THE ROLE OF COMMUNITY ENTREPRENEURSHIP AND INSTITUTIONAL COMPLETENESS IN THE RISING OF THE CHINESE REGIONAL ENCLAVE IN LOMBARDY

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The role of community entrepreneurship and institutional completeness in the rising of the Chinese regional enclave in Lombardy

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Abstract
In this paper the linkage between ethnic entrepreneurship and community building is explored. This is done in the specific setting of Chinese enclave in Lombardy. The research provides two major contributions. First, entrepreneurship is highlighted as essential glue in the development of an ethnic community. Migrant entrepreneurs leverage on communitarian relations to get access to essential resources and assets for their businesses. However, in so doing, they further contribute to community’s expansion. Second, the close tight between Chinese community-ship and entrepreneurship supports the rising of a regional Chinese enclave specializing on the manufacturing and distribution of fashion goods.

Keywords
Ethnic Enclave; Regional Development; Migrant Entrepreneurship; Institutional Completeness; Chinese Community.

Jel Code
R12, L26, J23 e J61

Introduction
It’s almost a century since the first Chinese immigrants settled in Milan and started to craft the conditions for the rising of a regional ethnic enclave in Lombardy. The term ethnic enclave identifies a community of immigrants that is spatially clustered within a specific neighborhood (Wilson and Martin, 1982). One of the main characteristic of these enclaves is the presence of a high number of entrepreneurial activities whose capacity to create value is embedded in the network of ethnic relationships between members of those communities (Zhou, 2004; Zhou and Cho, 2010). Recent studies on migration and other related phenomena, such as immigrant entrepreneurship, highlights the need to broaden the scope of the analysis in order to take into account the regional context within which these phenomena take place (Nijkamp, 2003). Ganzaroli et al (2013), in their bibliometric analysis of literature, stress the increasing importance of networking and embeddedness on the creation of seedbed conditions for the development of ethnic entrepreneurship. This is because migration and immigrant entrepreneurship are ever more seen as part of a co-specialization process taking place between regions (Saxenian, 1999; Saxenian, 2002; Ammassari, 2004; Murphy, 2000). The extension of the concept of enclave at regional level has also emphasized the role of social capital and institutional completeness as drivers of the capacity of these communities to sustain their development despite of the lack of spatial proximity between their members.
In this paper, the rising of a Chinese regional enclave is explored by focusing on the interaction between community entrepreneurship and community building. There are two reasons why looking at the interaction between entrepreneurship and community building in ethnic regional enclaves is interesting. First, migrants are seen as a potential asset of local development and growth both in sending and receiving countries. The flow of remittances sent back by nationals abroad vastly exceed what their countries receive from foreign aid and often rivaled earnings from the principal commodity exports (Massey et al., 2002; Portes et al., 2007). Furthermore, the rise of a class of immigrant entrepreneurs triggers a returning flow of entrepreneurship that nurtures the development of new industries even in the hi-tech field (Saxenian, 1999). In receiving countries, migrants contribute to economic growth in terms of increased cultural diversity (Ottaviano and Peri, 2006), creativity (Florida, 2005; Lee et al., 2004), innovation (Ozgen et al., 2011), entrepreneurship (Lee et al., 2004), regional and urban development (Nijkamp, 2003; Masurel et al., 2002; Levent et al., 2003) and internationalization (Dana, 2001). In this scenario, immigrant entrepreneurship is the fundamental glue sustaining the joint development between sending and receiving country (Saxenian, 1999; Zhou, 2004; Portes and Zhou, 2012). Thus, focusing on immigrant entrepreneurship is important in order to achieve the expected advantage of migration in terms of cooperative development between regions/countries. Second, even if it is commonly accepted and to a large extent self-evident that there is a link between entrepreneurship and community building. For instance, it is sufficient to enter any Chinatown in the world to guess it. Not much has been done in trying to understand how this link works and how is reproduced over time and space (Zhou, 2004; Zhou and Cho, 2010). Thus, according to Zhou (2004), there is need for studies that examine how a particular ethnic community may be affected by entrepreneurship within a specific institutional setting. However, developing such studies is not only relevant from a theoretical point of view, but also and especially from a practical one. It enables policy makers to involve emigrant communities in the development and management of migration, integration, educational and industrial policies that are beneficial to both hosting and ethnic community (Portes and Zhou, 2012).

This study is conducted in the specific setting of the development of the Chinese community in Lombardy. There are several reasons for looking at the case of such a community. First, Chinese have a long history of migration and are the largest migrant group in the world. Chinese are present in all continents and almost in every country. In Italy, Chinese are the third largest ethnic group. Furthermore, Milan is the oldest Chinese settlement in Italy and most of the Chinese communities in Italy are spin-offs of the one of Milan. Second, Chinese display a strong and lasting tendency to organize in ethnic community spatially clustered in suburban areas. This is confirmed by the several Chinatowns distributed all around the world. Third, Chinese display also a positive attitude toward entrepreneurship and rely on ethnic transnational networks to support their own businesses. Fourth, China is one of the main countries for the value of its foreigner direct investments in Italy. Last, but not least, Lombardy is the richest and the most productive Italian region - the first for number of firms, GDP and export value. Thus, looking at the case of a Chinese community in Lombardy may help us to better grasp how migrant entrepreneurship contributes to sustain the development between countries and how the development of the Chinese community is related to the one of the native entrepreneurial tissue. Based on three different levels of analysis (individual, neighborhood and regional level), two major contributions are provided. First, we highlight how entrepreneurship and community building are tightly correlated in the development of the Chinese enclave in Lombardy. The community is not only important to sustain entrepreneurs in the set-up and development of their communities, but also to the economy and society of Lombardy.
businesses. Entrepreneurs are directly involved, even if to a large extent unconsciously, on the production of the community. They strength social networks both locally and internationally, nurture the development of entrepreneurial spirit, influences the reputation of the community in the hosting society, and the quality of the relationships with natives and other minorities. Second, our analysis highlights the importance of looking at the regional dimension in order to grasp how the migration strategy of an ethnic group is tied to its entrepreneurial strategy and, in turn, to the process of co-specialization between sending and receiving region. In this perspective, we show how the Chinese community in Lombardy is evolving toward a regional system co-specializing on the production and distribution of textiles, clothing and leather products and this specialization is consistent with the one of the region on fashion and the one of the sending region.

