

**Why Would We Need A “Chinatown”?**  
The case of Chinese entrepreneurs in the rust belts  
of the 8<sup>th</sup> and 10<sup>th</sup> districts of Budapest

**By**

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## Abstract

Although the number of Chinese immigrants in Budapest is lower than it used to be in the early- and mid-90s, Chinese traders' enduring presence can be expected in the city – especially in the rust belts of the 8<sup>th</sup> and 10<sup>th</sup> districts of Budapest, which became reviving areas thanks to migrants' investments and business activities. The aim of my thesis is to explore what may reason the fact that despite the spatial concentration of Chinese trading enterprises these areas have not turned to form the basis of a “Chinatown”. However, according to my presumption, the formal recognition of a “Chinatown” would be beneficial both for the city and Chinese migrants. It may promote transnational migrants' urban incorporation and could advance the city's position as branding itself with the multicultural environment that these places constitute. For seeking answers to this question I have scrutinized not only the structural opportunities of the city and migrants' transnational networks which surely condition these processes, but also made qualitative research on the city leadership's and migrants' opinion about the idea. Hence I both applied a top-down and a bottom-up approach for investigations. I paid special attention to determine that within the local context who may be affected by the institutionalization of a “Chinatown” negatively in terms of social inclusion. According to my main findings, if a “Chinatown” were developed in Budapest, its most probable site, today, is the part of the 10<sup>th</sup> district which is being revitalized by Chinese investors, however, along with maintaining strong connections to the Chinese trade area of the 8<sup>th</sup> district. As for migrants, most probably the better-off as well as the younger generation of Chinese who can be presumed to gain from developing a “Chinatown” in Budapest, however, less for the reasons of incorporation but – with regard to the first group –, for the enhancement of business and economic positions, while – as for the latter –, for its potential to constitute an enabling environment where “Chinese” ethnic identity can be constructed or maintained, which may otherwise be missing for those who were brought up in a foreign country yet with strong transnational cultural ties.

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The contradiction is the non-identical under the aspect of identity; the primacy of the principle of contradiction in dialectics tests the heterogeneous according to unitary thought. By colliding with its own boundary, unitary thought surpasses itself. Dialectics is the consistent consciousness of nonidentity.

Adorno 1966: 5

## Introduction

Having a cheap lunch and dinner in a fast food “Chinese buffet”, buying cheap shoes in smaller “Chinese shops”, or getting cheap clothes from the “Four Tigers Chinese market” is a common experience for most living in today’s Budapest. The presence of Chinese migrants in the city is tangible for everyone but especially for those who visit an area within the 8<sup>th</sup>, as well as a part of the 10<sup>th</sup> district, where Chinese traders concentrate their operation, and where most Chinese migrants live (Gyimes 1997, Nyíri 2002).

Although in Hungary the number of transnational migrants – similarly to other Central and Eastern European countries – does not exceed 1.5 percent of the total population, almost half of them live in Budapest<sup>1</sup> (Kőszeghy et al. 2008). With special regard to those 7000-8000 migrants who are accounted by official statistics<sup>2</sup> as “Chinese”, 82 percent settled down in the capital. According to research (Kőszeghy et al. 2008), it is in the 8<sup>th</sup> and 10<sup>th</sup> district of the city where the density of migrants is the highest (Hárs et al. 2006). Most of newcomers are ethnic Hungarian, however, one-third are Chinese. That is, they are the most “visible” migrant group in the area.

A large number of Chinese in Budapest are wholesalers trading in clothes and shoes (Nyíri 2006) and a vast majority of their businesses takes place in the above mentioned Four Tigers Chinese market – also known as the Józsefváros market – and in the building of the former Ganz Works. These two larger blocks constitute a more or less continuous area within the 8<sup>th</sup> district (see *Chinese Trade Area* on map in Appendix 1). At the same time, very recently Chinese traders in the garment and toy industry have bought up abandoned factories in the 10<sup>th</sup> district as well (see

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<sup>1</sup> As a comparison, less than one-fifth of native population lives there.

<sup>2</sup> However, most of my interviewees, but particularly Pál Nyíri, a prominent researcher of Chinese migrants as well as a deputy mayor of Budapest estimated the ‘real’ number of Chinese in country be over 12 000.

