Paradigm Shift in Overseas Chinese Entrepreneurship?
Preliminary Observations and Critiques

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The past two decades have witnessed the emergence of two main strands of interpretations pertaining to the role of Chinese entrepreneurship and business networks in the Asia-Pacific, with respective emphases upon the Culturalist paradigm and Structuralist imperatives. The 1997 Asian economic crisis, however, serves as a timely reminder on the fragility of Chinese capitalism and the need to revisit the established paradigms on the “economic success” of Chinese business. This self-reflection has been consciously and critically carried out in a number of recent collections dealing with Chinese entrepreneurship and business networks in modern Asia (Chan 2000; Gomez and Hsiao 2001, 2004; Menkhoff and Gerke 2002). While some of their arguments have been elucidated in the earlier debates, they do collectively herald a new trend, or what I call “a revisionist turn,” which is characterized by a deconstruction of the old myths and constructive efforts in formulating new paradigms. By no means a comprehensive survey of recent literature, this article aims at examining some of the central theses underlining these studies and, by employing the examples of Sino-Singaporean transnational entrepreneurs, suggests certain themes that need to be considered more closely before constructing a post-revisionist synthesis. I argue that while the “revisionist turn” does provide meaningful clues in taking us beyond the Culturalist v.s. Structuralist dichotomy, it is imperative to place (overseas) Chinese entrepreneurship in a transnational context and the intriguing patterns of state-network interactions, within which the interplay between culture/ethnicity and socio-political/business structure unfolds (see also Liu 2006).

Changing Perspectives to Ethnic (Chinese) Entrepreneurship

The studies on Chinese entrepreneurship have to be placed within the broader framework of scholarly inquiries of entrepreneurship, which first emerged in the West.
After briefly discussing the definitions of entrepreneurship, this section zooms in onto the changing approaches to Chinese entrepreneurship in the Asia-Pacific and the main arguments in the revisionist thinking on Chinese business.

**Entrepreneurship as a Force of Creative Destruction**

The study of entrepreneurship and its role in modern society has been fundamentally shaped by Joseph Schumpeter (1883-1950), considered as “the main figure in the literature on entrepreneurship” (Swedberg 2000, p. 12). Schumpeter defines the entrepreneur as someone who carries out new combinations in five different cases: (1) the introduction of a new good—that is one with which consumers are not yet familiar—or of a new quality of a good; (2) The introduction of a new method of production; (3) the opening of a new market; (4) the conquest of a new source of supply of raw materials or half-manufactured goods; and (5) the carrying out of the new organization of any industry, like the creation of a monopoly position of the breaking up or a monopoly position. The individuals whose function is to carry these new combinations out are called “entrepreneurs” (Schumpeter 1961, pp. 66, 74).

According to Max Weber, “entrepreneurship means the taking over and organization of some part of an economy, in which people’s needs are satisfied through exchange, for the sake of making a profit and at one’s own economic risk” (cited in Swedberg 2000, p. 26). Douglas North (1990, p. 83), on the other hand, sees the individual entrepreneur as “the agent of change” who responds to incentives embodied in the institutional framework. In a similar vein, Peter Drucker argues that “entrepreneurs see change as the norm and as healthy. Usually, they do not bring about change themselves. But—and this defines entrepreneur and entrepreneurship—the entrepreneur always searches for change, responds to it, and exploits it as an opportunity…. The entrepreneur, by definition, shifts resources from areas of low productivity and yield to areas of high productivity and yield” (Drucker 1999, p. 23, emphasis is original). Mark Casson defines the entrepreneur in the context of two conventional approaches, functional and indicative. The functional approach “specifies a certain function and deems anyone who performs this function to be an entrepreneur. The indicative approach describes an entrepreneur in terms of his legal status, his contractual relations with other parties and his position in society, and so on.” In the light of the former approach, “an entrepreneur is someone who specializes
in taking *judgmental decisions* about the coordination of scarce resources” (Casson 2003, pp. 19-20; emphasis is mine).

The above definitions of entrepreneurship highlight the fact that it is necessary to approach the subject from both the internal dimension (cultural and ethnic) and external environments (resources and socio-political framework). The features of these two dimensions and their relationship are of course constantly changing, contingent upon time and space. This realization serves as the starting point for an understanding of Chinese business in Asia during the recent decades.

**Two Approaches to Ethnic (Chinese) Entrepreneurship**

Although it is not always acknowledged, the approaches to Chinese entrepreneurship are fundamentally influenced by the broader framework of the sociology of entrepreneurship. As Patricia Thornton (1999) has demonstrated, since its inception as a field of scholarly enquiries, the entrepreneurship literature can be classified into the supply-side and demand-side perspectives. The supply-side school emphasizes “the availability of suitable individuals to occupy entrepreneurial roles” and examines entrepreneurship by focusing on the individual characteristics of entrepreneurs, specifying potential mechanisms for agency and change. “In this perspective, differences in the rate, form, and location of entrepreneurs and entrepreneurship are attributed to differences in psychological, social, cultural, and ethnic characteristics of individuals. Thus, supply-side psychologists have asked whether entrepreneurs have psychological traits and backgrounds that differentiate them from other populations such as managers. Such research has examined individuals’ need for achievement, locus of control, risk-taking propensity, problem-solving style and innovativeness, leadership style, values, and socialization experience.” While the majority of entrepreneurship research has been conducted from the supply-side perspective, it has been rightly criticized that “supply-side perspectives by themselves are too simple, making economic activity too much a function of individuals and underplaying the role of external structural influences.”

With respect to ethnic entrepreneurship, centering on the intriguing co-relationship between ethnicity and entrepreneurship, scholars have considered the role of *group characteristics*, including “predisposing factors such as selective migration, culture, and aspiration levels” (Aldrich and Waldinger 1990). Brigitte Berge (1991)
argues that cultural embeddedness of the modern type of entrepreneurship is “so instrumental” in the creation of modern society, and that “values and economic practices now present in parts of the urban third world may serve as a preamble to industrialization.”

To a significant extent, the supply-side perspective is analogous to the Culturalist approach to overseas Chinese business, which holds that the key elements responsible for their entrepreneurial success lay in the ethnic and cultural characteristics of Chinese businesspeople, such as Confucian value, hard working, discipline, familism, guanxi, and Chinese tradition, etc. As has been summarized elsewhere (Yeung and Olds 2000; see also the respective introductions in Chan 2000, Gomez and Hsiao 2001; Menkhoff and Gerke 2002), the central thrusts in the Culturalist interpretation include: certain values surrounding authority in Chinese culture (e.g. Confucianism) foster the stability and adaptiveness of the family firm; Chinese values legitimise a distinct form of cooperation between organizations; and kinship relationships are very important in Chinese organizations. “The cultural approach explains the success of ‘overseas Chinese’ capitalism through the role of familism and the Chinese socialization process” (Yeung and Olds 2000, p. 13).

