Ethnic Enclave of Thai Restaurants in Kowloon City of Hong Kong

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Abstract- Hong Kong is a Chinese dominant society in term of ethnicity. Ethnic minorities constitute only about 5%, Thais in particular, 0.17% of the entire population. However the presence of Thai community in Kowloon City, a district of Hong Kong is significant. The cluster of ethnic minority group by location is less common in Hong Kong.

This empirical research is an interdisciplinary study of Business Administration and Sociology. In-depth interview and cases study are employed to Thai restaurant and grocery shop owners and employees. This study suggests that Thai business circle has been established in form of ethnic enclave (Porte and Wilson, 1980, Waldinger, 1993, Pfeffer et al, 2009) similar to Cuban SME sector in Miami. The Thai identity, ethnic networks and business clusters (Plotter, 1990, 1998) facilitate the business development of restaurants and grocery shops.

The findings strengthen the discourse of ethnic enclave, ethnicity and migration study.

Keywords- business cluster, ethnic enclave, social networks, Thai migrants.

I. INTRODUCTION

Hong Kong is a Chinese dominant society. According to the 2006 bi-census data, ethnic minorities constitute only 5%, Thais in particular 14,211 (0.17%) of the entitle population. The largest minority ethnic group is Filipino who consists of 142,289 in population. However the presence of a Thai community in Kowloon City, a district of Hong Kong is significant as cluster of ethnic minority group is less common in Hong Kong.

Kowloon City is well known for where there the former Kai Tai International Airport located. The Airport was relocated to Chek Lap Kok, an outlying island of Hong Kong in 1998. After the relocation of airport, Kowloon City experienced a certain degree of urban decay. A number of shops became vacant with business shut down. However, the number of Thai restaurants in Kowloon City remains no significant change. A rough estimation of the total 406 Thai restaurants in Hong Kong, with 50 of them are operating in one single district- Kowloon City. There are also Thai grocery shops, Thai pubs and other supporting business activities found in the district.

This study is an attempt to apply the ethnic enclave theory in explaining the business clustering of Thai restaurants in a single district in Hong Kong. (Portes and Wilson, 1980, Portes and Manning 1986, Waldinger, 1993) A pilot interview has been done in April 2011 during the Thai New
Year (Songkran Festival) where there is annual cerebration and parade. The research is ongoing with more interviews will be carried out this year. This conference paper is a summary of the preliminary findings for presentation purpose.

II. ENCLAVE THEORIES REVISIT

Ethnic economy is the key concept of this research Location of business matters. Most often, co-ethnic network brings ethnic minority group together, living in the same neighbourhood. An ethnic or migrant enclave is a settlement or part of a city spatial concentration of a minority ethnic group. Ethnic business start up in the area concentrated with the same ethnic group. Portes and Wilson (1980) who studied the Cuban business sector in Miami, found that the Cuban workers, earned more for working in a co-ethnic firm. Some of them later became self-employed or running small co-ethnic business. The enclave economy benefited from the co-ethnic clustering in a location. Co-ethnic ties were used to run the business, and employer, employees and many customers were from the same ethnic group living in nearby enclave. (Portes and Wilson, 1980; Waldinger, 1993; Pfeffer et al., 2009)

“Enclave economies emerge from the peripheral economy. After the arrival of a first wave of immigrants with a significant economic, human and social capital, they settle in a certain area and set up a large number of businesses and companies. From here they are supplied with cheap labour, taking advantage of the successive wave of co-ethnics who arrive and thanks to the concentration, an integrated cultural component is also generated based on ethnic solidarity.” (Massey 1988 cited in Garrido and Olmos 2009: 202-203)

Garrido and Olmos (2009) have done a comprehensive review of existing literature on immigrant economy or entrepreneurship. They suggest the notion of ethnic economy should include middleman minorities, enclave entrepreneurs and enclave economy. Middleman minorities are temporary migrants looking for self-employment, saving fast and then return to their home country. Their target market may not be their co-ethnic group. Enclave entrepreneurs are businesses in co-ethnic neighbourhood which operating with co-ethnic ties and achieving self-sufficient. Finally, the enclave economy, as mentioned in the previous paragraph emphasizes on the location concentrated with co-ethnic immigrants. As such, these concepts are highly related but not the same.