The structure of the paper is the following. The next section is devoted to set up the theoretical background useful to the analysis of the case study. This is identified in the theory of ethnic enclave. Section 2 defines the research design. Section 3 provides reader with a brief account of the history of Chinatown in Milan and a representation of Sarpi-Canonica today. In section 4 we widen our gaze to the region and we introduce how Sarpi-Canonica is becoming the core center of a regional enclave specializing on the fashion industry. This is based on pictures, demographic data about Chinese population and Chinese firms residing in neighborhood. In section 5 a set of instances, based on in-depth interviews and semi-structured questioner, is provided in order to characterize the interplay between entrepreneurship and community building. Finally, conclusion, limitations and future researches are advocated.

1. Background literature

Ethnic enclave is a key concept in order to study the interplay between entrepreneurship and community building (Zhou, 2004). It concerns a self-enclosed inner-city minority community (Wilson and Martin, 1982), which provides new arrivals with a distinct structure of economic opportunities as well as opportunities to rebuild ethnic institutions and social relationships disrupted by international immigration (Zhou and Cho, 2010). The concept of ethnic community was originally proposed by Wilson and Portes (1980) as a third alternative condition to the primary and secondary economies (Piore, 1975). According to this theory, immigrant workers should remain trapped in the secondary labor market, where jobs are characterized by instability, low wage and no ladders to success (Wilson and Portes, 1980). Conversely, there are ethnic groups, such as Chinese or Korean (Zhou and Cho, 2010), that are capable to structure and organize into immigrant enclaves. Immigrants belonging to ethnic enclaves do not find upward mobility channel blocked. They are forced to work hard for low wages, but manage to move up either within exiting enterprises or by setting up their own businesses. Immigrant enterprises, within these communities, manage to organize workable form of vertical integration by developing ethnic sympathetic sources of supply and consumer outlets.

Zhou (2004), as part of a work of literature review, has defined a set of unique characteristics that makes enclave unique compare to other forms of ethnic economies. First, groups involved in ethnic enclaves are characterized by a sizable entrepreneurial class and a positive attitude toward entrepreneurship. Second, economic activities are not exclusively commercial, but include product activities directed toward the general consumer market. Third, business clustering entails a high level of diversity. It does not include niches shunned by natives, but also a wide variety of economic activities common in the general economy. With respect to these latest two points, studies highlight that advantaged ethnic communities are characterized
by a high degree of diversification in related industries (Wilson and Martin, 1982; Portes and Manning, 1986). Fourth, relationships with workers and, to a lesser extent, with clients are embodied with co-ethnicity. Fifth, the enclave economy requires colocation within an ethnic identifiable neighborhood with a minimum level of institutional completeness. Especially in the early stages of development, proximity is required in order to support ethnic businesses with access to a co-ethnic market which they initially serve, access to ethnic resources, including credit, information and sources of support, and access to the supply of ethnic labor. Furthermore, co-location and spatial clustering are important to nurture the formation of a dense network of strong, crosscutting social relationships, which constitutes a valuable resource for the conduct of social affairs and provide the base of trust, cooperation and collective action in such communities (Kloosterman and Rath, 2001). Finally, enclave economy has an integrated cultural component. Economic activities are governed by bounded solidarity and enforceable trust. In sum, enclave economy is not any type of economy, but one that is bonded by an identifiable ethnic community and embedded in a system of community-based co-ethnic social relation and observable institutions (Zhou, 2004).

The definition of Zhou pinpoints two major aspects characterizing the functionality of an ethnic enclave: community entrepreneurship and institutional completeness. On one hand, immigrant entrepreneurship strongly depends on community support and social capital. Social capital is a dense network of strong, crosscutting social relationships, which constitutes a valuable resource for the conduct of social affairs and provide the base of trust, cooperation and collective action in such communities (Jacobs, 1965). It is a sort of collectively owned capital, which entitles members of networks to credit in the various sense of the term (Bourdieu, 1986) and includes the actual and potential resources that are accessible through such networks (Bourdieu, 1986; 1993; Putnam, 1995). Social capital feeds the capacity of an ethnic community to attract, mobilize and share resources through social capital (Kloosterman and Rath, 2001). Ethnic entrepreneurs leverage on social capital to get access and pool together financial resources, valuable information, reliable and competent employees, and exclude newcomers from acquiring business premises or by withholding information on such accommodation (Kloosterman and Rath, 2001; Aldrich and Waldinger, 1990; De Noni et al., 2013). Social capital plays also a role in guaranteeing an incoming flow of immigrants sufficient to satisfy the demand for low income labor. However, it is not sufficient that the new arrivals are willing to work hard for a low income. They should also have entrepreneurial skills and attitudes (Wilson and Portes, 1980) to perpetuate the capacity of the community to expand its range activities in different industries and other locations.

On the other hand, institutional completeness has been pointed out as critical resource to support the spatial development of enclaves on a metropolitan/regional basis (Wilson, 1987; Zhou and Cho, 2010). It is defined as the degree of social organization achieved by an ethnic community in terms of complex neighborhood-based formal institutions that satisfy all the needs required by its members (Breton, 1964). It ranges from an informal network of interpersonal relationships to a community consisting of both informal and formal organizations. As suggested, institutional completeness is important to contrast the negative effects of the out-migration of the middle class and the spatial development of the enclave. This process of outmigration and spatial development breakdown local social structure leaving the disadvantaged trapped in economic distress, social isolation and ghettoization (Wilson, 1987). Conversely, if degree of institutional completeness of an ethnic enclave is high, its original localization provides members with a unique ethnic social context for interpersonal interaction.
Entrepreneurship is a relevant component, especially for its non-economic effects, in the degree and the development of institutional completeness (Zhou and Cho, 2010). It strengthens the formation and growth of local social structures, leading to the community’s high degree of institutional completeness and the significance of ethnic identity. It creates a social space for institutions and individuals to interact. Local businesses are often the scene of meeting of different types between members of institutions and co-ethnics. A solid platform of ethnic businesses and social organizations provides the ground for the return of nonresidents middle class co-ethnics. This creates new consumers demand and indeed stimulates new entrepreneurial investments as well as further developments in social structure. Nonresidents middleclass co-ethnics do not return only for consuming ethnic products, but to get access to ethnic-specific resources, such as the ethnic system of supplementary education, not available in the larger society. Last but not least, a strong enclave economy feed social capital formation from patterned social relations.

Thus, the literature on ethnic enclave provides evidences for a close tight between entrepreneurship and community building. On the one hand, entrepreneurs use social capital to get access and pull together the resources required for the start-up and development of their own business. On the other hand, entrepreneurs with their own businesses contribute to enhance community’s institutional completeness. However, as suggested by Zhou (2004), we still lack the understanding of the mechanisms by the means of which these two dimensions of an enclave are co-produced and with what effects on the development of the community, on the relation with both sending and receiving communities. Developing such awareness requires studying how particular ethnic community is affected by entrepreneurship and the other way around how entrepreneurship is affected by a particular ethnic community. The following of the paper attempts to understand how entrepreneurship affects and is affected by community building in the specific setting of the Chinese community in Lombardy.

