

## Chapter 18

# **Diaspora Capital and Asia Pacific Urban Development**

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Studies of the impacts of globalization on urban development have tended to focus on the changes in the economy of the cities and the social consequences of these changes (Sassen 1991). Few studies have examined the urban development impacts of global capital associated with specific ethnic groups. Part of the globalization process is the rush of global capital to invest in urban development, influencing a diverse range of major developments in cities such as Pudong, Shanghai, or inner-city apartments in Sydney and shopping malls in Vancouver. Even lesser cities and towns do not escape the attention of global capital seeking new investment opportunities.

One group of investors, the ethnic Chinese based in Southeast Asia, Taiwan, and Hong Kong, has made significant impacts on the major cities in the Asia Pacific region. Their investment forays in cities such as Los Angeles, Vancouver, and Sydney have attracted considerable press coverage, some scholarly research and occasional controversy (Goldberg 1996; Mitchell 1996) not just because the investments are sometimes extremely large but also due to their new development ideas as well as occasional perceived conflicts with established styles of development. Diaspora Chinese entrepreneurs, similar to other entrepreneurs, are seeking new investment opportunities and safe havens for their investments. Part of that strategy involves investing in global cities. Their decisions are shaped partly by the network of Chinese overseas or perception of opportunities shaped by previous experience through tourism and tertiary education in the relevant global city – personal or through their offspring (Goldberg 1985). For example, during 1996/97 international students studying in tertiary institutions in Canada numbered 65,235 and in Australia, 33,409. Interest in diasporas is not new. Kotkin (1993) argues that in the late twentieth century, networks based on ethnic origins and religion are shaping the new global economy. Skeldon, assessing Asian migration, suggests that diaspora is a concept that can capture the additional nuances of the new migration (Skeldon 1998). Studies of Chinese networks have ranged from studies of industrial development (Zysman and Doherty 1995), of specific industries (Borras 1997), to those that focus on the real-estate market (Goldberg 1996). Lever-Tracy and others (1996) have examined the economic links of Chinese overseas with Mainland China.



**Figure 18.1** Hong Kong skyline (© Sophie Watson)

Works such as the edited volumes by Skeldon (1994) and Sinn (1998) give a much broader overview of identity, settlement, and the activities of the Chinese overseas around the world or in major destination countries such as Australia (Inglis et al. 1992) and Canada (Adelman et al. 1994; Skeldon 1994).

In its first section, this chapter provides an overview of how diaspora Chinese capital has manifested itself in urban development in select locations, examines the ways diaspora Chinese capital changes local practices in real-estate development and explores the ways in which local interests respond to the new investments. The next section gives an overview of the rise of diaspora Chinese capital in Asia Pacific. The third section explores the impacts that diaspora capital has on urban development. The concluding section draws out the key ideas that emerge from this study of diaspora Chinese capital and urban development.

### **Rise of Diaspora Chinese Capital**

In spite of the Asian Financial Crisis which started in Thailand in July 1997 and eventually spread to a number of Asian nations in 1998, there is no dispute that Asia, pronounced not that long ago by the World Bank as the “Asia Miracle” (World Bank 1993), achieved rapid and important economic changes against which the 1997/98 crisis is a counterpoint. Without the sustained and rapid economic growth over the last two decades, there would have been little to constitute a “crisis.” This discussion by necessity deals with the situation before what has come to be known as the “Asian Financial Crisis,” but it would be a mistake to assume the gains made by the sustained growth of the last three decades have all been swept away, or that the diaspora Chinese capital, which has been immensely enhanced over the same period, has completely dissipated. The significant capital that has been invested in different parts of Asia and outside of Asia will make sure the diaspora Chinese entrepreneurs will weather the storm much better than would have been the case if all or most of the capital had remained within Asia. Indeed, the crisis that started in mid-1997 illustrates well both the benefits and problems associated with globalization.



**Figure 18.2** Hong Kong Island (© Sophie Watson)

There is a large literature about ethnic Chinese business networks in various Asian countries (Hamilton 1991; Kunio 1988; Wu and Wu 1980; Jesudason 1989; Hsing 1998). A very brief summary is provided here as background. The significant role of ethnic Chinese businesses in Southeast Asia is considered to be largely the result of exclusion from other avenues of advancement (in politics and in the military). Many migrants from China regarded themselves as sojourners who would one day accumulate sufficient savings to return to their home village with wealth and status. The 1949 revolution in China changed all that.

