

SELF-EMPLOYMENT OF CHINESE IMMIGRANTS IN ETHNIC ENCLAVES:
A COMPARATIVE STUDY IN FLUSHING AND MONTEREY PARK CITY

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ABSTRACT

Self-employment has gained prominence over the past four decades as an avenue for immigrants in ethnic enclaves to pursue economic prosperity. This study examines the merits of an ethnic enclave economy in boosting self-employed immigrant entrepreneurial ventures compared with the mainstream economy. Macro and micro accountings to perpetuate self-employment between two large Chinese clusters are included. A comparative analysis of two ethnic enclave economies in Flushing, Queens and Monterey Park City, Los Angeles is presented in this paper with the intent to identify similar and/or different ways that factors interact to facilitate self-employment in ethnic enclaves. I hope to demonstrate that the external configuration structured by institutional frameworks and local contingencies at the two localities, in juxtaposition with internal forces such as human and social capital of immigrants, result in underlying divergences and similarities in the two ethnic enclave economies. I underscore the importance of both objective and subjective factors in influencing self-employment, i.e., that a combined force emerges from both macro-institutions and micro-environment projects on what, how, and where human capital and social capital are generated and retained, thereby influencing the incidence of self-employment within an ethnic enclave through the function of human and social capital of an immigrant. In particular, I stress the utility of an ethnic enclave economy as the breeding ground that prepares the fundamental setting for ethnic self-employment. Furthermore, being embedded in two heterogeneous enclave economies yields major differentials in accounting for the entry of self-employment within the enclave. Two

data files are synthesized to yield a comparative analysis of ethnic enclaves in Flushing and Monterey Park City: the Survey of Immigration and Intergenerational Mobility in Metropolitan Los Angeles (ICPSR, 2004) and the Survey of Immigration Second Generation in Metropolitan New York (ICPSR, 2000). Major findings imply that the structure of an ethnic enclave economy shaped by the interplay of global and national conditions and local contingency lays the ground for the formation of human and social capital of individual immigrants. Such a condition is strongly relevant to ensuring economic advancement through self-employment.

BIOGRAPHICAL SKETCH

Shikun Sun was born on March 15th, 1990 in Tianjin, China. She graduated from Nankai University in Tianjin majoring in World History; now she is a master candidate in the Department of Asian Studies. Her advisor is Professor Victor Nee.

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CHAPTER 1

INTRODUCTION

The US has long been considered a melting pot of people from different origins. Alongside the staggering cultural and ethnic diversity of the US, issues involving racial minorities and immigrants have emerged. Self-employment rate, which has increased among ethnic minority groups, is a research topic that has attracted growing scholarly and practical interest (Bonacich, Light, & Wong, 1980; Cummings, 1980; Kim & Hurh, 1985; Kim, Hurh, & Fernandez, 1989; Light & Bonacich, 1988; Min, 1984, 1988, 1995; Waldinger et al., 1990), for ethnic entrepreneurship has been long conceived as a primary avenue for immigrants to pursue economic advancement and upward social mobility (Light 1984; Waldinger, Aldrich, and Ward 1985; Nee and Sanders 1985; Portes and Bach 1985; Waldinger 1986; Sanders and Nee 1987; Min 1988b; Reitz 1990; Portes and Zhou 1992; Logan, Alba, and McNulty 1994). Several areas of immigrants' self-employment have been examined, including factors accounting for their entry, nature of industry, and composition of entrepreneurial ventures. However, questions remain intact with regard to whether institutional and environmental factors embedded in different localities contribute to differences in the likelihood of self-employment by influencing the social and human capital of local ethnic minority groups. The current study aims to enrich our understanding of how the combination of macro-level causes, such as globalization, shifting geopolitics and immigration policies and juxtaposed with microenvironment, such as structure of local labor market and spatial configuration,

developing a distinct breeding ground for ethnic self-employment ventures by notably affecting the formation and features of social capital and human capital immigrants bear across two enclaves, which could be taken for comparison. I investigate a combined force in laying the ground for an ethnic enclave economy, which consists of the economic restructuring process mobilized by globalization; the changing geopolitical context, such as the Decolonization, the founding of the People's Republic of China, the Cold War, the Vietnam War; shifting immigration policies, notably the Naturalization Law of 1790, the Chinese Exclusion Act (1882–1943), the 1965 Immigration Act, the 1980 Refugee Act, and the Immigration Act of 1990; and local contingency, such as local labor market structure, immigration history and immigrant origins, urbanization, and suburbanization. Globalization and political collision beyond countries have motivated the basic configuration of capital flows, technical trends, and personnel mobility on a global scale. The 1965 Immigration Act ushered a new age when immigrants were granted legal rights to decouple from a disadvantageous institutional environment, although racial discrimination remained and continued to hinder their economic success. Local contingency forges individual paths for individual places to incorporate their immigrants and develop ethnic enclave economies.

Following this line of logic, this paper aims to delineate factors that contribute to similarities and differences between two Chinese enclaves, one in Flushing and another in Monterey Park City, by drawing inferences through a comparative analysis. The present study attempts to understand what factors identically or disparately influence self-employment in ethnic enclaves. In doing so, I identify whether macro-

conditions and micro-contingencies in one ethnic enclave bear upon creating and retaining human and social capital, thereby leaving a distinctive local imprint on the rise of self-employment. I hope to accomplish the following: first, find out if one ethnic minority group vary in their likelihood to be self-employed across enclaves in different localities; second, signal the interactive nature of causes at macro and micro levels in boosting self-employment; and third, delineate differences in human and social capital formed by the combined forces. Such a research perspective emerges from the heated debate on whether or not ethnic enclave economies have an effect on perpetuating upward mobility for immigrant minority groups in the United States. According to scholars who propose theories on ethnic enclave economies, such economies serve as an alternative avenue for ethnic minority groups to react to being alienated as part of an underclass and facilitate self-employment for immigrant entrepreneurs who seek economic prosperity.

Studying an ethnic enclave sheds light on the interaction between organizational actors and micro-institutional and environmental contexts. According to Castrogiovanni (1991), organizational actors may differ in their response to environmental influence. People in different metropolitan areas may react differently to a localized environmental influence. Shaped by different local contexts, ethnic enclaves may demonstrate different forming processes and yield regional variation in furnishing and mobilizing different ethnic resources for facilitating entrepreneurial activities.

The paper is organized into five sections. The first section reviews a theoretical

mechanism in an ethnic enclave economy and its power to encourage self-employment and ethnic business ownership as an alternative way to achieve upward social mobility. The next section emphasizes environmental incentives through the lens of dynamics at institutional, national, and local levels to manifest how the combined force yields distinctive social capital and human capital in two localities. Additionally, the second section postulates that such combined forces affect the ownership of a self-employed venture by influencing the social and human capital of immigrants in ethnic enclaves. Thus, certain types of social and human capital that sustain self-employment would be identified. I would also indicate the “context-bound” feature of these types of capital to explain the way they are being fostered. Social capital and human capital that prevail in an enclave economy facilitate ethnic self-employment to the extent that they bear certain features structured by institutional incentives and place-specific contingencies that become crucial and unique in propelling self-employment. Two typical ethnic enclaves, namely, those in Flushing and Monterey Park, are scrutinized to further consolidate the influence of macro- and micro-environments on the entry of self-employment by influencing the formation of certain types of capital that are accessible to immigrant minorities in these two enclaves. The third section presents data from multiple datasets and interprets similar and different variables that influence the likelihood of self-employment. The fourth section presents the method of data regression and its results. The final section concludes the study by providing a summary of the theoretical contributions and directions for future research.

CHAPTER 2

SELF-EMPLOYMENT IN AN ETHNIC ENCLAVE ECONOMY

A Snapshot of contemporary Chinese immigrants in the United States

Early Chinese immigrants were predominantly sojourner, whose first footholds in the U.S. can be traced back to the California Gold rush period when they served as manual labors in the mining industry and transcontinental roads' construction. They were subject to discrimination and deprived equal access to ascend socioeconomic ladder. When anti-Chinese laws in 1880s forestalled their presence in the U.S., the Chinese immigrant population sizably diminished at that point.

The 1965 Immigration Act initiated a new era when successive waves of immigrants reached the United States legitimately. Radically break from the earlier laws aiming at excluding Chinese, the 1965 Immigration Act halted the exclusion of Latin Americans, Asians, and Africans; allowed their equal entry, and set into motion a substantial influx of immigration into the country, thereby fundamentally shifting the constitution of the American society. In light of this institutional framework that legitimized anti-discrimination toward immigrants and accordingly functioned as an incentive for further immigration, the ethnic homogeneity of the US society was dramatically altered by new waves of immigration.

More importantly, it is worth noting that the amount of Chinese immigrants in the U.S. is mushrooming during the past three decades. According to MPIⁱ, the foreign born from China as the 10th-largest immigrant group in the United States. By 2006,

the number of Chinese immigrants had increased nearly fivefold, making them the third-largest immigrant group in the United States after the Mexican and Filipino foreign born. A conspicuous sign of Chinese immigrants' settlement pattern is that they shoot for certain places for favored destination. This phenomenon is in accordance with their immigration trajectory that half of them choose to settle in just two states—California and New York could show a root in history. In 2006, California had the largest number of Chinese immigrants (496,197), followed by New York (322,545) for a total of 689,974 or 52.8 percent of the Chinese immigrant populationⁱⁱ. New York-Northern New Jersey, Long Island, NY-NJ-PA is the metropolitan area with the largest number of Chinese-born (353,019, or 22.8 percent), followed by San Francisco-Oakland-Fremont, CA (194,903, or 12.6 percent), Los Angeles-Long Beach-Santa Ana, CA (175,243, or 11.3 percent), and Boston-Cambridge-Quincy, MA-NH (60,017, or 3.9 percent). These four metropolitan areas accounted for 50.5 percent of all Chinese immigrants in 2006.

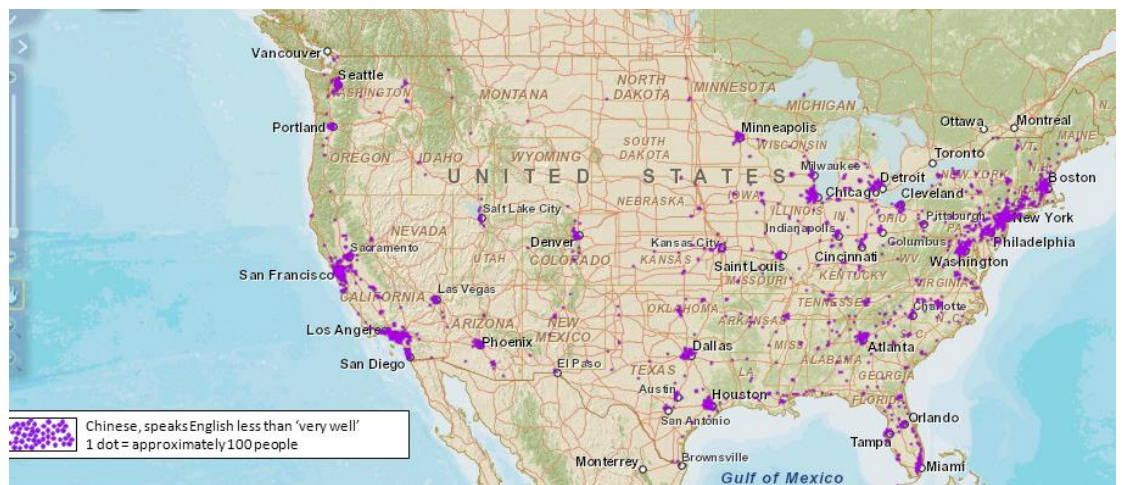


Figure 1. Chinese Language Use in the United Statesⁱⁱⁱ

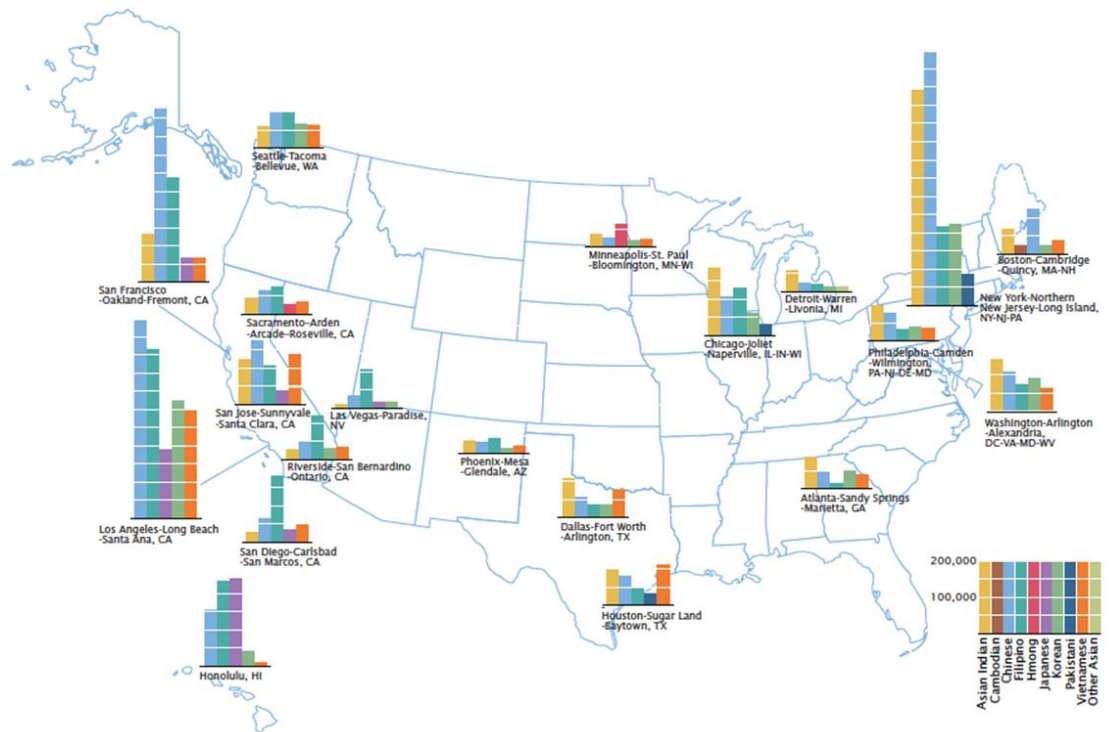


Figure 2. Chinese Population in the Top 20 Metropolitan Statistical Areas^{iv}

Concomitantly with the large influx, the increasing magnitude is the growing number of Chinese-owned businesses. According to the summary file of Survey of Business Owners 2002, there were over 286,000 Chinese-owned firms in the U.S., employing more than 649,100 workers, and generating more than \$105 billion in revenue. These Chinese-owned firms account for 1.2 percent of all nonfarm businesses in the U.S., 0.6 percent of their employment, and 0.4 percent of their receipts. In 2002, 32.5 percent of Chinese-owned firms operated in professional, scientific, and technical services; and accommodation and food services, where they owned 2.3 percent of all such businesses in the U.S. Among these Chinese-owned businesses, wholesale trade accounted for 40.5 percent of all Chinese-owned business revenue.