In contrast to the supply-side emphasis on stasis and individuals, the demand-side perspective examines what entrepreneurs actually do—the decisions they make within social settings that are changing over time; it is more concerned with the “push and pull of context,” such as the activity of the professions, the policy of nation-states, the development of markets, and the advent of technological change (Thornton 1999). Scholars of ethnic enterprises have also paid great attention to opportunity structures (market conditions which may favor products or services oriented to co-ethnics, and situations in which a wider, non-ethnic market is served) as well as ethnic strategies (emerging from the interaction of opportunities and group characteristics, as ethnic groups adapt to their environments) (Aldrich and Waldinger 1990). In the work associated with the Research Center for Entrepreneurial History at Harvard University through its journal, Explorations in Entrepreneurial History, a central theme is that “entrepreneurship should not be studied by focusing on the individual entrepreneur but rather by looking at the enterprise, especially the social relations within the enterprise and the relations between the enterprise and its surroundings (Swedberg 2000, p. 35).
The demand-side perspective can be roughly equated with the structuralist approach to Chinese business within the broader context of the Asian political economy. This approach is more concerned with the external (and often hostile) environments within which the ethnic Chinese operate their business and various strategic alliances they forge with the indigenous political elites. In other words, it emphasizes the structural imperative of the social and political environments of the region’s changing political economy, the strategic linkages with the state (including crony capitalism), international division of labor accompanying the escalating process of globalization, the structure of Chinese business systems and their institutional frameworks. This structuralist perspective is centered on what described by Akira Suehiro (2004), in the context of Thailand, the conventional notion of the power structure of “triple alliance of Thai politicians, business leaders with Chinese background and social leaders in the Chinese community.” While scholars such as Arif Dirlik (1997), Aihwa Ong and Donald Nonini (1997) have earlier offered conceptual criticisms of the Culturalist explanation to Chinese business development in Asia (see also Brown 1995), some recent empirical work have again demonstrated “the impact of exogenous influences on the development of Chinese business strategies, organization and practices” (Lian and Koh 2004) as well as the significance of “power struggle and strategic application” in network formation (Chang 2004).

The 1997 Asian financial crisis seems to have provided more ammunition to the structuralist arguments. Critics contend that it is the dark side of Chinese business such as the lack of transparency and closure of the Chinese business familism precipitated the Crisis. Jamie Mackie (1999) points out that Chinese values and culture—such as hard work, frugality, diligence, high savings rate, persistence and so on—alone are not a sufficient explanation, for “innumerable hard-working and diligent overseas Chinese have remained poor while those same values and their cultural traditions have not generated the same success in China itself in recent centuries.” Instead, he stresses several institutional factors: the nature of Chinese family firms, the benefits or costs of distinctively Chinese business practices, and the importance of “the almost legendary” overseas Chinese networks. Thomas Menkhoff and Douglas Sikorski (2002, pp. 23, 25) claims that the Asian crisis, which has “delayed the envisaged Asian century,” provides “a timely occasion to re-examine taken-for-granted assumptions about the strength and uniqueness of ‘Chinese’ capitalism in the age of globalization, with its special networks based on various
In short, recent research has significantly advanced the conceptual and empirical knowledge on Chinese business and entrepreneurship while contributing to the debates on entrepreneurship in general. Although there is no consensus as to what constitutes the most appropriate approach(es) to the subject, the emergence of two strands of interpretations and the on-going dialogues among themselves, together with changing environment such as the 1997 economic crisis, serve as the critical backdrop against which paradigm shift may take place in the field of Chinese business and entrepreneurship.

A Revisionist Turn

Main Theses

Research on Chinese business and entrepreneurship has gone through some major transformations over the last few years. Resultant in part from a dissatisfaction with the existing dichotomy between culture and structure and particularly the culturalist interpretations, a revisionist turn has emerged in the studies of overseas Chinese business and it is centrally reflected, among others, in a few recent collections of essays that are derived from joint research projects and/or workshops and involved scholars from different parts of globe with multi-disciplinary backgrounds (Chan 2000; Gomez and Hsiao 2001, 2004; Menkhoff and Gerke 2002). While contributors to these volumes do not necessarily see eye to eye on issues under contestation (as a matter of fact, there are contrasting interpretations even within the same volume), they do share some consensus on the nature and characteristics of Chinese business in contemporary Asia. Characterized by the deconstruction and de-mystification of a romance of ethnic Chinese business, this revisionist approach proposes that there are more complex factors than ethnicity and cultural commonalities behind Chinese business activities and that intra-ethnic competition instead of cooperation has been a prominent feature of Chinese enterprises. It also offers constructive suggestions for unveiling the characteristics of Chinese business, both conceptually and methodologically. With a realization of the fact that the
arguments behind this revisionism are much more diverse than I can do justice here, what follows is merely a cursory survey of its major premises that seem to have been agreed upon by most of the authors writing in this strand.

In the first place, the revisionists are collectively critical of the Culturalist interpretation of Chinese entrepreneurship, in this sense, they are deconstructionists. The book edited by Gomez and Hsiao (2001, p. xi), for example, opens with a critical comment over recent literature on the dynamics of Chinese enterprise in Asia: “First, we contest the fashionable thesis that the institutions, norms and practices of ethnic Chinese were the reasons for the growth of their enterprises. Second, we question whether Chinese entrepreneurs have depended primary on business networks based on shared identities to develop their corporate base.” Disputing the essentializing view of Chinese culture, they consider Chinese business networks as more instrumental than racial. “Not all successful businesses were Chinese,” concurs Chan Kwok Bun. “Not all Chinese were successful in all their businesses” (Introduction to Chan 2000, p. 5). Peter Li contends that the discussions on overseas Chinese networks remain “confusing and controversial” and that “descriptions of such networks are often based on cultural stereotypes or anecdotal evidence” (Li 2000, p. 262).

Menkhoff and Gerke (2002, pp. 5-6) point out that there are some misconceptions about Chinese entrepreneurs, often being portrayed as successful economic actors who have formed exclusive networks. They suggest that “certain aspects of Chinese businesses were overlooked or distorted. Reasons include the pitfalls of essentialism, orientalization, lack of comparative research on Chinese and non-Chinese entrepreneurs and their business organizations and so forth.” They contend that while the significance of kinship ties in forging interfirm connections is overestimated, the importance of non-kin connections is understated and that the notion of the global network of the Chinese tribe is nothing but “an imagined community” (pp. 33-34). In relation to the criticisms of culturalist interpretations, the contributors also take to the task of the perception that “ethnic Chinese can think and act only as a group rather than as individuals,” for the reason that “[s]uch ideas create feelings of insecurity in the indigenous peoples of multi-ethnic Asia and can lead to inter-ethnic strife” (Gomez and Benton 2004, p. 1). A recent empirical study by a group of scholars in Taiwan led by Michael Hsiao (Hsiao, Wang, and Kung 2002) has similarly challenged the view that Chinese culture can be automatically converted into ethnic capital. They argue that Chinese culture is not a panacea for business and
investment. Instead, relational embeddedness is the key and it can be converted into social capital or social resources (see also the chapter by Chen Dung-Sheng, Jou Sue-Ching, and Hsiao on interfirm networking by Taiwanese enterprises in Malaysia and Indonesia in Gomez and Hsiao 2004).

