

## Chinese Immigration to the Philippines since the Late 1970s

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### INTRODUCTION

Being close to China, the Philippines archipelago islands attracted Chinese migration even before the arrival of the Spaniards in the sixteenth century. A Chinese community was formed before 1949 on the basis of several hundred years of immigration. With the establishment of China–Philippines relations in 1975, many more Chinese nationals have migrated to the Philippines.

Earlier migrants were forced to leave China because of poverty, famine and political chaos. Migrants after the late 1970s relocated mainly to be reunited with their families. What factors drove them to migrate at a time when China was experiencing unprecedented economic prosperity and rising as a great power? Why do new Chinese migrants move to underdeveloped countries such as the Philippines, which has been a labor-exporting country and has suffered from a brain drain to the rest of the world, rather than to the highly developed Western countries?<sup>1</sup> Are they following family members, migration networks or markets? This chapter is based on my research in Manila’s Chinatown from two periods 2007–2008 and 2014–2015. The main source of my data is questionnaire surveys and face-to-face

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interviews with new Chinese migrants.<sup>2</sup> Key information was also collected from leaders of Chinese associations and from Chinese Filipinos through conversations and e-mail exchanges.

## DRIVING FORCES BEHIND INTERNATIONAL MIGRATION: THEORETICAL BACKGROUNDS

The relationships between international migrants and sovereign states have undergone drastic changes since the twentieth century, with the emergence of large number of nation-states along with rigorous controls on population movement across national borders. Migration studies have also increased in volume and quality. Social scientists in different fields, notably demography, geography, economics, sociology, and political science, have paid attention to the phenomenon of human movement. Theories, such as push–pull theory, neoclassical economics, new economics of migration, segmented labor-market theory, world-systems theory, network theory and cumulative causation, have been developed to explain the causes and consequences of international migration.

Push–pull theory was among the earliest systematic attempts to explore the mechanisms of migration. It saw migration as governed by push–pull factors. Unfavorable conditions, such as economic stagnation, political or religious persecution, and environmental deterioration, pushed people out, while favorable conditions, such as jobs, freedom, a better climate and an improved lifestyle, pulled them in. A person's mobility is driven mainly by different push and pull forces depending on their stage of life (Lee 1966).

Neoclassical economics sees international migration as stemming from international disequilibria in labor markets that produce gaps in expected wages across national borders. According to this theory, national markets are assumed to be complete and well functioning, playing no role in an individual's migration decision. People move because they expect to earn more abroad. Flows of labor from low-wage to high-wage countries gradually reach equilibrium. At equilibrium, the international wage gap equals the cost of migration between the countries (Massey et al. 1994).

The new economics of migration considers migration decisions as being made by households rather than individuals. Families expect to maximize their benefits through international migration, especially when domestic market failures threaten the material wellbeing of households. In developing countries, markets for capital, futures and insurance may be absent, imperfect or inaccessible. To self-insure against risks to income reduction

and property, or to gain access to scarce investment capital, households send one or more members to participate in foreign labor markets (Massey et al. 1994). Theorists of the new economics of migration argue that international migration not only improves the absolute incomes of households but also increases migrant households' incomes relative to non-migrants in the same sending community, and hence ameliorates the sense of relative deprivation (Massey et al. 1994).

Postmodern theorists of cumulative causation argue that the circulation of people, goods and ideas creates a new transnational culture that integrates and combines values, behaviors and attitudes from sending and receiving societies to create a new, largely autonomous social space that transcends national boundaries. This transnational culture changes the context in which migration takes place and boosts future migration. For example, migrants exhibit a widely admired lifestyle that others wish to emulate. Materially successful migrants have a powerful demonstration effect, especially for the young, based on their enhanced ability to consume goods and purchase property (Massey et al. 1994).

These theories have greatly enriched and deepened our understanding of international migration. Many Chinese scholars have also written on this subject (Li 2000; Zhou and Ruan 2003). However, existing theories, though useful in explaining different aspects of international migration, cannot cover worldwide migration as a whole, since most of the theories are developed from empirical research or case studies in developed countries as host countries. Some important concepts generalized from the experience of the labor influx from developing countries into developed countries, such as wage or income gap and equilibrium, are not necessarily valid in explaining contemporary migration flows from developing countries to other developing countries. For example, not only Europe and the USA attract new Chinese migrants—so do developing countries such as Cambodia, Laos, Burma, Thailand, the Philippines, Brazil and even some of the island states of the South Pacific. Current research done by Chinese scholars has also concentrated mainly on movements between China and developed countries, and overlooked the enormous numbers of Chinese who move to underdeveloped countries (Li 2005).<sup>3</sup>

The new economics of migration theory is perhaps more applicable than classical push-pull theories to studying new Chinese migrants in the Philippines.<sup>4</sup> Long-term, large-scale migration profoundly shapes the sending place's society and culture, and the individuals immersed in it. Early migrants already settled in receiving countries provide latecomers not only

with a social network but also with a culture of migration, based, for example, on rags-to-riches stories. Now, new Chinese migrants continue to hail from Qiaoxiang (hometown of overseas Chinese). For example, most of the new Chinese migrants in the Philippines are still from Fujian Province, as in the past. While a more balanced perspective should take into account factors both in the sending and receiving countries, in this chapter I give more weight to the factors in the host society that pull new Chinese migrants into the Philippines.