Table 1: Industries Accounting for the Largest Receipts for Chinese-Owned Firms: 2002^v

Industry	Receipts (million dollars)	Percent of total receipts for all Chinese-owned firms
Wholesale Trade	42,510	40.5
Retail Trade	14,342	13.7
Accommodation and Food Services	12,112	11.5
Manufacturing	8,417	8.0
Professional, Scientific, and Technical Services	6,955	6.6

To cast a geographical view, among U.S. counties, Los Angeles County in California, had the largest number of Chinese-owned firms in 2007 at 61,758. Queens County in New York, was second with 31,379 Chinese-owned firms. The metropolitan statistical areas with the largest number of Chinese-owned firms were New York-Northern New Jersey-Long Island, NY-NJ-PA; Los Angeles-Long Beach-Santa Ana, CA; and San Francisco-Oakland-Fremont, CA.

Table 2: The Largest Number of Chinese-Owned Firms by metropolitan statistical areas: 2002^{vi}

Metropolitan Area	Firms	Receipts
New York-Newark-Bridgeport, NY-NJ-CT-PA CSA	66,974	14,175
Los Angeles-Long Beach-Riverside, CA CSA	60,165	30,422
San Jose-San Francisco-Oakland, CA CSA	38,303	20,811
Washington-Baltimore-Northern Virginia DC-MD-VA-WV CSA	9,055	2,056

There is a substantial portion of family based self-employment ventures among the whole self-employed base of Chinese immigrants. In 2007, 313,995 Chinese-owned firms had no paid employees, an increase of 59.4 percent from 2002. These nonemployee firms generated \$14.7 billion in receipts, an increase of 58.0 percent from 2002. In 2007, nonemployees accounted for 74.1 percent of the total number of Chinese-owned firms and 10.3 percent of receipts. Average receipts for these Chinese-owned nonemployee firms in 2007 were \$46,905.

Ethnic enclave economy hypothesis versus classic assimilation theory

An immigrant enclave has long been considered as a residential area where ethnic-specific needs can be satisfied. In the early 20th century, ethnic clusters were observed by the Chicago school when newly arrived immigrants aggregated to community gatherings looking for places to live and work in. In view of formidable

disadvantages associated with their initial status, underprivileged immigrants saw such ethnic clusters as a mecca and thronged into these enclaves ceaselessly. The formation of an immigrant enclave resulted from such uprooted experience follows a forced segregation process, which is believed to be intrinsically intertwined with the assimilation process. The assimilation model depicts such segregated areas as springboard for newly arrived immigrants, after regaining resources and social acceptance in the broader society they will eventually join the mainstream economy. Little Sicily, Greektown, and Chinatown (Burgess 1925, 1967) were all formed by this way. Chinatown is depicted as “a sanctuary, a residential neighborhood, an economic zone, and a place to practice traditional culture” (B. P. Wong 1982, p.77) where immigrant minorities stayed, worked, and protected themselves from discrimination in the host society. Loo and Mar (1982, 95) also note “Chinatown provided many of its residents with convenient access to shopping, transportation, restaurants, foods, and place of work, and it provided an opportunity to live among Chinese-speaking persons.”

Such immigrant agglomerations were prevailingly found in downtown areas that signal the starting point of the assimilation process. Such an assimilation pattern advocated by the Chicago school scholars in the 1920s describes assimilation is a one-way path to a single destination (Park & E. W. Burgess, 1925) that would cease when the immigrants were fully dominated by the Anglo-American culture. Furthermore, the Chicago school claimed that the assimilation process was in accordance with a change in the geographic pattern from urban to suburban areas, which is in concert

with a “downtown and uptown” model raised by Park and Miller (1921), and the spatial assimilation model proposed by Massey (1985). Upon arrival, immigrants first thronged into ethnic inner-city clustering areas, where they sought ethnically bound cultural and social support (Logan & Alba, 2002) to counter their limited language skills and market resources; parallel to the shelter need, ethnic settlement constrains immigrants to an inferior socioeconomic status and “entraps immigrants to residential overcrowding, poor quality housing, and linguistic isolation” (Massey, 1985); after gaining credentials valued by the mainstream society, they were gravitated to more affluent suburbs (Park & Miller, 1921). Therefore, an upward mobility in the socioeconomic ladder is in tandem with a change of geographic distribution from inner-city to outlying suburban areas, from spatially concentrated to dispersed, and finally disappeared. Immigrant enclaves, therefore, were deemed to be transitional, marking the culmination of the assimilation when immigrants gained equivalent skills and resources to compete with locals in an open market and are drawn into more affluent white middle-class neighborhoods (Zhou 1992).

The problem with the classic assimilation framework, however, is that it is built on the bedrock of immigration reality in the late 19th century, with a singular focus on European minority settlers, such as Italian Americans, whose experiences are different from those of contemporary Asian immigrants. The standpoint of the classic assimilation framework not only negates the positive contributions of immigrants to the broader society but also rests on the idea that ethnic settlement areas are

understood as a receiving place at the inception of immigration and will eventually disappear as immigrants are spatially assimilated.

The interplay between shifting global economic structures and immigration policies fundamentally changed the face of the receiving society where gravitate immigrants with a more diverse background and heterogeneous socioeconomic status. Such a new backdrop ushered opportunities for immigrants and eliminated the stereotype of ghettos that shelter disadvantageous immigrants and satisfied primarily ethnic-based needs. Contrary to what the classic assimilation theory posits, immigrants throng into ethnic neighborhoods and cling to such settlements, making these neighborhoods their favored destination, instead of dispersing and gradually becoming indistinguishable from the dominant group in the core society. Some of them circumvented the inner-city clusters and directly settled into the suburbia. Without experiencing an acculturation process, they find an alternative base for upward mobility.

The concept of an ethnic enclave has steadily gained a foothold since 1965 and was first proposed by Alejandro Portes, who described it as “immigrant groups that concentrate in a distinct spatial location and organize a variety of enterprises serving their own ethnic market and/or the general population”. This hypothesis reckons that ethnic enclaves form an alternative way of incorporation, contradicting the idea of classic assimilation mode. Apart from housing co-ethnic immigrants, an ethnic enclave also mobilizes ethnic resources to provide jobs and business opportunities to residents. An ethnic enclave highlights an ethnic group’s maintenance of “a

controlling ownership stake” and its co-ethnic labor force or unpaid family labor and the ethnic group control over the employment network, which allows the channeling of co-ethnic members into non-co-ethnic firms and even into the public sector of the larger labor market (Light & Karageorgis, 1994:648).

The proposal of an ethnic enclave hypothesis started a long-standing debate on whether ethnic enclaves would encourage or discourage immigrants’ upward mobility (Light et al., 1994; Portes & Jensen, 1989a, 1989b; Sanders & Nee, 1987, 1992; Zhou & Logan, 1989). Proponents contend that, unlike people who work in outside society, those who participate in the enclave enjoy economic returns from past human capital investments similar to those in the primary labor market (Wilson & Portes, 1980). Nee, Sanders, and Sernau (1994) argue that “new immigrant workers are often attracted to the enclave economy because of linguistic convenience, cultural familiarity, and ethnic support, and the security in the enclave economy may be conducive to economic advancement.” In concurrence with enclave hypothesis proponents, scholars in residential segregation theory argue that co-ethnic incumbents are more likely to have tacit knowledge of co-ethnic needs than outsiders (Boyd, 1991; Wilson & Portes, 1980), and benefit from a protected co-ethnic market that generate resources in favor of them.

However, such postulation incurred considerable controversy from within the same research stream. One inconsistency focused on disparate outcomes for immigrant self-employed entrepreneurs and salary workers. The theory was partly refuted by scholars who found that upward mobility did not apply to salary earners who worked

in the ethnic enclave, as reported by Sanders and Nee (1987), because they tended to be subject to longer working hours at lower compensations and poorer working conditions than workers in the mainstream economy.

The opposite side of this debate reckons that being situated in ethnic enclaves would adversely affect the upward mobility of immigrants and entrap them in the underclass (Portes & Zhou, 1992). Highly organized groups in ethnic enclaves would largely limit a person's access to resources outside the enclave, such as affluent customers, diverse employees, and technical and financial innovations (Bonacich 1973), further marginalizing one from the mainstream society and making a person susceptible to downward mobility. Immigrant minorities who either fail to establish enclave economies or build strong ethnic institutions, particularly those who are in central cities, isolate themselves from exposure to the outside society and face greater risk of "segmented assimilation" (Portes & Zhou, 1992), thereby gathering in impoverished immigrant enclaves, filling dead-end jobs (Piore, 1979).

Whether an ethnic enclave would propel socioeconomic mobility or perpetuate poverty strongly hinges on intrinsic compositions of the enclave and the purposes it serves. Investigating the function of an ethnic enclave calls for a better understanding of the inherent characteristics of an enclave. An ethnic enclave is built around an enclave economy, which is depicted as a segmented sector of the larger economy, but has its own economic structure to compose a distinct labor market (Zhou, 1992). In an enclave economy, sectoral labor and market relationships are mainly structured by ethnic solidarity, which makes this type of economy distinct from the core and

peripheral economies (Wilson & Martin, 1982; Wilson & Portes, 1980). An enclave economy's theoretical schema refers to an ethnic economy as a manifestation of external market conditions and internal ethnic solidarity (Li & Dong, 2006). According to Min Zhou (1992), an ethnic enclave economy comprises a segment of the larger economy. A symbolic feature of an ethnic enclave economy is that it represents both a primary and secondary labor market of the mainstream economy, which is embodied in the function of both a protected sector and export sector that forms the economic structure.

The protected sector gears toward ethnic-specific needs that are not easily accessible from outside the enclave, thereby forming a protective nature toward its capital, labor, and consumer market and ensuring its economy to be immune to structural changes in the outside society. Such a sector is presented by small businesses mainly serving the settlement needs of its group members (Zhou & Portes, 1992), but not necessarily curbed to entry-level, low-prestige, and labor-intensive activities (Zhou, 1992). Such a sector entails professional services and production. A wide variety of higher-level, white-collar, and knowledge-intensive occupations, ranging from top positions, such as doctors, lawyers, and accountants, to other white-collar, service-oriented occupations, such as bankers, insurance and real estate agents, retailers, and wholesalers, are anticipated by a sufficiently large population base, which indicates a giant ethnic consumer market (Zhou, 1992). The intrinsic feature of a protected sector determines the relative stability of an enclave economy and exempts it from the structural changes in the outside society. Enclave incumbents are not

intensively influenced by a change of industrial structures in the outside economy and therefore do not have to experience tremendous disturbance in occupational change inside the enclave. Incumbents are more resilient to external industrial changes and are not anticipated to respond to such changes. They are rewarded by the enclave economy with an atmosphere that favors remarkable educational and professional skills and supplies business opportunities commensurate with their previous human capital as well as social capital accumulated through the enclave.

By contrast, the export sector encompasses leftover niches of the secondary economy, such as businesses shunned by the host society. This sector provides exotic goods and requires low economies of scale (Zhou, 1992). Primarily complementing the larger economy, the export sector moves with the outside society and responds to its demands. Thus, the sector is subject to the fluctuations of the larger economy and is unstable as the protected sector. The formation of an export sector is driven by the influx of an immigrant population that feeds the need for cheap labor. By filling the vacancies at the narrow margins of the core economy, the export sector mobilizes members of the majority group to move up the occupational ladder.

To burgeon successful ethnic business, an enclave economy needs to mobilize capital resources, to control the cost of labor and business operations, and to have access to the consumer markets. Structural components of an ethnic enclave economy, as represented by the cohesion of two bifurcated sectors, signaling that an enclave economy is structured in a way that parallels to the broader economy but counteracts obstacles posed by the larger market structure. Specifically, the interaction of the two

sectors reproduces an interrelated relationship between consumption and reinvestment. On one hand, the protected sector initiates capital circulation from within the enclave thus steers clear of ethnic resources being extracted outside the enclave; on the other hand, income accrued from the export sector could in its turn, prepares further investment in the protected sector. In this way, capital gets re-injected from the broader society into the ethnic capital market, turning both the protected and exported economic sectors into a virtuous circle. Equipped by co-ethnicity ownership, ethnic network resources, and physical proximity in an ostensibly co-ethnic area, an ethnic enclave economy allows its incumbents to rise not necessarily from the lowest rung of a social ladder (Zhou, 2004; Light & Karageorgis, 1994).

The secret therapy as to why an ethnic enclave propel the upward mobility partly lies in how the structural duality projected onto ethnic entrepreneurs and shaped their identity. The structural duality leaves an imprint on the ethnic entrepreneurs by molding them into entrepreneurs who have a dual identity as both middlemen and enclave entrepreneurs. On the one hand, they hold the middleman minority trait by maintaining an interface with the broader economy; on the other hand, they exploit the benefits generated through the enclave economy by ethnic resources. The rise of the middleman minority is attributed to a need to exchange goods and services with the outside economy. Such middleman minority groups operated between the social elite and the masses and were recognized as sojourners interested in making money quickly and then returning home to reunite with family members (Siu, 1952; Bonacich, 1973). Such activities won them a leg in getting ahead in entrepreneurial ventures by

performing the duties of intermediaries in economic exchanges, but pushed them to inter-ethnic antagonism and intra-ethnic solidarity (Bonacich, 1973), which further hinder their assimilation. These middlemen entrepreneurs were often typified as petty traders, merchants, dealers, shopkeepers, peddlers, and hucksters, who worked in restaurants, laundry shops, sweatshops, groceries, retail stores, salons, and taxicabs (Zhou, 2004). By adopting small business ownership in a co-ethnic neighborhood, such entrepreneur groups achieved socioeconomic mobility (Glazer & Moynihan, 1963).

Another distinct identity these entrepreneurs have is that of enclave entrepreneurs embedded in both the structural setting and social relations of the enclave economy. Ethnic enclave entrepreneurs express varying concepts of such a singular social group, but reach an agreement when defining such a group as being bounded by co-ethnicity, co-ethnic social structures, and location (Zhou, 2004).