Following the deconstruction of the myths about Chinese business, the authors attempt to be constructive by proposing that greater attention should be directed to the internal structure of Chinese businesses and their relationship with the (local) politics/society. This focus, to be sure, puts them more in line with the structuralist perspective of Chinese business. Yet there are some new elements in the recent literature. For one thing, in addition to regarding culture as being contingent upon time and space, they are concerned with the organizational imperatives and structural weakness of Chinese business. While earlier studies on Chinese business networks have focused almost exclusively on intra-ethnic co-operations, recent scholars have paid greater attention to internal competition and extra-diasporic linkages with non-Chinese actors. The chapter by Chan Kwok Bun and Ng Boey Kui (in Gomez and Hsiao 2001) points out there are methodological problems in much of the scholarly literature on Chinese business, which does not distinguish between the many Chinese SMEs and the few large Chinese conglomerates (p. 60). Chan and Ng argue that the “structural weakness” of Chinese family business lies in the non-separation between ownership and management control. They also call attention to the “dark side” of guanxi (connections), which could result in “cronyism, corruption and nepotism in Southeast Asian countries except Singapore” (p. 53). The chapter on Malaysia in the same volume (by Gomez, Loh Wei Leng and Lee Kam Hing) contends that Chinese capital is subordinated to Malay political patronage and that Chinese entrepreneurs prefer to establish joint-ventures with MNCs, usually Japanese and European-owned companies. This observation is related to their criticism of the network literature, which tends to presume the universality of the Chinese values and socio-economic institutions (p. 81). The authors suggest that the research on Malaysia provides “very little information on ownership patterns, company structures, business strategies, forms of diversification, sources of funding, and the extent of intra-ethnic business cooperation” (p. 84). The chapter on the Philippines (by Theresa Chong Carino) attempts to readdress the balance by not only criticizing what has gone wrong, but also offering what can be done empirically. She begins by “asserting that the contribution of ethnically-based business networks and Confucian culture to the
growth of Chinese capital in Southeast Asia has been over-rated” and argues that “state policies had a considerable impact on the size and economic activities of the Chinese.” She reaffirms the observation of the previous chapter by saying that the Filipino Chinese tend to set up joint ventures with non-Chinese MNCs (pp. 101, 115).

Kevin Hewison’s chapter (in Gomez and Hsiao 2004), entitled “Pathways to Recovery: Bankers, Business, and Nationalism in Thailand,” examines the impact of the 1997 financial crisis upon big Chinese business in Thailand. He concludes with the statement that “there is little evidence that ethnic Chinese-owned enterprises are cooperating domestically or even regionally as a means to deal with the current crisis of accumulation” (p. 256). Gomez’s case study in the same collection on Malaysian Chinese investment in the UK also confirms the lack of linkages formed through “interlocking stock ownership and directorate ties” and that the Malaysian Chinese do not actively seek co-operation with their counterparts in the UK. Scholars have also proposed that greater attention be drawn to the evolution of structural specificities of Chinese business under the new environments of global capitalism. Henry Yeung (2004), for instance, argues that key Chinese businesspeople are capable of taking advantage of their participation in globalization processes to significantly transform the nature and organization of Chinese capitalism in Asia, which leads to the emergence of “a hybrid capitalism that is neither distinctively Chinese nor basing upon the Anglo-American form of capitalism alone.”

Thirdly, the authors of revisionist strand emphasize the need to forge creative integration between broader theoretical conceptualization and micro-level empirical studies in order to reconstruct the complexity of Chinese business. With respect to the network perspective, Gomez and Hsiao (2001, pp. 33-34) argue that “the most useful concepts” that can be used for determining the creation of long-standing business links are interlocking stock ownership and interlocking directorship and that three broad themes--state, society and capital--need to be brought into the analysis. Chan (Preface to Menkhoff and Gerke 2002) claims that “two things characterize the ethnic Chinese overseas: their subjection to discrimination and their over-representation in self-employment and entrepreneurship” and calls for bringing the studies of Chinese business networks back into mainstream social science research and proposes that theses such as George Simmel’s Stranger and Robert Park’s Marginal Man would be useful conceptualization. “This position of ambivalence,” according to Chan, “is the
Chinese’s weakness as well as their strength, their fate as well as their choice, a deep paradox indeed” (Menkhoff and Gerke 2002, p. xiii).

Finally, in terms of geographical coverage, unlike most of the earlier studies on (overseas) Chinese business and entrepreneurship that tend to exclude China from their scrutiny (except for the cases of Southeast Asian Chinese investment in the PRC), recent literature has consciously included Mainland China (and Taiwan) into the empirical cases and theoretical formulations. Wu Wei-ping, for instance, points out that there have been two separate streams of research on Chinese business networks, one purely devoted to overseas Chinese and the other mainland China. He advocates that “it is time that these two streams be integrated in order to find a common approach to explain Chinese business networks regardless of their specific locations” (Wu 2000, p. 37). There are a number of well-documented chapters on entrepreneurial developments in the mainland. Menkhoff and Gerke (2002) consider the synergies between the Chinese diaspora and Chinese business organizations in the PRC as important dimension unveiling the changing nature of overseas Chinese entrepreneurship. Gomez and Hsiao (2004) add a comparative angle by looking at the different patterns of interfirm networking of Taiwanese investment in the mainland and Southeast Asia.

The integration of the Mainland into the analysis of Chinese entrepreneurship is not only a reflection of the growing business activities in China’s rapidly changing landscape, but also a realization of the indispensable role of China in the evolution of ethnic Chinese businesses. Furthermore, this broader geographical coverage and the accompanying inclusion of new political imperatives offer the opportunity for comparative perspective that has been lacking in the earlier literature. Indeed, some of the recent studies on entrepreneurship in the PRC have raised the familiar issue of the role of culture and its interlay with structure and action. It is argued that “China’s modernization and entrepreneurial development are intimately linked to traditional values and corporatist structures deeply embedded in family, kinship and lineage groups all of which are important forces shaping the spirit of China’s modernity” (Tao and Ho 1997, p. 143). In the meantime, the inclusion of chapters on Chinese entrepreneurs from Asia in elsewhere, such as the chapters by Maria Chee, Dymski, and Wei Li on Chinese banking in Los Angeles and by Gomez on Malaysian Chinese investment in the UK (both in Gomez and Hsiao 2004), highlights the importance of
intra-diasporic linkages and their role in the making of contemporary Chinese entrepreneurship and extra-diasporic connections.

**Discussions**

Without a doubt, recent work in the revisionist camp has provided useful perspectives for an understanding of Chinese entrepreneurship in a globalizing Asia. Many of the arguments, such as the need to deconstruct the myth of culture and de-essentialize ethnicity, pay more attention to the internal structures of Chinese businesses and their organizational imperatives, and forge a greater degree of social science theorization and more rigorous methodology, are indeed instrumental and should be taken seriously. The authors have also employed some convincing empirical cases to highlight the changing nature of Chinese business in different parts of the Asia Pacific. There are, however, more things can be done to further advance the studies along the revisionist line, and we need to examine more closely some of the central issues that have played a fundamental role in shaping the nature and characteristics of Chinese entrepreneurship, including the role of business familism, the interactions between the state and network as well as the impact of transnationalism and technology upon Chinese management and business strategies.

Before turning our attention to these issues, let us first look at the role of interlocking ownership and continuing relevance of familism in Chinese business and entrepreneurship.