## CHINESE MIGRATION TO THE PHILIPPINES

### *A Historical Overview*

Chinese migration to the Philippines dates back more than a thousand years, but it only took off after the mid-Ming Dynasty when the Pacific maritime route linking East Asia and Latin America was opened up. Most Chinese migration was from Fujian and Guangdong (See 1988).<sup>5</sup> Although Chinese were present across the whole archipelago, most lived in Manila, especially the Binondo-Divisoria area, which was the biggest Chinatown in the Philippines at the end of the twentieth century.

Between 1949 and 1975 the Philippines had diplomatic relations with Taiwan. The Chinese community kept close ties with Taiwan since the Philippines recognized Taiwan's jurisdiction over alien Chinese permanently residing in the Philippines and allowed the Taiwan authorities to supervise their affairs (See 1997). Earlier Chinese migrants still identify with China, but members of the younger generation are well integrated and tend to identify instead with mainstream Philippine society. This is especially true of those born in the Philippines since World War II.

In April 1975, just before deciding to establish diplomatic relations with China, President Marcos issued the Letters of Instruction 270 to promote the mass naturalization of resident Chinese by administrative means. Those who met the requirements of naturalization, nearly 80–90 % of local Chinese, obtained Filipino citizenship (See 1997). This mass naturalization led to further integration on the part of local Chinese into local society, both politically and economically. However, the older Chinese migrants, especially those born in China, continued to maintain emotional ties with China.

Chinese Filipinos account for less than 1.5 % of the total population, but they have more associations in proportion to their population than Chinese communities in other Southeast Asian countries. The Filipino-Chinese

Chamber of Commerce and Industry, Inc. (商总), formed in 1954, leads the community. Other associations are based on business, kinship and hometown connections. They include the Filipino-Chinese General Chamber of Commerce, Inc. (菲律宾中华总商会), formed in 1904, and the Grand Family Association (宗联), formed in 1958.

### *New Arrivals: Numbers and Types*

The influx of new Chinese migrants since the 1970s has brought fresh blood to the Chinese Filipino community. Chinese immigration since the 1970s can be divided into three periods. The earliest wave after 1975 was initiated by family reunion, after the Philippine government fully abolished the 1950 migrant quota for Chinese nationals in 1950, which had separated numerous Chinese families. The Chinese moved to the Philippines mainly to join their immediate relatives, such as their fathers, who might have remarried in the Philippines. Some joined more distant relatives. The promulgation of the Law of the People's Republic of China on the control of the exit and entry of citizens in 1985 triggered another wave of migration to the Philippines. After the mid-1990s, immigrants without relatives in the Philippines joined friends and fellow villagers or fellow provincials. This can be seen as an expansion of the network formed during the first two stages.<sup>6</sup>

A large Chinese migrant community is forming as a result of the continuous inflow of migrants since the late 1970s. Researchers estimate that around 200,000 new Chinese migrants arrived during that period. It should be noted that the influx of Chinese migration to the Philippines has remained stable since the mid-2000s, and some Chinese migrants have chosen to go back to China (Landingin 2007; Li 2003; See 1997). Chinese form the biggest group of foreigners in the Philippines. The Bureau of Immigration reported that, among Philippine visa holders, there were 27,834 Chinese, as opposed to 111,923 foreign nationals as a whole, in February 2015.<sup>7</sup>

The Chinese nationals holding an immigrant visa or a permanent residence permit fall into four main groups. The first consists of those who were legalized and obtained permanent residence under the amnesty program. In 1988 the Philippines government initiated an amnesty program under Executive Order 314 to legalize those who had entered the Philippines before 1984. This program was suspended by Congress in 1989 after a three-month implementation. On February 24, 1995, the Republic Act 7919 was launched to grant legalized status to those who had entered the

Philippines before June 30, 1992. About 11,000 applicants were approved. These people then applied for permanent residence for their spouses and children under 18 years of age under the above two acts.<sup>8</sup> However, many Chinese who moved to the Philippines after 1992 obtained permanent residence for themselves and their spouses or children by providing fake documents with the help of travel agencies or Chinese local governments, or by bribing Philippine officials to issue them with fake immigration stamps or to destroy their records held by the Bureau of Immigration.

