Recent Trends of Ethnic Chinese Retailing in Metropolitan Toronto

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ABSTRACT

As the population diversifies in many North American cities due to increased immigration, ethnic retailing has become an important and increasingly visible component of the local retail economy. To date, business geographers have paid little attention to ethnic retailing. This paper attempts to redress this gap by providing a spatial analytical study of the demand for and supply of ethnic retail in the largest Canadian urban market, Toronto. The findings highlight that since the late 1990s, ethnic Chinese retailing in the Toronto market has continued to expand. Three key trends are identified. First, there has been a resurgence of food retailing and growth of modern large-scale supermarkets. Second, developments have begun to shift away from clusters of exclusive ethnic retailing towards a mix with mainstream businesses. Third, a new corridor of ethnic Chinese retailing has developed forming the geographical center of an emerging Chinese-dominated ethnoburb.

Keywords: Business Geography, Canada, Chinese Immigrants, Ethnic Economy, Ethnic Retailing

INTRODUCTION

Immigrants not only constitute a large segment of the consumer market, but include many innovative entrepreneurs, who successfully set up new businesses to meet the demand of their co-ethnic consumers. In Toronto, the Chinese are the most active and resourceful group in ethnic retailing, and they have developed more supermarkets and shopping centers than any other ethnic group in Canada. Wang (1999) reported on the development patterns of Chinese commercial activity in the Toronto Census Metropolitan Area (CMA). His study yielded three major discoveries. First, development in the 1980s and the 1990s brought about not only a proliferation of ethnic Chinese businesses, but also considerable changes in business structure: restaurants and grocery stores declined substantially in proportion, but other types of retailing expanded greatly. The findings indicated that the Chinese community had been steadily building a more complete and more self-sufficient ethnic economy. Second, while Toronto’s three
central-city Chinatowns remained in operation, most developments occurred and even expanded in the suburbs. Consequently, the spatial organization of Chinese commercial activities had become multi-nuclei and their rapid spread had begun to modify Toronto’s traditional retail landscape. The third, and the most revolutionary, characteristic of the ethnic Chinese development was the shift from unplanned strips to planned shopping centres accompanied by a change in ownership from the leasing of retail space to selling of store units to store keepers. This type of occupancy system, known as condominium retailing, was new to Canada and associated primarily with ethnic Chinese retailing. In importance, condominium retailing challenged both the conventional leasing system that had governed the development and operation of North American shopping centres over the past fifty years, and the long established local planning systems.

Since the late 1990s, ethnic Chinese retailing in the Toronto CMA has continued to evolve and three trends emerged. First, there has been a resurgence of food retailing and a flourish of modern and large-scale supermarkets. Second, developments have begun to shift away from clusters of exclusive ethnic retailing towards a mix with mainstream businesses in the same plaza, and non-ethnic Chinese developers are playing an important role in creating such mixed business plazas. Third, a new corridor of ethnic Chinese retailing has begun to emerge along the north border of the City of Toronto with its suburban municipal neighbor, the City of Markham, becoming the geographical center of a fledgling Chinese-dominated ethnoburb. These recent trends are the focus of the present study.

Sociologists and social geographers have studied ethnic businesses (of which retailing is an important component) for a long time as part of settlement patterns and economic participation. Their studies are, however, often conducted from the perspectives of ethnic entrepreneurship and class resources (Waldinger et al., 1990; Light & Gold, 2000). Business geographers have paid little attention to ethnic retailing. This study, which takes the approach of spatial analysis of demand and supply, intends to bridge the gap in the literature of business geography and may encourage comparative studies to be conducted in other North American cities, such as Vancouver, San Francisco and Los Angeles.

The paper starts with a literature review of ethnic entrepreneurship and ethnic economy to establish the theoretical context and to identify research gaps. This is followed by a spatial analysis of demand and an estimation of the Chinese consumer market in the Toronto CMA. The three recent trends of Chinese retail supply are then examined in detail.

UNIVERSALIZING ETHNIC ENTREPRENEURSHIP AND ETHNIC ECONOMY

Ethnic businesses have existed in immigrant-receiving countries for over a century. Yet, ethnic entrepreneurship and the ethnic economy did not become a serious area of research until the early 1980s and onward (see such seminal works as Bonacich & Modell, 1980; Light, 1984; Aldrich & Waldinger, 1990; Light & Rosenstein, 1995; Light & Gold, 2000).

Ethnic entrepreneurs refer to those immigrants who own and operate their own businesses, and whose group membership is tied to a common cultural heritage or origin (Yinger, 1985; Aldrich & Waldinger, 1990; Zhou, 2004). An ethnic economy is defined as consisting of ethnic employers (including the self-employed) and their co-ethnic employees (Bonacich & Modell, 1980; Aldrich & Waldinger, 1990), that exist when “any immigrant or ethnic group maintains a private economic sector in which it has a controlling ownership stake” (Light & Gold, 2000, p 9). An ethnic economy has traditionally depended on the existence of a co-ethnic consumer market. The scholarly literature offers an abundance of theories to derive possible explanations for the preponderance of business formation by certain ethnic groups. Yet, studies to date have been limited to examining ethnic entrepreneurship and economic integration of newcomers in the immigrant-receiving countries. Little attention