Family Firms, Networks and ‘Ethnic Enterprise’: Chinese Food Industry in Britain

Edmund Terence Gomez · Gordon C. K. Cheung

Received: 2 September 2008 / Accepted: 14 April 2009 / Published online: 14 May 2009
© Springer Science + Business Media B.V. 2009

Abstract Chinese family enterprises in the United Kingdom have penetrated many different sectors of the economy, including restaurants, wholesaling, retailing, trading, manufacturing, property development, computer services and investment holding. Among the companies in these sectors, those involved in different segments of the food industry, as manufacturers, retailers and wholesalers, reputedly feature characteristics of Chinese culture. A majority of these enterprises, for example, function as family firms. This study explores the assertion that, among companies owned by ethnic minorities, culture strongly influences form of business development. This argument will be assessed through a focus on Chinese food-based enterprises in the UK. Two family-controlled companies, Seven Seas (Frozen Food) Ltd and Dayat Foods Packaging Ltd, were selected as case studies as they are involved in key business components of the Chinese food chain industry. Through an in-depth comparative study of the history and development of these two firms, we consider the argument that Chinese businesses have evolved well because of family ties and their inclusion in mutually-beneficial ethnically-constructed networks. Through these case studies, we provide an alternative perspective to diasporic Chinese business development which brings into question the extensive use of the concept of ethnic enterprise.

Keywords Capitalism · Chinese food enterprises · Ethnicity · Guanxi · Networks

E. T. Gomez (✉)
Faculty of Economics & Administration, University of Malaya, 50603 Kuala Lumpur, Malaysia
e-mail: terencegomez@hotmail.com

G. C. K. Cheung
School of Government & International Affairs, Durham University, Elvet Hill Road,
Durham DH1 3TU, United Kingdom
e-mail: g.c.k.cheung@durham.ac.uk