Parallel to the structural component, an enclave economy comprises a cultural component that contributes to the success of ethnic business ownership (Zhou, 1992). Cultural components refer to culture-specific internal organizations and ethnic social relations (Evans, 1989; Portes & Bach, 1985; Portes & Jensen, 1989; Portes & Zhou, 1996; Wilson & Portes, 1980; Zhou, 1992). Further strands of arguments following this line refined an ethnic enclave economy by highlighting the prerequisite role of predisposing characteristics that drive an enclave economy to prosper, such as culture-specific attributes and human or financial capital that immigrants brought with them, as well as ethnic resources, especially social relations. Portes and Zhou (1992)

reckoned that a context-bounded solidarity and an enforceable trust grows from within an ethnic enclave, which laid the mechanisms for norms and values to be enforced and for socially disapproved behavior to be sanctioned. In such an ethnic enclave, “relationships between co-ethnic owners and workers, as well as customers, generally transcend a contractual monetary bond and are based on a commonly accepted norm of reciprocity” (Zhou, 2004).

Such an ethnic-cultural argumentation substantially supported the ethnic enclave theory. Culturally, economic activities are controlled by bounded solidarity and enforceable trust (Portes & Zhou, 1992). Relationships between employers and employees, as well as between sellers and customers, are reinforced not only by geographical proximity, but also by an ethnic network. Such ethnic resources have been found pervasively as an alternative avenue for immigrant minorities to establish and promote their enterprises, and are commonplace to be discerned as a form of social capital (Granoveter, 1985; Portes & Ruben, 1990; Aldrich & Waldinger, 1990; Bailey & Waldinger 1991; Portes, 1995). Over the years, scholars have been concurred that ethnicity-specific social capital is crucial to the prosperity of ethnic entrepreneurial enterprises (Bonacich & Modell, 1980; Light & Bonacich, 1988; Sanders & Nee, 1996; Sequeira, Mueller, & McGee, 2007; Sequeira & Rasheed, 2006), for interaction among ethnic actors promotes a trustworthy and a reciprocal microenvironment. Social norms emerge endogenously from within the enclave and prepare for credible commitment associated with mitigation of transaction costs and asymmetric information. Such social capital entailed in social norms have to be

fulfilled through concrete personal relations within close-knit networks and loose-knit networks based on trustworthiness and reciprocity. Specifically, the exploitation of ethnic ties could gain ethnic entrepreneurs access to multiple types of capital (Light, 1972, 1979; Light & Bonacich, 1988; Kim & Hurb, 1989; Light, Kwuon, & Zhong, 1990), necessary training to adapt strategies (Lovell-Troy, 1981; Portes & Bach, 1985; Bailey & Waldinger, 1991), cheap labor pool through informal referrals of their acquaintances (Waldinger, 1984; Portes & Bach, 1985; Evans, 1989), and customer base (Kinzer & Sagarin, 1950; Light, 1972; Aldrich et al., 1985; Evans, 1989; Boyd, 1996, 1998). In doing so, they cultivated a bottom-up reciprocity network to offset the highly volatile institutional environment in which they are subject to social discrimination, institutional exclusion, and high uncertainty associated with an unknown outside market and a dearth of local experience and credentials.

This form of social capital mostly engendered from kinship ties and extended family ties, with the latter being external ties that sprung from the family network but can link within and transcend an ethnic enclave. In areas where kinship ties are concentrated, the trustworthiness of the environment promotes expectation and obligation, as well as indicates that the obligation would be repaid, because the trust is more spontaneously enforced and monitored (Portes & Sensenbrenner). Family members feel compelled to turn to their families to seek initial financing, caution each other about the wrong tracks, advice on product portfolios, assist one another with implementing new technologies, and introducing reliable customers and employees.

In all rumination, an ethnic enclave economy model provides reasons as to why immigrants are not relegated to the underclass and delineates factors that lead to upward mobility, which indicates significant divergence from the traditional assimilation model. By taking an anti-assimilation standpoint, the ethnic enclave model argues that the eventual assimilation is not necessary. The core of such a model highlights the role of economic structure and ethnicity-specific social capital in fostering another mode of immigrant incorporation. Notably, such an anti-assimilation model does not necessarily object to assimilation per se, but indicates an alternative way for immigrants to achieve socioeconomic advancement in the new country while bypassing the process of acculturation. An alternative mode of incorporation is by no means a failure in assimilation. Immigrants choose to settle in an ethnic enclave not to have a stopgap but because doing so entails and generates resources for alternative upward mobility.

Self-employment as an indicator of upward mobility in an ethnic enclave economy

The loss of social capital and human capital are presupposed in a new cultural setting. Retracting the migration trajectories of Chinese immigrants provides plausible reasons to explicate why an enclave economy nourishes ethnic self-employment ventures as a legitimate path to upward mobility.

Upward mobility among Chinese immigrants has three main trajectories. One trajectory follows the time-honored path that immigrants move from bottom to upper rungs through hard work. However, because of a shift in geopolitics in both global and national scales, the chance to achieve upward mobility through hard work becomes slim for immigrants with limited education as well as technical credentials and language skills.

Another route to upward mobility features educational achievement and equivalent professional occupations. After World War II, the dramatic demand for scientific and technical personnel, fueled by changes in immigration law, which dispelled the quota, led inexorably to well-trained professionals from China (Nee and Wong 1985). One element in the Confucian Chinese culture endorses the possibility of this upward path (Ho 1962; Barringer et al. 1993) because of its respects for scholars. (Wong, 1980). These values serve as a constant reference point of their headways in an upward trend to the extent that the strong recognition of familial piety forces new generations of immigrants to comply with the educational aspirations imposed by their parents in order to be correctly coined as the model minority. Similarly, their pursuit of the American dream develops concomitantly as an outcome of better incorporation because their efforts in becoming the model minority are the best embodiment of the virtues of the Protestant spirit, which lies at the heart of the American culture. Therefore, by maintaining their racial and cultural identities, they exemplify and reproduce the American pattern of success, and thereby challenge the stereotype of eroticized, ridiculed, and even demonized Asians (Pensri 2003).

However, regarding academic success as an ascending avenue is problematic to the extent that knowledgeable immigrants might encounter obstacles as they enter into managerial and executive positions. (Zhou, 2004)) It is noteworthy that no matter what professional credentials they are equipped with and know-how they are, they find it hard to compete with Americans in the top-tiered positions.

Another trajectory developed from the ethnic enclave economy highlights ethnic entrepreneurship as an alternative way of incorporation. Self-employment, as widely adopted by ethnic entrepreneurship ventures, is intrinsically intertwined with upward mobility, and scholars frequently promote ethnic entrepreneurial ventures to belie economic returns on human capital. The globalized economy, accompanied concomitantly by dramatic market reform in China, has set into motion a tremendous influx of Chinese human capital and financial assets. According to the US Census, Chinese-owned 423,609 firms (27.3 percent), with receipts of \$142.8 billion (28.1 percent).

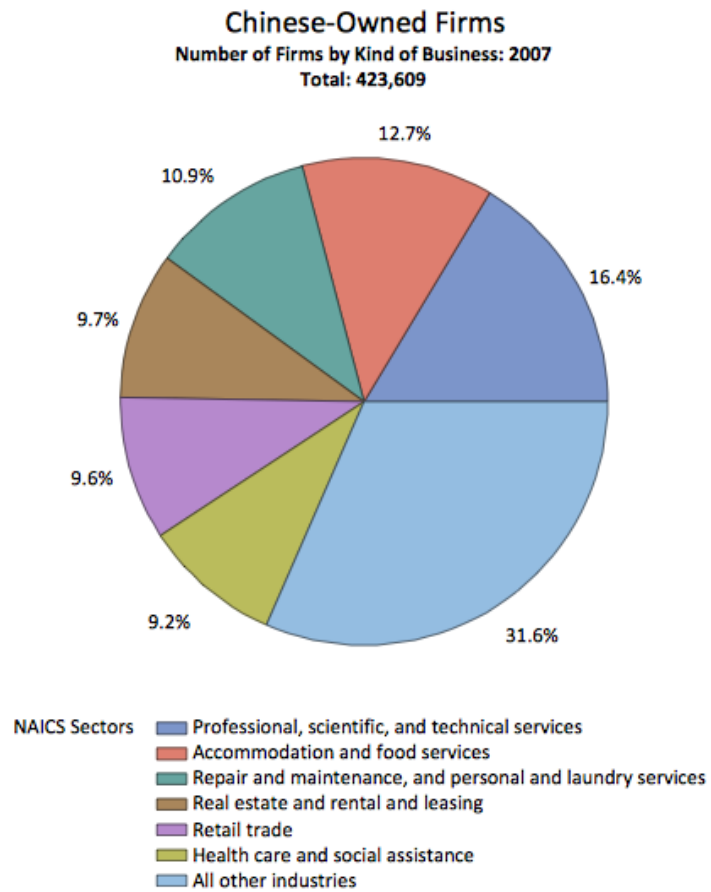


Figure 3. Number of Chinese-Owned Firms by Kind of Business^{vii}

Among Chinese-owned US firms, 40.0 percent were in the professional, scientific, and technical services sector; accommodation and food services sector; and repair, maintenance, personal, and laundry services sector.

California had the largest number of Chinese-owned firms at 166,411 (39.3 percent of all Chinese-owned firms), with receipts of \$69.5 billion (48.7 percent of total Chinese-owned firm receipts). New York and Texas were next with 86,025 (20.3 percent) and 19,864 (4.7 percent) Chinese-owned firms, respectively, with receipts of

\$19.2 billion (13.5 percent) and \$7.1 billion (5.0 percent) respectively. Among US counties, Los Angeles County, California, had the largest number of Chinese-owned firms at 61,758 in 2007. Queens County, New York, was second with 31,379 Chinese-owned firms. The metropolitan areas with the largest number of Chinese-owned firms were New York–Northern New Jersey–Long Island, NY–NJ–PA (94,314); Los Angeles–Long Beach–Santa Ana, CA (77,651), and San Francisco–Oakland–Fremont, CA (38,871). Paid or non-paid employees dictate the characteristics of the ethnic entrepreneurial ventures to be self-employed or not. In 2007, a total of 313,995 Chinese-owned firms had no paid employees, an increase of 59.4 percent from 2002. These non-employer firms generated \$14.7 billion in receipts, an increase of 58.0 percent from 2002. In 2007, non-employers accounted for 74.1 percent of the total number of Chinese-owned firms and 10.3 percent of receipts. Average receipts for these Chinese-owned non-employer firms in 2007 were \$46,905. Chinese-owned employer firms with less than five employees (65.4 percent of the total number of Chinese-owned employer firms) amounted to 71,719, generating \$25.4 billion in receipts (19.9 percent of all Chinese-owned employer firm receipts). In comparison, 1,660 Chinese-owned employer firms had 50 or more employees (1.5 percent) and generated \$39.6 billion in receipts (30.9 percent)(US Bureau of the Census, Survey of Minority-Owned Business Enterprises, 2007.) The enclave economy creates an environment that decouples the immigrants from insecurity, alienation, and ambivalence toward both the ethnic culture and dominant society. Embedded and nourished by the enclave economy, the self-employed businesses of Chinese immigrants thrive and become an alternative path to upward mobility and

consequently persist in the enclave economy.^{viii}

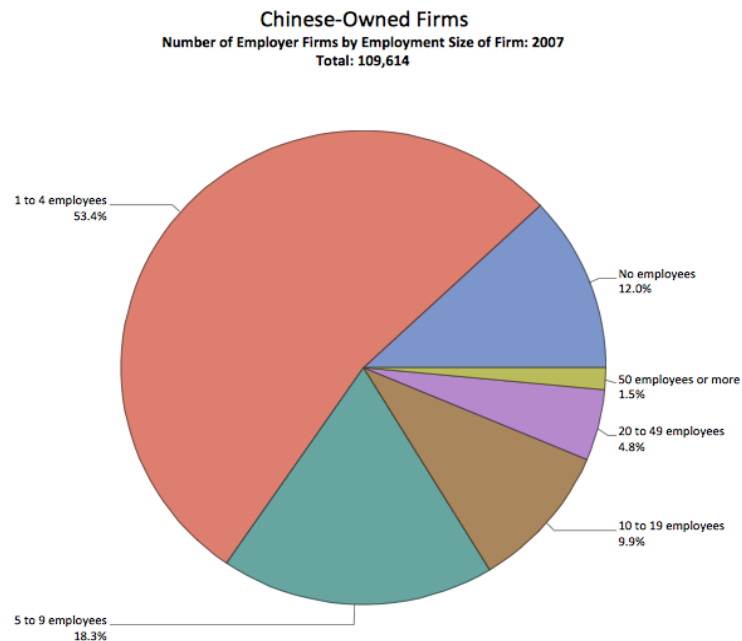


Figure 4. Number of Employer in Chinese-Owned Firms by Employment Size of Firm

Total: 109,614^{ix}

The beneficiary of such an enclave economy is limited to self-employed entrepreneurs who secure their upward mobility through lucrative profit accrued from co-ethnic resources. Significant earnings return on education and working experience were only found outside the enclave. However, the earning-return hypothesis was considerably contradicted because of the discordances in conceptualizing an enclave. A heated debate centers on whether an enclave refers to residential location patterns or a concentration of economic activities. Some strands of schema defined an ethnic enclave only by place of work (Portes and Jensen, 1987), they further reckoned that a definition by “place of residence” missed the central point because the definition ruled

out the ethnic enclave economy as a distinct economic sector with both primary and secondary market sectors. People who live outside but work inside the enclave may be at an advantage than others. Those who live in more affluent or suburban areas still exploit ethnic resources from within the enclave as their avenues to achieve upward mobility. Some scholars found certain connections between the two (Hiebert 1993; Sanders and Nee 1987; Thompson 1979). They proposed that economic activities are structured by an interplay between sociocultural contexts in which co-ethnicity network and geographic proximity are embedded. Thus, living and working in an enclave can facilitate access to a close-knit employment network based on family, kinship, and community agencies to effectively reduce the inconvenience and time involved in looking for a job, recruiting an employee, and searching for customers. Disadvantages associated with low stock of human capital are thus circumvented.

CHAPTER 3

COMPARATIVE ANALYSIS OF ENCLAVES IN FLUSHING AND MONTEREY- PARK CITY

Function of human and social capitals

The thrust of this present study is to know how immigrant entrepreneurs offset the loss of social capital and sharpen their human capital in the process of relocation, and how they use resources generated through their micro-environment and macro-settings to re-establish roots in a new cultural setting.

Replete with ethnic resources, an enclave economy is considered as a breeding ground for self-employed business. Scholars have pointed out two types of resources, namely, human capital and social capital, as pertinent to immigrant self-employment ventures (Light 1972; Kim and Hurh 1985; Kim, Hurh, and Fernandez 1989; Borjas 1986, 1991; Min 1986; Lee 1988; Evans 1989; Boyd 1990; Waldinger, Aldrich, Ward, and Associates 1990; Archer 1991; Yoon 1991; Bailey and Waldinger 1991; Bates and Dunham 1993; Bates 1994). Based on the work of these scholars, this study examines the extent and forms human and social capital are embedded in an enclave economy and influenced by a matrix of factors to account for the emergence of self-employment in the enclave economies in New York and Los Angeles.