2. Research design

The analysis is developed at three different levels of analysis: individual, neighborhood and regional level. All levels are crucial to identify the conditions which lead to the shaping of Chinese regional enclave and provide the grounding antecedents for the final discussion. The study firstly describes the evolution of Chinatown in Milan since the ’20 to 2011. Then it displays the expansion of Chinese population and entrepreneurs at regional level. Finally, it argues the rising of Chinese regional enclave and highlights the central role of Sarpi-Canonica. Firstly, the paper focuses on the development of Chinatown in Milan. Chinatown in Milan represents the original settlement of the Chinese community in Lombardy. For more than 50 years, most Chinese in Lombardy were born and/or grew up in this neighborhood. Furthermore, Chinatown in Milan is the economic center of the Chinese community. Thus, looking at the history and changes that have affected Chinatown in Milan allow us to understand how entrepreneurship has contributed and still contributes to write this story and shape these
changes. At this level, our analysis has been based on three types of data: already published material, participatory observation, and statistical data. Secondly, it focuses on the regional expansion. The decision to look at the region is motivated by the recognition that is no longer possible to understand the dynamics of migration and that of related phenomena, such as immigrant entrepreneurship, outside to the territorial context in which they take place. The recent literature highlights that migration and immigrant entrepreneurship makes sense as part of co-specialization process taking place between regions. Thus, the extending of analysis to regional level enables us to take these issues into account. This section of analysis mainly depends on statistical data.

Finally, the rising of Chinese regional enclave is proposed by focusing, according the Zhou’s (2004) definition of ethnic enclave, on the central role of Sarpi-Canonica neighborhood, the institutional completeness and the relationship between community entrepreneurship and community building. At this level, two analytical tools are implemented. First, some Chinese entrepreneurs are in-depth interviewed. The experiences of Mr. Wang, Mr. Cheng, Mr. Liu, Mr. Hu’s family are useful to have a clear understanding of how the complex web of kinships, friendships and co-ethnic relationships work and how the relation with the country of origin is important to support the development of the community in the hosting country. Second, in order to evaluate their significance, the most interesting claims emerged during these in-depth interview have been tested through a semi-structured questioner deployed to a panel of about forty Chinese entrepreneurs working in Milan Chinatown. These two activities have been conducted with the help of Chinese student as part of her MS. dissertation. She conducted all the interviews. Her intermediating role have been critical for the success of the project as none, otherwise, would have talked to us for the fear of being questioned to get information on black labor, illegal migration, and labor exploitation.

3. The development of Chinatown in Milan

The Chinese began to settle in Milan since the ’20 of the XX century. They came from France walking through the Turin-Milan corridor. The original group counted a hundred of people. All of them were originally from a particular area of the coastal province of Zhejiang. Through the course of the 30s, the number of Chinese immigrants grew steadily. Milan was considered a promising place and a popular destination for Chinese immigration into Europe. The flow of immigration was mainly driven by the network of kinships. Thus, all newcomers came from the same area and were related to each other. In particular, they came from the areas of Qingtian, Whenzhou, and Wencheng. In fact, according to an interview reported in Manzo (2012), 75% of the Chinese population in Italy comes from Zhejiang province. The choice of Paolo Sarpi Street as settlement was originally motivated by reasons of opportunities. It was still a neighborhood outside the city center, poor, undeveloped, and a market for prostitution. Houses were still quite cheap, the costs of living were rather low, and there were several shops. It was also a popular residential area for many internal immigrants coming from other parts of northern and central Italy.

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1 We thank the Chamber of Commerce of Milan for the data provided on Chinese entrepreneurship at urban and regional level. Demographic data are provided by Istat (Italian National Statistics Institutes).
2 We thank Wanghau Guan for her contribution.
From the 50s to the 80s, the flow of immigration from China lost its strength due to the restrictive policy of Chinese government. It regained impetuous since the 80s due to the combination of two factors: the policy of reform and openness promoted by Deng Xiaoping; the phase of rapid economic growth in Italy. The combination of these two factors did not lead only to a rapid growth in the number of Chinese in Milan and in Italy, but also to an extension in the range of economic activities undertaken by Chinese entrepreneurs. With respect to this latest issue, entrepreneurs belonging to the original group of Chinese who migrated from France started up as street vendors of necklaces and bracelets. Later on, some of them abandoned this unprofitable trade to undertake the in-house production and street selling of silk tie. From the 80s, Chinese entrepreneurs started to supplement and complement Italian firms into related areas of business, such as in-house production, treading and retailing of leather goods, production bags and other clothing items, catering.

Since 1970s, Chinese restaurants emerged and became prosperous. The first Chinese restaurant opened in Milan was called “Zhonghua Restaurant” in 1970s. The historical background was Chinese food became more well known in the West because the U.S. president Nixon’s visit to China. Chinese food therefore became more popular to western people. Along with an increasing number of restaurants established by Chinese migrants in Paolo Sarpi Street in Milan, there have been more and more various businesses established in the area. In 1990s, an increasing number of clothes workshops opened by Chinese migrants moved from France to Milan emerged in the area due to the Italy’s relaxation on its immigrant policies (Manzo, 2012). With more and more businesses operated by Chinese migrants in the area in Milan, the Chinese community has been built up and expanded. Milan Chinatown was therefore shaped.

In 2011\(^3\), the municipality of Milan counts as much as 217,324 foreigner residents (16.4% of the residents in Milan). Chinese residents were 18,918 (8.7% of foreigner residents and 1.4% of the residents in Milan). The Chinese were the third most numerous ethnic group in Milan after the Philippian (33,753 - 15.5% of Milan’s population) and the Egyptian (28,666 - 13.2%). The Chinese residents increased by 10.2% with respect 2010, by 46.0% with respect to 2006 and by 103.5% with respect to 2004. Large part of the Chinese population lives in zone 9 (Garibaldi-Niguarda) and zone 8 (Fiera, Gallarate, Quarto Oggiaro). In these two areas are hosted 55% of the Chinese community that reside in Milan (3% of all residents). The third area that hosts the largest number of Chinese is the number 2 (Stazione Centrale, Gorla, Turro, Greco, Crescenzago), which counts for 19% of the Chinese population. The historical Chinatown site (Sarpi-Canonica) is located in zone 1, which counts only for 5% of the Chinese population. However, Chinatown is developing also in Zone 8, which is the zone with the second highest number of Chinese inhabitants. The districts where the number of Chinese residents is growing faster are 4 (Vittoria, Forlanini), 8 and 9. Unlike 8 and 9, the number of Chinese living is Zone 4 is low. Thus, it is an emerging area for Chinese settlement.