**A Question of Interlocking Ownership.** As mentioned, proponents of revisionist literature consider interlocking ownership and directorship as the key ingredients of Chinese business networking, and the lack of which is often equated with the lack of cooperation among Chinese entrepreneurs. Furthermore, as shown by the case studies of Gomez, Chan, and Hewison, the separation of family ownership and management has been taken as the ultimate and ideal solution for Chinese business development. In so doing, they seem to have (un)wittingly accepted the primacy of the Harvard Business School model that was first put forth powerfully by Alfred Chandler Jr. in his *The Visible Hand: The Managerial Revolution in American Business*, which takes that the transformation of family business to modern corporation through the separation of management from ownership as the norm. And this has been echoed in
some empirical research. For instance, a recent study on a Chinese entrepreneur in colonial Malaya proposes that the Chandlerian model on the rise of the modern business enterprise is “particularly relevant for an economic history of Chinese business in Southeast Asia” (Lian and Koh 2004).

This Chandlerian model is more concerned with the question of “who controls the business” than that of “why is Chinese business still largely family-controlled?” The two questions should form the both sides of a coin and need not be mutually exclusive. However, there seems to have a tendency to take the Chandlerian thesis for granted, without giving adequate acknowledgement of the inner working of Chinese enterprises and socio-cultural specificities of the Asian environments. Indeed, despite its explanatory power, the Chandlerian thesis has been criticized for its limited use in the Asian context, such as the lack of attention to human relations and the role of the government and public policies (c.f., Gardella and McElderry 1998; Casson and Rose 1998). Mary Rose also contends that there are “real difficulties in applying his ideas outside the United States and to sectors where competitive advantage is more reliant on the quality of information flows than simply on technology and capital intensity” (Rose 2000, p. 7). The different trajectories of modern transformations in the West and Asia (e.g., Boisot and Child 1996; Wong 1997; Arrighi, Hui, Hung, and Selden 2003) also call for the formulation of different (or alternative) sets of analytical tools in understanding Chinese business and Asian experiences. For example, in the West where the legal protection of private property has been well established since the early 19th century, thus leading to the formation of “trust in the system.” As a result of the existence of formal institutions and informal constraints based upon formal rules, Western industrialized countries have achieved sustained economic growth (e.g., North 1990). On the other hand, such institutionalized protection of private property are still lacking in many Asian countries. The trust in the person remains as a more prominent feature in the social structure and business practices; the accumulation of political capital thus plays a much more important role than in the West for the obtaining and retaining of personal wealth, (c.f., Fukuyama 1995; Tong and Yong 1998; Liu 2001). Kinship and native-place collegiality in a Chinese society thus play roles “analogous to those played by law and individuality in the West” (Hamilton 1996b, p. 43). To overcome this institutional barrier, the Chinese have to resort to various types of networks that are often based upon commonalities and sometimes primordial ties. As Ambrose Yeo-chi King has demonstrated, Kuan-hsi (guanxi) is
one of the two “key socio-cultural concepts to the understanding of Chinese social structure” (King 1994, p.109). It is in this context that Chinese values and practices continue to be relevant in the globalizing world and that familism remains the core of Chinese business practices (Wong 1985; see also Whyte 1996).

In the meantime, the existing literature’s preoccupation with the ownership pattern of Chinese business leads to the downplaying of other types of networking. For instance, while Gomez laments that there is little evidence of interlocking directorship and cooperation among Chinese entrepreneurs, the contributors to the 2004 volume (Chen Tain-Jy and Ku Ying-Hua on networking strategies of Taiwanese firms in Southeast Asia and China) do provide compelling evidence on the existence of networks among the Chinese in East and Southeast Asia—they do not confine their study of networking to only in the realm of ownership. Instead, they broaden the focus to include other forms of networking such as supplier and buyer relationships, which appear to be more in line with the essence of Chinese networking that is characterized by flexibility and multi-dimensionality (see below).

**Continuing Centrality of Business Familism.** While it is imperative that culture and Chinese values should not be essentialized to constitute the key to business and entrepreneurship, we should not disregard the continuing relevance of familism, the core of Chinese culture, in the making of entrepreneurship. In an increasingly globalizing world, ethnic and cultural differences do play an indispensable role in society (c.f., Huntington and Harrison 2000). Let us look at the case of a Sino-Singaporean entrepreneur to demonstrate that familism remains a key element in Chinese entrepreneurship, including in those public listed transnational corporations in the technological sector.¹

Lan Weiguang was born in 1964 in a remote village western Fujian province. After graduation from Xiamen University with a major in Chemistry in 1985 he worked at a lecturer at the Department of Food Engineering at Jimei University. In 1992 Lan came to the National University of Singapore (NUS) to pursue Ph.D. Upon graduation in 1995, he joined Hyflux, the largest water-treatment company in Singapore, as its technical and sales director in China and became a Singapore citizen.

¹ Unless otherwise specified, the data about the life and business of entrepreneurs discussed in this chapter are drawn from various primary sources, especially interviews and company reports, in Chinese and English, published or broadcast in China and Singapore. For the general background of Chinese new migrants since the end of the 1970s, including in Singapore, see Liu 2005a.
in 1997. While on the job in Shanghai, Lan increasingly recognized the business potential in helping pharmaceutical firms use membranes\(^2\) for filtration and purification to improve the quality of their products. After just one and a half years with Hyflux, he left the firm and set up Suntar Xiamen in 1996 which, along with other companies he established later, has now become part of the Singapore-incorporated Sinomem Technology group, specializing in the manufacturing and installation of membrane systems. The firm’s numerous different proprietary advanced membrane processes are used for various applications in the pharmaceutical industries such as for the production of antibiotics, vitamins and amino acids.

The company’s headquarters are in Singapore’s Science Park, while its production facilities are in Xiamen. Its sales grew by a stunning 547 per cent between 2000 and 2002; the size of his company increased from a staff of three to more than 170, 65% of whom have at least a Bachelors degree. In June 2003, Sinomem successfully launched its initial public offer (IPO) for a listing on the SGX with a market capitalization of more than $150 million. According to Forbes’ China’s Richest 100 in 2003, Lan’s family, which has 75% of direct stakes in Sinomem, is ranked the 75\(^{th}\) richest person in China, with an asset of US$137 million (Dongnan Zaobao, November 12, 2003).

It would be natural to expect that such a transnational company in the technological sector would take the route of separating ownership from management. However, business familism remains as the core of this enterprise and the new generation of Chinese entrepreneurs are still strongly influenced by Chinese cultural values. Lan Weiguang spoke in October 2003 at Singapore Management University that in order to venture into the China market, one needs to have a deep understand Chinese culture: “This is important mainly due to the fact that Confucian ideas still have a great deal of impact upon Chinese way of thinking.” As a matter of fact, the initial impulse for him to venture into some form of private business prior to coming to Singapore was out of a family obligation—as the eldest son of five siblings, he had to take good care of them after their father, a cashier earning about 32 yuan (US$4) a month, passed away. “A few hours before he died, he spoke to me about many things. He told me he didn’t like this world as life was hard,” Lan once recalled with tears the

\(^2\) A membrane is a barrier that permits the separation of the different components of a pressurized fluid stream. By forcing a fluid through a membrane, it is possible to separate, concentrate and purify the fluid.
final hours of his father. “But he didn’t want to die yet because my siblings were still young. He had not fulfilled his fatherly responsibilities… I promised him that I’d look after the family.” After his father died, Lan gathered all his savings of around 3,000 yuan to give to his family and found a part-time job to earn more money (*Xiamen Wanbao*, November 22, 2003; Leong 2003).

