spanish at the beginning… they sell cheap but they sell a lot; at the end of the day, they make good money. Every penny counts… After a few years… they begin to eat out, they dress better, they buy new clothes, they buy a car, they buy a house. Recently Liz asks me if I know of any property like my mother’s house (market value at US$350,000 in 2015) for sale, she wants to buy one just like ours*.*

The children of immigrant parents are more quickly integrated into the local social fabric through their attendance at local schools, learning Spanish and making friends. Child participation in the family business is common among Chinese migrants in any location past and present (Smart 2003, Song 1999), partly because of the welcome extra labour input, and partly because of the children’s higher proficiency in the local language as a result of their attendance in the local schools. In our travels in Central and Latin America, we came to expect to see children (of all ages) working in family run shops and restaurants after school hours and on weekends, just as we expect it in Chinese run small restaurants in Canada today (X 2003).

Earlier oppressive mistreatment of the Chinese in Panama shaped the political and social position of the Chinese in unexpected ways. In 1940, Panama passed a new constitution that disenfranchised “prohibited races” from citizenship if they had not been in Panama before 1928, and denied them the right to own retail stores, forcing them to sell to citizens within 48 hours, invariably at a huge loss. Many Chinese business owners lost their properties as a result of this unfair law. Re-establishment of their position required skillful cultural and political maneuvering, which has resulted in the Chinese being overrepresented in high political office in comparison to their share of the Panamanian population. As Siu Lok (2005, 135) states:

In the past sixty years, the Chinese have recovered, perhaps even surpassed, their pre-1940s social, political, and economic position in Panama. With astute leadership, the community was able to seize this moment of crisis to reorganize, restructure, and further consolidate its networks and resources. Not only have the Chinese regained their virtual monopoly in the small-retail market, but Panamanian-born Chinese now also figure prominently as some of the most talented professionals in their fields.

Two recent incidents demonstrate the capacity of Chinese immigrants in Central America to forward their political agenda. The first incident took place in Panama in 1990. In a series of government statements made since mid-July 1989 in reaction to the discovery of many post-1980 PRC immigrants who held visas that might not be legitimate (Siu 2005, 142-143), the Panamanian governments suggested that the irregularity was the work of the Chinese mafia, trying to create a distraction from the corruption scandal within government. A follow-up action in July 1990 resulted in the arrest of 110 Chinese men and women in a series of raids of Chinese residences and businesses. The Chinese community reacted by organizing a multiple-day nation-wide strike with great local impact: “[The shopkeepers] did it because they were afraid of being raided by the police and because they wanted to show solidarity with the Chinese immigrants. Of course, they also wanted to show the Panamanian people that the Chinese are not dispensable. They held the power in the small retail market" (ibid: 146).

The second incident happened more recently in Belize. In the late 2000s, the Chinese grocery store owners in Belize staged a coordinated one-day strike in protest of the lack of effective government actions in the aftermath of the death of a teenager who was abducted, raped and murdered. Their one-day strike was highly disruptive and effective because this denial of service had a real impact on the wellbeing of the public. The government understood the power of this resistance. Subsequently the homicide was solved quickly. One Chinese shop owner explained to us that they took this collective action because greater public safely is a good thing for all, the Chinese included. A Belizean teenager was the victim, but next time it might be a Chinese teenager, a friend’s daughter or sister. Because of their business ownership, the Chinese are perceived to be “wealthy” and are often targeted by criminals. In Belize City where crime rates are high, Chinese business owners take extra security measures to ensure their personal safety. The use of electronic surveillance in the larger businesses in both Belize and Panama are common.

**Conclusion**

This paper was guided by two major research questions. First, we asked if the size of a transnational Chinese enterprise influences business practices. If so, what are the social and economic implications and consequences? We addressed this question through consideration of processes of localization. Second, we explored how kinship networks, regional ties and dialectical affinities play major roles in migration decisions, geographical distribution and economic sector concentration in Chinese international migration, and how these processes contribute to the social, economic and political integration of Chinese immigrants in the host countries.

A comparison between our ethnographic research and Labarca’s (2014) on Chile suggests that, contrary to Redding (1990) and others, business size does make a difference. There is no inherent reason why large Chinese corporations should not modify their cultural and business practices to localize effectively, but they also have the resources and influence to allow them to avoid localizing. Small investors do not have this luxury, and local adaptation may supplement a propensity for risk in providing them with some competitive advantage despite the many disadvantages that result from small scale and minimal assets.

The second question requires us to go beyond the locality in which the Chinese business operates. Chain migration, spurred by rapid growth within the PRD and China, helps explain the dominance of recent immigrants from Enping and Hua Du, which in turn helps us understand Chinese settlement and economic sector concentrations in Panama. The localization of Chinese business practices helps gain local support and patronage. But these localized practices are not only good for business, they also create conduits through which Chinese immigrants become socially, economically and politically integrated in their host societies. Petty investors and traders cannot impose their own practices in the way that large and powerful state enterprises and private corporations may. How effective their efforts to accommodate their ways of doing business to local circumstances and expectations will be in the future is a topic that requires further research.

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