The second group is those who applied for permanent residence through the Special Investor's Resident Visa (SIRV) and the Special Resident Retiree's Visa (SRRV).<sup>9</sup> From 1987 to 2014, 5577 Chinese immigrants obtained a SRRV as principal holders and 7028 obtained one as spouses and dependents (under 21 years of age), topping all other countries at a rate of 33.63 %, as Table 8.1 shows.

The Special Visa for Employment Generation, which took effect in March 2009, is issued to qualified non-immigrant foreigners who agree to employ at least ten Filipinos in a lawful and sustainable enterprise, trade or industry. A foreigner must contract to engage in a viable and sustainable commercial investment or enterprise in the Philippines, to manage an enterprise, or to hire, promote and dismiss employees. Up to now, few Chinese have met this requirement or shown any interest in this type of visa. The Chinese who marry a Philippine citizen are also given immigrant visas. Some Chinese legitimate their status in the Philippines through bogus marriages.

**Table 8.1** 1987–2014 top ten nationalities enrollees, as of 31 December 2014

|    | <i>Nationality</i>  | <i>Principal</i> | <i>Spouse and dependent</i> | <i>Total number</i> | <i>Percentage</i> |
|----|---------------------|------------------|-----------------------------|---------------------|-------------------|
| 1  | Chinese (mainland)  | 5577             | 7028                        | 12,605              | 33.63             |
| 2  | Korean              | 3406             | 4813                        | 8219                | 21.93             |
| 3  | Chinese (Taiwan)    | 1711             | 2239                        | 3950                | 10.54             |
| 4  | Japanese            | 2262             | 758                         | 3020                | 8.06              |
| 5  | American            | 1378             | 427                         | 1805                | 4.82              |
| 6  | Indian              | 847              | 760                         | 1607                | 4.29              |
| 7  | Chinese (Hong Kong) | 541              | 538                         | 1079                | 2.88              |
| 8  | British             | 696              | 189                         | 885                 | 2.36              |
| 9  | German              | 383              | 142                         | 525                 | 1.40              |
| 10 | Australian          | 357              | 110                         | 467                 | 1.25              |
| 11 | Others              | 2277             | 1046                        | 3323                | 8.86              |

Source: Philippine Retirement Authority

The third group is those who have stayed in the Philippines without proper papers. According to a non-profit organization report, almost 70–80 % of the aliens deported each year are Chinese citizens (See 1997). This undocumented group consists of two main categories. The first includes people who overstay their visas. Some Chinese tourists or business people enter the county with valid visas and later overstay to work as entrepreneurs or employees. They tend to concentrate in Chinatown, where most Chinese migrants live, work or conduct their business. The Philippine government's relaxation of controls on Chinese tourism and investment in 2005 helped boost the number of undocumented immigrants. The other main category consists of people who enter via unofficial channels. With the help of immigration officials, some Chinese migrants enter and depart through the international airport in Manila without official clearance. So the official data on the number of Chinese migrants in the Philippines does not give a true picture.

The fourth group includes those who hover between legal and illegal status. In the Philippines, those born in the Philippines acquire their citizenship by descent.<sup>10</sup> Some Chinese migrants purchase Philippine citizens' birth certificates to disguise their true nationality. However, they are deemed to be illegal despite having citizenship papers issued by the Philippine government.<sup>11</sup>

The third and fourth groups are more numerous than the first and second. The undocumented Chinese migrants in the Philippines are trying to legalize their status. My 2015 survey of board members of Overseas Chinese Chamber of Commerce and Industry (OCCCCI) suggests that only 25 % hold tourist visas, while most hold a legal visa such as a SIRV or a SRRV, or obtained a permanent residence permit under an amnesty program, in either 1988 or 1992.

### *Why Migrate: Social Capital and Push–Pull Forces*

#### *Social Capital: History, Culture and Network*

Network theory defines migrant networks as sets of interpersonal ties that connect migrants, former migrants and non-immigrants at points of origin and destination through ties of kinship, friendship and shared provenance. The existence of these ties is hypothesized to increase the likelihood of emigration by lowering the costs, raising the benefits and mitigating the risks of international movement (Massey et al. 1994).

In the case of the Philippines, networks rooted in history are the grounds on which contemporary Chinese migrants connect. With the mass influx of Chinese nationals to the Philippines, the migration process can become self-sustaining through the construction of increasingly dense social ties across space, thus further encouraging chain migration on the basis of family reunion and ties to relatives, friends and people from the same place.<sup>12</sup> This represents an expansion and development of the network and constitutes the potential capital available to future non-migrants.<sup>13</sup> As a result, though new Chinese migrants come from places such as Liaoning, Shandong, Jiangsu, Shanghai and Guangxi outside the traditional Qiaoxiang in Fujian and Guangdong, Fujianese continue to be the main source of the current migrant wave. For example, my survey in August 2015 showed that 97.2 % of the board members of OCCCCI were from Fujian, mainly Quanzhou, Fujian.