Arrighi and others (1996) placed the current discussions about Chinese business networks in a historical context. They argue that the present trade network has its antecedent in the historic “tribute and trade” network that developed when the Chinese Empire was hegemonic in Asia. When the Chinese Empire’s power was eclipsed first by colonial powers and later by Japan in the nineteenth century, that trade network continued to develop as the tried and trusted method that overseas Chinese merchants used to conduct business with each other. In the second half of

the nineteenth century, the export of Chinese labor, especially from the impoverished south, to fuel the economic activities of the new colonial powers in Southeast Asia, reinforced this network. The network provided channels for remittances back to China and entwined itself with the new port cities such as Malacca, Penang, and Singapore in Southeast Asia where the Chinese labor and merchants congregated. A similar network had also emerged in North America. Beginning in the 1950s, with China turning its back on the rest of the world, the foci of the network shifted from China to multiple centers in Hong Kong, Taiwan, and Southeast Asia. The globalization process that started in the 1970s and proceeded apace in the 1980s coincided with the rise of regions in East Asia as the new centers of manufacturing and exports to the rest of the world (Wu 1994). Asian regional economic integration, which is part and parcel of this process, was aided immensely by the preexisting overseas Chinese network (Chen and Drysdale 1995).

The networks that ensured the safe transfer of remittances back to China over time transformed into banks and financial institutions that aided business growth among the ethnic Chinese in Southeast Asia. In Hong Kong and Taiwan, the economic growth of the 1970s and early 1980s was based on manufacturing. As manufacturing labor costs became too expensive and shifted to southern China, the economy of Hong Kong restructured towards one that is based on finance, trade, and tourism. Much of the wealth was made in property development catering to the housing needs of the burgeoning middle class. While in general most of the wealth of the Southeast Asian Chinese was based on resource extraction and commodities (such as tin mining, timber, and oil palms) and trade, the wealth of the Hong Kong entrepreneurs was based on entrepôt trade, small and medium-scale manufacturing, and property development. On the other hand, manufacturing is still the backbone of wealth creation in Taiwan (Gereffi and Wyman 1990). Banking and finance was always in the background as the base on which the business networks flourished.

The significance of Asian economic growth can be gleaned by the large fiscal reserves held by Hong Kong, Singapore, and Taiwan. Together they have amassed fiscal reserves of US\$237 billion; some four times that of the United States in 1998 (*Asia Week*, July 3, 1998 and *The Economist*, June 27 to July 3, 1998). Consequently, these countries have, by the mid-1980s, become significant exporters of capital to other nations, especially in the Asia Pacific region (Chen and Kwan 1997). Hong Kong and Singapore are also considered havens for much of the Southeast Asian ethnic Chinese capital. This capital-exporting role spilled over from investments in manufacturing to urban development.

### **Migration and Urban Development**

During the last two decades, global migration streams have shifted from an Atlantic-based to a Pacific-based movement. In the major destination countries such as Australia, Canada, and the United States, and even minor destinations such as New Zealand, the origins of the majority of the migrant settlers have shifted from Europe to Asia (Table 18.1) (Ho and Farmer 1994). This sea change is also remarkable for the corresponding shifts in the characteristics of the immigrants. Whereas historically migration was largely the avenue by which the poor sought better fortunes in the lands of opportunities, giving rise to the characterization of the

**Table 18.1** Ten major source countries of Australian and Canadian immigrants 1981–96 (percentage of total)

| Australia   |      |             |      | Canada      |      |             |      |
|-------------|------|-------------|------|-------------|------|-------------|------|
| 1981–82     |      | 1995–96     |      | 1990        |      | 1996*       |      |
| UK          | 31.3 | NZ          | 12.4 | UK          | 14.7 | Hong Kong   | 10.5 |
| NZ          | 9.9  | UK          | 11.4 | China       | 7.6  | China       | 8.5  |
| Vietnam     | 9.4  | China       | 11.3 | India       | 7.3  | India       | 6.9  |
| Poland      | 4.9  | USA         | 6.8  | Lebanon     | 6.0  | Philippines | 6.9  |
| S. Africa   | 2.8  | India       | 3.7  | Vietnam     | 6.3  | Sri Lanka   | 4.3  |
| Philippines | 2.8  | Vietnam     | 3.6  | Philippines | 4.6  | Poland      | 3.6  |
| Germany     | 2.6  | Philippines | 3.3  | Poland      | 3.2  | Taiwan      | 3.1  |
| Netherlands | 2.0  | S. Africa   | 3.2  | Portugal    | 3.6  | Vietnam     | 3.1  |
| Malaysia    | 2.0  | Sri Lanka   | 2.0  | Haiti       | 2.9  | USA         | 2.8  |
| Cambodia    | 1.8  | Indonesia   | 1.8  |             |      |             |      |
| Other       | 30.5 | Other       | 42.9 | Other       | 40.8 | Other       | 50.3 |