*New Chinese Trade Area* on map in Appendix 1), yet not coincidentally close to the Józsefváros market and its neighborhood.

Nevertheless, neither of these parts of the city is conceived as a “Chinatown” by the public. However, one may argue that just because of the perceivable concentration of Chinese migrants in the neighboring districts and the public attribution of the markets in question to “Chineseness” already makes the area a “Chinatown”. Yet I maintain the assumption that a “Chinatown” is an outcome of an institutionalization process – along with the acknowledgement that a city area becoming a “Chinatown” is not a result of compliance with certain unchangeable, well-definable characteristics, but that of a labeling process, which I will argue for in the next part. This implies another premise that I also hold, namely that the development of a “Chinatown” means the recognition of ethnic differences within the group of citizens from the side of city government and formal politics. Although this form of recognition may be, and most probably is, biased, I argue it entails the enhancement of both the cultural and political, but also the economic status of Chinese in the city. However, because of the fact that the establishment of a “Chinatown” constitutes a form of socio-spatial segregation within the city anyhow, its potential advantages for migrants to participate in urban life have to be interpreted cautiously. At the same time, in case of Budapest not only Chinese but also other migrants, like Vietnamese, Arabs, Turks, ethnic Hungarians, as well as natives, including both Roma and non-Roma inhabitants who currently work as either suppliers or as employees of Chinese in the *Chinese Trade Area*, or those natives who capitalize on the cheap products they can buy in the so-called Chinese market – thanks to its partial belonging to the informal economy have to be considered when one wants to anticipate the opportunities that the development of a “Chinatown” would bring to the different groups of urban dwellers.

From another aspect, that is, from the angle of the city, relying on Christiansen’s description (2003) about the attract of local politicians to a “Chinatown”, who, at least in Western Europe, usually regard that “as political and economic assets” embodying investment and

business interests, “a source of pride and a monument of achievement” (2003: 81), I also assume that Budapest could gain from the establishment of a “Chinatown”. Today what the city government can make use of through the emergence of migrants is the reduction of certain social tensions and marginalization by the provision of employment opportunities, the supply of cheap products and the demand for local goods and services for the everyday subsistence. Beyond these, a “Chinatown” could also become part of the regeneration scheme of the city, of the commodification of “Chineseness” and also of multiculturalism as a branding strategy, an attraction for tourism and further investments.

Holding these assumptions throughout my thesis, the main concerns of the research to be presented here are the following:

- 1) What are the conditions for an urban government to become interested in the development of a “Chinatown” in the city? Does it depend only on economic determinants, or also on the political and cultural orientation of the leadership? If the latter matters, is it voiced also as a concern for transnational<sup>3</sup> migrants, or only as a means to promote foreign investment?
- 2) What would be the risks and benefits of the institutionalization processes of setting up a “Chinatown” in Budapest in terms of the patterns of social inclusion and exclusion? Which social groups might be threatened by the socio-economic exclusion from the urban life, even if the “Chinatown” could accommodate certain needs of Chinese traders?
- 3) What are the conditions for migrants to become motivated to develop a “Chinatown”? Only if they feel displaced and thus attempt to moor their identity to a certain locality in this way? Or also in case they would have pure economic interests?

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<sup>3</sup> I use this term referring to migrants crossing national borders, however, not being embedded not simply in the social structures of a “home” and “host” country, but also in a transnational social field, which goes beyond the distinct spatial frames that the concept of nations constitutes.

To discuss and answer the questions, in the following chapters I will present my study on the case of Chinese in Budapest. In the first chapter I will provide the theoretical framework within which the specific case will be introduced. It will describe how contemporary theories on the city and on transnational migration may be combined and why it is analytically more useful to choose the city as an entry point instead of migrants as a group of the same ethnic origins. In the chapter I will argue against both methodological nationalism and methodological ethnicity, which are both common theoretical mistakes of migration studies. I will claim that the development of a “Chinatown” means an example of an ethnic pathway for migrants to participate in urban life and will thus try to make a link to the advancement of liberal multiculturalism, which I understand, following Will Kymlicka’s definition (2008), as both the recognition of ethnic difference and the redistribution of economic and political rights. I will reflect on the potential social risks of the commodification of ethnicity, yet in the last part of the first chapter is to explain how the exclusive practices of an ethnic enclave may be turned into the means of social inclusion.