Long-term, large-scale migration undoubtedly has a profound social-cultural impact on the Qiaoxiang in Fujian, and on the individuals immersed in it. Many respondents confessed that before moving to the Philippines, they knew nothing about it except for stories told in the local towns and villages. They are inspired by stories about earlier migrants who ventured abroad and finally succeeded. Some migrants' stories, together with the respect they earned among local people and officials, and their donations to public welfare, encouraged a positive expectation of migration and transformed the dynamics for migration. Several respondents said it is better to be a boss than to be an employee, which local people view as somewhat humiliating. Their dream can come true in the Philippines, though only in the form of running a grocery store.

The migrant network formed in the Qiaoxiang in Fujian, together with its concomitant culture, is a form of social capital available to potential migrants and a self-sustaining mechanism encouraging subsequent migration. People living outside Qiaoxiang lack exposure to migrant culture and may find it harder to migrate, given that they lack the support of a migrant network.

### *Push Forces from China*

My surveys in 2007 and 2015 (see Table 8.2) found that most respondents were from rural areas and small towns, while nearly a third were from cities. Before emigrating, most (64.7 %) were from families of medium economic level, and only 25.9 % were from well-to-do families. Regarding schooling, less than a quarter had tertiary education or higher.



**Table 8.2** Profile of new Chinese migrants in the Philippines (2007: N = 176; 2015: N = 74)

| Hometown's origin     | Survey time | Rural area (%)          | Small town (%)   | Urban area (%)    |
|-----------------------|-------------|-------------------------|------------------|-------------------|
|                       | 2007        | 55.9                    | 14.7             | 29.4              |
|                       | 2015        | 36.1                    | 27.8             | 36.1              |
| Family economic level |             | Poor                    | Medium           | Well-to-do        |
|                       | 2007        | 9.4                     | 64.7             | 25.9              |
| Educational level     |             | Primary school or below | Secondary school | Tertiary or above |
|                       | 2015        | 16.2                    | 59.5             | 24.3              |

Although China is rising as an economic power, it struggles to provide sufficient opportunities for its huge population, especially in the villages. The country has long suffered from uneven economic development, whether between urban and rural areas or between east and west. To mitigate the pressure generated by its huge population, especially its surplus rural labor force, parts of the population are encouraged to move, either domestically or overseas. In China, people move from the poor mid-west to the relatively rich eastern and southern coastal provinces such as Guangdong, Jiangsu and Zhejiang. Others leave China for other countries.

Urban residents, usually with a better education and a higher economic status, have advantages in the labor market competition over rural residents. The latter, lacking education, social capital and economic resources, leave home to seek opportunities in cities. Those who are connected to a migrant social network and influenced by Qiaoxiang culture, such as the Fujianese, often cast their eyes abroad.

Migration networks play a key role in promoting the new wave of migration since most new Chinese migrants to the Philippines continue to be from Quanzhou, the native home of most Chinese Filipinos. Why do they want to try their luck in the Philippines, an underdeveloped country plagued by poverty and unemployment? What attracts them there? I argue that the pull factors play a more central role than the push factors.

*Pull: Opportunity and Comparative Advantage*

According to most of my respondents, the Philippines offer all kinds of opportunity and business advantage. These include:

1. *Low cost*: Nearly everyone agreed that the cost of doing business in the Philippines is lower than in China. Ordinary people cannot afford the high start-up investment necessary to set up a grocery store in China owing to high rents and the need for long-term contracts. In the Philippines, however, one can rent a stall at a lower price and on a more flexible lease. Some newcomers even start up a grocery store just a week or so after arriving in the country.
2. *Strong purchasing power and conspicuous consumption*: Rich or poor, most Filipinos enjoy shopping, unlike ethnic Chinese Filipinos or Chinese migrants, who are more tightfisted. The growing Filipino middle class like to buy cheap Chinese goods (Landingin 2007).
3. *Low-intensity commercial competition*: Go Bon Juan, research director at Kaisa (Unity), has argued that Chinese Filipinos' long history of commercial activity and their commercial ethos accounts for their dominance in business (Juan 1996). Many respondents pointed out that both Chinese Filipinos and new Chinese migrants have a better instinct for business than Filipinos. As a result, Chinese face less market competition than in China. Many respondents believe that they can thrive if they are industrious and smart enough.
4. *Good commercial credit*: Having commercial credit is seen as essential by many new Chinese immigrants. They admit that both Chinese Filipinos (Tsinoy) and other Filipinos (Pinoy) have more access to commercial credit and a better reputation than they do. They believe that, if they abide by local commercial rules and have high commercial credits in the Philippines, they can succeed in business. Many new Chinese migrants start their grocery store within a few weeks or even days of their arrival, even though they lack sufficient capital. What they depend on is the credit within their family and coethnic networks, which still works in Chinatown as the traditional Chinese businessmen's survival principle. With the help of relatives and friends, or simply on the basis of their own credit worthiness, anyone in the community can borrow money or buy goods from the wholesalers with a grace period of up to five months. If the debtors fail to pay back on time, they lose their credit and their standing in the community, which they do not want to do.<sup>14</sup> For Chinese migrants who have insufficient resources, only credit can ensure their business success. If they go bankrupt and lose their credit and reputation, their situation is hopeless.
5. *Flexible law enforcement*: Flexible law enforcement is often more or less equivalent to corruption in the Philippines, and is seen as a