This familism is manifested not only in the sentiment, but more importantly, in the structure of Lan’s firm. Sinomem’s top management team consists of five persons, reflecting a mixture of familism, networks and transnationalism. As the founder and Managing Director of the Group, Lan controls 67.5% of its stakes, and is “responsible for setting strategic directions for the Group and oversees the overall management and operations; he also spearheads and supervises all R&D activities.” His wife, the “co-founder and Executive Director, responsible for the overall administration and day-to-day management functions of the Group,” controls 7.5% of the stakes. Together with her husband, she is also on the five-person board of directorship. This role of females in business, indeed, represents a major departure from the traditional pattern of Chinese business familism whereby as a rule female members of the family do not directly control and involve in the business. With respect to the top management, as a component of the restructuring efforts in 2000, Lan Weiguang hired a CEO from outside the family, yet he left the firm in just six months and he has been replaced by Lan’s younger brother, Lan Xinguang who is responsible for “the management and day-to-day operations of the group activities in China.”

This case is by no means unique. A number of recent studies on Chinese entrepreneurs in both overseas and the mainland (e.g., Tong and Yong 2002; Peng 2004) have demonstrated the continuing centrality of family and kinship in the economic activities, and scholars have argued that kin solidarity and kin trust played an important role in protecting the property rights. It is clear that Chinese cultural values and institutions remain indispensable elements in the management of modern business, which is something that should not be disregarded entirely. Another fundamental element in the understanding of Chinese business and entrepreneurship in the globalizing era is the role of network and its interaction with the state, and transnational entrepreneurship, which we now turn to.
Network, the State, and Transnational Entrepreneurship

Since the publication of the pioneering work by Gary Hamilton and his colleagues (1991, 1996), the importance of business network in Chinese economic activities has received substantial attention in terms of both conceptualization and empirical studies. This is also the case for most of the contributors to the four collections of essays discussed earlier, though there are disagreements on the patterns and (ir)relevance of Chinese business networking. To bolster the theoretical rigor of this revisionist turn, we need to tackle two key issues, the relationship between network, the state and society, and the nature and characteristics of transnational entrepreneurship in an age of technological advancement.

Network in between the State and Society

Proponents of revisionism have argued, quite correctly, that greater attention be given to the state, society and capital, I believe that it is equally important to configure the place of network in between the state and society, for it serves as a fundamental nexus in the making of Chinese business and entrepreneurship.

Following Chan Kwok Bun’s advocacy for theorizing Chinese business, let us begin with the conceptualization of the state. There are a number of conflicting definitions of the state and at least four conceptualizations have appeared in the literature (Hawes and Liu 1993; Paul, Ikenberry, and Hall 2003). These are (1) the state as government (“by which is meant the collective set of personnel who occupy positions of decisional authority in the policy”). In the view of Theda Skocpol, the state can be seen as “administrative, legal, extractive, and coercive organizations are the core of the state”; (2) the state as “public bureaucracy or administrative apparatus as a coherent totality” and as an institutionalized legal order; (3) the state as ruling class; and (4) the state as normative order. As it is usually defined, the state-society linkage is primarily an examination of “states in relation to particular kinds of socioeconomic and political environments populated by actors with given interests and resources.” Within this context, the state is “an organizational entity that is at least partially separate from the larger society of which it is a part. While the society encompasses the wider territorial entity, the state is the political organization that
asserts rulership of the society. It is the administrative, legal, and political institutions that together monopolize legitimate force and territorial sovereignty within its borders” (Skocpol, 1985, p. 19; Ikenberry 2003, p. 350).

As a result of the rapid economic growth in East Asia in the 1980s and early 1990s, the Statist approach emphasizes the critical and particular role of the state in leading a successful industrial transformation as well as the pattern of extensive state intervention in the market. According to this view, not only are the East Asian states consciously “getting prices wrong,” but they are also distorting prices to create comparative advantage and thereby “pick winners.” Proponents of this view have stressed the unique influences of the region’s colonial history, its geo-strategic importance, and its class structures and success with land reform. All these factors have contributed to the emergence of “strong” states that are relatively free of linkages to societal groups that could limit the ability of the state to intervene in or regulate the economy. It is generally agreed that the governments “have been a determining force in economic development.” Central to this argument is that the state has the strength to formulate economic policies and implement them effectively, leading societal agents to the goal that is has fixed (c.f., Hawes and Liu 1993; Yoshimatsu 2000).

With the end of the Cold War and the collapse of state socialism in the former Soviet Union and Eastern Europe, as well as the spread of borderless capitalism, the past decade has witnessed a resurgence of societal forces. The Asian financial crisis in the late 1990s which was partially precipitated by economic globalization also presented some problems to the Statist approach. The state has been confronted with challenges from two major sources: “from above in the form of global economic forces and from below in the form of various national or ethnic revivals.” Globalization is considered to have led to the perception that “state authority has leaked away, upwards, sidewards, and downwards.” Descriptions such as “just evaporated,” “diminished,” “defective,” and “hollow” have become typical adjectives applied to the contemporary state. As a scholar has summed up, “states have become weakened significantly by globalization” (Hall 2003, p. 1; see also Evans 1997; Weiss 2003).

To be sure, there are contending views on the role of the state at the time of globalization. In conjunction with the post-Statism explanation, it is suggested, states are still critical organizational vehicles for modern political order: “There are no rival
political formations—local, regional, transnational, or global—that have the full multidimensional capacities of the state” (Ikenberry 2003, p. 351). Peter Evans argues that “greater reliance on trade is associated with an increased role for the state rather than a diminished one” and points out that from the experiences of those nations that have been most economically successful over the last thirty years, “high stateness\(^3\) may even be a competitive advantage in a globalized economy.” He contends that the role of the state at the time of globalization is contextual, depending upon the structural logic of the international and domestic political economy (Evans 1995, 1997).

It is at this conjunction—the changing international environments brought about by globalization and the ascendance of theoretical challenges to the existing conceptualization of the state-society relationship—we will now look at the role of network. The shifting conceptualization points to the need to deconstruct the multi-layered state in its interplay with the society and networks; we have to ask the critical question of which dimension of the state is engaging in the interactions. While there have been a growing number of studies pertaining to the increasingly important function of network in the society and economy, network is still largely ignored in the literature dealing with the state-society relations and the role of the state in modern Asian society. It is partly because of the fact that one of the key foundations in the state-society relationship has been the accumulation and display of power and authority in a *vertically constructed hierarchy*, whereas network is principally a *horizontally constructed structure* that cuts through this hierarchical relationship in both the local and transnational environment. Just like the definitions of the state, there are conflicting conceptualizations of network and there is no clear-cut definition of network in the existing literature on Chinese business. This essay highlights three different dimensions of network—as a relational entity, an interconnected node, and a collective layer of spatially constructed ties—and they capture the diversity of networking and its interactions with the state, society and market.

From the sociological perspective, “by definition, a network is composed of a set of relations, or ties, among actors (either individuals or organizations). A tie between actors has both content (the type of relation) and form (the strength of the relation).” One of the two major network approaches views “networks as a kind of

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\(^3\) “Stateness” is defined by Peter Evans (1997) as “the institutional centrality of the state.”
organizing logic, a way of governing relations among economic actors” (Powell and Smith-Doerr 1994, pp. 368-70, 377). Economic network, on the other hand, is defined “as a group of agents who pursue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organizational authority to arbitrate and resolve the disputes that may arise during the exchange” (Rauch and Hamilton 2001, p. 1). In this vein, some scholars have also conceptualized network as “a synthesis of hierarchies and markets” (c.f., Blatter 2003, p. 504).