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\(^3\) Demographic data refer to 1\(^{st}\) January of each year.
To conclude, the area of Sarpi-Canonica is no longer the most densely populated by Chinese. Since these two streets are part of the city center, the area is attracting back the youth of the Milanese bourgeoisie and the cost of housing has become too high for most Chinese. However, Chinese remain the most present and visible ethnic group in the neighborhood as consequence of the large presence of Chinese businesses. These are in the number of 916, which is the 29% of the Chinese companies registered in the municipality of Milan. Most of these businesses involve wholesalers or retailers of textiles and clothing, restaurants, and personal services. Moreover, there are also a great number of Chinese businesses that are not visible in the area. Many Chinese businesses, mainly textile workshops, are hosted in the basements of buildings.

4. The regional expansion of Chinese community

In the last decade two phenomena are characterizing the development of the Chinese community in Lombardy. First, Chinese community is expanding at regional level. Second, Sarpi-Canonica is becoming the strategic center of the community. This section focuses on the demographic and entrepreneurial development of the Chinese community in Lombardy. Four major dimensions of the Chinese community are investigated: the spatial distribution of the Chinese at the level of municipality in Lombardy; variation in the spatial regional distribution between 2004 and 2011; spatial localization of Chinese entrepreneurial activities; and relative industrial specialization of each municipality.

Figure 2a provides a representation of the geographical distribution of Chinese population in Lombardy at municipal level in 2004. This figure highlights that the vast majority of Chinese live in the municipality of Milan (42.79%). The second municipality for the presence of Chinese is Brescia (7.08%). Together, these two municipalities count for 50% of the Chinese population leaving in Lombardy. The remaining 50% is distributed in the municipalities around Milan and Brescia, partially around Bergamo, and along the Brescia-Mantova dorsal and the Brescia-Cremona dorsal. It is interesting to notice the distribution of the Chinese population around Mantova. There are several peripheral municipalities with a relative high percentage, compare

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4 This is defined as percentage of Chinese residing in each municipality with respect to the total number of Chinese that reside in Lombardy.
to Mantova, of the Chinese population. This depends, as we shall see, on the fact that Mantova is a specialized manufacturing area, which is very attractive for the Chinese enclave.

Figure 2a and 2b – Geographical distribution of Chinese population (on the left) and the variation in the percentage of Chinese (on the right)

Figure 2b shows the variation in the percentage of Chinese present in each municipality between 2011 and 2004. Thus, a positive value highlights that the percentage of Chinese registered in the municipality and calculated with respect the total number of Chinese registered in Lombardy is increased from 2004 to 2011. This enable us to highlight the municipalities that have been most affected by the increment of the Chinese population in Lombardy. The picture highlights a number of interesting facts. First, the percentage of Chinese is decreased in all main urban centers, such as Milan, Brescia and Bergamo. This does not mean that the number of Chinese leaving in Milan is decreased, but the weight of these municipalities in the geographical distribution of the Chinese population is diminished. Second, the most growing municipalities are those close to ones already densely populated by Chinese. Thus, Chinese population tends to expand in the closest municipalities to those already occupied by their compatriots. Third, there is a general increment in the presence of Chinese mainly in the municipalities located in the south part of the region. In particular, there has been a significant increment in the percentage of Chinese in those municipalities specializing on manufacturing, such as the province of Mantova and Como, the area close to Vigevano, and along the border with Emilia Romagna. Unexpectedly, there has also been an increment in the presence of Chinese in the municipalities surrounding Sondrio close to the border with Switzerland. Hence, this analysis suggests that the Chinese enclave is expanding its presence in Lombardy and is penetrating manufacturing areas.

Figure 3a shows the spatial distribution of Chinese entrepreneurial activities at the level of municipality in Lombardy. This is defined as percentage of Chinese firms in each municipality with respect the total number of Chinese firms in Lombardy. This figure highlights that Chinese entrepreneurs localize their business in major urban centers: Milan, Brescia, Bergamo, Mantova, and Como. Furthermore, there is a diffused presence of Chinese firms in the provinces of Milan, Brescia, and Mantova. The overlap between the geographical distribution of the community and geographical distribution of entrepreneurial activities confirms that the two are strictly tied. Thus, there is strong correlation between spatial development of the community and spatial
development of entrepreneurship. This is also confirmed by the strong correlation between presence of Chinese and presence of retailing services.

Figure 3a and 3b – Distribution of Chinese entrepreneurs (on the left) and municipal industrial specialization of Chinese activities (on the right)

Figure 3b shows the relative specialization of each municipality in Lombardy. This is defined as location quotient of main Chinese entrepreneurial activities (manufacture textiles, wearing and leather, wholesale and retail trade, food and beverage, personal services) for each municipality compared to regional level. This figure confirms that the Chinese enclave is evolving into a coherent regional industrial system with two main centers of gravity: Milan and Brescia. Milan is the trading center while Brescia is the productive center. However, other three productive poles are developing. Two of them are specializing on textile and clothing manufacturing. The first is in the area between Brescia and Mantova; the second is in the area between Milan and Como. The third pole is in the area of Vigevano, south-west of Milan, and is specializing in leather manufacturing. The localization of these three poles is very interesting. These areas have already been the location of three industrial districts\(^5\) specializing on these industries. For instance, the area of Como is still worldwide famous for its production of fine silk. Thus, the Chinese community is entering the exiting entrepreneurial tissue coherently with its specialization both at regional level and at the international one.

Therefore, on the basis of this analysis three major issues can be summarized. First, since Milan is considered worldwide one of the main center of the fashion industry, it makes sense, also at the global level, for the Chinese community to specialize on these set of related industries.

\(^5\) An industrial district is social-territorial entity characterized by the co-presence of a community of people and a population of firms belonging to the same industry or related industries (Becattini, 1989). The concept of industrial district shares some commonalities with one of ethnic enclave. First, there is strong interdependence between entrepreneurship and community building. Second, industrial districts rise in specific cultural niche. Thus, localities support a strong mutual identification and mutual trust between community members. Third, industrial district are mainly populated by network of small and medium enterprises. Thus, as for the enclave, the attention on this organizational form has been driven by its capacity to offer better employment opportunities than the mainstream economy and its capacity to sustain the competiveness and innovation of small and medium firms. Nowadays, there are many industrial districts that have not been capable to deal with market globalization and economic crises. Thus, they offer entrepreneurial opportunities for immigrants that have financial resources, relationships and skills for competing in these industries.
Secondly, there are a number of productive poles that are rising in the region that play a complementary role with respect to the one played by Sarpi-Canonica. Finally, while the other main Chinese settlements in the capitals of province are specializing on retailing, the core neighborhood Sarpi-Canonica is changing its specialization from retailing to trading.