\* for the period between 1991 and the first 4 months of 1996

Source: Adapted from Inglis et al. (1994) pp. 10–11; Statistics Canada; Department of Immigration and Multicultural Affairs Australia, 1997.

United States as the “Gold Mountain” or Australia as the “New Gold Mountain” among the poor Chinese immigrants, this is no longer necessarily the case (Ip et al. 1998). The new migrants are predominantly from the middle and upper-middle classes, many are highly trained professionals and some are entrepreneurs with capital to invest (Inglis and Wu 1990) (Kurin and Larry 1997). Not all migrants are wealthy or entrepreneurs with capital, but there is a significant shift in the characteristics of the new migrants compared to those who migrated prior to the 1960s. Large-scale migration and the concentration of the new migrants in a few Asia Pacific cities have created new opportunities.

Immigration flows to North America and Australia bring with them significant urban development impacts. Similar impacts can be observed from the investments attracted to new growth frontiers such as China. Some of the impacts have to do with new business practices that have direct bearing on urban development, but most can be summarized under the following categories: economic and financial composition, social and spatial distribution, urban community politics, and business practices (see Table 18.2).

### *Economic impacts*

The diaspora Chinese bring with them capital for investment or at the least a demand for housing in the destinations where they settle. For those who migrated to Australia and Canada under the “business migration” category, setting up a business or showing proof of bona fide investment is an essential requirement for obtaining an entry visa (Woo 1998; Smart 1994). There are also those who seek investment opportunities in areas either close to home or in areas where new demands can be expected. Attention tends to be focused on cities where large

**Table 18.2** Summary of impacts

| Impacts                  | Forms of Impact  | Characteristics   | Examples   |
|--------------------------|--|---|--|
| Economic                 | a. commercial<br>i. enclaves<br>ii. suburbanization                          | – special development or concentration of commercial enterprises catering to specific ethnic groups   | Asian Malls (Vancouver and Cupertino, California)<br>Chatswood, Sydney               |
|                          | b. residential<br>i. high-end housing<br>ii. speculative residential estates | – residential development aimed at specific group of potential purchasers (Hong Kong immigrants or overseas Chinese)                          | Vancouver<br>Guangdong province, China   |
| Social and spatial       | a. composition and size of immigration                                       | – shift to majority of immigrants from Asia   | Canada and Australia   |
|                          | b. characteristics of migrants   | – concentration of Asian immigrants settling in a few select cities   | “Little Taipei,” Los Angeles<br>San Francisco<br>Sydney                              |
|                          | c. dialect/regional backgrounds  | – concentration of ethnic Chinese and dialect groups in the metropolitan area   | Guangdong province, China  |
| Urban community politics | a. recreating enclaves   | – shift of ethnic Chinese population over time to suburban locations  |  |
|                          | b. suburban nodes  |   |  |
|                          | c. overseas Chinese estates  |   |  |
| Urban community politics | a. planning issues<br>i. neighborhood design<br>ii. signage                  | – conflicts over neighborhood conservation<br>– conflicts over physical design and compatibility issues                                       | Vancouver<br>Cabramatta, Sydney<br>Quebec<br>Monterey Park and Cupertino, California |
|                          | b. mainstream political participation  | – ethnic groups participation in mainstream political activities  |  |
| Business practices       | a. off-the-plan sales  | – marketing strategies aimed at potential immigrants or Asia-based purchasers   | Sydney, Vancouver  |
|                          | b. strata-titled shopping malls  |   | Guangdong Province, China  |
|                          | c. infrastructure project<br>d. land banking                                 | – use of property development strategies to fulfill immigration requirements<br>– global capital and long-term investments in growth frontier |  |

numbers of immigrants congregate. In Canada and Australia, for example, the large influx of immigrants from Hong Kong, Taiwan, and the mainland stimulated many businesses such as grocery stores, restaurants, and other ethnic-owned businesses largely catering to specific ethnic or dialect groups. Scholars differ in their interpretation of these economic enclaves. Zhou argues that Chinatowns are “incubators” for ethnic businesses and provide economic opportunities for the next generations (Zhou 1992). Others point to the exploitation of new immigrant workers by Chinatown businesses (Kwong 1987; Loo 1992). These tend, however, to be studies of traditional enclaves of Chinatown in the United States, and not the new developments stimulated by the more recent waves of immigrants in countries such as Australia, Canada, or even the newly suburbanized parts of the United States.

