9 Transnational Small and Medium Enterprise

Perhaps the most far reaching hypothesis, certainly controversial, proposed in the first part of this book was that Chinese capitalism should be understood, not just as a distinctive type of capitalism, with its own mode of operating and business style, but also as a more or less coherent and interconnected entity or system. Moreover, the boundaries of this entity were not to be understood as set by national borders, nor was it just a collection of different fragments in different countries, but was tending to become a mutually reinforcing transnational current within world capitalism.

There are difficulties with conceptualising such an entity. We speak easily of German or Indian capitalism for example, assuming that the nation state, with its political, cultural and legal institutions, sets a definitive stamp on it and that the greatest density of its activities and relations is concentrated within its borders. Where important transnational operations are involved, as with American or British or Japanese capitalism, there is still the presumption that shared state support, coordination or regulation continue to be important, even if direct imperial intervention on its behalf becomes less blatant. We assume that these will produce not only similarities but also a degree of coherence, despite internal differences, for example between capitalists of different sectors, religions or regions.

Sometimes the ready made national label may even appear to absolve us from the necessity of tracing the actual economic relationships, the flows of capital and profit, the links with suppliers and customers, the locus of key decision makers which structure and locate a particular capitalist current within the global system. More often the nationally labelled actors are identified and studied in the person of multinational corporations. Our historical understanding of the emergence of Western and Japanese multinational operations has shown this to be a culminating phase in the growth of huge national corporations. Particularly where production activities are concerned, bigness and globalism can seem necessarily connected and a study of transnational
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capitalism, when not a study of the relation between different national economies, generally takes the form of a study of the organisational structure and operations of key multinational corporations.

Neither of these approaches can be very useful in the case of Chinese capitalism, which has no common state and negligible state support in its transnational activities, and which engages in these through the agency of networks of generally quite small firms, often with small or medium sized owners. Yet, contrary to all that our concepts would lead us to expect, these have proved dynamic and effective on the global stage in the present period. Increasingly what used to be groups of middlemen traders (with pre-modern origins), have moved into production, marketing and services, linking up with each other vertically and transnationally. Ethnic Chinese capitalists have largely monopolised the new opportunities in China and the networks of even small Chinese businesses seem able to straddle the diaspora.1

In this chapter we are looking for transnational linkages between different parts of the diaspora. The chapter will explore, through the interviews in Australia and Hong Kong and the surveys in China, how far and how trans-diaspora linkages have been involved in the push into China, for smaller as well as for larger capital. The fact of investing in China is itself, of course, a very significant transnational economic initiative. The networks which are connecting different parts of the diaspora each to China, like the spokes of a wheel, are an important part of the internationalisation of ethnic Chinese capital. In this section, however, we will focus on the transverse ties (henceforth just called linkages) between different parts of the diaspora themselves. This raises further, speculative questions, which cannot yet be answered, about how far the shared activities and experiences in China may extend the linkages, so as to affect the structure and activities of global capital in the region as a whole.

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As suggested in Chapter 6, there are good reasons why we might expect multiple linkages with diverse parts of the diaspora to be especially frequent among members of the small and generally recent Chinese immigrant communities in Australia, despite the limited size of most of their businesses. Remigrants, thrown together with others of diverse origins whose regional networks are still fresh, and without the proximity which enables some Hong Kong based Chinese to enter China without contacts, they have both the opportunity and the need to tap