5. The rising of a regional Chinese enclave

There are, according to Zhou and Cho (2010), two factors that are characterizing the recent development of ethnic enclave: the outmigration of the ethnic middle-class from the original site of the community; the transformation of the original site into a trading center and an entertaining center for the community. These two factors, according to our point of view, set the condition for the rising of a regional Chinese enclave. Therefore, this section complements the previous one in providing support for such an hypothesis. As we shall see, the historical site of Sarpi-Canonica is becoming the main strategic center of a regional Chinese enclave. First, it plays a critical role in sustaining the degree of social organization and institutional completeness of Chinese community. Second, it fosters the capacity of the community to produce, support and attract social entrepreneurial capital in spite of geographically dispersion.

5.1. Transformations of Chinatown and the issue of institutional completeness

The evolution of Sarpi-Canonica neighborhood resembles the one described by Zhou and Cho (2010) in the cases of Chinatown and Koreatown in Los Angeles. They highlight two trends. The foster is the transformation of these areas from residential area to business district, which becomes a sort of commercial downtown for the enclave. The number of co-ethnics that reside in the area decreases and, meanwhile, the visibility of the ethnic community in original site increases. The district is filled with various types of co-ethnic-owned businesses in bilingual or Chinese-only or Korean-only signs. Furthermore, there is an increment both in the quality and variety of the retail services available. For instance, the area is filled with trendy and expensive restaurants, which are rarely found in other inner-city racial-minority neighborhoods. The area is enriched by a variety of retail services (jewelry shops, ethnic bookstores and other specialty stores), personal services (barbers, beauty salons), and professional services (doctor and dentist clinics, traders, financial institutions and travel agency). The latter is an increment in the supply of educational and cultural services, such as childhood educational program, college preparatory center, music, art and arts studios, karate and kung-fu and others sport clubs. This transformations, according to Zhou and Cho (2010), is important because it highlights the degree of institutional completeness achieved by the community and its capacity to fuel inclusion and development despite of the out-migration of middle-class co-ethnics. Likewise, this transformation is taking place also in Milan’s Chinatown. We have already highlighted the number of Chinese immigrant residing in Chinatown is decreasing steadily. Today Chinese immigrants residing in zone 1 are less than 5%. They are moving to the peripheral metropolitan area or to other municipalities of the region. Moreover, we have stressed the role of community entrepreneurship. New municipal poles specializing on the trading textile, clothing and leather retailing and manufacture are rising at regional level. However, they are strongly related to Sarpi-Canonica because of its central role in trade flows. The degree of institutional completeness of Chinese community in Lombardy is furthermore suggested by two factors affecting the central role of Chinatown: the diversification of business activities in the area and the cultural and social organization capacity.
The business diversification within Chinatown

In spite of demographic decline, Chinatown is still characterized by a high concentration of business activities. According to the registry of the Chamber of Commerce of Milan, 29% of the 3,159 Chinese companies registered in the municipality of Milan are based in the Sarpi-Canonica. The second metropolitan area includes only 5.3% of Chinese firms.

However the business structure of the neighborhood is strongly evolved with respect to the past. While originally it mainly involved textile and clothing retailers, now two trends are detectable. On the one hand, the specialization of the area is changing from retailing to trading. Today, the majority of Chinese companies in Sarpi-Canonica are wholesalers (46.29%). Wholesalers are mainly specializing in trading of clothes and footwear (77.45% of wholesalers located in the area of Paolo Sarpi-Canonica) and in trading of other consumer goods (14.71%), such as paper, cardboard and other stationary goods, books, journals, toys, sports and leather goods. On the other hand, there has been also a diversification of the business in the area. The retailers within the neighborhood (26.17% of Chinese companies in Sarpi-Canonica) are no longer specialized in textile and clothing (just 31.79% of retailers have been in the business of selling textiles yet). The remaining percentage (68%) is much more distributed among different product categories (Figure 4). Of these the most relevant retailers are operating in shopping centers or other commercial facilities (13.29%), selling other products, such as furniture, gifts and costume jewelry, in specialized commercial facilities (10.40%), selling telecommunication and telephony (6.4%), perfumeries and herbalists (4.6%), shoes and leather products (4.6%).

Moreover a relevant percentage of Chinese firms in the area are restaurants (7.26%) and personal services (6.2%). In particular, the providers of personal services belong to three major categories: hairdressers and beauticians (48.78%); fitness and wellness center; other personal services (Figure 5).

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6 Spas do not belong to this category.
Thus, this data confirms that the old Chinatown in Milan is transforming into a core business center and a recreational center for the regional enclave. There is concentration of trading activities mainly specializing on the textiles and clothing. Furthermore, there is an increasing business diversification which concerns retailing and services.

Figure 6 – Business diversification of Chinese activities

Photos (Figure 6) show both the increased visibility of Chinese business activities in Sarpi-Canonica and how those activities are mainly targeted to Chinese customers.

The cultural and social organization capacity of Chinatown: the case of riot in 2007

Institutional completeness has been highlighted as a key driver in strengthening cultural identity of community. This is confirmed also in the case of Chinatown in Milan. Sarpi-Canonica area plays a central role in helping members to maintain connections with their home country, for instance, by organizing celebrations for important Chinese traditional festivals such as Chinese New Year, Chinese full moon day, dragon boat festival, and etc. Chinese families rely on these celebrations as opportunities to educate their children about Chinese traditions and culture. Photos (Figure 7) show some instances of Chinese traditional celebrations involving Chinese within Paolo Sarpi area.

Figure 7 – Chinese traditional festivals in Sarpi-Canonica

The social organization capacity of Chinatown is further highlighted by the case of riot in 2007, which burst out of yet another fine given to a Chinese wholesaler for loading and unloading goods in a prohibited area. Chinese wholesalers felt discriminated compared to native traders, who were allowed to do so with the complicity of local police. However, this has been the typical straw that broke the camel’s back. The real problem, as reported by Manzo (2012: 433), is ‘the separation between the ground floor and the highest floors is what creates the real

7 Source: own photos
8 Sources: photos are from www.youreporter.it, www.milanotoday.it, blog.wonderfulmilan.info.
problem of cohabitation. The first one is almost completely Chinese, in terms of use and attendance and the second one is almost completely Italian (Christian Novak, town planner, professor at Polytechnic university of Milan). Gentrification has drastically altered the demographic structure of the neighborhood. Members of the petty bourgeoisie Milanese are fighting hard against everything that could decrease the value of their real estate investments and the quality of their life. The presence and visibility of Chinese entrepreneurship at ground flour and in the basement is perceived to affect both.