At the time of the Information Age, network gains greater prominence. According to Manuel Castells, “A network is a set of interconnected nodes. A node is the point at which a curve intersects itself…The inclusion/exclusion in networks, and the architecture of relationships between networks, enacted by light-speed-operating information technologies, configure dominant processes and functions in our societies.” He also points out that networks are “open structures, able to expand without limits, integrating new nodes as long as they are able to communicate within the network, namely as long as they share the same communication codes. A network-based social structure is highly dynamic, open system, susceptible to innovating without threatening its balance” (Castells 2000, pp. 501-502).

In a more sophisticated manner, Michael Mann (2000) suggests that there are five socio-spatial networks of social interaction in the world today: local, national, inter-national, transnational, and global. Evans argues that the East Asian developmental states are “embedded” in a concrete set of social ties and that the vertical state-society relations are complemented by horizontal ties formed through formal and informal networks (Evans 1995).

There are a number of reasons why network in between the state and society could be placed as a center of analysis for Chinese entrepreneurship. In the first place, the controlling mechanisms over the society have been significantly diversified and the state is no long the only central unit overseeing the society. This is not only manifested in the domestic setting, but also globally. The rise of transnational civil society and the increasing significance of the international NGOs are clear examples (Price 2003). In the economic sphere, relevant studies and statistics have demonstrated that business and social networks that operate across national borders can help to overcome various forms of informal trade barriers, such as weak enforcement of international contracts and the access to market information (Rauch 2001). In the political arena, policy networks and networks as new modes of
governance have been more prominent, especially in the West. Correspondingly, the last decade has seen a transformation of “political order from organization/hierarchies (and markets/anarchies) toward network” (Blatter 2003, p. 503).

Secondly, network can play the roles that neither the state nor society alone can play—and in the meantime, effectively link with the market. As a dynamic and open construct, network can establish codes of communications with ease. This represents an advantage—especially in a plural society—to the state hierarchy, which has a gatekeeper position that is occupied by the highest rank in a formal organization, and this state is characterized by “intra-component linkages [which] are generally stronger than inter-component linkages” (Blatter 2003, p. 504). Thirdly, unlike the state and (domestic) civil society, which have been confined by the nation-state boundaries, networks, especially transnational and global ones, have the capacities of effecting global and domestic social transformation, sometimes on par with, sometimes in conflicts with the state. Furthermore, in comparison with market, which also knows no boundaries but is being severely constrained by its ultimate logic of a ruthless quest for profits, thus developing the potential of becoming a destabilizing actor upsetting the equilibrium of the state-society relations, network is more organized and institutionalized, and can be more easily contained by various constraints, be it codes of conduct or institutional arrangements (c.f., North 1990). Finally, we should not conceptualize the state-network interaction as a zero-sum game. While network draws upon strengths from the active support of the state toward the realization of its own agendas, the state has also benefited significantly from taking a collaborative part in working with transnational network. The key to reach such an option and outcome lies in the convergence of mutual interests and carefully negotiated strategies.

**Transnational Entrepreneurship**

One of the fundamental issues confronting the recent studies of Chinese entrepreneurship is the role of globalism and transnationalism. Here different conceptualizations and contending views have emerged. Henry Yeung (2004, pp. 118-119) sees transnational entrepreneurship as “a learning process because transnational entrepreneurship evolves from experience and learning gained through progressive involvement in foreign operations. Through these cross-border operations,
transnational entrepreneurs not only learn how to deal with unexpected contingencies in the host countries, but also develop a deeper understanding of their realities… Another attribute defining transnational entrepreneurship is foresight in foreign ventures, which is important at least from the perspective of strategic management.” And he suggests that there are three key attributes in facilitating the transnational operation of Chinese firms: “their greater opportunities for internalizing overseas markets, their trust and goodwill in host countries and their enrolment in transnational social and business networks.” The concept of Transnationalism and its application to Chinese business in a multi-ethnic Asia, however, has also been considered as being “dangerously close to essentializing ethnicity,” because it is based on “the idea of a sense of cohesiveness among individuals of a particular ethnic group acting in concert, usually for the economic progress of the community as well as of the ‘homeland,’ that is not the country of their birth, but the country of origin of their ancestors” (Gomez 2004, p. 111). This essay argues that a new breed of Chinese transnational entrepreneurship has emerged over the last decade and together with technological advancement, they are shaping the characteristics of Chinese business in contemporary Asia.

Transnationalism has gained impressive inroads in the studies of Chinese diaspora, especially the immigrants’ homeland linkages and their changing cultural identities (e.g., Ong and Nonini 1997). This emerging field of transnational studies focuses on the regularity and multiple impact of transnationalism, which is defined as “the processes by which immigrants form and sustain multi-stranded social relations that link together their societies of origin and settlement. We call these processes transnationalism to emphasize that many immigrants today build social fields that cross geographic, cultural, and political borders… An essential element is the multiplicity of involvements that transmigrants sustain in both home and host societies” (Basch, Glick Schiller, and Blanc-Szanton 1994, p. 6; emphasis is mine). Transnationalists are therefore represent “a growing number of persons who live dual lives: speaking two languages, having homes in two countries, and making a living through continuous regular contact across national borders” (Portes, Guarnizo, Landolt 1999, p. 217; emphasis is mine).

Recent (re)formulation of transnationalism (e.g., Waldinger and Fitzgerald 2004) has provided some alternatives by pointing out that the connections between “here” and “there” are contingent outcomes subject to multiple political constraints
and that states and state politics shape the options for migrant and ethnic trans-state social action. The state is brought back into the emerging field of transnationalism, with the emphasis upon “the interactions of migrants with states and civil society actors in both sending and receiving countries.”

In view of the rapid and large scale of flows of capital and population across the national borders, I believe that transnationality in Chinese entrepreneurship should be given greater attention, it has increasingly constituted a defining characteristic of Chinese business activities. As I have argued on a case studies of Chinese new migrant entrepreneurs in Singapore (Liu 2003), from the very inception, they have been a transnational construct in terms of their transnational education and experiences, transnational knowledge of business and society, sources of capital, the composition of top management and their orientation, corporate strategies and transnational division of labor within the firm, and, to be sure, the heavily reliance on a transnational market. In the meantime, transnational familism and social network constitute an important support system for the creation and growth of transnational entrepreneurship. The benefits of the state-network interactions are also largely materialized through transnational mechanisms. In other words, new Chinese migrant entrepreneurship is transnational in its own right, instead of acquiring this characteristic through involvement with foreign corporations and international operations.

**Network-State Linkages in the Transnational Arena**

Having established the theoretical ground of the importance of network in between the state and society and transnational entrepreneurship, we now turn to some specific examples in demonstrating their centrality in the making of Chinese business in Asia.