III. THAI ETHNICS IN HONG KONG

Regardless the overwhelming majority of Chinese population of Hong Kong, the ethnicity in this former British colony makes up of a variety of minority ethnic groups. In 2006, the population of ethnic minorities was 342,198, constituting 5.0% of the population in Hong Kong. They comprised Filipinos (32.9%), Indonesians (25.7%), Indians (6.0%), Nepaleses (4.7%), Japaneses (3.9%), Thais (3.5%), Pakistanis (3.2%), Koreans (1.4%) and other Asians (2.3%). The number of ethnic minorities in Hong Kong was more or less the same as the previous census, but the population of Indonesians has increased while Filipino is decreasing. (Bi-census, 2006)

There are 11,900 Thai ethnics living in Hong Kong. About 71.9% of them are imported domestic helpers (maids). Existing studies on ethnic minorities in Hong Kong mainly concern with domestic helpers, secondary labour market, job segregation and poverty of Nepalese and Pakistanis. Despite the sizeable community of Thais living and working in Kowloon City, non-maid Thais have not been addressed in previous academic research. In fact, the occupation of Thais is more heterogeneous than other Southeast Asians. (Table A)
TABLE A

OCCUPATION OF SOUTHEAST ASIAN ETHNICS IN HONG KONG

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Thais</th>
<th>Filipinos</th>
<th>Indonesians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and</td>
<td>26.5%</td>
<td>4.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Professionals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerks</td>
<td>3.1%</td>
<td>0.2%</td>
<td>0%</td>
</tr>
<tr>
<td>Services and Sales</td>
<td>12.4%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Other workers</td>
<td>58.0%</td>
<td>94.4%</td>
<td>96.8%</td>
</tr>
</tbody>
</table>


Common professions of Thais, other than domestic work are: cleaners, waiters/waitresses, hairdressers, and bank officers. A small number of Thais in Hong Kong are businesspeople or investors; a large proportion of Thailand's outward investment in newly industrialised economies goes to Hong Kong. Direct investment by Thais in Hong Kong peaked in 1996.3

Besides, Thais are different from other Southeast Asians by their second language and duration of residents. Almost all Thai ethnics speak Chinese (82.6%). (Table B) Majority of them have been staying in Hong Kong for 10 years or more (63.5%). (Table C)

TABLE B

USUAL LANGUAGE BY ETHNICITY, 2006

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Usual Language</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chinese</td>
</tr>
<tr>
<td>Filipino</td>
<td>9 015</td>
</tr>
<tr>
<td>Indonesian</td>
<td>68 477</td>
</tr>
<tr>
<td>Thai</td>
<td>9 709</td>
</tr>
<tr>
<td>White</td>
<td>4 061</td>
</tr>
<tr>
<td>Indian</td>
<td>1 506</td>
</tr>
<tr>
<td>Nepalese</td>
<td>966</td>
</tr>
<tr>
<td>Pakistani</td>
<td>953</td>
</tr>
</tbody>
</table>

N.B.: Excluding persons aged under 5 years old or mute persons


TABLE C

ETHNICITY BY DURATION OF RESIDENCE, 2006

<table>
<thead>
<tr>
<th>Duration</th>
<th>Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Filipino</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>14 129</td>
</tr>
<tr>
<td>1 year to less than 7 years</td>
<td>46 429</td>
</tr>
<tr>
<td>7 years to less than 10 years</td>
<td>15 835</td>
</tr>
<tr>
<td>10 years and over</td>
<td>36 060</td>
</tr>
</tbody>
</table>

(cont') TABLE C

<table>
<thead>
<tr>
<th>Duration</th>
<th>Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Indian</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>1 689</td>
</tr>
<tr>
<td>1 year to less than 7 years</td>
<td>5 229</td>
</tr>
<tr>
<td>7 years to less than 10 years</td>
<td>2 211</td>
</tr>
<tr>
<td>10 years and over</td>
<td>11 315</td>
</tr>
</tbody>
</table>

IV. IN-DEPTH INTERVIEW IN KOWLOON CITY

Kowloon City was well known of the Kowloon Walled City which was a small coastal fort erected during the Qing Dynasty of ancient China in around 1810. Nevertheless, the urbanization of this place has not started significantly until the establishment of Kai Tak Airport, the former international Airport of Hong Kong in 1920’s. During the post World War II period, the economy of Hong Kong developed rapidly. A lot of tourists and commercial travelers arrived at Hong Kong via this gateway-Kowloon City. This brought along the development of this airport town. A lot of restaurants were gradually opened up, providing wide range of choices of international cuisines in more reasonable price, comparing with those inside the airport terminal. Among them, some Thai restaurants were able to operate their business successfully. The number of Thai restaurants was growing; several Thai grocery shops were established. In addition, there were salons, bars, CD shops, currency exchange and shops selling religious products operated by Thais. Even after the relocation of airport, Thai restaurants and shops almost remain unchanged.