Figure 8 – Chinatown’s riot against the local police in 2007

The riot of 2007 highlights the degree of institutional completeness achieved by the Chinese community in Milan, which has been capable to organize and coordinate a collective action. However, this action was not led by formal associations or institutions representing the community, but it was spontaneous and led by the informal ties between members of the community. Still, even if there a number of Chinese entrepreneurial associations, these do not seem to have a leading role in the community. According to most entrepreneurs we interviewed, these associations do not provide any support, but serve the reputation and visibility of those in charge.

“I don’t think I have had any actual help from Chinese migrant organizations. According to my knowledge, the executives in Chinese organizations only appear for some events. For example, when an important Chinese officer visits Milan, the heads of Chinese organizations organize reception for them (Mr. Liu)”

“I believe some Chinese businessman would compete for the position as the head of a Chinese organization because they want to obtain more reputation after they become successful in business. But I don’t think these organizations can provide actual help for most Chinese migrants and businessmen. Maybe these organizations can help the business of the heads of the organizations because it is good platform for them to build up networks (Mr. Wang)”.

5.2. Entrepreneurship, social capital and community building

The second issue affecting the central role of Chinatown is the relationship between entrepreneurship and community building. The basic idea is that in some ethnic group entrepreneurship is a key driver in the formation of an ethnic community, but, on the other way around, the formation of a community further drives the development of entrepreneurship. On

9 In 1999 the association Vivisarpi was founded in order to defend Italian residents’ interests.
10 Sources: photos are, in the order, from www.affaritaliani.it, ariberti.altervista.org, www.ilgiornale.it and www.blitzquotidiano.it.
the one hand, the community enables entrepreneurs to pool together financial resources, get access to sympathetic sources of supply and markets, and get access to low-cost labor. These factors are important to support both the start-up of new businesses and their further development. On the other hand, entrepreneurship is an important driver in the development of social capital and indeed community building. Entrepreneurial action does not only support the attraction of other immigrant belonging to the same community, but also and most important, improve the capacity of the community to select and strength the social ties that better foster its further development. Hence, entrepreneurial action produces, as side effect or positive externality, further social capital and enhance the capacity of the community to selects its members, coordinate collective action, and control free riding and deception (Light and Bhachu, 2004). Therefore, in this section we provide some instances of how entrepreneurship, social capital, and community building work together in order to support business start-up and job-hiring, business education and transmission.

**Entrepreneurship and community building in business start-up**

The large majority of the Chinese living in Chinatown is originally from the same region and are tied together from a complex web of kinships and friendships, which draws back and whose dynamic has important consequences in the country of origin. The experience of Mr. Wang highlights the crucial role of social capital in order to support the establishment and development of new entrepreneurial activities.

Mr. Wang started up his first retailing shop in Milan during the late 1990s. This was a leather belts shop. He purchased leather belts form his hometown back in China and sold them in Milan. As Mr. Wang stated:

“I had a friend in my hometown who has a workshop producing leather belts. Thus, I could rely on our friendship to start up my own business. At the beginning, I didn’t have enough money to buy leather belts. I said to my friend I wanted to start up my own leather shop in Milan. Thus, he shipped me the goods without mentioning money. After a few shipments, he asked whether I could start to pay for the previous shipments. At that time, I already sold most of the leather belts and I was able to pay. Thus, because of his help, I was able to start up my business at the minimal costs. Why did my friend help me to start up my own business? This is because we are friend. I am from a small town in Zhejiang province. The relationships between family members and friends are very tight. Therefore, my friend trusted me. He also knows all my family and most of other friends of mine. Mentioning money at the beginning of our business relationship would have put our friendship at peril.”

The story of Mr. Wang highlights two aspects. First, social capital is an important asset in the start-up of a new ethnic business. Social capital provides Mr. Wang with the capital necessary to start up his own business. Second, social capital spans local boundaries. There is intense interaction between the ethnic community abroad and the native community. This interaction enables members to maintain their relationships both with their co-ethnic friends in Milan and those remained in the native village. Thus, through this network Mr. Wang could exploit the potential of resources and competences available in his native community. However, in so doing, he did not only exploit the value of these resources, but he had contributed to strengthen the competitive position of his friend workshop and that of its native community in the supply of
leather belts and goods. He provided the opportunity for his friend to enhance his experience and learn from interacting with a reliable customer embedded in a different cultural setting. In this perspective, Milan play a critical role in this perspective because is one of the main hub in the fashion industry.

Social capital is not only important for business, but also to support the institutionalization of shared attitude and behavior in the community, which are replicated over-time and space. This fosters the replication of the community, with its rules, values and know-hows, over time and space. This is why a neighborhood densely populated by Chinese becomes Chinatown. The Chinese, through their social capital, tend to replicate the same social and cultural structure characterizing their community of origin. This is clear in the way Mr. Cheng justifies his decision to become an entrepreneur.

“Wenzhou, the city most Chinese in Milan came from, has a long lasting entrepreneurial tradition. Geographic conditions are not suited for farming as there are many mountains and hills. Therefore, we started to develop manufacturing and trading since the political and economic reforms in China after culture revolution. I chose to start my own business because of the influence of my father. My father started to do business since the 70s. He was in the first group of people who started to do private business in China. His history and experience taught me that starting up my own business is the best way to take care of my own family. Furthermore, since I’m not competitive in the Italian labor market, I also feel that setting up my own business is the best way for me to have better income and exploit my skills”.

To sum up, social capital is an important driver to support both the start-up of new entrepreneurial activities in the receiving countries and the process of community building and enforcing abroad and the home country. It supports the pooling of distributed resources and enhances the reliability of communitarian connections in supplying useful resources to feed the development of business communities abroad. It also supports the transmission and enforcement of cultural norms and values abroad and indeed the institutionalization of community of co-ethnics abroad.

Entrepreneurship and community building in job-hiring

One of the factors that contribute the most to the formation of an ethnic enclave, as suggested by Wilson and Portes (1980), is the supply of cheap labor from the native community. This enables ethnic entrepreneurs to keep the costs low. However, the possibility to keep continuing to attract co-ethnics willing to work for low wage depends on the capacity of the community to expand and offer entrepreneurial opportunity for the new arrived. However, these opportunities should not be available in the enclave, but also in other cities or other countries. According to the people we interviewed, there is a high work and entrepreneurial mobility between communities. Chinese immigrants move from one city to another in order to find better living opportunities. The high mobility of workers further strength the importance of social capital because entrepreneurs should be able to select quickly, frequently and at low cost reliable and efficient employees ready to work in their own companies. The experiences of Mr. Wang and Mr. Hu highlight these aspects.