The second chapter will enumerate the methods – mostly qualitative ones – that I will apply in the third and fourth chapters, which will elaborate the actual analysis. Also the second chapter refers to the constraints of my empirical research and thus the limitations of my conclusions I will draw in the last part of the thesis.

The third chapter contributes both to the theoretical argument of the first chapter –also enhancing my standing elaborated there – and to the policy-oriented investigation of the openness of city governments, including the municipality of the 8<sup>th</sup> and 10<sup>th</sup> districts, to the idea of a “Chinatown” in Budapest. The chapter will be divided into three sections. The first, with the aim of mapping out the economic and political power of the city, will position Budapest on a scale of cities at a local, regional as well as global level. Although all cities are conceived as be subjected to neoliberal globalization processes which determine their economic opportunities, I will also examine the political convictions and cultural norms represented by the decision-makers



of urban development policies. The second section will mainly engage with the study of urban plans and policy recommendations related to Chinese and their presence in the city proposed in the late 90s and at the beginning of 2000s, while the third section will be composed both of the current plans of the 8<sup>th</sup> and 10<sup>th</sup> districts for urban renewal and the comparison of deputy mayors' opinion on the potential advantages of a "Chinatown" in the two districts.

The fourth chapter, as opposed to the top-down approach of the third one, will attempt to follow a bottom-up approach to study the case. It will focus more on the interests and propensity of local Chinese traders settled in Budapest to establish a "Chinatown", as well as on that of other stakeholders of the Four Tigers Chinese market and its extended neighborhood. It will be constituted of two sections. The first one introduces the situation of those members of the Chinese diaspora who migrated to Eastern Europe after the 1978 economic reform of the People's Republic of China as distinct from those who settled down typically in Western Europe or in North America before. This fact has significant consequences in terms of the identity claims of the more recently migrated Chinese and in terms of the strength of their transnational links. This I will detail by the presentation of Pál Nyíri's (2007) argument based on his extensive ethnographic fieldwork on Chinese in Eastern Europe and by the use of Aihwa Ong's (1999) concept of "flexible citizenship" to reflect on the changes in the Chinese state's migration politics.

The second section will introduce the trajectory of the *Chinese Trade Areas* in the 8<sup>th</sup> and 10<sup>th</sup> districts and will cover my own fieldwork observations. First, it will explore the interests of locals, both inhabitants of the areas and pure business investors, in the operation of the "Chinese market". Along these lines, it will pay special attention also to the perspective of those who may become excluded or more marginalized by linking Chinese traders' operation more strongly to the formal economy through the institutionalization of a "Chinatown" in Budapest. Second, the analysis of observations and interviews will demonstrate the strategic diversity of migrant traders, including not only Chinese but also Vietnamese to incorporate into urban life. I will speculate on

Chinese propensity and interests to build a “Chinatown” in Budapest, and on that what it may mean in terms of reference, both geographically and anthropologically. It will also refer to the potential stakeholders of it, who may form a coalition to promote the idea.

## Chapter 1 Theoretical Framework

Since the last decade of the 20<sup>th</sup> century *globalization* is a key concept of social sciences and of political debates, with a special attention paid to its links to the neoliberal capitalist mode of production. This led to a general shift in the perception of the relation between the social and the spatial. Thanks to Harvey (1996) the Marx's thesis of "the annihilation of space by time" became an axiom for urban researchers. At the same time, in migration studies, as one of the central fields where this ongoing reconfiguration of social and spatial relations can be studied, the focus of transnationalism and transnational social spaces became of interest. Hence there might be perceived a kind of theoretical tension in the attempt to study transnational migrants at a local level that cities constitute. Nevertheless, cities are also important structures of globalization processes that both condition and are conditioned by neoliberal capitalism. To cite Harvey (1989) again, cities are places where capital has to be anchored to be able for self-reproduction.

In order to combine these two threads of studies, that is, migration and urban studies, and be able to discuss and empirically research Chinese migrants in Budapest, I will use Nina Glick Schiller's and Ayse Caglar's (2009) theoretical framework that recognizes that a city's efforts to reposition itself in the global competition between cities determined by economic and political structures may be a mutually constitutive process with that of migrants' urban incorporation. I will elaborate this idea in the first section of this chapter; however, will attempt to refine it with Michael Peter Smith's approach that analyzes the impacts of globalization on the agency of migrants more from below.