Chinatowns or other ethnic enclaves are districts dominated by ethnic businesses and some residential congregations of the same ethnic group. Two new variations

have emerged through the suburbanization of the ethnic population. The first are known as "Asian malls" and the other as satellite Chinatowns. In Vancouver, what are known as "Asian malls" signify medium-sized multistoreyed shopping-center developments aimed almost exclusively at businesses catering to Asian migrants (Wu 1996). The Richmond district of Vancouver is a prime example with several malls established by overseas capital and often managed by firms established by individuals from Hong Kong. Some of the malls are configured as strata-titled units for sale to potential investors. Not only was this way of configuring shopping malls new in Canada, it was also new in that investments in such strata-titled shop spaces qualified as approved investments for business migrants. In these shopping malls, the businesses are run by migrants from Hong Kong and the patrons are largely from Hong Kong so that the lingua franca in the shopping mall is Cantonese.

The suburban or satellite Chinatowns are often misnomers in that they have little in common with the popular image of traditional Chinatowns, those old enclaves tarted up with traditional Chinese arches and motifs, often found on the edge of the Central Business District in cities such as New York, Vancouver, and Sydney. They differ from the first type by largely arising from much broader processes of suburbanization of the ethnic population and businesses springing up to serve their needs. Such development could range from the highly concentrated quasi-suburban neighborhood shopping areas in the Richmond district of San Francisco (Wong 1994), the quasi-suburban shopping nodes of Chatswood and Ashfield in Sydney, to the borough of Queens in New York City. The additional key characteristics are that they are firmly urban based, vary in their degree of mixture with other mainstream or ethnic businesses, and one dialect group tends to dominate.

At least three types of residential developments can be identified as a result of Chinese migration. First, inner-city and Central Business District (CBD) developments catering to investors or settlers from Asia. This pattern can be observed in cities such as Vancouver and Sydney where locally based developers, possibly financed with investments from Asia, cater to a perceived market niche of newly migrated Asians and potential Asian investors. In the process, new marketing strategies and sales methods have been adopted (Olds 1997). Second are the developers who seek out sites in desirable neighborhoods and redevelop or build new houses to cater to those new immigrants or investors who can afford such high-end housing. The most obvious example are the so-called Monster Houses in Vancouver. New owners who bought an existing modest house in a highly desirable neighborhood sought to redevelop and build a larger house to accommodate their needs and their sense of style. In turn, this motivated developers to start speculative investments in the same neighborhoods to cater to the perceived taste and demands of certain segments of the new immigrant population (Hutton 1998). Third, in areas such as southern Guangdong in China, where land is relatively inexpensive, housing estates have been developed to cater to the demands of overseas Chinese as housing for their relatives in China or as a "second" home for retirement or investment (Wu 1993).

New immigrants brought with them economic opportunities that many, both local businesses and newly established businesses, sought to exploit. By catering to these needs, they have created new forms of development and stimulated new political debates. Analysis of new immigrants in San Francisco and Los Angeles impact on the



**Figure 18.3** Cabramatta – Chinese-Vietnamese locality, Sydney (© Steve Pile)

established Chinatown community have all pointed to class conflicts within the diaspora Chinese community (Kwong 1987; Chen 1992). Recent immigrants with capital to invest often stimulate new developments that may be detrimental to the interest of the less well-off Chinese whose inexpensive housing or places of work are often redeveloped for very different purposes and higher price ranges. This type of analysis has not been carried out in locations such as Sydney and Vancouver, making comparisons difficult.

#### *Social and spatial changes*

While not all new immigrants necessarily wish to congregate in the same location in their new destinations, there are those who do. For some, especially those with poor English language skills, the social support of a community with similar background, language, or dialect, and immigration experience is highly desirable. For those families where one or both of the parents commute between the new location and place of origin, such a community represents a source of potential and perceived social support in an alien land. The Hong Kong and Chinese press call these men who constantly travel across the Pacific without their wives “astronauts,” which aptly describes the sense of “rootlessness” many have experienced.