“Chinese, especially if migrated illegally, settle for a low wage. Like all other Chinese businessmen, I recruit them (Chinese workers) from word of mouth. I
never needed job agencies. I hired new employee from acquaintance recommendation. I feel I can trust them if they are recommended by acquaintance. This recruiting strategy makes me save money. Employees working in my shops do not need high skills and any professional knowledge or qualification. However, I have to trust in the way they run the shop.”

Differently, Mr. Hu needs to look frequently for highly skilled employees. However, social capital works in the same way.

“Turnover in my restaurant is very high. Thus, I need to hire new people often. The high turnover is because the mobility of Chinese migrants is high. They might decide to move to another job, or another city. Furthermore, I use many temporary employees in order to keep our running costs low. This is another reason for the high turnover of employees. Given the high rate of turnover, recruiting from the migrant network is very important for me. Furthermore, I need skilled employees. For instance, the chef is a critical resource in a restaurant as mine. I need good Chinese chefs, which are very difficult to recruit in the normal labor market. I need to use my network to get chefs that I can trust. I recruited the current chef from acquaintance recommendation. Without the help of friend, it is very different to get access to good employees.”

Entrepreneurship, children’s education and business transmission

One of the main characteristic of Chinese entrepreneurship is that it is family-based. Even if there are significant cost-advantages in employing families, this is a character deeply rooted in Chinese culture (Chen, 2001). The family-based nature of Chinese firms has deep implications on the way second generation Chinese are grown up and educated and on business transmission and the quality of second generation Chinese entrepreneurs. These issues are investigated in this section with the help of the Hu family.

Mr. and Mrs Hu have two sons. They arrived in Italy with their mother a couple of years later than Mr. Hu, when they were respectively 11 and 4 years. Mr. Hu’s business is typically family-based. Mrs. Hu is working as cashier and takes care about the financial aspects. Mr. Hu is in charge of the supplies and of the daily management of the restaurant. The older son helps the father in the daily management while in the evening attends customers at the restaurant. Their younger son does not work in the family business, but he is employed in a Chinese multinational company based in Shanghai.

Mr. and Mrs Hu firmly believe, like most first generation Chinese migrants, in high education.

“I do not want my sons to become like us. I wanted them to be well educated and have a decent job. My husband and I taught them that working hard at school is very important for themselves and our family. […] Although we had really limited income, we decided to send them to the local school. We hope they could grow up the same as other local kids and have a decent job in the future.”

Despite their commitment to high school education, they did not succeed with both. The older son left school as soon as he finished junior high school. Differently, the younger one graduated at University. According to Mr. and Mrs. Hu, their failure in providing their older son with a higher education depends on the fact that he was already grown up when he arrived in Italy and they could not afford to spend time and money on his education.
“My younger son went to university and did well in university. Now he got a very
decent job in Shanghai. However, my older son didn’t try too hard. Now he is
working in the restaurant. My older son came here when he was eleven. He found
difficult to learn Italian. He did not like studying and he doesn’t agree with us that
qualification is important (Mrs. Hu)”

“I take full responsibility for this result. When my family arrived to Milan, we had
to work very hard. We didn’t have time to look after our son. At that time, it was
important for our older son to get used to live in Italy, but we didn’t have time and
energy to monitor him. Later on, our restaurant was set up and I could dedicate
time and money to make sure our younger son get a better education (Mr. Hu).”

Mrs. Hu does not mind too much for her older son dropping school. He would have taken over
the management of the restaurant anyway.

“I didn’t mind him dropping school because it is not a bad thing to work for our
own business. His father and I will leave this business for him eventually anyway.”

Second generation of Chinese entrepreneurs presents some peculiarities with respect to those of
first generation. First, most of them have been trained in Italian school. Thus, they can speak
Italian better than their parents. For this reason, as suggested by De Luca (2004), they take care
of the paperwork and bureaucracy on behalf of their parents since they are children. Second,
they cannot speak good Chinese. Thus, they tend to group together and make community per se.
However, they parents believe that speaking Chinese fluently is important and spend money to
 teach them Chinese. Even more, they want their children to speak standard Chinese (Mandarin)
Mrs. Hu says:

“He hangs around with friends similar to him. They are second generation of
Chinese migrants. My son does not speak very good Chinese, so he does not hang
around with Chinese people who speak Chinese as daily language. Thus, to make
sure that he can speak some Chinese, I hired a Chinese teacher to teach him
Mandarin. This teacher is not from my hometown because we speak dialect. To
avoid this, I made sure the teacher speaks good mandarin.”

Our survey highlight that there is a gap between first and second generation Chinese immigrant.
55% of the respondents believe that their children are either Italian or what they defined as
“banana” (yellow outside, but white inside). Although they believe their children being
 westernized, almost all of them are expected to get married with a Chinese.
Thus, the family-based nature of Chinese firms has significant implications on the way children
are grown up and second generation Chinese entrepreneur are formed. First, the story of the Hu
family highlights that children may differ completely in the way they are grown up and
educated. Typically, older children are the one who suffer most the problems of integration both
in the hosting community and in the original one. Older children arrive in Italy already grown
up. This restricts their ability to learn Italian. Their parents are dedicated full time to set up their
family business. Thus, they do not have the time and the money to help their older children to
get set up in the hosting country. On the other hand, older children are uprooted form their
original community. Thus, they tend to lose their capacity to be member and identify in it. It
follows that the capacity of the community to reproduce itself depends on the rising of a social
tissue and a system of institutions committed to transmitting the norms and values of the community.
The destiny of the second children seems to be completely different. They either arrived in Italy when they were very young or they were born in Italy. Therefore, they have far fewer problems of integration in the hoisting society. They attend Italian public school. They have Italian friend. They often go at University. They might, as Mrs. Hu’s son, go back to china and work for multinational companies. The peculiar context, in which they grow up, at the intersection between two cultures, makes them ‘transnational born children’. This makes them natural cultural mediators and transnational entrepreneurs, which may help the development of transnational business partnerships both locally, between Italian and Chinese firms in the same country, and globally, between Italian and Chinese firms in the two respective countries.
The different way older and younger children are grown up open up the issue of business succession. Business succession is a critical for the reproduction of the enclave and of its capacity to remain attractive to immigrants and business partners in the hometown. Family businesses are often transferred to older children. There is a dual reason. On the one hand, older children are expected to inherit the family business. On the other hand, the first child, for the reasons described above, is the less skilled. Thus, the family business is often their best option. However, this mechanism leads to adverse selection. The new generation of entrepreneurs is not the one best suited to sustain the development of the community. They are not well integrated either in their original community or in the hosting one. Thus, the risk is that the enclave locked-in and loses its links both upstream and downstream.