Since my thesis is concerned especially with an ethnic pathway of migrants' incorporation, in the second section I will attempt to link this notion to Will Kymlicka's (2008) idea of multiculturalism as a possible vehicle of the recognition and accommodation of minority ethnic groups. In order to argue that social integration may be envisioned also without spatial integration, moreover, that spatial segregation may have positive impacts on certain minority

groups, I will call upon Deborah Phillips' (2007) and Jan Rath's (2005) articles that critically approach and conceptualize what ethnic and racial segregation may mean, how that may become empowering, and how all these can be applied to "Chinatowns".

### 1.1 How to deal with migrants in the city?

The idea that the emergence of migrants in urban spaces can be – and most of the time is – beneficial for a city in terms of its economic, and maybe also of social and political development is not new at all. As for the latter two effects the emergence of migrants may, to some extent, enforce a raise in the tolerance level of the major society towards 'otherness' as well as a reformulated, or rather refined, concept of democracy (supposed we are dealing with democratic countries). As far as the economic influence of migrants is concerned, it is the most elaborately investigated issue in transnational migration studies (see for instance Saskia Sassen 1995, Alejandro Portes 1995, Roger Waldinger 2001, Jan Rath 2003, Richard Florida 2005, and many more).

Glick Schiller's and Caglar's work (2009) is of further interest because – while their theory of migrant incorporation is grounded on the empirical investigations of specific cities as well – they try to develop a conceptual apparatus that allows comparative thinking in the study of migrants in different urban settings. Of course the comparative analysis of cities *per se* is not a novel approach (take Saskia Sassen's notion of "global cities" (1991) for example), yet Glick Schiller's and Caglar's innovation is showing how the contemporary ideas in political economist and critical urban studies can be conjugated with theories on migrants' roles and their opportunities in different cities. Along the lines of Henri Lefebvre's concept of the "specificity" of the city (2000), which recognize city dwellers as agents constituting the "urban", the two scholars are to reveal the special case of migrants' agency.

In terms of the spatially embedded social processes, their perspective that looks at global space and the socio-spatial restructuring processes under neoliberal globalization is borrowed

from Neil Brenner (2004). In contrast to considering *city* only as a unit of the nation-state, they prefer a scalar approach that recognizes the co-constitutive characteristic of the different scales, i.e. the historically determined scales of “local”, “regional”, “national”, and “global”. Thus they reject methodological nationalism that otherwise conceived to be a conceptual barrier to theorize location in migration studies. They suggest choosing cities as units of analysis when migrant groups are scrutinized.

This way there is a chance not only to avoid equating society with the nation-state and thinking of the native population and migrants as homogenous groups, but defining cities as analytical entry points – vis-à-vis the group of migrants, which would otherwise lead to the display of migrants’ “ethnic” difference from the natives, exclusively – may also advance the perpetual reflection upon the social constructiveness of “difference” in the course of analysis. How I consider about a non-essentialist way of studying Chinese migrants in Budapest, the next subsection will detail.

### **1.1.1 Writing against methodological ethnicity**

Although in the course of studying group of individuals in a social context it is impossible *not* to prioritize certain forms of identification (i.e. studying “migrants” vis-à-vis “native population”), in order to avoid starting research with an a priori prioritization of a dimension of identity, I think it is of importance to reflect on the problem of methodological ethnicity that usually characterizes migration studies and reduces migrants’ subjectivity. Therefore in this part I elaborate how I try to examine Chinese migrants’ opportunities to get involved in urban life through an “ethnic pathway” without being essentialist during the analysis. I suggest two methods that both should be followed.

*First*, to reflect on the fact that Chinese migrants of Budapest have different opportunities to become part of the city life and different groups of migrants have different pathways open – even though the memberships of the different groups may overlap. While, for instance, Christian

migrants can participate in the three Protestant and one Pentecostal church that Chinese rent in Budapest<sup>4</sup>, migrants with pedagogical education may be employed by the Hungarian-Chinese Bilingual Elementary School or by the Confucius Institute of the Eötvös Loránd University.