Like Lan Weiguang, Lin Yucheng is another new migrant entrepreneur in Singapore whose example has highlighted the significance of network-state linkages and transnational entrepreneurship. Born in 1963 in Quanzhou, southern Fujian, he graduated from Nanjing University with a major in Physics in 1985. He then went on to study at the Imperial College of Science and Technology in London. After completing his Ph.D. in 1991 he was recruited by the Singapore Economic Development Board to work at the Singapore Institute of Standards and Industrial
Research. He subsequently served as head of the Environmental Technology Centre of the then Productivity and Standards Board (PSB) and became a Singapore citizen in 1993.

Lin moved into entrepreneurship in 1996 when he and PSB set up a joint venture, NOVO ETS, with him taking 30% of the stakes. He spearheaded NOVO ETS’s initiative into the PRC market. In July 2003, he sold his stakes back to PSB. Together with Goh Ching Wah, an entrepreneur with directorships in and/or co-founder of 44 publicly listed companies in Singapore, they acquired several businesses to expand the existing businesses of the Group and started United Envirotech (UE), with Lin serving as the Chairman and CEO. UE’s two principal activities are environmental engineering solutions and environmental consultancy solutions. The former includes design and implementation of integrated systems for engineering solutions based mainly on its membrane technology to address the specific needs of its customers, and the latter includes provision of consultancy services and training in the management of environmental health and safety (*Dow Jones Newswires*, March 19, 2004).

United Envirotech’s revenue grew to S$14.6 million in 2003 from S$1.90 million in 2001. Just like Sinomem, China represents the key market focus of UE: the giant Chinese petrochemical group, Sinopec, accounted for 49 per cent of the revenues. Following the successful footsteps of Sinomem, in April 2004 United Envirotech became the eighth water-treatment player to list on the Singapore Exchange, selling 63.8 million IPO shares at 47 cents apiece. Lin thus becomes another multi-millionaire: he collected $5.2 million from the sale of some of his shares, and his remaining 29 per cent stake in his company is valued at $34 million.

The state has played a key role in the making of transnational entrepreneurship and interactions with business networks. In his address to the Sixth World Chinese Entrepreneurs Convention held in Nanjing in 2001, the then Prime Minister Zhu Rongji appealed specifically to those overseas Chinese with professional credentials and experiences: “We have Chinese friends everywhere in the world,” said Zhu. “Among them, there are specialized professionals in all areas, who know very well both the international market practices and Chinese cultural traditions. They have unique advantages in developing their business in China. They will find a lot of good opportunities for big development in China no matter whether they have already made investment here or are still looking for business opportunities” (cited in Liu 2005b).
Similarly, Singapore’s foreign talents policy aimed at attracting professionals and entrepreneurs, many of whom are ethnic Chinese from greater China or the Chinese Diasporic communities elsewhere. In his speech at the Global Entrepolis@ Singapore in October 2003, the then prime minister Goh Chok Tong highlighted key strategic thrusts that enabled Singapore to meet the challenges of the new economy -- through networking and alliances, its unique connections and connectivity, and availability of global talents (PR Newswire, October 30, 2003).

Apart from the obvious role of the Singapore state (in recruiting him and engaging him in the joint venture), Lin’s success has been benefited from his close ties, both personal and professional, with China’s state-owned gigantic enterprise, Sinopec Group (as well as its 50 subsidiaries of throughout China), one of the largest 500 corporations in the world. The Group also accounted for almost half of its 2003 sales (nearly $11 million). His relationship with Sinopec which accounted for almost half of his business, started in the late 1990s when he was a managing director of Novo EST. Lin volunteered to be a guide for a group of top management from Sinopec who were visiting Singapore in 1997. The latter left with a good impression of his personality and technological capacity and subsequently initiated a series of co-operations with Lin. “It is more important to know how to behave with propriety (zuo ren) than how to do business,” recalled Lin. It could be safely assumed that without this initial harmonious personal connection the subsequent collaboration could not have been materialized. But unlike traditional pattern of personal networking, the continuation of sustainable business networks today has to be built upon core competence, especially for a technology-driven firm like Lin’s UE. He acknowledges that “in order to establish long-term relationship, it is not enough to rely merely on renqing (personal feelings), we must be technologically on the cutting-edge and have a core group of top-notched scientists” (Lianhe Zaobao, March 13, 2004).

Although new comers to the business scene in Singapore, they are also actively involved in the institutionalized form of networking that is normally based upon Chinese ethnicity and culture. For instance, Lan Weiguang has been an active member of the Singapore Chinese Chamber of Commerce which has had a long history of forming regional networking and active interactions with the states in the transnational arena. Lin Yucheng, on the other hand, has been the vice president of the Singapore Huayuan Association, a new association established in 2001 geared toward (professional) migrants from the PRC. This form of ethnic networking maybe
of secondary importance in its potential of generating profit, but they are nevertheless fundamental for Chinese entrepreneurs in accumulating social capital which could be converted into economic capital.\(^4\)

Transnationality not only contributes to the emergence of Sino-Singaporean entrepreneurship, but also shapes the characteristics of these new enterprises. Take the example of UE’s top management and ownership structure. It is jointly founded with Goh Ching Wah, a Singaporean who is also the President and Executive Director of Internet Technology Group (ITG) which is listed on the Singapore Stocks Exchange as well as the Deputy Chairman of Ossia International Limited, the International Chairman for Rebel Sport Limited which is listed on the Stock Exchange of Australia. He and his brothers (Messrs Goh Ching Lai and Goh Ching Huat) co-founded World of Sports and Ossia International Limited (“Ossia”). His brothers and sister, Goh Ching Huat, Goh Ching Lai, and Goh Lee Choo control respectively half a million shares and are the non-executive directors of UE.

Lan Weiguang’s Sinomem is similarly characterized by its transnational composition of top management team. Apart from Lan and his wife, the three other members of the five-person team all have extensive transnational experience. Choo Beng Lor, Financial Controller, holds a Bachelor of Accountancy from the Nanyang Technological University and worked for six years as an auditor with Deloitte and Touche, Singapore, a multi-national corporation. Teng Cheong Kwee, a graduate of the University of Newcastle in Australia and an Executive Director of Pheim Asset Management, was previously an Executive Vice-President at the Singapore Exchange. Hee Theng Fong, who obtained a LLB from the University for Singapore in 1979, is also the managing partner of law firm Hee Theng Fong & Co and a legal advisor to several organizations and a director of several listed companies. As has been demonstrated (O’Hagan and Green 2004), interlocking directorates play an important role in corporate knowledge transfer, and the transnational composition of these new enterprises are beneficial to their rapid growth and expansion into the transnational market.

The growing role of transnationlity has given rise to the question of intriguing co-relationship between identity and entrepreneurship. Some authors of revisionist strand have contended that “common ethnic identity and intra-ethnic business

\(^4\) I have discussed more thoroughly the history of SCCCI, the development of the Huayuan Association, and the role of social capital, respectively, in Liu 1999, 2005a, 2001.
networks are of marginal importance to the ways in which such enterprises develop” (Gomez and Benton 2004, p. 3). Yet our cases have demonstrated that multiple identity can be an important source of entrepreneurial strengths. In the pre-War East Asian trade, businesspeople in Taiwan and Singapore had benefited from dual citizenship and multiple ethnicity (e.g., Lin 2000; Liu 1999). The ascendance of the nation-state between the 1950s and the 1990s could be seen as an interruption of this historical tradition, which seems to have revived at a time of globalization. In their chapter on Singaporean Chinese doing business in China (in Chan 2000), Chan Kwok Bun and Tong Chee Kiong suggest perceptively that some aspects of a shared ethnicity, both real and imagined, give Singaporean Chinese “an ethnic advantage” in doing business in China. As to the new generation of mainland Chinese entrepreneurs in Singapore, being bi-cultural, by-lingual, and making a living through continuous regular contact across national borders, they are transnationalists in the essence of transnationalism. Receiving their schooling in a transnational and multi-cultural setting, our entrepreneurs further expanded their horizons through working in the transnational environment, either in TNC or through cross-border activities. They have been constantly traversing between Singapore and China. Lan, for example, divides his time in Xiamen, Singapore and elsewhere and remarked in 2003—when he has been a Singaporean citizen for six year—that the reason to set up the enterprise in China was out of the intention to “do something for my country [China] with my capacity” (Guangming Ribao, Feb. 20, 2003). And this dual identity has given him strong comparative advantages, including access to capital, market, and policy incentives in both China and Singapore.