Summarizing the role of community

The result of our survey confirms most of the findings of our in depth interviews. Figure 9 confirms the importance (using Likert scale from 1 to 7) of the community for the development of entrepreneurship and the start-up of new businesses. According to the respondents in the survey, starting up their own business, getting financial help, keeping more in touch with mother country, and building business partnership with other local co-ethnic are regarded as the most important reasons for Chinese entrepreneurs to maintain the tight relationship with the community. Most respondents, elaborating on their answer to the questioner, pointed out that the community plays also an important role in maintaining the Chinese traditions and customs in term of daily life and festival celebrations. As regards to daily life, Chinatown provides them with a style of life similar to the one in their hometown, by supporting their cultural identity. They are connected with other Chinese people; they can establish social networks with other members; they can go to Chinese shops, Chinese restaurants and other businesses run by Chinese.

Getting access to employees and getting access to customers is less important than supposed. These latest results may appear counterintuitive. However, this is probably due to the way entrepreneurs perceive the role of the communities in the management of those activities. With respect to the access to the ethnic labor market, entrepreneurs mainly lever on their network of close friend. Trust is the main issue at stake. Thus, employees’ reliability has to be closely scrutinized. It seems that entrepreneurs perceive friendship rather than community membership as the most important character in assessing the reliability of an endorsement. Differently, with respect to customers, there are two possible considerations. On the one hand, as in the case of employees, friendship rather than community-membership may perceive as more critical in getting access to customers. On the other hand, it might also be the case that being part of a
community and sharing customers between community members is perceived as part the way business is done. Thus, there is no consciousness about the importance of the community in providing access to customers.

6. Conclusion
In this paper we investigate the interaction between entrepreneurship and community building in the Chinese enclave of Milan. This community has a long history. Chinese arrived in Milan at the beginning of the last century and settled in Sarpi-Canonica, which was, at the time, a peripheral neighborhood inhabited mainly by Italian immigrants. Nowadays, Sarpi-Canonica is the business center and downtown of an ethnic enclave that spans regionally if not at nationally. Our findings show a tight relationship between entrepreneurship and community building. First, social capital played a major role in the start-up of the community. All Chinese that arrived in Milan since the 20s of the last century are from the same province in China and are related with each other’s. Second, their specific origin contributed to shape their positive attitude toward entrepreneurship. Their province of origin, due to the lack of natural resources, has been among the first to develop a class of entrepreneurs after the economic reform. Third, social capital played a critical role also in the start-up and development of the entrepreneurial tissue that nowadays characterize this community. First, social capital enable community members to pool together financial and material resources required for the starting up of their businesses. However, this process of resources pooling does not only involve the enclave in Milan, but also the sending community. Chinese entrepreneurs rely on sources of supply back in China to finance the start-up of their business. The quality and trustworthiness of these supply relationships is guaranteed by the network of friendship and parenthood, which develops between Italy and China. Furthermore, social capital is also important to ensure the
Continuous supply of cheap labor, the access to co-ethnic customers and suppliers. However, it is not only social capital that supports the development of entrepreneurship in the community. The reverse is also true: entrepreneurship contribute to community building by selecting and strengthening the value of social relationship both locally, within the enclave, and between the enclave and the sending community. Finally, we found entrepreneurship also important for the way children are risen, second generation entrepreneurs are selected, the kind of new relationships the enclave develops with other Chinese communities, such as through educated children that go back in China, and for the kind of educational and cultural services the enclave demands, such as teaching of Chinese.

Coherently with what has been suggested by Zhou and Cho (2010), we found that entrepreneurship produce non-economic effects (externalities) that contribute to institutional completeness. Despite Sarpi-Canonica has lost its attractiveness as residential area for Chinese, the visibility of the community in the neighborhood is increased. This is due to the large presence of Chinese businesses. For this reason, the historical site, due to the persistence of entrepreneurship and the presence of high quality services, such as restaurants, hairdressers, and travel agencies, and shopping services, maintain its capacity to support the production of social capital and is becoming the cultural center of the enclave. On this perspective, the Chinese riot of 2007 has confirmed, despite its lack of formalization, the high degree of institutional completeness of the community. Finally, we also show that the Chinese enclave in Milan has evolved into coherent regional industrial system. A large percentage of Chinese are leaving outside Milan and their localization is coherent with the spatial development of Chinese entrepreneurship. Furthermore, we highlight that different geographical areas in this regional system are specializing on different and related activities. Finally, we also show that Chinese entrepreneurs prefer to enter an already exiting entrepreneurial tissue and localize their activities in an industrial area already sharing the same specialization.

This study has also limitations. First, it is based on a single case study. Thus, our findings may be dependent on the specific historical and social context in which the community has raised and developed. However, the comparison with international literature suggests that this is not the case and some of our findings are coherent with what is suggested in other studies. Second, some of our arguments are grounded on in-depth interviews with a very limited number of entrepreneur. Even if we try to verify the generalizability of these findings with a panel of 20 entrepreneurs, this is not yet sufficient to support our claim. Thus, further research is required in this direction in order to better support our findings from in-depth interviews. Third, the hypothesis relative to the rising of regional industrial enclave is also based on the observations coming from a single region. Thus, to further sustain our hypothesis it is necessary to develop a number of comparative case studies between regions in the same countries and possibly between European regions.

Our result set up also the ground for a number of future studies. A first direction is the one that look at the relationship between entrepreneurship and migration at regional level. This study suggests that the Chinese have a regional entrepreneurial strategy tying together immigration, existing regional specializations and communitarian resources and competencies. This strategy is, to a large extent, not deliberated, but emerges from the interaction between members of the community and between the range of resources and competencies available in the community and industrial structure of the hosting region. Is this strategy common to other ethnic groups as well as Chinese? Is this strategy common to other Chinese enclaves in other regions and in other countries? A second direction of research is the one that look at the kind of impact ethnic groups
with a regional industrial study have on regional development. Is the relation with native entrepreneurial network of substitution or of complementary? How does the presence of these ethnic communities impact on the localization strategy of native entrepreneurs? Finally, a third direction is the one that look to the impact of these ethnic enclaves on internationalization. Does the presence of these enclaves contribute to enhance the capacity of native firms, especially if of small and medium dimension, to enter international markets?

References