So being concerned with those migrants who operate in the Four Tigers Chinese market and in its neighborhood, I am to focus only on a group of newcomers and thus study primarily the opportunities of *Chinese traders* to “incorporate” through the development of a “Chinatown”.

*Second:* to avoid essentialization it has to be underlined that neither all shops and buffets named as “Chinese”, nor all sellers in the “Chinese market” are or operated by Chinese migrants. Nyíri (2002) gives examples when certain “Chinese” shops are owned by Hungarian, and are called Chinese only to convey a message for consumers (Chinese wares, therefore cheap with quality guaranteed). One can also encounter Hungarian employees in Chinese buffets, while according to research (Nemes 2006) – which my observations confirmed as well –, there are also Vietnamese, Mongols and other East-Asian, African, etc. migrants working besides Chinese at the Four Tigers Chinese market. This illustrates well that “Chineseness” or a “Chinatown” as signifiers does not necessarily refer to “the Chinese” or the place inhabited exclusively by them as the signified.

Hence, to conclude, the opportunity of an ethnic pathway for incorporation neither automatically mean that all migrants can make use of it, nor that there would not be other ways of incorporation open, nor that only those migrants could capitalize on it, whose country-of-origin constitute the reference point for labeling the ethnic pathway in question. As for the latter, it confirms that developing a “Chinatown”, which I assume would contribute to social integration, may promote the socio-economic situation of not only Chinese but also other city dwellers and thus indirectly would advance city rescaling processes.

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4 Based on information from an interview I conducted with the ward of one of the Protestant churches.

### 1.1.2 Structural determinants and formal politics

Reflecting on the competitive environment that global capitalism creates, Glick Schiller and Caglar promote comparative urban thinking, however, dealing not only with “global cities” (Saskia Sassen 1991) but also with “non-global cities” – which should be still conceived of as subjects of globalization processes. By using Sheppard’s notion of “positionality” (2002), which is capable to grasp the reality of such relational inequalities within networked spaces that actor-networks theories cannot, they also reflect on the different power status of different cities.

To recognize the dialectical relationship between the positionality and rescaling dynamics of a city and the agency of migrants, on the one hand, one has to recognize that the positionality of a city on a global city scale determines migrants’ opportunities to participate in the economic, political and cultural life of a city. On the other hand, “transnational social fields” has to be examined, which embraces those influences which migrants’ transnational connections have on investments, remittance flows, various modes of transnational activity, as well as on the construction of migrants’ identity. It mirrors the asymmetries and power relations within transnational networks, better than the scrutiny of transnational communities.

Glick Schiller’s and Caglar’s suggestion is to sketch a continuum which is to represent different cities’ abilities to position themselves in respect to various global, regional and national networks, and maintain that those cities which are at the “upper end” of the continuum can provide migrants with a wider range of opportunities for “incorporation<sup>5</sup>” than those at the other end of it. As for the range of opportunities they exemplify an ethnic, an entrepreneurial and a religious pathway through which transnational migrants could participate in urban life.

According to their claims, the wider range of opportunities does not necessarily entail a more effective urban incorporation of migrants; neither means that if more pathways are

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<sup>5</sup> I will use this notion in my analysis with the assumption that neither the group(s) of migrants nor the group(s) of native population constitutes homogenous, for the “other” almost impenetrable entities. Yet since the thesis is to scrutinize migrants’ opportunities instead of the dynamics of the interrelations between newcomers and native inhabitants – the study of which is relevant, though, cannot be unfolded within the frames of this thesis –, I will apply the concept as an expression that reflects on the process of migrants’ anchoring themselves at a certain locality and developing of their socio-economic as well as institutional and political links to a city in question.

structurally given, the more beneficial impacts migrants have on the rescaling processes of a city. In this sense the fact that different cities, based on their positionalities, provide transnational migrants with different opportunities to become local – and through the very same processes global – agents do not have predictable consequences on the measure of migrants’ incorporation or on the social reconfiguration of locality. This statement underlines the assertion that the study of each city in terms of migration has to be regarded as an individual case.

Therefore each city can be seen to have a different trajectory, affecting the interplays produced between migrant inhabitants and the city’s dynamically changing positionality. Along these lines, I will look at the positionality of Budapest and will investigate the structural conditions for the promotion of an ethnic(-entrepreneurial) pathway, that is the establishment of a “Chinatown”, in the third chapter.