A pilot interview had been conducted in Kowloon City in April 2011, during the Thai New Year (know as Songkran Festival). The target interviewees are:

i. Owner or manager of Thai restaurants
ii. Owners or shopkeepers of Thai grocery shops
iii. Other employees of these small Thai enterprises
iv. Other Thai related business

Maids, who follow the importation of foreign domestic helper scheme, sojourned to work in Hong Kong are beyond the scope of this study. A five pages lightly structured questionnaire is designed for this interview. Almost all questions are open-ended, except the first page consisting of multiple choice questions recording demographic and background information of the business and the interviewees.

Finally, 20 persons were interviewed. All of them were Hong Kong citizens who legally entitle of residing, working and voting in Hong Kong. Some of them were born in Hong Kong. All of them spoke median to fluent Chinese. For the business, the size of the enterprises were comparatively larger for Thai restaurants with about 10-30 employees. But the grocery shops and other businesses were smaller with less than 7 workers. None of them were sticky family business but several of them consisting of 1-2 owner’s relative working there. All the employees in their restaurants and shops were Thai ethnics.

Basic findings of this round of interview are as follows:

Almost all of the interviewees worked in established more than 10 years. The duration of residence predicts fluency in Chinese, position in an enterprise and size of social network including inter-ethnic networks.

All of them had social networks covering both Chinese & Thai ethnics. Thai social networks were wider but those owners and manager maintained social networks with more Chinese than their subordinates.

Thai restaurants and shops successfully made use of their Thai social networks to access business and marketing information, purchase and supply as well as recruiting employees or finding jobs. But Thai shops relied more on their ethnic networks than restaurants in attracting customers.

All interviewees recognized their ethnic business benefited from location and clustering. The concentration of Thai ethnic population and enterprises reduced the transaction cost and transportation cost. Most importantly, the label of Kowloon City as a Thai ethnic community or commonly known...
as “Little Thailand of Hong Kong” drew customers from local Chinese society, tourists from overseas and Mainland China visiting there. The benefit from agglomeration and synergy effects outweighed keen competition within the same industry.

The social aspect of ethnic enclave enabled Thais make new Thai friends, strengthen co-ethnic friendship, prevent homesick, access to Thai language media, seeking intimate, financial and other support during sick and hardship, participate to Thai festivals and religious activities. Most importantly, none of them admitted or worried about the enclave hindering the access of mainstream Chinese society, (inter-ethnic) business opportunities and (Chinese and other ethnic) individuals, hence resulting in co-ethnic isolation.

V. CONCLUSION

It is an attempt to explain the clustering of small Thai ethnic business in Kowloon City by the discourse of ethnic enclave. The perspective of ethnic economy has been widely applied to ethnic minorities and their enterprises various Western countries but Hong Kong. The existing of a “Little Thailand” in Hong Kong is worth an examination the causes and consequences.

The Thais concentrated in Kowloon City became significant since the post WWII economic development of Hong Kong. Kowloon City, the former airport town has amassed Thai restaurants and shops establishing as well as drawing critical amount of customers, making the ethnic business success.

The ethnic enclave of Thais in Kowloon City enabled them to run the business well. All of the employees were Thai ethnics. The owners made use of their co-ethnic networks to recruit employees, access to business and marketing information as well as purchase and supply. The co-ethnic labour force, their knowledge of Thai characters, cooking Thai cuisine and so on supported business growth. Some of the small enterprises requested purchasing Thai products by taking the convenience of other Thais sojourned back to Thailand. Thais in Kowloon City has formed a cohesive community. Wide and strong co-ethnic ties played a role in promoting the ethnic enclave. Location provides opportunities and cut costs.

Last but not least, the reason why Thais have achieved ethnic enclave was most of Thai migrants resided in Hong Kong for 10 years or more. A portion of them are not maids when but manger or working in some middle rank administrative positions and other professions. Thus some start up capital and entrepreneurship for running the business can be expected. Nevertheless, the development of ethnic enclaves required sufficient capital and initial entrepreneurial skill as well as continuing renewal of the ethnic labour force (Portes and Wilson, 1980: 314). Moreover, most of them speak some Chinese, leading them to bridge up language barrier. For restaurant the critical threshold of customer should include Chinese customers. By contrast, the other Southeast Asians in Hong Kong did not meet all these preconditions.

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1 According to a search in the database of a local restaurant website www.openrice.com, retrieving on 2 May 2011.
2 Foreign maids were first introduced into Hong Kong since 1969. The British colonial government of Hong Kong allowed expatriates coming with their maids to Hong Kong. (Hewison, 2004) Later on, English speaking Filipinos were the first slot of foreign maids under an importation scheme.
4 Their compositions are listed in an appendix supplying on request.