Human capital mainly refers to foreign-earned education, English proficiency and equivalent skills. Although not highly appreciated in the mainstream economy, foreign-earned capital is intensively attributed to the success of ethnic business ownership in the context of ethnic enclave economy (Bates 1994; Min 1987; Yoon

1991), for it furnishes immigrants with knowledge to adjust for the dislocation. High stock of human capital, especially good education or ample financing, dictates higher socioeconomic status and indicates greater access to resources necessary for an ethnic business, such as financial assets, loans, investment, and advantages conferred by institutional mechanisms. Immigrants with better education are more likely to know how to run a business, and, therefore, visualize successful business operations in a milieu similar to their country of origin (Portes and Zhou 1992; Zhou 1992). Human capital, to a certain extent, is embodied in financial assets. In contemporary China, a higher position in the socioeconomic ladder is not so much a direct result of higher educational level, but from the greater volume of financial resources. Faced by a volatile investment and political environment in China, some cadre-entrepreneur emigrating elites are keen to transfer their money, their own businesses and even their spouse and children abroad. In light of a sizeable immigrant population they consist, and the situation of dislocation where earlier advantages can no longer be embodied through power or resources accrued from positions, household income or financial assets serve as a significant scale in gauging human capital.

The magnitude of family-based social capital social capital is highlighted here in facilitating self-employment (Bailey and Waldinger, 1991; Jensen and Portes, 1992; Sanders and Nee, 1987, 1992; Zhou and Logan, 1989). Social capital in this form is embodied in mutual obligation and trust characteristics of solidarity in a small group (Sanders and Nee, 1996). Family members conduct routine tasks, such as reproduction, child rearing, and productive activities, and cooperation is identified within such ongoing social exchanges (Homans [1961] 1973:356-73), which result in the

accumulation of social capital. Thus, internal solidarity consolidated by family membership is self-reinforcing and less susceptible to a volatile business setting because cooperation is stimulated more from morality toward living up to mutual expectations and fulfilling obligations than self-interest. This study favors social capital engendered from social exchanges among family members, which has been depicted as “household communism” (Weber [1922] 1978).

That family substantiates self-employment by furnishing resources for immigrants to act on is validated by previous studies. As a warehouse, the family possesses a dense web of social networks exploited to achieve collective goals (Erree 1979; Perez 1986; Coleman 1988; Fernandez-Kelly and Garcia 1990; Hamilton and Kao 1990; Kibria 1994). The family endows each of its members with support from collectively-owned capital, a credential that entitles members to credit in various ways (Bourdieu, 1983). The support of the family to self-employment is embodied by providing labor and financial resources. Sharing housing with nuclear and extended family members and employing family labor largely economized living and operational costs. Loans extended by family members shortened the period of fund raising for start-up finance. Other advantages accrued from using family labors in self-employment ventures. Family labor could help address sensitive transactions when the stake of committing malfeasance is high. By the same token, family labor is more reliable to process underground transactions to circumvent taxes and regulations. This form of social capital fuels ethnic business growth by cutting transaction costs (Sander and Nee, 1996). Most importantly, family-based social capital could convert to pragmatic support to achieve business ownership. From nuclear to extended family

members, any related adults can serve as sources of capital pooling and family labor (Sanders and Nee, 1996). Family-based social capital could be measured by kinship ties, which are embodied in marital status, number of close relatives, and relationship with the head of the household. As a result of the expectation and obligations, social capital in this form transforms intangible internal solidarity to tangible materials such as investment capital and family labor for the establishment of a family business. Scholars identified this schema as positively prompting ethnic business ownership.

Interactive nature of environmental incentives and immigrant capital to perpetuate ethnic self-employment in two ethnic enclaves

Chinese Americans have made tremendous inroads into mainstream America. The convergence of Chinese immigrants in gateway cities such as Los Angeles and New York is explained by the economic restructuring process, history of Chinese immigration, and place-specific contingencies. This section of the paper probes the different functions of ethnic enclave economies to perpetuate self-employment among Chinese immigrants by examining the interactive nature of macro- and micro-level causes as well as ways to synthesize and mobilize these causes in different localities.

Notable discrepancies between characteristics and structures of these two enclave economies are identified despite their comparable immigrant population size and setting as global hubs. This section postulates that the interplay between environmental incentives stimulated by an economic globalization process, shifting geopolitics, immigration policies, and place-specific contingencies can be attributed to

the basic structure of an enclave economy. Different enclaves have different underlying conditions resulting in self-employment outcomes; thus, by influencing the approach to facilitate entry to self-employment, specifically, social capital and human capital of immigrants, the combined force in one ethnic enclave has a unique imprint on immigrant capital, rendering the social and human capital of immigrants in one enclave to be context-bounded to further differentiate one enclave from another.

New York and Los Angeles were parallel to each other and selected as a pair of counterparts because of their comparable function in mobilizing resources that significantly influence immigrant self-employment. These two cities are the two largest immigrant hubs in the US and the two traditional gateways to a large pool of Chinese immigrants. The significant influx of immigrants determines the heterogeneity of socioeconomic background and historical origins and provides an endless supply of labor in both high-end and low-end labor markets. Additionally, both cities are recognized as the new frontiers with a global interface, leading to accelerated flows in capital, information, personnel, and techniques, and yielding an incorporated enclave economy characterized by structural duality to resemble the labor market structure in the mainstream society. A fully functioning ethnic enclave economy in these two cities implies that the economic structure, specifically industrial and occupational structures in the enclave, would be, at least similar, if not identical to that in mainstream society, entailing a highly differentiated division of labor organized around the structural duality. Although an exclusive capital, labor, and consumer market oriented toward the ethnic population secured the protected sector, the export sector re-circulated and reinvested its generated income in both sectors. With such a

structure, immigrants do not necessary to climb from the lowest rung of the occupational ladder. Achieving upward social mobility is possible by participating in the enclave without the extensive acculturation. Being confined within the enclave by no means indicates a failure in assimilation.

Therefore, both New York and Los Angeles experience violent shuffling domestically and internationally as they are incorporated into the economic restructuring process, and engender endogenously a sophisticated structure within the enclave to cope with the dynamics at different levels.

Emerging separately from the status of a 19th-century immigrant walk-in city and a newly rising global outpost, Flushing and Monterey Park are two typical ethnic enclaves worth studying. They are believed to be intensively influenced by the combined forces of macro-conditions and micro-contingencies, and have social and human capitals generated through this shaping process. The interactive nature of environmental forces and immigrant capitals are nurtured and strengthened in these two typical enclaves, dictating the self-employment rate by different combinations and functions of factors.

A first divergence concerns different industrial configurations across these two enclaves as a result of an economic restructuring process initiated by globalization. Different from cities that were drowned in such a global trend, New York and Los Angeles responded positively to economic restructuring. These global hubs require great volumes of financial capital and perpetuate numerous trades and transactions. Thus, they are less vulnerable to the alternation in economic structures and are resilient to the challenges imposed by the change.

Such economic globalization has undergone two processes simultaneously, namely, deindustrialization and reindustrialization. The economic restructuring process includes, but is not limited to, the rise of post-Fordism, along with deindustrialization of traditional manufacturing industries, reindustrialization of craft sectors, rapid expansion of service-sector activities and foreign direct investment, and growth in the scale and spatial reach of multinational corporations (Beauregard, 1989; Davis, 1992; Dymski & Veitch, 1996; Scott, 1988; Storper & Walker, 1989). Such a process involves plant closures, urban declines, shifts in migration patterns, and altered social relations to remove labor costs, retarget market share, and increase profits. Economic restructuring divides urban labor markets into two parts, namely, a dominant core sector characterized by knowledge-intensive or capital-intensive jobs that offer high salaries with fringe benefits, good working conditions, and ample opportunities for upward social mobility and a marginal but sizable sector characterized by low-skilled, labor-intensive jobs that offer minimum wages with no benefits, poor working conditions, and few opportunities for upward social mobility (Edwards, *Contested Terrain* 1979; Tolbert, Horan, and & Beck, 1980) “The Structure of Economic Segmentation.”). Such a process operating at the macro level is attributed to factors that spawn different ethnic enclave economies and economic structures across two enclaves. By reducing the costs and maximizing profits, the economic restructuring process on a global scale intensively lifts the barriers of information exchange, as well as accelerates capital, personnel, and technology to circulate internationally. The two processes have distinctive effects on the formation of enclave economy. To reduce costs and boost profits, many international

corporations in the US have transferred their labor-intensive plants overseas to gain a competitive edge over corporations in other countries. This output of capital inexorably shrank the traditional manufacturing sectors and shrank the demand for high-waged unionized jobs. Meanwhile, such deindustrialization directed the US dominant economy to shift from heavy manufacturing to service-oriented sectors, with emphasis on high-end work such as high-technology and FIRE jobs, as well as low-end work requiring low skills.

In response to the economic restructuring process, industrial structures domestically and globally have changed, as embodied by the establishment of plants that use cheap labor in the US. Consequently, unionized and high-wage labors are abandoned, whereas non-unionized, low-wage labor is rising. The change in demand for labor serves as the footnote for a shifting labor market from traditional manufacturing sectors to craft manufacturing and consumer service sectors. Along with the recession in traditional manufacturing cities such as Detroit, the economic restructuring also witnessed the increasing interface with the ethnic enclaves for cheap labor. The situation remained the same in the high end of the labor market because of increasing demand for high-skilled labors in the high-tech and FIRE industries. The upper half of the labor market is more geared toward producer service sectors. Consequently, immigrants in an ethnic enclave economy forge stronger links with the economic system in the mainstream economy because of reindustrialization in response to the need for resource optimization. To reduce costs, reindustrialization entails subcontracting certain industrial functions to small-scale enterprises with low labor cost, and thereby connecting with ethnic enterprises. Subcontracting in many

sectors may involve below minimum-wage payment schedules, nonpayment of mandatory overtime and social security tax, industrial homework, child labor, and substandard working conditions (Li, 2009), which could be circumvented by operating inside the ethnic enclave economy. Moreover, reindustrialization provides the basis for both high-tech, high-wage sectors and low-skill, low-wage sectors. High-tech and FIRE industries increasingly favor immigrant professionals. Also, the garment industry with a salient presence in metropolitan areas involved a large number of immigrants to carve the niche for labor-intensive jobs to be filled within the US by co-ethnic labor in a self-sustained and segmented economic system.

Some ethnic niches in the ethnic labor market have been carved out, such as the garment and restaurant industries in New York's Chinatown because of the trend in economic restructuring. By creating the need to fill labor-intensive jobs inside the US, the ethnic economy can provide the necessary workers, often circumventing US labor protection laws because immigrant laborers are employed by their co-ethnics in many cases and not by large US firms. These workers often have limited English language skills and some are undocumented and do not have the means to protect themselves.

By contrast, economic globalization set into motion the changing demand for high-skilled labor to drive the economic sectors into producer service sectors. Such a fundamental change in economic structure boosts the ethnic enclave economy in Los Angeles as a bustling economic center. Producer service economic sectors have to be fueled by foreign investment, thereby forging a linkage between Los Angeles and China.

A second difference is in the shift in immigration policies and geopolitics that stirred alterations in human and social capital that an individual immigrant can access. They tremendously shaped the demographic and socioeconomic fabric of the US. The early immigration trajectory created historical footnotes, implying that New York and Los Angeles had a parallel history dating back to the 1790s, when Chinese communities had developed from inner city Chinatown, and residents were predominately peasants from the Pearl River delta in rural Canton, South China where a Cantonese culture dominated (Zhou, 1992), who came to the US to pursue the “Gold Dream” and were expected to return to their country of origin after reaping a good fortune. These early waves of Chinese immigrants were legally halted immigration, naturalization and assimilation by the naturalization Law of 1790 and the Chinese Exclusion Act (1882-1943). They were forced to cluster in Chinatowns, creating their own ways of ascending socioeconomic ladder via ethnic resources (Zhou, 1992).

Immigrant predecessors came as sojourners, aspiring to earn quick money to support their families in China, only to find that they would be exploited as coolies. They performed painstaking menial labor in mines, railway construction sites, manufacturing, and other sites to meet the labor demand in manufacturing. They didn't bring their family with them, so Chinatowns remained a bachelor society for a long time. Until the founding of the People's Republic of China in 1949, the Korean War in the early 1950s, and the suppression over the Communist Party during the McCarthy era reversed the geopolitical relations between China and the US in favor of Chinese immigrants in the US, and later the passage of the 1965 Immigration Act, a large influx of immigrants from China had been initiated who were predominantly

nationalist elites seeking political asylum. Despite the identical need of both recent Chinese immigrants in New York and Los Angeles to pursue permanent settlement and economic prosperity, and their willingness to invest in their communities in the long term, their immigration trajectories began to deviate since the 1960s. Immigrants were heterogeneous to the extent that those in Los Angeles differed from those in New York in demographic origins as well as socioeconomic status.

Chinese immigrants in New York were the first-wave immigrants since the second half of the 19th century with peasant backgrounds from southeastern Guangdong province. They were more likely to migrate without their immediate families. The channel of rejoining family overseas had been blocked when the Communist Party assumed power from the Nationalist government in 1949, forbidding connection with the outside world for three decades (1949–1979) when Sino-American relations were at a stalemate. Although the US immigration policies began to favor family reunification as early as 1945, the War Brides Act and immigration law were liberalized in 1965, limiting an annual quota of 20,000 for Chinese nationals. Few Chinese were able to use those laws to their advantage given the destructive political turbulence of the Cultural Revolution 1966 to 1976. During that period, people with relatives abroad were sent to labor camps. Thus, New York's Chinatown was recognized as a bachelor society until 1965 (Zhou, 1992). Later, China gradually lifted the barriers to emigration, and the immigration peak fell at the end of the Cultural Revolution because of the launch of open-up policies and the normalized diplomatic relations between China and the US in 1979. Grounded in these historical roots, the successive waves of immigrants in New York were dominated by a channel

of family reunification. Such immigration channel largely attenuated the sociocultural and psychological dislocations and eased the relations between immigrants and the receiving society (Papademetriou 1990, p. 12). Consequently, 80 percent of all immigrants entering the US were either immediate family members or close relatives of US citizens or permanent residents.