Ethnic enclaves in large metropolitan areas conjure up stereotypical images of the traditional Chinatowns. While this can be observed in many of the older metropolises such as New York City, San Francisco (Wong 1994), Vancouver (Anderson 1991), and Sydney, other examples of suburbanization are emerging. Well-documented recent examples are “Little Taipei” in the Los Angeles area (Fong 1994;



Waldinger and Tseng 1992; Tseng 1994) and the largely ethnic Chinese-Vietnamese enclave of Cabramatta in the western suburbs of metropolitan Sydney (Murphy and Watson 1997). Though these are both examples of suburban ethnic enclaves, there are marked differences. "Little Taipei" is settled mainly by upwardly mobile middle-class migrants from Taiwan who sought housing and a lifestyle which differed from their experience in Taiwan. Cabramatta in Sydney is more akin to the bootstrap effort of a community of boat people seeking to establish a new life in a new land. Both of these examples illustrate the suburbanization of ethnic communities as new immigrants have sought areas to establish themselves. In the case of "Little Taipei" it was more a deliberate effort to create a new enclave for a subgroup of ethnic Chinese immigrants who have the same regional culture and dialect (Fong 1994); while Cabramatta is an example of an economically disadvantaged group seeking a low-cost location to establish itself.

Yet not all immigrants wish to live in ethnic enclaves and many have the means to make the choice. Whether in Los Angeles, Vancouver, or Sydney, the socially upward mobile professionals, and those with capital, often seek to purchase in the sought-after residential neighborhoods seen as more befitting their own socioeconomic status and residential preferences. Not all of their new neighbours welcome them with open arms, with some local residents objecting to the ostentatious style of housing as not fitting into the existing neighborhood (Mitchell 1996; Ley 1998; Smart and Smart 1996). Mitchell has characterized part of these reactions as the original residents' fear of loss of identity and traditional culture. There are few comparable studies in other cities, though anecdotal evidence from Sydney and "Little Taipei" suggests this type of conflict is not isolated.

The influx of Asian immigrants into the large metropolitan areas of the Asia Pacific has also stimulated new developments in the central and inner city aimed at attracting overseas buyers (Seek and Wu 1994). Such housing established a new way of marketing real estate which brought a new practice of "selling off the plan." This was evident in Vancouver (Olds 1997; Mitchell 1996) and the same practice, allowed by local legislation, is rife in Sydney, Perth, and other major destinations of Asian immigrants. Just as immigrants have changed the physical landscape, so also they have stimulated innovations in the sales and marketing practice in the property market. The same is true in the commercial market.

One of the more blatant forays of Chinese diaspora capital is the rampant development of housing in China aimed at the overseas Chinese market. Thus it is now common, in a large number of cities and towns in China, to find housing estates or apartment complexes that are priced well beyond the affordability of the local population and unabashedly touted as housing for overseas investors. The development of these housing estates is the direct consequence of the Open Policies of China that, among other reforms, allow non-Chinese nationals to lease land. All land in China is state owned. Land is leased on the basis of the usage on the land. For example, agricultural land may carry a lease term of 50 to 80 years whereas land for hotels may be for a period of 35 years. Residential development usually carries a lease of 50 to 60 years. The demand side of the equation, in the case of Hong Kong, is fueled by two major factors: first, the high cost of housing in Hong Kong, therefore Hong Kong Chinese search for alternative property investment opportunities, and second, the desire of some overseas Chinese to make provisions for their relatives in China.

The context of development is the lax controls that local officials have over urban development in their locality. The surge of industrial development allowed by the Open Policies and facilitated by the move of manufacturing from the high labor-cost areas of Hong Kong and Taiwan to southern coastal China have made the same areas attractive to other development, notably residential.

The height of speculative property development in southern China, especially in the areas immediately north of Hong Kong, coincided with the peak of property price rises in Hong Kong. At least two groups of individuals were attracted to invest in property in China. The first was those who made gains during the property boom in Hong Kong and elsewhere, looking for new opportunities to reap new windfalls. The second group consisted of those who were unable to capitalize on the property boom in Hong Kong because they did not have the substantial capital required to break into the expensive market of Hong Kong, but who nonetheless had sufficient capital to speculate or invest in a market where prices were well below those of Hong Kong. Some among the first and second groups, looking beyond the return of Hong Kong to China, regarded the possibilities of retiring or having a second home in China.