In this sense, his transnationality—and the mentality of “both here and there at the same time”—has shaped significantly Sino-Singaporean entrepreneurs’ business strategies and patterns of alliance in the commercial world. Unlike other types of transnational entrepreneurs who first started their enterprises in a specific nation before venturing into overseas, our entrepreneurs are transnational from the inception and in its internal structure. Their transnational knowledge and experiences provided them with essential connections to the state, market and cutting-edge technology. Their companies are run by people with global outlooks and aim at reaching a transnational market. The spatial and strategic division of labor in Singapore and China has been undertaken within this framework, whereby Singapore serves as the source of finance and technological innovation and China constitutes the
manufacturing basis and market outlets. The windfalls generated through this transnational arrangement of business activities have been significant. Indeed, in comparison with similar technopreneurs without the transnational experiences and knowledge (cases can be found in Milton-Smith 1999), Sino-Singaporean technopreneurs have consistently out-performed their local counterparts—normally within a shorter period of timeframe.

This new breed of transnational entrepreneurship has been significantly bolstered by technological advancement in an era of globalization. Lan Weiguang and Lin Yucheng are typical examples of technopreneurs who have skillfully combined their technological know-how, transnational knowledge of market and cultures, and the support of the networks and the state to emerge in the new business scene. While they share similar attributes with traditional type entrepreneurs in their risk-taking and profit-driven propensities, technopreneurs rely heavily on the application of (new and/or advanced) technology to their products and services, from the stage of starting-up of the company to the growth of the company and to (for some) IPO. The defining characteristic of a technopreneur, therefore, is his/her ability in converting technological invention into innovative use for production and services. This is, to be sure, in accordance with the core spirit of entrepreneurship that has been underscored by scholars since Schumpeter. As Peter Drucker states, “entrepreneurs innovate. Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth.” Technopreneurship is analogous to what he calls “knowledge-based innovation,” which is “the ‘super-star’ of entrepreneurship. It gets the publicity. It gets the money” (Drucker 1999, pp. 27, 98). Lan Weiguang’s training and working experiences in Singapore and China led him to believe that membrane technology is a fertile field of business opportunities and strategic focus. He emphasizes that Sinomem’s expertise lies in membrane process technology rather than membrane production. “Membranes can be procured by anybody from a number of suppliers,” he says. "We are different in that we assemble and integrate the different kinds of membranes as part of a process which meets the needs of our customer” (Straits Times, May 17, 2003). Lin Yucheng has been firmly aware of his technological advantage and the core strategy. “Pharmaceutical and the petrochemical, chemical is our focus currently,” Lin said. “The reason is very simple. First, the entry barrier is quite high; they really need good technology. Secondly, the profit margin is much higher than the traditional process, for example in sewage water
treatment. So that’s our focus. Competition is not as strong in the other industry sectors” (Channel News Asia, April 12, 2004).

As has been established elsewhere, knowledge is influenced by processed information, but this also involves insight and creativity; vision is the dominant set of beliefs a firm has about its internal circumstances and external environment (Dosi, Teece, and Chytry 1998). It is the combination of vision, transnational knowledge, and technological advantage give an edge to the Sino-Singaporean entrepreneurs, who are in turn encouraged by the conducive environment of the state-network interactions. Therefore, the integration of transnational knowledge, technology and networks in the transnational arena is an emerging area that calls for greater attention in the empirical studies on and reconceptualization of Chinese entrepreneurship.

Concluding Remarks

This essay begins with the observations that there are signs of a paradigm shift in the recent studies on overseas Chinese entrepreneurship and business, and I argue that this revisionist turn has advanced our empirical knowledge on the subject and brought the field a step closer to the mainstream of academic enquiries of entrepreneurship. Characterized by deconstruction of culturalist interpretations of Chinese business in Asia, this revisionist literature has been constructive in its attempt to add new elements and conceptualizations to the structuralist perspective, and more importantly, to go beyond the culture-structure dichotomy by establishing the linkages between the internal organizational imperatives and external environments. Furthermore, the proponents are conscious of the methodological rigor and have formulated the main themes in conjunction with, directly or indirectly, key theorization of entrepreneurship and the sociology of entrepreneurship. The inclusion of China and non-Asian diasporic communities into the studies of Chinese entrepreneurship has provided a comparative framework that allows for greater sensitivity in examining changing configurations of time and space.

To be sure, revisionism in scholarly inquiries is nothing new. In the American historiography of the Cold War, for instance, three successive strands of interpretations have emerged since the early 1950s, from the Traditionalist blame on the Soviet Union for the onset of the Cold War, to the Revisionist argument in the
mid-1960s on American economic imperialism as the cause of the Cold War, to post-revisionists of the 1970s who attempted to go beyond placing blame on either side and contended that misperception and miscalculation accounted for the beginnings of the Cold War. And this transformation of scholarly paradigms has been precipitated by changes in historical process and ideologies as well as the opening up of new archives (Gaddis 1997; White 2000). By comparison, however, the studies of Chinese entrepreneurship has been a relatively new field (c.f., Mackie 1992; Brown 1995), it is perhaps too early to attempt a post-revisionist synthesis. I have suggested in the proceeding pages that Chinese, traditions, culture and ethnicity are not irrelevant to business activities and that multiple identities can be employed as a source of entrepreneurial creativity. As we have demonstrated, familism remains an important element in the making of (new) Chinese entrepreneurship and it has been internalized to constitute a structural foundation of transnational business organization (such as the family control of Sinomem), which co-exists with transnational management. New patterns of networks based upon non-primordial ties (such as alumni) have also emerged to form an important foundation of the “managerial revolution.” Here Chinese culture and institution have become an embedded entity in the transnational arena.

The state, in the meantime, has actively participated in the process of transnational entrepreneurial economy by formulating conducive policies and by direct involvement in the business *per se*. As a vertically constructed hierarchy and multi-layered entity, the state has interacted closely with horizontally structured transnational networks, and one of the main sources of these fruitful interactions, ironically, has been culture and ethnicity. Therefore, the possibilities of new hybrids—between culture and institution, between national and transnational, between the state and network, between familism and modern management—need to be given shaper focuses in our search for a new breed of Chinese entrepreneur in the changing Asia-Pacific. And finally, all these interactions take place in the increasing pace of transnational flows of knowledge and population in which technological advancement is another key dynamic to the transformation of Chinese business and entrepreneurship in contemporary Asia and beyond.