The immigrants categorized as family members were equipped with low human capital and life savings and clustered into garment and restaurant industries where low-paying jobs were anticipated for low-skilled immigrants. However, the influx of immigrant arrivals on family chains did not stir tumultuous change in the local labor market. By contrast, an immigration flow of low-skilled people would not necessarily fill up the vacant niches in the local secondary economy (Zhou, 1992), and immigrants would not displace native workers in the dominant economy because these immigrant workers were employed by their co-ethnics and not by the core economy, thereby creating more opportunities for labor-intensive jobs in the mainstream economy. To a certain extent, the influx of low-skilled immigrants accelerated the economic restructuring process with cost reduction as a function of its nature. The channel of rejoining family in the US has prepared a large pool of cheap labor and mobilized immigrants to circumvent a path to start from the lowest rung of the socioeconomic ladder although they have limited language skills and related abilities to earn a living in the US. By creating economic opportunities in the enclave market, immigrants integrated into a segmented ethnic economy contributed ostensibly to the US economy. Moreover, these immigrants were highly motivated to pursue self-

employment ventures given the favorable conditions, and thereby significantly boosted the ethnic enclave economy.

Los Angeles, in contrast, gravitated Taiwanese immigrants with high human capital and socioeconomic status (Zhou, 1998; Waldinger, 1996). The arrivals mainly represented the second wave of immigrants who suffered during the Sino-Japanese war, Civil War, and Cold War that deteriorated the relationship between China and the US. They were more likely to emigrate under political or professional channels with an overrepresented Taiwanese origin, bringing their families and financial assets with them. Contrary to the situation in mainland China when the country was totally isolated from the outside world, a limited number of exit permits were issued for those who were petitioned to emigrate to the US as political refugees and professionals. Long after the restoration of the relations between China and the US, political uncertainty in Taiwan, particularly the lack of political freedom and stability as well as the fear that the Communist party would take over Taiwan, haunted many Taiwanese. The exodus from Taiwan to the US had been initiated since 1949 when the defeated nationalist elites fled mainland China as refugees. A notable portion of professionals mingled in the outflow population to pursue and stay permanently in the US. In addition, the economic recession mobilized large portions of investors from Taiwan and Hong Kong to transfer their capital to the United States in an attempt to secure their assets and maintain their success in business. These immigrants mostly belonged to the middle class or upper class, and they were the better-educated immigrant groups that brought with them considerable financial assets. However, regardless of national origin, Chinese immigrants in Los Angeles tended to be better educated and had more

professional experience and higher socioeconomic status than those who settled in New York (Waldinger & Tseng, 1992). Thus, they were less likely to come under the category of family reunification but under the occupational and professional category. For these atomic immigrants with relatively higher human capital and financial assets, they feel less compelled to sponsor their extended family members. Therefore, the strength and function of ethnic networks in Los Angeles are disparate from that in New York.

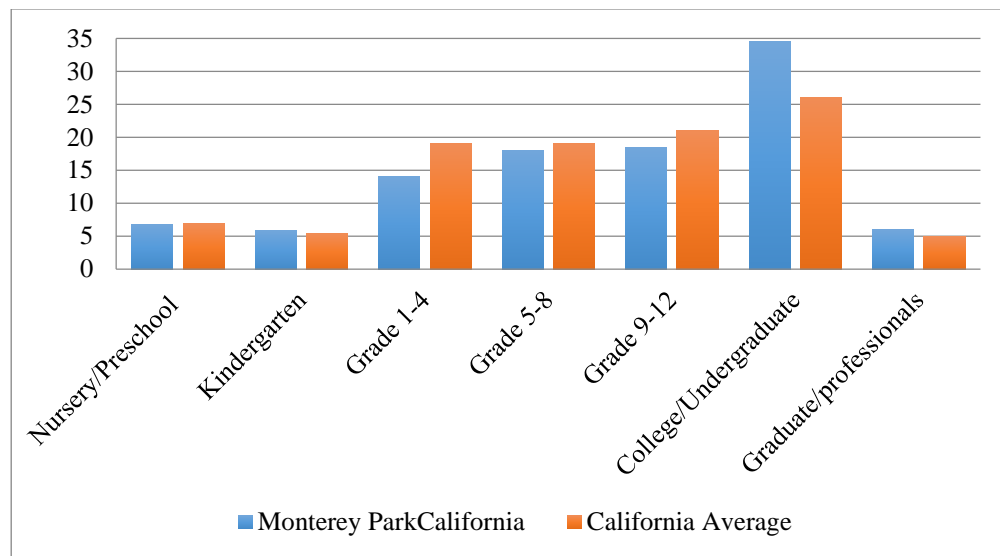


Figure 5. School Enrollment by Level of School (%) in 2010^x

The third divergence focuses on place-specific conditions faced by the two ethnic enclaves. This microenvironment mainly refers to spatial configuration and characteristics associated with specific contingencies.

Both located in a large metropolitan area, Flushing and Monterey Park both enjoy resiliency and flexibility in the local labor market, enabling a large margin of economic prospects that could be carved by ethnic entrepreneurial ventures. The large-

scale metropolitan area is associated with the ethnic minority's labor market dominance, which indicates how large a market margin is left for ethnic entrepreneurs by the majority of the population. Moreover, the proportion and size of one immigrant group in the total population of the metropolitan area (Fairlie & Meyer, 1996) also suggests the ethnic market size. Residing in a large metropolitan area is positively linked to self-employment propensity (Fairlie & Meyer, 1996), as the proportion and size of one's own ethnic group are sufficiently large to support ethnic-based entrepreneurial activities for pooling capital, preparing for reinvestment, and enlarging customer base.

Self-employment, which is capable of lifting ethnic self-employment ventures, is different between Flushing and Monterey Park. As a gateway city to the Pacific Rim, Los Angeles boasts of its geographic proximity to the Asian economy. Its location situates Los Angeles at the interface where aggressive economic, educational, and business exchanges occur, giving Los Angeles an outlook that is beyond the locality to target the global market. Economic connections between Los Angeles and China are strong as evidenced by the Los Angeles Customs District handling about 40% of total US trade with China. The ostensible rise in economy involves foreign direct investment (FDI). Along with the "go global" policy launched by the Chinese government in 2001, China's outward FDI surged to nearly \$7 billion, and it has multiplied since then. Los Angeles has a huge customer market and thus has the potential for FDI prospects. It greatly attracts Chinese investments and directs such investments mainly to the manufacturing and distribution sectors. These sectors are considered to gain magnitude among Chinese investors who are looking to expand

their business overseas. In 2008, transportation and warehousing was the largest sector (1100 workers and \$62 million in wages), followed by wholesale trade (900 workers and \$49 million in wages) in Los Angeles County, which accounted for 2700 workers and \$158 million in wages from Chinese- and Hong Kong-owned and affiliated establishments. Investment in sales and service sectors also take a great portion of the customer-oriented market. With the growing demand for producer services, FDI also takes the form of high-tech and research investments in an attempt to forge links to educational institutions in Los Angeles and to generate a virtuous milieu for innovations. The connection among universities, such as University of California, Los Angeles and University of Southern California, industries, and corporations supports an innovative nature. This innovative atmosphere is enjoyed by scholars who flock to this area and by groups of co-ethnics who seek funding and advice from local venture capitalists and university researchers. FDI in the real estate sector is also common given the large influx of people.

Table 3: Foreign-owned Establishments by Major Industry Sector China in 2007^{xi}

Sector	Primary	Secondary	Total	% of
	Locations	Locations	Establishments	Total
Wholesale Trade	69	2	71	59.5%
Transportation and	19	9	28	16.4%

Warehousing				
Other	28	0	28	24.1%
sectors				
Total	116	11	127	100.0%

Table 4: Foreign-owned Establishments by Detailed Industry China in 2007^{xii}

Industry	Total Establishments	% of Total
Merchant Wholesalers, Durable	56	44.1%
Goods		
Support Activities for Transportation	16	12.6%
Merchant Wholesales, Nondurable	15	11.8%
Goods		
Other Industries	40	31.5%
Total	127	100.0%

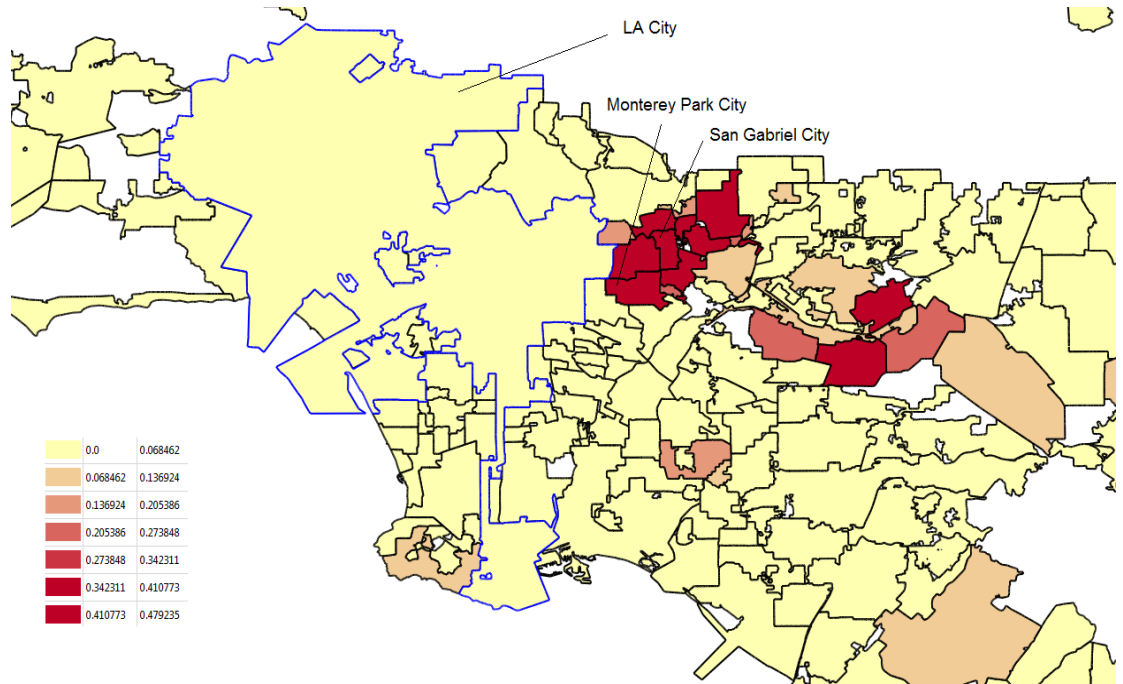


Figure 6. Residential Concentration of Chinese in Los Angeles County in 2010^{xiii}

In addition, Los Angeles has a unique spatial configuration. Los Angeles County is considered one of the most ethnically diverse places in the United States (Allen and Turner, 1989) as well as the most populous county in the nation in terms of total population and the number of Chinese residents. As of 2000, Monterey Park's racial composition was 7 percent white, 41 percent Chinese, 21 percent other Asian, 30 percent Hispanic, and 1 percent African American. As in many other cities, the Chinese population of Los Angeles is historically centered in downtown Chinatown, the history of which can be traced back to the 20th century. Locally, the evolution of Los Angeles County's ethnic enclaves follows a line of suburbanization, expanding from the inner city Chinatown to the outlying suburban areas. Contrary to what is

predicated by spatial assimilation theory, these enclaves are not dispersed into the outer society. Their persistence in the physical location and extension to wider areas go along with the growth of the ethnic enclave economy. Haunted by the small-scale, congested, and dirty inner city Chinatown, affluent immigrant minorities have a strong tendency to bypass central cities and directly settle in suburban areas where immigrant residential clusters and ethnic business districts already exist. As of 2000, the Chinese who remain in the old inner city Chinatown in Los Angeles accounted for less than 3%. Monterey Park City in San Gabriel Valley is a favorite destination of new waves of Asian immigrants because of its large number of Asian immigrant residents, superior amenities and educational environment, and convenience in commuting to work. The San Gabriel Valley is a large suburban area located east of Los Angeles, north of the Puente Hills, south of the San Gabriel Mountains, and west of the Inland Empire. It has 31 municipalities and 14 unincorporated communities from Los Angeles County (Zhou, 2009).

Situated in the heart of the San Gabriel Valley, Monterey Park is the core of suburbanization development (Fong, 1995; Horton, 1998; Li, 1997; Lin and Robinson, 2005; Tseng, 1995; Tseng, 2009; Zhou, 2009) covering a frontier area that interfaces with the Pacific Rim nations. Capital, commodities, information, personnel, and techniques are dramatically and intensively exchanged in the frontier area, as directed by an economic restructuring process. The connections with the global economic system and the international capital circulation describe the economic structures in Monterey Park as dominated by the high-skilled producer service industry, especially the finance, insurance, and real estate (FIRE) industry, and by the low-skilled labor-

intensive manufacturing service industry. For instance, FIRE accounted for 1006 firms in 1996, which is more than 11% of all ethnoburban Chinese businesses (Asia System Media, 1996). The FIRE industry also has a strong connection with the global economy. According to Li (1998), highly educated ethnoburban Chinese professionals, such as insurance agents, attorneys, and accountants, are usually involved in professional and related services and in the FIRE industry.

Beginning in the 1960s, outwardly mobile Chinese immigrants moved out from Chinatowns to suburban areas. Immigrant minorities flocked to Monterey Park to secure better housing and neighborhood environment. These immigrant minorities included native-born immigrant generations and wealthy immigrants, forming small-scale immigrant residential clusters similar to the White Flight trend. These immigrant minorities moved to Monterey Park and bought properties with a desirable neighborhood and schooling environment. When the traditional small-scale and congested inner-city ethnic enclave could no longer house all the new immigrants, many settled directly in the suburbs without ever experiencing life in an inner-city ethnic enclave. During the 1970s and the 1980s, Monterey Park particularly emerged as a Chinese population hub, superseding the old Chinatown as a new cluster where housed a heterogeneous composition of immigrants, ranging from millionaires to life-earning labors. Thus, Monterey Park was proclaimed as “America’s first suburban Chinatown” by the *Los Angeles Times* (Arax, 1987; Fong, 1994). Monterey Park functioned not only as a residential area but also as a business hub for the Chinese community in the early 1980s. According to Tseng (1994a), “The Chinese central

business and strict is now at Monterey Park, about 13 kilometers to the East of Chinatown, immediately adjacent to the city of Los Angeles.”

Chinese businesses with a remarkable immigrant imprint developed quickly in the enclave economy in Monterey Park, such as Chinese restaurants, grocery stores, bookstores, and gift-shops, which were oriented to fulfilling the needs of ethnic clientele. Professional firms were also established, such as banks, medical and law offices, and real estate firms at that time. The immigrants with a high educational and high income levels and who were identified as professionals and entrepreneurs in Monterey Park outnumbered those in other larger metropolitan areas such as New York (Waldinger and Tseng, 1992), as a locality that is heavily suburbanized tends to aggregate to the professional population. The potential prosperity and the political uncertainty in the 1970s in Hong Kong and Taiwan caused a large tide of the middle and the upper class to settle in the United States with their families, life savings, and wealth. These immigrants shunned the traditional enclave niches and the traditional ascending trajectory, and chose to carve a new path for upward mobility by expanding their existing businesses in the United States or launching new ones. These investors were able to start large-scale businesses immediately upon arrival (Tseng, 1994a).