During the period around the height of the speculative fervor, in one six-month period alone in 1993, some 15,000 residential units located in ten small towns within a two-hour drive from Hong Kong were available for sale to Hong Kong or other overseas Chinese residents (Wu 1993). These developments are sold off the plan to potential purchasers based in Hong Kong, often through real-estate fairs held in Hong Kong to inform and sign up potential purchasers. This area is perhaps special in that the concentration of such development is visible. Similar developments, but of a lesser concentration, can be found across the major coastal cities and towns of China. In the province of Fujian, many of the real-estate development projects are aimed at Taiwanese compatriots. In Shanghai and Beijing the estates are aimed especially at those who work for multinational or foreign companies.

The significance of such developments is complex. First, such housing estates are often not developed according to the overall development plans of the jurisdiction in which they are constructed. Thus the developments often destroy valuable arable land, or are developed in areas unsuitable for housing, or are developed with little or no improvements to the overall urban infrastructure of the area. The consequences are environmental impacts from the loss of arable land, soil erosion, the lack of facilities to supply clean water or to treat the wastewater generated. From the perspective of the purchasers, the lack of adequate water supply is the first of many potential problems that they could face.

A second, but much more important issue as far as urban development is concerned is the emergence of an urban structure in Chinese cities and towns that begins to resemble that of capitalist cities. The past five decades of urban development in China have created an urban structure that does not have the same degree of residential segregation by socioeconomic status as major Western cities. This was partly because until recently, the differences in the wage levels were not that great, but mostly it was due to the way housing was provided or assigned to the individual. Until the recent housing reforms starting in the 1990s, an individual was assigned housing based on his or her work unit. A factory worker was likely to be assigned housing in the compound of the factory or in the housing

estate owned by the factory, while an academic would be housed within or close by the campus.

The new housing developments and the July 1998 housing reforms by which the Chinese government no longer assigns housing to the population, introduced a new element. Desirable housing – therefore more expensive housing – is likely to be located in the better locations of the city, by virtue of its transportation, convenience, views or other positive attributes. Gradually but surely, a new urban residential structure is emerging which will be based on affordability and the ability of overseas developers to purchase prime sites. This will lead to socioeconomic segregation much like most Western cities. In short, one of the consequences of diaspora Chinese capital investing in real-estate development is fundamental changes to the spatial structure of cities and towns in China, in both the distribution of land uses and in the spatial distribution of socioeconomic groups within the urban area.

### *Urban community politics*

The best-documented cases of conflicts that have arisen from the urban development stimulated by recent migrants are the Monster Houses in Vancouver. The community political action generated by these new developments or redevelopments of existing residential sites has created a number of divergent responses and interpretations. Some argue that this is merely part of the changing dynamics of any urban neighborhood (Hutton 1998), while others have studied the rhetoric used to describe or explain the development (Smart and Smart 1996; Ley 1998). Observers have pointed out that large residences are not really new in many of these neighborhoods. Some of the older-style houses are indeed very large and are referred to as “mansions.” The term “Monster Houses” is therefore considered by some to be deliberately pejorative. Still others have noted that similar issues are raised in controls over matters such as signage (Canadian Press 1998).

These points and the resultant community political debates are not confined to Vancouver or Canada. The same concerns were raised in Monterey Park, Los Angeles when the first inklings of “Little Taipei” were formed (Fong 1994). Further recent examples in Silicon Valley reflect more positive community reactions (Miller and Steinberger 1998). In both of the cases in California, the debates have led to active participation by the new immigrants in mainstream politics to have their voices heard. In these ways, not only do the diaspora Chinese stimulate community reactions and political actions, they themselves become involved.

Enclaves and satellite Chinatowns are not the only expressions of Asian investments in commercial properties nor do such developments always generate virulent opposition. In Brisbane, Australia, a much more sophisticated form of investments has been identified. Ip and Wu (1996) called this “cosmopolitanization” to refer to the fact that the immigrants have managed to introduce new international elements into the existing or redeveloped shopping centers to cater to the needs of the local population, by expanding the range of goods and services available while at the same time introducing new elements that serve the new immigrants. Not only is this form of new development less confronting to the existing population, it also offers genuine expansions of the range and diversity of shopping and entertainment possibilities. While the new proprietors may be Asian, they operate coffee shops that serve the latest coffee blends as well as shops that present more traditional Asian

choices such as specialist restaurants that serve regional cuisines, noodles, or snacks. In the process, they challenge the local officials to deal with new activities (such as karaoke bars) in suburban locations.