commercial advantage by many new Chinese migrants. Elsewhere, for example in the USA or Brazil, undocumented migrants can only engage in unlawful work, but in the Philippines, despite laws limiting foreigner's participation in retailing, most new Chinese migrants work in grocery stores because the government turns a blind eye to their commercial activities. It is an open secret that immigrants, legal or illegal, can bribe government agencies, immigration agents, policemen and other officials.

If the social capital of Qiaoxiang and the existing migration network provide an external opportunity for Fujianese's new transitional movement, then the business opportunity and comparative advantage in the Philippines are important pull factors. However, the above factors are not sufficient to explain Chinese immigration since the late 1970s. An exploration of migrant life and business in the host country is necessary for a fuller understanding of Chinese migration.

### CHINATOWN: LAND OF DREAMS

Manila Chinatown is located in the Binondo area on the north bank of the Pasig River, opposite Fort Santiago, the center of Spanish colonial government in the Philippines. It was built in 1594 and is one of the world's oldest and biggest Chinatowns. Its influence extends to adjacent places such as Quiapo, Santa Cruz and San Nicolas.

Unlike many Chinatowns in other countries that function only as tourist attractions, Manila Chinatown continues to play a key role in Chinese Filipinos' business and day-to-day life. Though most Chinese Filipinos live outside Chinatown, many remain there. It is still a hub of Chinese commerce. Since 2000, more shopping malls and mansions have appeared. Most Chinese associations still have offices in Chinatown and organize activities there. Restaurants offer a range of Chinese food. Because of old Chinatown's traffic problems and cramped space, Chinese Filipinos have been expanding their activities into Quezon City and Green Hills, an extension of the traditional Chinatown, both geographically and spatially. The connection between old Chinatown and the newly emerging business centers in Quezon City and Green Hills is well maintained.

Chinatown acts as a magnet for new Chinese migrants and serves their daily and business needs. Several shopping malls have grown up since the mid-1990s, of which 168, Divisoria, Tutuban and Quiapo are the best

**Table 8.3** Main occupations of new Chinese migrants (2007: N = 176; 2015: N = 74)

|      | <i>Running company</i><br>(%) | <i>Retail grocery</i><br>(%) | <i>Shop assistant</i><br>(%) | <i>Company staff</i><br>(%) | <i>Others</i><br>(%) |
|------|-------------------------------|------------------------------|------------------------------|-----------------------------|----------------------|
| 2007 | 35.3                          | 61.8                         | 5.9                          | 5.9                         | –                    |
| 2015 | 45.9                          | 29.7                         | 0                            | 10.8                        | 13.5                 |

known. Similar to the vast commodity malls in Yiwu, Zhejiang in China, they are separated into stalls, almost 90 % of which are owned or rented by Chinese migrants. Table 8.3 shows that, in 2007, 61.8 % of new Chinese migrants ran grocery stores, and 35.3 % ran companies that engaged mainly in trade, retailing and wholesale. They were rarely in manufacturing. By 2015 the proportion of Chinese migrants in the grocery business had dropped by half, while the proportion of those who ran trading, retailing and wholesale companies increased substantially. I found that some of the small business owners eventually succeeded and became big wholesalers. It is said that almost 70 % of goods in the Philippines are distributed by wholesalers in the Binondo area, many of them Chinese.<sup>15</sup>

With the massive influx into the Philippines, Chinese traders have, to some extent, replaced Chinese Filipinos in retailing and wholesale. While new Chinese migrants reach developed countries as low-level laborers in the secondary labor market, in underdeveloped countries such as the Philippines they have become an integral part of local business activities.

Rural migrants who lack finance and resources usually turn to grocery retailing or trading, which brings quick rewards at relatively low cost. They know a lot about the local Chinese market and its business channels and principles, they are able to gain a firm foothold in Chinatown with support from the migrant network and the ethnic community, and they can extend their business activities—mainly grocery retailing—to areas outside Chinatown and even outside Manila.