Monterey Park has many characteristics beyond the surface ones that make it a symbolic of wealth and capital among immigrants.

First, compared with the Chinatowns, which have unfavorable conditions, congested living areas, diverse immigration origins, and high price of property, Monterey Park has superior living conditions that has been seen as a gravity to a multitude of immigrants in search for more affordable homes, better living conditions,

nicer neighborhoods, and better school districts (Monterey Park Oral History Project, 1990). This trend was accelerated by the unexpected geopolitical shift caused by the 1965 Watts civil disturbance in South Central Los Angeles. This incident forced the storeowners in that area who lost their savings in the civil disturbance to move to safer suburban areas.

Second, Monterey Park has excellent traffic accessibility. Surrounded by three major freeways, namely, Interstate 10 to the north, Interstate 710 to the west, and State Highway 60 to the South, Monterey Park is highly convenient for transportation. Therefore, residents can easily go to downtown Chinatown for daily shopping, meals, and socialization, and to commute to work (Monterey Park Historical Society, 1990).

Third, most Monterey Park residents came from the networks of these immigrants. These people formed an image of Monterey Park based on the stories from their friends and relatives who had moved earlier to Monterey Park. Through this networking, they made Monterey Park their optimal choice.

Fourth, Monterey Park endorsed a friendly atmosphere for housing ethnic minority groups. At that time, nearby communities did not receive immigrants with heterogeneous origins and socioeconomic backgrounds. The end of the Vietnam War in the mid-1970s marked the age when Southeast Asian refugees flowed into the United States. Many of these refugees were ethnic Chinese from Vietnam, Laos, Cambodia, Mainland China, and Hong Kong who sought to find settlement in suburban areas. They represented a wide range of socioeconomic characteristics from a mainly Cantonese-speaking community made up of immigrants from Guangdong Province to a multilingual one composed of people who spoke Cantonese, Mandarin,

Vietnamese, and Cambodian. They significantly changed the demographic landscape since they settled in Monterey Park.

Fifth, Monterey Park is perceived by Chinese folklore to have good feng shui. Hilly areas with excellent views are believed to bring good luck (Knapp, 1992; Wong, 1994; Klein, 1997). This characteristic attracted many Chinese immigrants. At one time, Monterey Park was even considered the Chinese Beverly Hills among the local Chinese, Taiwanese, and people from Hong Kong.

The relatively well-off population, active business ventures, decent housing and office stock, and multicultural atmosphere propelled by suburbanization in Monterey Park add to our insights into why Monterey Park City has steadily become the crossroad for an avalanche of Chinese immigrants to aggregate, paved the way for a booming development in producer service, and suggested industrial structure features for professional occupations.

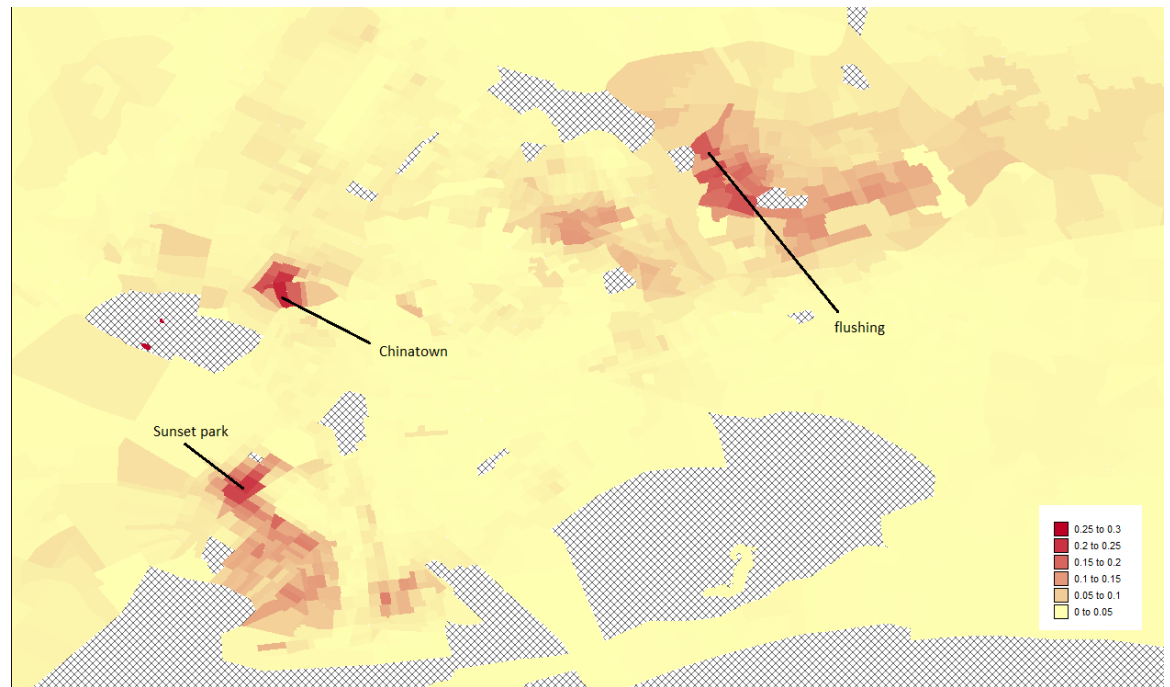


Figure 7. Residential Concentration of Chinese in New York City in 2010^{xiv}

Rather than deviating from the suburbanized ethnic enclave economy of Monterey Park, the local structures of Flushing motivate self-employed immigrants differently. Different from Monterey Park, where the greater Los Angeles area serves as the backup region for its prosperity, New York is relatively small in scale as traditional historic hub and does not leave many places for suburbia. Consequently, suburbanization in New York cannot be listed as a top reason that contributes to the self-employment outcome. Flushing, which is located in the central part of New York, traditionally and pragmatically facilitates self-employed businesses because of its family-based atmosphere. Flushing evolved when Manhattan's Chinatown sprawled outwardly because of the rising housing prices and deteriorating living conditions. Flushing was chosen as the primary location for establishing another Chinese enclave. Positioned in a different geographic location, Flushing developed with a Chinatown heritage, which was embodied by serving first- and second-generation immigrants who came to the United States by virtue of family reunification, and generated family-based social capital. This finding is in concert with that of Zhou and Logan (1991), who reported that most immigrant Chinese, wherever they choose to live in New York, are closely connected with the cultural and economic opportunities offered by the traditional enclave economy. This enclave not only refers to old Chinatown in downtown Manhattan but also refers to that in Flushing, Queens and Sunset Park, Brooklyn. In which, Flushing has predominant advantages that facilitate self-employment, and it is by no means a geographic derivation of the old Chinatown. In terms of location, its geographic proximity to Manhattan and its position at the end of

one of the subway lines give Flushing locational advantages as a transit hub that connects New York's largest business district in Manhattan with other job centers and ethnic communities. It conveniently transports residents from their workplace to their homes through bus and train lines.

Moreover, Flushing has many large sections of land that are either not reclaimed or have been vacated as a result of local deindustrialization, particularly on the western side of the neighborhood, flanking the Flushing River. The accessibility of land attracts investment capital into Flushing, particularly from Hong Kong, Taiwan, and South Korea. It is impossible to Estimating the amount of foreign capital that flowed into Flushing at the time is impossible. However, evidence shows that some corporations in Hong Kong and Taiwan transferred large amounts of capital to the area in response to what was considered a good location for exploiting local real estate and business opportunities. In the case of Taiwan, overseas investment became more attractive as an outlet for the vast foreign exchange surpluses that were accumulated because of the country's phenomenal economic success and political uncertainty that prompted foreign capital investment.

Aligning the combined force with immigrant capital

The interplay between macro factors and micro factors infiltrated to specific locality that drives social capital and human capital to be context bounded and take different forms in impacting on self-employment rate in ethnic enclaves in Flushing and Monterey Park city. By taking into account the influence of the combined shaping

force, major discrepancy between ethnic enclaves in Flushing and Monterey Park displays in mainly two domains:

First, the certain type of capital to be identified is different in Flushing from that residing in Monterey Park in fostering self-employment.

The type of capital used by immigrants for self-employed ventures in Flushing is mainly family-based social capital. Immigrants came under the category of family reunification overlaid on a craft manufacturing demand. Thus, this certain social capital from family relations was created to expedite self-employment. The positive impact of family-based social capital on self-employed ethnic business became evident when the blossoming of Chinese immigrant-owned businesses coincided with the avalanche of immigrants that flowed to the United States to rejoin their families in the late 1970s after the launch of China's opening-up policy. Family-owned businesses with no paid employees accounted for more than three-fourths of all immigrant enterprises (Light et al., 1994). The emergence of family-operated firms was attributed to the influx of immigrant family members into the United States when the wives and kids of the earlier sojourners arrived. Later on, it was caused by the enlarged families bringing in extended family members and relatives to the United States. The absolute disparity in number of immigrant family enterprises before and after family reunification explains the importance of family in bolstering immigrant business (Loewen, 1971). These organized immigrant family businesses usually constitute an important portion of manufacturing industries, particularly in the garments and restaurant industries. However, different metropolitan areas have different compositions of Chinese immigrants in the local labor market and industrial

structure. Immigrant businesses with Chinese imprint are usually found in the garments and restaurant industries in New York. Conversely, in greater Los Angeles, Chinese ownership has taken over the share of the customer service industry from Jewish, Italian, and Hispanic ownership (Waldinger, 1986). Most garment shops in Los Angeles owned by Vietnamese and Korean immigrants (Sanders & Nee, 1996).

Chinese immigrants have a tendency to work with co-ethnic members; they especially prefer to work with family members. In this way, they can mobilize the resources generated through the ethnic community via mutual aid activities. Specifically, not only can family members ease the way for those newly arrived by providing necessary advice about dealing with American institutions, such as obtaining a driver's license, receiving telephone service, creating a bank account, and accumulating credit (Nee and Sanders 2001), but they also give advice on how to start and run a business as well as help raise low-interest capital and supply cheap labor. Therefore, family-based social capital supplies cheap immigrant labors to be exploited in non-paid family workshops, which largely counteract the initial disadvantages associated with immigrants and effectively reduce the labor cost. Therefore, ethnic industries and business growth are stimulated.

Counter to Flushing, Monterey Park's self-employment mainly results from human capital. Created by a large second-wave immigrant population with higher professional credentials and financial capital for investment, Monterey Park's immigrant fabric is composed more of professional population than immigrants who came under family reunification. Endowed by higher stocks of human capital,

immigrants in Monterey Park tend to rely less on family ties to work out their business problems and start their self-employed businesses immediately upon arrival. The entrepreneurial class can take advantage of this ethnic solidarity to compensate for occupational disadvantages. Conceptually, if immigrants are structurally denied employment in the larger labor market, those with advanced education and occupational expertise would be expected to have a better chance at participating in the enclave economy, particularly in the protected sector and in the ownership positions of the export sector. They would probably be better able to capture the enclave advantages and gain sufficient returns from past human capital than they would in the open economy.

Table 5. Chinese only self-employed businesses in Queens County and Los Angeles County in 2002^{xv}

Industry	Queens County, NY				Los Angeles County, CA			
	# of	sales value	#	sales value	# of	sales value	# non-	sales value
	total	of total	non-	of non-paid	total	of total	paid firms	of non-paid
Construction	3,411	170,407	3,062	47,362	/	/	/	/
Manufacturing	565	239,562	362	8,762	1,188	2,141,479	349	18,826

Transportation	2,860	465,023	284	354,762	1,960	935,232	622	844,949
Wholesale trade	1,886	1,106,063	990	77558	7,397	16,457,613	3,288	383,785
Retail trade	3,186	946,458	2,509	70,722	6,315	3,260,977	4,647	265,445
Finance	/	/	/	/	2,435	520,707	322	288,019
Real estate	2,148	322,766	1,828	118,806	6,383	687,413	5,717	421,278
Professional, scientific, and technical services	2,722	236,468	2,302	55,387	9,813	889,145	8,462	337,192
Administrative management	1,629	41,373	1,588	25,372	2,215	315,246	1,719	35,818
Educational services	492	26,243	446	3234	1,395	86,638	1,195	26,250
Health care and social assistance	2,231	176,792	2,002	59,129	6,134	1,991,565	4,121	200,663
Accommodation and food services	2,614	298,368	1,914	47,172	2,975	1,466,428	741	35,592

Second, the industrial structure formed by economic restructuring, shifting national policies, and local contingences is saliently different between Flushing and Monterey Park. The industrial structure in ethnic enclave reflects the labor market in the mainstream society. That is, a deindustrialization process curtails the traditional manufacturing margins, and a reindustrialization process revitalizes the service and producer sectors, indicating a growing demand for FDI. The changing backdrop in the economic structure leads to a change in labor market, which is embodied by the growing demand for both high-skill and low-skill workers.

Significant breaches in immigration policies and geopolitics have directed immigration flows and thus changed the circumstances of the sending and receiving countries of immigrants. The large immigration tide gave rise to change in immigrants' economic relations and socioeconomic status, as both immigrant entrepreneurs/professionals and cheap labor (Light & Bonacich, 1988) have set foot in the United States in pursuit of economic prosperity. Craft manufacturing sectors sought huge numbers of cheap labor, and the producer service sector called for high-skilled workers to fulfill the ever-growing need in the FIRE industry (Grayson, 1995).

Together with the dynamics manifested at the macro level, place-specific contingencies also significantly affect the industrial structure at the local level. Micro-environmental factors affect suburbanization in a manner that makes Monterey Park vibrant enough to support the ethnic enclave economy and incorporate it into the global economic system. Such a setting allows economic ties to be engendered from within the enclave to the globalized economy, thus favors the self-employment to be geared toward the global economy in terms of industrial structure. On the one hand, the recession of traditional manufacturing sector curtails unionized low-wage jobs, coupled by the revitalization of craft manufacturing sectors and producer service sectors that call for both high-skilled professionals and low-skilled cheap workers dramatically change the fabric of economic structure locally, on the other hand, the changed structure strongly reflects the structure of a globalized economy. Consequently, industrial structure in Monterey Park is overrepresented in FIRE, especially services with international linkages like real estate and banking; in the backdrop of reindustrialization, craft manufacturing sectors especially in textile and

food services and distributing sector such as transportation gain predominance in influencing the local industrial structure and bear important meanings upon both sub-contractors and cheap labors (Li, 1997)

Table 6: Industrial Structure: suburban enclave versus Los Angeles County (%)
in 2002^{xvi}

Industry	Monterey Rosemead	and County	Los Angeles
<i>Major Industry</i>			
Retail Trade	20.0		18.3
Manufacturing	19.3		26.7
Professional and Services	16.6		14.6
FIRE	13.2		5.7
Accommodation and Food services	9.0		5.3
Health care and Social assistance	7.0		4.6
Wholesale Trade	5.8		9.9
Construction	4.1		8.9
Communication	3.3		5.9
Public Administration	2.0		1.4

With regard to the change in industrial structure, the occupational structure also changed dramatically. The difference would stick out when comparing occupational structure of suburban enclave to the overall Los Angeles County. There was 31.6 percent of Chinese immigrant employed as managers and professionals, which forms a violent and stark contrast with a 16.3 percent of that of Los Angeles County.