*Business practices and investment targets*

The physical forms of development are but one aspect of the impacts of diaspora capital. Equally important are the changes in business practices adopted by local entrepreneurs who wish to capture the new investments. Property developers have used a variety of means to access the pool of potential investors. For the potential investors from Hong Kong and other parts of Southeast Asia, sales off the plan is an accepted sales method though this may not be widely practiced locally – such as in Vancouver. In the late 1980s and early 1990s, when such investments were common, property fairs in Hong Kong, Singapore, and other Southeast Asian cities were common occurrences to attract potential investors to real-estate projects in Australia, Canada, and China. Some investors purchased properties sight unseen and encountered unscrupulous developers who promised a great deal but delivered little. A common complaint is misrepresentation of the location of the property, its proximity to the center of the city and to amenities. Where local regulations are available, such misrepresentations are quickly brought to account but where such regulations are lax or nonexistent, then it is a case of “buyers beware.”

Another of the consequences of the business migration program in Canada is the response of local developers (who may themselves have migrated earlier) to the potential market of business migrants. One innovation was that of developing shopping malls in which shop spaces are sold as strata-titled units. Investors in such spaces satisfied the Canadian Immigration Department's requirements that the “business migrant” show proof of investment and a new business initiative. Hence part of the impetus of the Asian malls in Vancouver has been investment driven. The commercial and social consequences are often secondary to the developers and investors. Diaspora Chinese investments in North America and Australia have tended to be limited to real-estate and business investments. This is not the case in China where very large projects such as toll roads, electricity generation, and even railways have attracted overseas investors, many of whom are diaspora Chinese. The first superhighway in the province of Guangdong linking Shenzhen (the city next to Hong Kong) to the provincial capital and other towns in the Pearl River Delta is an investment spearheaded by a large investor and contractor in Hong Kong. The significance of such investments is more than changing transportation access. Equally profound is the transformation of the countryside along the route to potential urban uses. By changing accessibility, new areas become potential sites for urban development thus transforming a whole region's urban future. Diaspora Chinese investments in infrastructure projects bring with them significant international investment since the projects are usually multimillion and require long-term financing of the kind that real-estate projects do not command. Through these involvements, the diaspora Chinese have brought with them the international finance community. The same is found in Thailand and the Philippines where Hong Kong engineering and developer firms had toll road and electricity plant projects.

The substantial investments for infrastructure sometimes pale in relation to the investments spent on amassing huge tracts of land with the main purpose of capturing future growth and appreciation in values. In many small towns all across southern China, Chinese overseas have selected choice real estate for future development. This is especially true in areas where the diaspora Chinese investors have a network of kin and dialect advantages. Land banking of this scale is unprecedented in China. The local government officials welcome it because it generates income immediately through the payments for leasehold right and land tax. The investors are pleased because they can capture the spillover effects of the investments they bring to the region and will have significant control over what development will occur and in what sequence.

One of the many uses of the remittances back to China from those who migrated in the late nineteenth century and early twentieth century was for the purchase of land. Those who worked overseas wanted to create a nest egg to return to, and the purchase of land back in the home village was preferred. In the late twentieth century, land banking is appearing in a different form. Diaspora Chinese investors, reacting to the rapid growth experienced by China during much of the last decade, are positioning themselves for even greater future growth. One of the strategies is to amass privately held land banks in areas considered to have great growth potential. While this phenomenon can be observed in the large cities, it is more evident in the smaller centers and major towns.

During the first years of Open Policies and especially after the Tiananmen incident, the overseas Chinese were one group who were wooed by the Chinese government to invest in China – to help the “motherland.” Many investors obliged (Kohut and Cheng 1996). Some took the view that the best way to proceed was to examine opportunities in areas near their home village – where their ancestors originated, providing the dual advantages of similar dialects and kinship ties (Hsing 1996). Local officials, until then, were not familiar with international business or investments. They were however, attuned to the possibility of overseas kin who made good coming back to invest or to provide donations for worthy causes – such as new schools or hospitals – for the locality. By the same token, those overseas Chinese investors who did not have a great deal of experience investing in China considered it easier to deal with those who spoke the same dialect and who were kin. They found the local officials obliging and willing to cooperate, especially when certain advantages were placed in their way.