Nevertheless, I would argue that within the very same economic circumstances and structural determinants, different policy concepts may be considered an issue and put on the agenda depending on the political and cultural orientation of the policy decision-makers, which may concern migrants’ incorporation distinctively. This idea draws on Steven Lukes’ (2005 [1974]) argument on power with special regard to formal politics. Despite the shortcomings of the “three-dimensional view of power” he promotes, it draws attention to important facts concerning the practice of agenda-setting and the agency of policy decision-makers.

Lukes asserts that when power controls the political agenda and thus keeps certain potential issues out of the realm of formal politics (however, Lukes talks about power in general, I will use his concept only for the study of formal politics), one should account for both the decisions and non-decisions – that is the conscious ignorance – of the governance, but also the bias on the actual issue that are mobilized by political organizations. Although the latter is not simply a result of individually chosen acts, it may be manifested in individuals’ (in/)action favoring certain groups at the expense of others. The mobilization of bias is most importantly sustained by “socially structured and culturally patterned behavior of groups and practices of institutions”



(Lukes 2005[1974]: 26). I will illustrate this process in the third chapter, where policy documents concerning the “Chinese markets” will be scrutinized and where city leaders’ various opinion on the possibility to establish a “Chinatown” will be presented and compared.

### 1.1.3 A bottom-up perspective

Glick Schiller’s and Caglar’s approach (2007, 2009) to migrants’ urban incorporation puts the main emphasis on the economic-structural determinants and – since first and foremost considers the positionality of a city as the main factor of these processes – rejects the study of “transnational urbanism”, suggested by Michael Peter Smith (2001). As they argue that would not leave space for the scrutiny of the institutional frameworks that a city constitutes, however they are the organizations of social, economic, and cultural production that “respond to and shape the broader dynamics of the global economy” (Glick Schiller and Caglar 2009: 9) as well.

In contrast to this top-down approach, Smith (2001) highlights the significant global impacts of the cultural and political practices produced “from below”. Instead of investigating how the weight and contribution of the actual production and reception of cultural flows and the emergence of transnational political practices of migrants, exiles and refugees are determined in entanglement with the structural positioning of a city, he is more concerned with the emerging “global ethnoscapes”. Referring to Appadurai’s (1991) concepts of deterritorialization and reconfiguration in terms of the spatial practices of a variety of actors with transnational bonds, Smith points at two consequences that urban researchers have to bear in mind when studying deterritorialized people: 1) “the loosening of the ties between wealth, population, and territory “fundamentally alters the basis for cultural reproduction” (Appadurai 1991: 193)”; 2) most of transnational migrants, exiles and refugees invent an “imagined community” (Anderson 1983) “to make present felt absences in their lives” (Smith 2001: 151-152).

Yet there are several responses to the experienced deterritorialization. Smith exemplifies it by the “politics of return”, which is a political imaginary that can be produced either in negative or in positive sense. In negative sense it usually pertains to the rhetoric of revenge-taking for the

“loss” of the homeland (represented, for example, by right-wing South Vietnamese in the US), while in positive sense it can mean the cultural and socio-spatial transformation of, for instance, the Asian section of a city into an ethnic neighborhood, like the “Little Saigon” or the “Chinatown”. All of these reactions express the desire to reterritorialization as a collective response to displacement. However, Smith (2001) points out that today’s transnational migrants and refugees maintain and are sustained by widely spatially dispersed social networks, and thus may feel themselves less displaced<sup>6</sup>

This thread of theories I consider balancing Glick Schiller’s and Caglar’s approach well. Therefore although I agree with recognizing the structural determinants and its dialectics with agency, Smith’s argument (2001) will be able to be fruitfully applied in a bottom-up approach when migrants’ identity, their senses of belonging and needs to reterritorialize themselves in the “host locality” will be researched in the fourth chapter of the thesis.