Although the suburbanized ethnic enclave ties to the global economy, it still retains some distinctive features of an ethnic enclave economy, and entails both a place for resident and a place for work. A suburbanized ethnic enclave means that it may not be densely concentrated by co-ethnics as that in urban areas; that is, most parts of the enclave contain no more than 15% of co-ethnic population and not necessarily comprise one ethnic group as a majority. Nevertheless, it is still considered an ethnic enclave where immigrant minority groups can work and live. Therefore, suburban ethnic enclave in Monterey Park bears a unique feature that is to be structured in global economy whereas have distinct ethnic imprint. It fosters a strong linkage to the global market by gearing its industrial and occupational structures toward the producer service sectors, such as banking and real estate, which are complimented by the manufacturing and distributing sectors, such as wholesale/retail trade and transportation.

The situation is different in the enclave in Flushing. The growth of this enclave was fueled by a pre-existing industrial structure set by an immigrant history that was fortified by globalization, which emphasizes the craft manufacturing sector. This structure combined with the local contingencies in Flushing fit the economic developing pattern of this enclave. The manufacturing industry remains dominant in Flushing's enclave economy despite the growth in globally invested industries, such as the FIRE industry and professional occupation. The family-based nature of businesses has led the industrial structure to be dominated by the garments and restaurant industries, which do not require large start-up capital.

CHAPTER 4

RESEARCH DESIGN

Based on the previous two sections, the enclaves in Flushing and Monterey Park both have a matrix of singular factors that lead to ethnic self-employment. These factors have different functions in perpetuating self-employment in the enclaves, as demonstrated through a comparative analysis between these two enclaves. This comparative analysis can add insights into the emergence of self-employment among immigrant minorities in different enclaves and consolidate the purported interrelated relationships between environmental incentives and individual attributes to foster the different types of capitals to predict the self-employment rate. Another advantage of this comparative analysis is that it has many factors in one locality affecting the likelihood of self-employment rendered in the same table to be compared with the other locality. Therefore, identifying similar or different factors that contribute to self-employment and drawing inference on these factors are easy and straightforward.

Databases

Two data files are synthesized to yield a comparative analysis of the ethnic enclaves in Flushing and Monterey Park City: the Survey of Immigration and Intergenerational Mobility in Metropolitan Los Angeles (ICPSR, 2004) and the Survey of Immigration Second Generation in Metropolitan New York (ICPSR, 2000).

Survey of Immigration Second Generation in Metropolitan New York^{xvii} is conducted at Inter-University Consortium for political and social research (ICPSR) by Mollenkopf, John, City University of New York. Graduate Center; Kasinitz, Philip, City University of New York. Graduate Center; Waters, Mary, Harvard University in 2000, funded by Russell Sage Foundation. Object is young adults aged 18-32 who were born in the United States whose parents immigrated after 1965 (the second generation) or who were born abroad but arrived the United States by age 12 and grew up in the United States (the "1.5 generation") from five different immigrant origins. This survey employs telephone interviews with random samples of 3,415 men and women aged 18 to 32 living in New York City (except Staten Island) or the inner suburban areas of Nassau and Westchester Counties, New York, and northeastern New Jersey. A first wave of screening involved random-digit dialing (RDD) contact of 91,331 households with telephones in the sampling area. A second wave of screening involved RDD contact of 196,093 households with telephones within telephone exchanges that yielded at least one valid response in the first wave.

Survey of Immigration and Intergenerational Mobility in Metropolitan Los Angeles^{xviii} is also conducted at Inter-University Consortium for political and social research (ICPSR) by Rumbaut, Rubén G., University of California-Irvine; Bean, Frank D., University of California-Irvine; Chávez, Leo R., University of California-Irvine; Lee, Jennifer, University of California-Irvine; Brown, Susan K., University of California-Irvine; DeSipio, Louis, University of California-Irvine; Zhou, Min, University of California-Los Angeles in 2004, supported by Russell Sage Foundation,

aiming at assessing how well the young adult offspring of recent immigrants are faring as they move through American schools and into the labor market. This study represents both the diversity of modes of incorporation in the United States and the range of occupational backgrounds and immigration status among contemporary immigrants (from professionals and entrepreneurs to laborers, refugees, and unauthorized migrants). The surveys provide basic demographic information as well as extensive data about socio-cultural orientation and mobility (e.g., language use, ethnic identity, religion, remittances, intermarriage, experiences of discrimination), economic mobility (e.g., parents' background, respondents' education, first and current job, wealth and income, encounters with the law), geographic mobility (childhood and present neighborhood of residence), and civic engagement and politics (political attitudes, voting behavior, as well as naturalization and transnational ties). The object is identified as young adults aged 20-39 from six foreign-born and foreign-parentage groups: Mexican, Vietnamese, Filipino, Korean, Chinese, and Central American (Guatemalan and Salvadoran), as well as native-born and native-parentage Mexican-Americans, and non-Hispanic Whites and Blacks, in the Los Angeles metropolitan area. Methodology that is used in this survey involves multistage random sampling via telephone interview.

The reason why I use two surveys is that finding data on Chinese enclaves in Flushing and Monterey Park is difficult. These two surveys individually represent the general background of recent immigrants in large metropolitan areas, such as New York and Los Angeles, and both contain a conspicuous Chinese immigrant group

(including Taiwanese). Their socioeconomic background, and their general situation in the labor market are comparable to a large extent. Moreover, the survey of New York's immigrants includes a subsample of people who list Flushing exclusively as their current residence. The survey of Los Angeles also has valid samples of Chinese and Taiwanese immigrants who list Monterey Park City as their place of work and residence. Therefore, creating a subset data on the Chinese and Taiwanese in Flushing and those in Monterey Park to make an in-depth comparison is easier for me. However, this comparison has the disadvantage of drawing inference based on different points in time. Perhaps this limitation could be restrained to some extent by making the time of observation from one year to a decennium period, that is, 2000–2010, to incorporate the different time nodes of these two surveys.

Interpreting Influential Variables

The study takes the position that entry into ethnic self-employment ventures can be attributed to individual factors (i.e., human capital) and household-level factors (family-based social capital). Individual attributes and social capital are different in different ethnic enclaves, and they differently influence whether an immigrant is self-employed rather than a wage or salary employee. I categorize the factors that predict the self-employment rate into two widely defined metropolitan areas where typical Chinese ethnic enclaves can be found. In doing so, I intend to accomplish two goals: to consolidate the correlation between the function of social and human capital and the entry into self-employment such that the former facilitates the latter, and to list Chinese ethnic resources and human capital in the two enclaves. Having a small

sample from the ethnic enclave could elicit a comparative analysis of the two ethnic enclaves in these two broad metropolitan areas. My main purpose is to examine to what extent family-based social capital and human capital can influence self-employment in the ethnic enclave economies of two metropolitan areas. The factors associated with supporting ethnic business venture are used for the comparative analysis between Flushing and Monterey Park City.

Individual-level factors. The individual-level factors refer to human capital, such as educational level, gender, English proficiency, and industry. Human capital promotes ethnic business ventures within enclaves. Immigrant who are equipped with a high stock of human capital tend to be better off than average immigrants in getting ahead in the socioeconomic ladder as the former can better cope with the barriers resulting from the lack of language skills and education than the latter. Therefore, they are given a larger platform to generate superior performances.

Gender. Previous studies have shown that men are more likely to be self-employed than women, and along with other factors, the higher labor force participation rate of men is hypothesized to be an experience asset that only a few women can use in starting their own business (Fairlie 2004; Fairlie and Meyer 1996).

Educational attainment. This variable indicates the respondents' educational attainment measured by the highest year of school or degree completed. Education is strongly related to entry into self-employment as graduates with a high educational level are endowed with knowledge about opening and retaining a business. These graduates tend to optimize their resources to overcome the barriers they encounter

than those who have a low educational level and corresponding skills. Moreover, high educational level is linked positively with socioeconomic advancement.

English proficiency. This variable is strongly related to immigrants' relocation to a new country. Being proficient in English enables them to cope with the barriers and legal processes they may encounter. Immigrant entrepreneurs who are highly proficient in English have a larger potential consumer market in the mainstream economy because of their enhanced exposure to the outer economy.

Industry. The reason why I consider industry as factors is that industry the immigrants serve significantly reflect their human capital and determine whether they generate high or low return on human capital. The industry the immigrants belong to largely reflect the local economic structures and local contingencies. Note that human capital is positively related to socioeconomic attainments and one's social class. Professional jobs result from a higher level of profession and skills, which were obtained either from the original courtiers prior to immigration or from accumulated experience acquired in the receiving society. In my regression I mainly refer to two typical industrial sectors as manufacturing sector and professional, scientific, and technical sector to represent the industrial configuration in Flushing and Monterey Park.

Household-level factors. Family-based social capital is used in the enclave economy model produced from marital relations, roles of family members and etc. This kind of information is relevant to calculate the intensity of contribution the family as an institution can make. Such contribution has been made mainly through mutual

expectations and obligations to lift the family undertakings. Intangible family assistance can take the form of tangible resources, as family businesses are supported by family finance and labors. Originating from kinship networks, this type of social capital helps struggling immigrants and urges them up the socioeconomic ladder by supporting their business operations through the promotion of reliable social relations bounded by motivation, mutual benefits, and exploitable labor force. In these concentrated kinship ties, trustworthiness supports the practice of expectation and obligation, and that obligation would be repaid. Family members are compelled to turn to their families to seek initial financial help to look out for market outlets, to warn each other about wrong paths, or to give advice on product portfolios.

The model requires indicators in the category of social capital, such as marital status, numbers of family members in a household and in the same enclave, and family labors in the family business. Family output labors, financial support for starting a self-employed business, spouses, children, and other close and extended family members can all be sources of tangible help in terms of labor and finance. Interactions and mutual assistance strengthen the social relations among family members and prompt the emergence of an environment conducive to a family self-employed business.

Model Development

Based on the descriptive analysis, different forces are generated in a specific locality and yield different types of immigrant capital to provide different accounting for self-employment. To identify which types of social capital and human capital are

more pertinent to the entry into self-employment on a local basis, I conduct my descriptive analysis on the differences in the facilitating factors between Flushing and Monterey Park City based on the logistic regression analysis of the individual enclaves in Flushing and Monterey Park.

Hypothesis

Hypothesis 1: Factors in family-based social capital influence more intensely on predicting the likelihood of entering self-employed business among Chinese immigrants in Flushing's enclave than that of in Monterey Park city's enclave.

Hypothesis 2: Factors in human capital influence more intensely on the likelihood of entering self-employed business among Chinese immigrants in Monterey Park city's enclave than in Flushing's.

To verify the two hypotheses, I employ a logistic regression analysis on each of these two enclaves and to draw inferences after the comparisons.

Variables for Monterey Park

Dependent Variable

The dependent variable is dichotomous, which indicates the odds ratio of self-employment to wage/salary employment. Based on the class of worker item in 2004 survey, it is operationalized as a dichotomous outcome: 0=self-employed, and 1=wage/salary employee. Logistic regression coefficients can be stated in terms of

multiplicative changes in the odds corresponding to changes in the independent variables.

Independent Variables

Gender. Gender is a dummy variable with those respondents who are female coded as 0 and male coded as 1.

National origins. National origins entail two variables; those respondents who are Chinese are coded 1 otherwise 0 and those respondents who are Taiwanese are coded 1 otherwise 0.

Educational attainment. Educational attainment is numeric variable indicating the respondent's highest education or degree obtained which include 9 levels, ranging from 8th grade or less to Doctoral or professional degree. 8th grade or less is coded as 1, 9th to 11th grade is 2, 12th grade is 3, 1 year of college as 4, 2 years of college coded as 5, 3 years of college coded as 6, 4 years of college coded as 7, 1-2 years of graduate school coded as 8 while Doctoral or professional degree coded as 9.

English proficiency. This numeric variable measures English language skill, with know English very well coded as 1, well coded as 2, not well coded as 3, not at all coded as 4.

Industry. This dummy variable measures the respondent's current job industry according to Industry (2000 Census Main categories). Respondents who work in Manufacturing (Food, Textile) industry coded as 1, respondents work in Professional, Scientific, and Technical coded as 2.

Marital status is a numeric variable with single, never married coded as 0, married coded as 1, cohabiting coded as 2, and divorced, separated, other coded as 3.

Variables for Flushing

Dependent Variable

The dependent variable is dichotomous, which indicates the odds ratio of self-employment to wage/salary employment. Based on the class of worker item in 2000 survey, it is operationalized as a dichotomous outcome: 0=self-employed/family business, and 1=wage/salary employee. Logistic regression coefficients can be stated in terms of multiplicative changes in the odds corresponding to changes in the independent variables.

Independent Variables

Gender. Gender is a dummy variable with those respondents who are female coded as 0 and male coded as 1.

Educational attainment. Educational attainment is numeric variable indicating the respondent's highest education or degree obtained which include 12 levels, with no formal schooling is coded as 0, some grade school (grade 1-6) coded as 1, grade 7-8 coded as 2, some high school (grades 9-12, no diploma) coded as 3, graduated high school coded as 4, 1-2 years of college coded as 5, 3 or more years of college coded as 6, graduated 2 year college coded as 7, have bachelor's degree coded as 8, some

graduate school coded as 9, master's degree coded as 10, LLB, LLD, JD degree coded as 11, Ph.D, EED, MD, DDS coded as 12.

English proficiency. This numeric variable measures English language skill, with knowing English well coded as 1, some coded as 2, a little coded as 3, not at all coded as 4.

Industry. This dummy variable measures the respondent's current job industry according to Industry (2000 Census Main categories). Respondents who work in Manufacturing (Food, Textile) industry coded as 1, respondents work in Professional, Scientific, and Technical coded as 2.

Marital status is a dummy variable reflecting whether or not one respondent is currently married. Yes coded as 1 and No coded as 2.

Additionally, considering the specificity attached in Flushing that self-employment relies more heavily on family based social capital, I examine a variable of family relations by house under the category of social capital which is not prevailing in bolstering self-employment in Monterey Park, therefore this variable is not found in the survey of Monterey Park City.