Chinatown is a closed enclave that offers advantages to its residents, who are mainly from Fujian. As shown in Fig. 8.1, most new Chinese immigrants speak Hokkien as their main business language since Chinese or Chinese Filipinos are their principal business partners or daily associates, very few of whom speak good Tagalog or English (Table 8.4). New Chinese migrants' linguistic failings do not prevent them from starting up businesses because

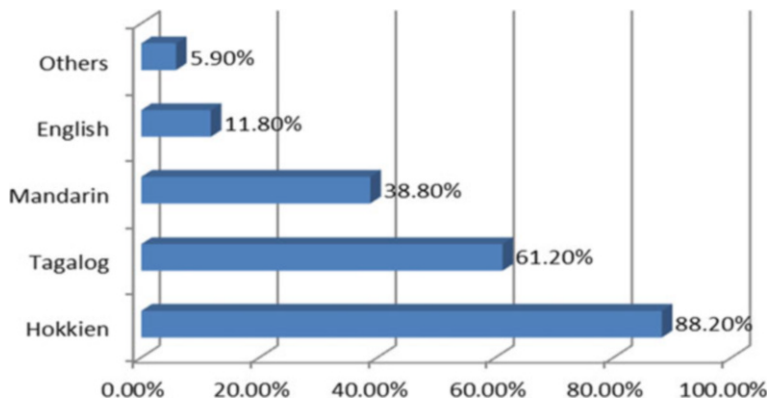


Fig. 8.1 Working languages (2007: N = 176)

Table 8.4 Language ability (2007: N = 176)

|         | <i>Good (%)</i> | <i>Fair (%)</i> | <i>Poor (%)</i> |
|---------|-----------------|-----------------|-----------------|
| Tagalog | 31.8            | 60.0            | 8.2             |
| English | 2.4             | 50.6            | 47.0            |

they can resort to calculators or sign language, or hire Filipinos as shop assistants.

Many new Chinese migrants run retail grocery stores in the shopping malls in Baclaran in Pasay City or, even further afield, in Baguio City, but their running model scarcely differs from that used by their counterparts in Chinatown in Manila. These shopping malls, though far away from traditional Chinatown geographically, are still part of it. They also benefit from the same migrant networks at every point in the commercial cycle. In general, the migrant network based in Chinatown reduces the risk of running a business and the cost of living for migrants. Meanwhile it also serves to stimulate non-migrants' desire to migrate.

New Chinese migrants' economic activities in and around Chinatown have some features in common with the ethnic enclave economy that Alejandro Portes describes. Portes defined the enclave economy as involving "immigrant groups which concentrate in a distinct spatial location and organize a variety of enterprises serving their own ethnic market and/or the general population" (Portes 1981). Thus the ethnic enclave economy has two characteristics: (1) a critical mass of immigrant-owned business

firms that employ a critical mass of coethnic workers; and (2) a spatial clustering of enterprises (Portes and Manning 1986).

Chinatown as established by early migrants is precisely such an enclave. As a network it enhances in-group trust and solidarity and it helps networkers engage in trading and middleman economic activities (Adida 2006), as well as providing a range of social and moral resources that are useful both psychologically and economically (Portes and Rumbaut 2006). To preserve and develop the ethnic community, the Chinese Filipinos attached to Chinatown consume plentiful resources, with a preference for goods from China, thus creating opportunities for newcomers. This is the case in Manila's Chinatown and Green Hills, where large numbers of Chinese Filipinos live. New Chinese migrants depend more on Chinatown even than the Chinese Filipinos. Chinese migrants living outside Chinatown or Manila—for example, in Cebu, Davao and Baguio, where their numbers are increasing—can also establish networks through which to share information about business and living by joining new migrant associations or resorting to ties of kinship, friendship and provenance. Some of the more successful Chinese business people seek to intensify their ties with mainstream society.

New Chinese immigrants engaged in retailing serve not only the community itself but also local Filipinos.<sup>16</sup> Their shopping malls are popular among locals because of variety and affordability (Tan 2006). Few new Chinese migrants were engaged in manufacturing and real estate although more and more of them are now turning to these industries.

Local Filipinos' dependence on China's cheap and value-priced goods creates a niche for new Chinese migrants in the local market. As a result, grocery stores become highly visible Chinese enterprises. So do new Chinese migrants enter the grocery business in the Philippines as a result of structural or cultural factors, or both? Structural factors include immigrants' status in the receiving country, the host country's migrant policy and mainstream society's attitude toward migrants. Most new Chinese migrants are poorly schooled and skilled, and they lack financial resources. They turn to the retail trade not only because it has a low entry bar and offers a shortcut to profitability at a relatively low cost but because, as undocumented migrants, they have to work for fellow Chinese, who are in the trade, through which they learn how to operate the business. Although Philippine laws limit foreigner participation in retailing, they are poorly enforced, so new migrants can easily get licenses, often by using a Filipino's name and documents to register their own business. Running a grocery

store is hard work but it is still considered an honorable form of self-employment, and those engaged in the grocery trade can earn as much as a wage worker. As a result, once an opportunity arises, they will leave their wage jobs in a company and open up their own business.<sup>17</sup> According to Portes and Rumbaut's findings, Japanese, Asian Indians, Koreans and Chinese own more firms with paid employees than groups such as Filipinos and Latin Americans. The usual explanation for this pattern is cultural. Members of certain nationalities are apt to seek avenues of profitable enterprise while others remain content with wage employment (Portes and Rumbaut 2006).