Many of the diaspora Chinese investors found themselves treated as a privileged class, fawned over by the local and provincial officials and often given latitudes impossible to obtain elsewhere. Land would be offered at very attractive prices, probably a small fraction of the prices associated with land back in their places of origin. Planning and building regulations were waived or made to fit the investment plans of the investors. The astute diaspora Chinese investors not only took advantage of the possibilities for themselves, but they would often turn to their fellow kin back in their places of origin and offer them a chance to join the consortium to invest in China. Not only were business risks minimized through sharing, but they themselves gained a great deal of prestige among their peers and among the Chinese officials – for introducing their kin to investment opportunities and for introducing a wider range of investors to the locality (Wu 1997).

## Conclusions

The flow of new migrants to the large metropolitan areas of the Asia Pacific brought new developments, ranging from new enclaves, new housing forms and sales methods, and new shopping districts that both challenged and expanded the range in the existing community. To the extent that flows of new immigrants are part of globalization processes, these new immigrants have made significant impacts on urban development that are more than additional demand for housing and commercial areas, but are ones that have changed the physical form, have added to the complexity of the urban economy and have introduced new methods of retailing real estate.

Diaspora Chinese capital has impacted on urban development around Asia Pacific in a number of ways. Studies of these cities need to take into account the special impacts and ripples generated by diaspora Chinese capital. These impacts are diverse and the cultural expressions are equally varied. The traditional studies of Chinatowns are no longer geographically or analytically adequate. This brief review points to at least three major dimensions: the variety of impacts, the diversity of regional backgrounds, and the importance of the local context.

At least four major types of impacts can be identified: the variety of forms of the developments, the different ways of merchandizing the developments, the impacts on urban structures, and impacts on the commercial landscape. Suburban Chinatowns, satellite Chinatowns and suburban Asian malls found in a number of Asia Pacific cities are the physical manifestations of the new investments. Depending on the community where the new developments have taken place, they can represent a "cosmopolitanizing" influence by introducing both international and ethnic specific varieties serving the local and the new immigrant population. In many Chinese coastal cities where housing estates (aimed exclusively at overseas purchasers) have developed, long-term fundamental changes to the urban structure are emerging. These new developments also stimulate new approaches to merchandizing the development through off-the-plan sales and strata-titled shopping mall spaces.

The examples cited in this chapter have referred to specific regional cultures and/or dialect groups and their impact on developments. For example, it is important to note the congregation of regional cultural and dialect groupings that have emerged in the satellite Chinatowns across the Asia Pacific region. Cantonese-speaking ethnic Chinese, largely from Hong Kong, dominate the Richmond district of San Francisco and Chatswood in Sydney. Ashfield in Sydney is known as "Little Shanghai," with businesses predominantly owned and operated by those who have migrated from the Shanghai region of China. Queens Borough in New York is, on the other hand, Taiwanese, similar to "Little Taipei" in Los Angeles.

The same would be true of any studies of the major land banking and developments in a variety of smaller cities and towns in China, reflecting the importance of recognizing kinship ties and business networks back in the places of origin. Any study of diaspora Chinese capital around the Asia Pacific needs to be cognizant of the significance of regional culture and dialects and their influence on spatial concentrations as well as the business and other networks they represent. Also underlying this discussion is the local context in which the new developments have taken

place. There is as yet insufficient research to comment extensively or compare the local context in which the variety of developments occurs. The land-banking activities reported in various small towns and cities in China are unlikely to be accommodated in other Asian Pacific cities. In Vancouver, important questions were raised about the government's open-arm approach to diaspora Chinese capital (Mitchell 1996), while Waldinger and Tseng have speculated on the local politics that help shape "Little Taipei" in Los Angeles (Waldinger and Tseng 1992).

What this brief review has attempted to show is that at the turn of the millennium, one set of important forces that is having considerable impacts on urban development in Asia and the Pacific is diaspora capital. While this review has dealt with diaspora Chinese capital, the same questions could be raised about the impacts, for example, of diaspora Korean and Indian capital. Comparative studies of these diasporas and the different ways they impact on urban development would enrich our understanding of urban development in a globalized world where boundaries are less and less important to capital, while at the same time impacts on urban development are localized.

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