Family relations. This variable measures the relation female adults and male adults in family to the respondent. Biological mother/father is coded as 1, sisters/brothers is coded as 2, Aunts/uncles on mothers/fathers side is codes as 3, aunts/uncles by marriage is coded as 4, cousin is coded as 5, grandmother/grandfather is coded as 6, stepmother/stepfather is coded as 7, father's girlfriend/mother's boyfriend is coded as 8.

CHAPTER 5

OPERATIONALIZATION AND STATISTICAL DATA ANALYSIS

To analyze the dichotomous dependent variable that whether or not the respondent is self-employed or a waged worker, I use a logistic regression analysis. For the dependent variable, this model indicates the likelihood of self-employment when controlling for the effects of each of the independent variables. Furthermore, the tables include odds ratios in parentheses below the coefficient, which provides a probability that the event is likely to occur in contrast to the dummy variable. In the case of a continuous variable, the odds ratio represents a change in the estimated odds of the outcome when the continuous variable increases by one unit.

I present the results of logistic-regression model in the following table, which gauges the statistical actuality that independent variables will influence the dependent variable. The table shows the strength of the relationship between each independent variable and the dependent variable.

In all models, an asterisk refers to a statistically significant finding, which indicates that the probability of this finding occurring at random is less than 5 percent (*), less than 1 percent (**), or less than one-tenth of a percent (***). Among the

statistically significant findings, a value greater than 0 refers to an increased likelihood of Self-Employment among Chinese immigrants as a result of the given independent variable, whereas a value of less than 0 refers to a decreased incidence of Self-Employment.

In analyzing the tables, I consider the influential factors from the perspective of human capital and social capital in predicting self-employment likelihood between Flushing and Monterey Park. I create the subset data on Flushing and Monterey Park City from the original surveys that encompass wide metropolitan areas, as these surveys provide population samples (i.e., Flushing accounts for 4.9% and Monterey Park City accounts for 4.2% of the overall population). I also single out the Chinese (including Taiwanese) based on the variable of country of birth (country of birth in China is coded as 37 and Taiwan is coded as 216). The tables are presented as follows.

Table 7: Place of residence and place of work in Monterey Park City (Chinese and Taiwanese, 2004) ^{xix}

	Coefficients	Significant
Dependent variable:		
Self-employed or not		
Independent variables:		
Gender	-.043	.164
Chinese	.013	.561
Taiwanese	.029	.012*
Industry (manufacturing and professional)	-.015	.047*
Educational attainment	-.089	.011*
English Ability	.023	.076
Marital status	-.022	.191

Table 8: Place of Residence in Flushing, Chinese and Taiwanese, 2000^{xx}

		Significant
	Coefficients	
Dependent variable:		
Self-employed or not		
(self-employed=0;		
wage/salary worker=1)		
Independent variables:		
Gender	.098	.771
Educational attainment	.146	.166
Industry (manufacturing	.756	.042*
and professional)		
English Ability	.348	.451
Male Adult in Family	.894	.010**
Female Adult in Family	-.067	.732
Marital status	1.611	.023*

Interpreting the Results

Human capital and social capital have different impacts on propelling self-employment rate in different enclaves, when aligning the effects with the motivation from institutional and contextual incentives.

Compared enclave in Flushing with that of in Monetary Park yields major differences in the formation and type of capitals as facilitating factors.

The variable that positively contributes to self-employment in Monterey Park is Industry, which exerts a positive influence on self-employment rate as respondents

who are in industries coded as professional, scientific and technical industry have a higher odd ending up in self-employed businesses, as the coefficient is negative. Educational attainment also is observed to have a positive correlation with self-employment. In view of its negative coefficients, respondents who have a lower educational credential tend to be less likely to start their own self-employed businesses. A last comparatively relevant indicator shows that immigrant origins have a strong influence on self-employment that Taiwanese have an overall higher incidence in starting self-employed business, compared to their Chinese counterparts.

Other indicators are found to have lighter influence on self-employment. Marital status with a significant level at 0.191 has a small impact on self-employment. Gender has less correlation with self-employment.

Rather deviating from Monterey Park, different factors present to be influential. The variable of male adult in the family is significantly correlated with self-employment, which indicates that male relatives, especially those who have a close relationship with the respondent, can greatly uplift the chances of self-employment. However, this finding does not hold true among female adults in the family. The variable of industry also has a strong impact on self-employment in Flushing, in view of their positive coefficient, respondents who work in manufacturing industry, especially in the food and textile sectors such as restaurants and garments, are more likely to enter into self-employment. Marital status has a considerable influence on facilitating self-employment, as the married respondents have a better advantage of family capital than the unmarried ones in supporting self-employed ventures.

The results from the two regressions agree with the hypotheses to a certain extent. That is, social capital prompts self-employment in Flushing more than in Monterey Park, and human capital can be attributed more intensively to self-employment in Monterey Park than in Flushing. The influential factors of educational attainment, immigrant origins fall under the category of individual attributes that relate to human capital. However, further study is needed to delineate why not all human capital factors are relevant to self-employment. Educational level and skills are prerequisites for conducting business overseas to meet the ever-growing demand for professionals in the suburban areas of Los Angeles. However, being situated in an ethnic enclave, ethnic entrepreneurs are not necessarily able to speak English to get ahead in terms of business success and profits. As the economic structures in an enclave add to the disadvantages of being immigrants, such as limited knowledge of English, networks, and avenues for channeling information from the greater society associated in terms of their English proficiency, these immigrants are given an alternative to reach success in self-employed business ventures. They are given a certain and sufficient clientele group, resources for them to take advantage of, and sustainable avenues for capital circulation and reinvestment.

In terms of social capital in the Monterey Park enclave, only marital status from the survey is an indicator. This finding indirectly implies that social capital is not an influential factor of self-employment. The result is consistent with the hypothesis and the reality in Monterey Park that ethnic entrepreneurs endowed with high stocks of human capital do not necessarily rely on family-based social capital. Entrepreneurs

in Los Angeles, especially those in suburban enclaves similar to Monterey Park, are mainly investors, entrepreneurs, or professionals from Taiwan and the Pacific Rim region (Tseng, 1994). These entrepreneurs came in droves under the category of business, profession, and diversity beginning in the 1970s, taking a large portion of their financial assets and investments with them to the United States. Some of these immigrants obtained their visa through direct investment in the United States or Chinese-owned businesses in mainstream United States. Unlike their counterparts in Chinatown in New York who were mainly from rural regions in South China, these newly arrived immigrants in Monterey Park were disproportionately high in knowledge and experience as well as rich in financial capital. For the second wave of immigrants, they did not need their immediate family members to back up their business ventures in terms of supplying unpaid family labors. Therefore, family-based social capital is not a factor in Monterey Park unlike in Flushing, which has a long immigration history and houses immigrants who came through the family reunification channel.

In stark and violent contrast to Monterey Park, Flushing presents different factors that expedite self-employment. The main influential factor in Flushing is the family-based social capital, as evidenced by the results that family relations and marital status are positively correlated with self-employment. The variables of human capital, such as educational attainment and English proficiency, are not significantly correlated with self-employment. The influence of human capital on self-employment is inversely connected with the positive correlation between industry categories and

self-employment outcomes. The immigration history and local contingency of Flushing create a mechanism for self-employment to take certain forms.

The evolution of Flushing, which was structured by economic restructuring process and which has a long immigration history, is in accordance with the burgeoning of the labor-intensive industry sector and craft manufacturing industry, which require low-knowledge level and professional credentials. Although Flushing does contain a sizeable professional population in FIRE industry, the duality in both high end and low end of skill distribution in local labor market residing in Monterey Park is more predominate compared to Flushing; moreover, such duality in Monterey Park's suburbanized enclave sufficiently bolsters the economic structure to gear toward the globalized economy and to cultivate more linkages with the global economy, whereas the economic structure in Flushing is relatively locality focused, with its industrial structure overwhelmingly in craft manufacturing and some producer services, making the immigrants who incline to start a self-employed business rely not so much on their experience and credentials but on the family oriented solidarity generated from family ties in nuclear and extended family members, and the larger community dominated by family-based networks as a whole. Family-based social capital can accommodate individual immigrants with limited information about the ways in which they can invest money and the lucrative areas in which they can invest. Assisted in this way, immigrants can mobilize their labor pool and target their consumer market. Moreover, Flushing's local configuration generates a certain atmosphere that fosters the agglomeration of ethnic businesses, whose entrepreneurial

endeavors are supported. The combined factors prompt Flushing's ethnic self-employed businesses to be full-fledged, particularly those in the garments and restaurants industries, which require less human capital to get started.

CHAPTER 6

FINDINGS AND CONCLUSIONS

Chinese immigrants have rarely been studied on a large scale about their self-employment, specifically in the two enclaves of Flushing and Monterey Park City. The ICPSR surveys have an adequate sample of Chinese immigrants regarding their self-employed businesses in Flushing and Monterey Park, respectively. The results are in accordance with the hypotheses: family-based social capital spurs self-employment in Flushing, whereas human capital is correlated with self-employment in Monterey Park. The results also demonstrate some nuanced differences between human capital and social capital, indicating that different types of capital differ in their impacts on the likelihood of self-employment. Some variables have a strong impact on self-employment, and some have a low impact in affecting the self-employment rate. Consequently, certain types of capital need to be identified, with their specific forms and functions structured by the interaction between the micro-environment and institutional implication at large.

This study lends insights into the understanding of the emergence of self-employment among ethnic minority groups in enclaves by testifying the outcome of self-employment results from confluence factors, in which I highlight the interacting institutional incentives, national politics, and local contingency projects in the formation of certain types of social and human capital, which account for the different ways of propelling self-employment. The validated differences in self-employment are predicted in two regions based on an enduring debate in social sciences on the

environment's purported influence on entrepreneurial ventures among ethnic minority groups. Moreover, the self-employment rate is contingent upon the interrelated relationship between environmental incentives and individual attributes. The former lends considerable support to the formation of distinct types of social and human capital, thus giving legitimacy to the connection that social capital and human capital increase the incidence of self-employment. Moreover, certain capitals that have been shown to positively affect the likelihood of being self-employed have also been shown to be strongly influenced by institutional incentives and environmental contingency accrued in one's locality.

Different factors affect the self-employment rate. Therefore, the underlying factors that led to the divergence of Chinese ethnic economies in Los Angeles and New York individually are identified. Through a comparison between New York and Los Angeles, this paper proves that different metropolitan areas exert important influence on shaping the divergent structures of two Chinese enclave economies. Specifically, locality brings about multiple factors that inextricably interweave with each other to yield a unique path for each ethnic enclave economy. Not only such combined setting drives the spatial and industrial structure to be stratified within an enclave—encompasses both the high end and the low end of the skill distribution, but it also caters for the globalized capital and gets the enclave economy involved into the global economy.

To carry it further, what intrigues me is how the combined and interrelated forces, which consist of economic restructuring caused by globalization, shifting

immigration policies, and national policies, coupled with an accelerating suburbanization process spurred the growth of an ethnic enclave economy. The reason involves the intrinsic feature of the ethnic enclave economy that provides an alternative for immigrants to rise up the social ladder. Within the enclave, immigrants can find a mechanism that can give them information, acquire experience and skills, accumulate financial assets, and establish social relations. In this way, the enclave not only serves as a shelter but also as a step for lifting immigrants up the upper socioeconomic ladder. It also enables the immigrants to be incorporated into the higher class in an alternative manner. Unlike what the classic assimilation model predicts, immigrant minorities, who were deprived of the necessary resources during the process of dislocation, were structurally denied equal access to the larger economy. Thus, they were relegated to the lower rungs of the labor market ladder, and they filled the gap in the peripheral economy. Their exclusive way of achieving upward mobility is through the time-honored path of gradually acquiring human capital equivalent to the demands of the labor market in the mainstream society.

This study has been primarily focused on giving descriptive accountings for self-employment incidence across two typical Chinese enclaves. Further examination in future might incorporate both quantitative and qualitative method to consolidate what is posited by this study. Quantitative work such as logistical regression analysis regarding Chinese self-employed business rate in Chinese enclaves in both Flushing and Monterey Park city with most recent data may undergird the combination of institutional, environmental and local determinants in its function of facilitating the

self-employment in enclaves through different avenues. Such method could allow more rigorousness in testing the entry of self-employment within an enclave, and make a comparison between Flushing and Monterey Park more comprehensive. Furthermore, the quantitative work should go with some more qualitative work, such as field studies in Flushing and Monterey Park respectively and interviews to Chinese enclave incumbents in great depth regarding their socioeconomic status change, their immigration background, and their ways of initiating their own business and how their choice of industry steers for the globalization's implications.

In addition, further research should get in the direction of deciphering the intra-ethnic ties as well as trans-ethnic ties within and across enclave boundary in the function of influencing the propensity of self-employment. Specifically, the interaction between the minority group and majority group within and across enclave boundary and the interaction between co-ethnic groups within or across enclave boundary would differently bear upon the likelihood of self-employment. The exploration of ethnic entrepreneurial outcomes on a geographic basis involves a methodology of residential segregation that is proposed by Massey and Denton in 1988. The purported correlation between residential segregation and self-employment likelihood among immigrant minority groups can give accounts from another perspective whether a matrix of factors, supposedly, social capital and human capital influenced by the interplay of institutions, policies and microenvironment are also influenced by the residential segregation process. In this way, some other factors would be delineated as influential factors for propelling self-employment among Chinese immigrants. Moreover, I would like to test whether the function of residential segregation is coupled by the

presupposed interactive force when influencing self-employment outcomes that intra-ethnic ties and trans-ethnic ties bear different function between Flushing and Monterey Park city's Chinese enclave owing to different economic structure and spatial configuration.

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Note 1: enclave here refers to “place of work” in PUMS, which indicates the respondent’s workplace prior to the date when the census was taken (Bureau of Census, 1992, pp. B 32). Not all PUMAs in San Gabriel Valley were listed as a “place of work”, but Monterey Park, together with Rosemead (PUMA 05400) was listed a “place of work”.

Note 2: a statistical software package called Statistical Analysis System (SAS) was used to analyze PUMS subset data regarding Monterey Park and Rosemead and Los Angeles County. Results are based on weighted data.

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Note: A subset data is created if coded as “city or town currently live in=172” AND “city or town currently work in=172” (Monterey Park City 4.2%)

^{xx} Source: Survey of Immigrant Second Generation in Metropolitan New York, 2000, ICPSR: Inter-University Consortium for Political and Social Research.

Note: A “Country of Taiwanese origin” subset data is created if coded as “country of birth=216” (Taiwan) and a “Country of Chinese origin” subset data is created if coded as “country of birth =37” (China). The two dataset is compiled into one single data.