Migrants' spirit of adventure and their general expectations may also be among the forces driving them. Since most new Chinese migrants to the Philippines are from low socioeconomic backgrounds, they have nothing to lose, neither are they afraid of losing anything. Instead, the adventure of migration may change their fate.

Although the Philippines is a labor-export country, where the problems of kidnappings, corruption, inadequate public infrastructure and services drive Filipinos out to other parts of world to seek better lives, the Chinese are migrating into the country in increasing numbers. These new Chinese migrants are optimistic about their future and about the prospects for economic prosperity in the Philippines.<sup>18</sup> Their optimism stems from the country's comparative advantages, Chinatown's networks and the ethnic economy based on them.<sup>19</sup>

## COMMUNITY TRANSFORMATION

Just like the rags-to-riches story that crop up repeatedly among Chinese communities in the Philippines and other host countries, after a long spell of hard work and capital accumulation, some new Chinese migrants have indeed become wealthy and achieved their dreams. But many are still struggling for survival. On the whole, new Chinese migrants in the Philippines are better off than before, and some of them have made it by moving into more respectable fields of business, such as real estate and manufacturing. For example, Tommy Co, one of my respondents, was born in a poor rural family in Jinjiang, Fujian. He went to the Philippines in 1996 on a tourist visa when he was only 13 years old. At school he admired the donations that Chinese Filipinos made to his primary school, and dreamed that someday he too might become rich and return home with honor. In 2006, after ten years in the Philippines, with the help of his sister, he used the capital he had accumulated to rent a retail store in the 168 Shopping

Mall, a famous commercial building in the Chinese community. He sold clothes, backpacks and shoes. His store soon expanded, and he now employs two Filipina saleswomen. George Tan, another respondent, owns several companies and is a leader of several Chinese associations. He arrived in the Philippines in 1986 as an agricultural expert and overstayed his visa to remain there. After accumulating enough capital, he set up in his own business selling pesticides, seed and rice. Later he went to Manila and started importing marine products and running a big ice plant. He legalized his status by acquiring a RA7919 visa in 1995, and he married a Chinese Filipina who later helped him a lot with his business. In 2006, together with some Fujianese friends, Tan established the OCCCI and served as its first president. He is grateful for what he has achieved and tells his fellow Chinese migrants that they should devote themselves to developing the Philippines since they are benefiting from its society.

New Chinese migrants have set up two sorts of association: comprehensive chambers of commerce and chambers of commerce serving just one mall. The former includes the Overseas Chinese Alumni Association of the Philippines (菲律宾旅菲各校友会联合会), the Overseas Chinese Chamber of Commerce and Industry (旅菲华侨工商联总会), the Philippines Chinese Chamber of Commerce and Industry (菲律宾中国商会) and the New Chinese Friendship Association in Cebu (宿雾新华友谊协会). The latter includes the Fil-Chinese 168 Shopping Mall United Friendship Association (菲华一路发商会), the Fil-Chinese Baclaran Shopping Mall United Friendship Association (菲华墨拉兰联合总商会) and the Philippine Meisic Mall Business Club Inc. (菲华诚昌1188商会). These associations, supported by the Chinese Filipino community, play a key role in protecting new Chinese migrants.

However, such migrants are in many ways disunited. Some early and more successful Chinese migrants are inclined to mix with Chinese Filipinos rather than with new Chinese migrants. Sometimes such people criticize the bad behavior or illegal activities of a minority of new Chinese migrants on the grounds that they hurt both local society and the interests of the newcomers themselves.

The arrival of new migrants can lead to competition and conflicts with Chinese Filipinos. The latter complain that Chinese migrants violate business rules and local laws in order to make quick money. However, more and more Chinese migrants are joining traditional Chinese associations, so these differences seem to be narrowing.



Though Chinese migrant's activities such as illegal engagement in retail trade as aliens and sales of counterfeit products have led to occasional raids by police or the Bureau of Immigration, they seldom evoke local Filipino's resistance. An exception is some irregular resentment arising from contradictions concerning employment. For example, some Filipino salesmen who are paid poorly by their Chinese bosses may report it to Immigration Bureau or other government agency. The goods from the shopping malls operated by new Chinese migrants are usually more affordable and meet ordinary Filipinos' needs, and many Filipino vendors rely on Chinatown or the shopping malls for their supplies. In short, new Chinese migrants play an important though not indispensable role in the economic development of the Philippines.

### CONCLUSION

Developing countries can benefit from the influx of international migrants from other developing countries. There are some factors that have pushed migrants to leave China since the end of 1970s, but these are outweighed by the pull of opportunities and comparative advantages in the Philippines. The migrant networks in Chinatown play an important role. However, Chinese migrants may not continue to enter in ever greater numbers even if the Philippine government's migration policy remains unchanged. First, a greater influx would increase in-group and transgroup competition and make it harder for new immigrants to succeed. Second, wealth accumulation is no longer as easy as it used to be and the threshold to the market is becoming increasingly high. As a result, some migrants struggle to survive and may decide to return to China. Third, prejudice and discrimination against the Chinese in the host society can serve as a deterrent to new migrants. The police raids on the shopping malls in Chinatown—so called “inspection sorties” conducted by the agents from the Bureau of Customs, the Bureau of Internal Revenue and the Bureau of Immigration—usually result from complaints by the Philippines Retailers Association about unfair trading practices.<sup>20</sup> Fourth, if Chinese migrants fail to integrate into, and stay on good terms with, mainstream society, it will further stir up local hostility toward themselves, and the host country will probably restrict immigration. Finally, if China's economy continues to grow, potential migrants may prefer to stay at home rather than go abroad.

## NOTES

1. Almost 10 % of Filipinos work and live overseas.
2. From October 2007 to February 2008, I did a survey among new Chinese migrants in Manila's Chinatown and obtained 176 valid samples. I interviewed nearly 30 individuals. All of the samples are from Chinese associations or result from random distribution on the streets in Chinatown. In 2015 another survey was conducted among board members of the Overseas Chinese Chamber of Commerce and Industry (OCCCI), a Chinese association for new Chinese migrants. I gathered 74 valid samples. I am grateful to all my Filipino informants, especially Andrew Co and his family, for their helpful assistance in my research in the Philippines.
3. Li proposes the concept "Qiaoxiang social capital" to explain Fujian Province's international migration to Europe.
4. New Chinese migrants are Chinese nationals who have been emigrating to others countries for residence or business since the late 1970s. People on student visas and China's labor export staff and Chinese companies' staff who are dispatched abroad are not included. Those who choose to settle down after graduation, and workers who overstay their visas and join the local labor market, are included. Nevertheless, it is hard to define the accurate boundaries of this group.
5. Some 85 % of the Chinese immigrants came from Fujian Province (Chinben See, "Chinese Organizations and Ethnic Identity in the Philippines," in Jennifer Cushman and Wang Gungwu eds., *Changing identities of the South-east Asian Chinese since World War II*, Hong Kong University Press, 1988, p.321).
6. Wenhui Bao, February 25, 2002.
7. "111,923 foreign nationals comply with annual report requirement" (website of the Bureau of Immigration, <http://www.immigration.gov.ph/news/press-release/107-march-2015-pr/759-111-923-foreign-nationals-comply-with-annual-report-requirement>).
8. *Tulay*, June 5, 1995; *Tulay*, January 6, 1997; *Tulay*, August 5, 1996.
9. To obtain a SIRV, an alien is supposed to invest at least USD75,000 in the Philippines in the form of stock, real estate or bank deposits. The SRRV launched by the Philippines Retirement Authority in 1987 is issued to applicants above 35 years of age and with a USD75,000 deposit and/or investment in the Philippines, and USD50,000 for applicants who are more than 50 years old.
10. Anyone who is born to at least one parent who was a Philippine citizen at the time of their birth was born with Philippine citizenship.
11. Tagalog language ability is usually used to test whether or not a Filipino birth certificate holder is a real Filipino citizen.

12. Alejandro Portes and Ruben G. Rumbaut, *Immigrant America: A Portrait*, University of California Press, 3rd edition, 2006, p. 356.
13. According to my survey in August 2015, when asked if they had relatives or friends in the Philippines before they migrated, only 5.6 % said no.
14. One respondent said fewer than 2 % of his clients failed to pay on schedule in the course of his more than 20 years of business experience in Chinatown.
15. Li Tian Rong, “New Chinese Immigrants Being New Engine for Philippines’ Economy”, *Asia weekly*, August 29, 2002, pp. 7–8.
16. For example, Chinese medicine stores have been expanding in recent years and are becoming increasingly popular (Philippines *Shijie Ribao*, March 5, 2003).
17. A successful Chinese entrepreneur engaged in manufacturing told me that his company prefers to employ Filipinos because new Chinese migrants want to set up on their own business. Moreover, Filipinos tend to be content with their wages.
18. “Puzzling Inward Migration to RP,” *Philippines Daily Inquirer*, August 11, 2002.
19. According to my survey in August 2015, when asked about the degree of satisfaction in their life and work in the Philippines on a scale of 0–10, my respondents gave an average score of 7.31.
20. “168 Mall in Binondo Raided,” *Tulay*, March 21, 2006.

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