## **1.2 Links to multiculturalism as well as segregation. Get an insight into “Chinatowns”**

Since I am seeking explanation for the lack of a specific ethnic form of migrants’ incorporation, I have to reflect on such related issues as 1) the notion of multiculturalism, which, in an ideal case, is to promote the acceptance of ethnic diversity in an affirmative way, instead of conceptualizing these differences in order to construct the ‘other’ and develop a superior ethnic self-identity; and 2) the concept of ethnic and racial segregation, which in my specific case, despite its bad reputation among social scientific scholars, should be able to be envisioned also as an inclusionary socio-spatial practice. Besides, being interested particularly in Chinese migrants, the last subsection of this part will attempt to conceptualize “Chinatowns” as specific examples of socio-spatial segregation.

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<sup>6</sup> For more information on the dialectics between space and identity see Abramson’s, Manzo’s and Hou’s ethnography on Seattle’s Chinatown-International District (2006).

### 1.2.1 A brief look at the notion of multiculturalism

Although Glick Schiller's and Caglar's prime aim is to enrich the conceptual vocabulary of migration studies and to advance the idea that migrants' capacities may be improved also without relying on claims to the common culture, descent, or history of the newcomers which would stem from the ethnic forms of categorization or self-identification, after making a detour to incorporate their critical perspective, I am to go back to the track of ethnic-based investigation of migrants in case of Chinese in Budapest. The main reason behind this is that, as I mentioned in the introduction, it is quite characteristic and seems to be perpetually valid that many of those Chinese migrants who are settled in Budapest and start or are employed by businesses in the garment, shoe or toy industry heavily rely on networks and ties to the country-of-origin (Nyíri 2000) (regardless whether formerly they came to the city with totally different occupational background, like many political exiles in the early 90s (Nyíri 2002)). At the same time, according to a recent research (Örkény et al. 2008) the political and civic organization of Chinese is weaker or more uneven by time (Nyíri 2007). I will go back to this question in the fourth chapter which will embrace the analysis of the micro-society of the "Chinese" markets in the 8<sup>th</sup> and 10<sup>th</sup> districts.

So because I am to suggest processes that link individual or organized groups of migrants to institutions recognized by the government – through making reference to their common ethnic origins – I will pay special attention whether Chinese-concerned policies are framed within a "liberal multiculturalist" discourse as acts of promoting Chinese incorporation, or express concerns purely for economic development. To analyze this, I will use Kymlicka's (2008) term of "liberal multiculturalism", which both implies the recognition of ethnic difference and the redistribution of political, economic and social rights. Kymlicka discusses the concept within institutional frameworks and provides examples when liberal multiculturalism is considered to be supported by the government, also in the particular case of immigrants. Yet I would not go more into details in these, since the implementation of those do not necessarily belong to the

competence of a city government, which constitutes the major focus of the related part of my research.

Instead, I would reflect on and, to some extent, contest Kymlicka's argument about the "social movement multiculturalism" and the "corporate multiculturalism", the latter of which is conceived to be a mere economic interest-led promotion of the idea of multiculturalism, as opposed to the former, which is more committed to the moral obligations to subvert the socially constructed ethnic and racial hierarchies. He argues that despite the fact that the emergence of multiculturalism more or less corresponds in time with the era of intense economic globalization, market deregulation and the spread of the capitalist mode of production, the two have quite different origins. Nevertheless, he admits that even if "social movement multiculturalism" was raised from popular mobilization with the support of left-liberal or social-democratic politicians in the face of resistance from business elites and neo-liberal ideologues, at least in Western Europe and North America, "over time, it is fair to say that the corporate worlds has made its peace with multiculturalism, and indeed that a distinctive form of 'corporate multiculturalism' emerged which interact in complex ways with the earlier 'social movement multiculturalism'" (2008: 129).

Kymlicka claims that the neo-liberal push for decentralization, first in the name of economic efficiency, could become more popular when it was linked to multiculturalist arguments about accommodating diversity, while social movement multiculturalists needed the support of the corporate world to gain support from the majority, who otherwise rather tolerated than actively advocated the issue. Hence the reaffirmation of the underlying moral argument that multiculturalism extends and thus furthers the logic of human rights became entangled with the more strategic and self-interested reasoning, like "multiculturalism pays", which can make the members of the dominant group view multiculturalism also as a benefit to themselves, not just a moral obligation towards the 'others'<sup>7</sup>.

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<sup>7</sup> This illustrates well that there is no way to escape from structurally given social orders.

As Kymlicka says it rightly, “the most common strategy in this regard has been to emphasize the economic spin-offs from multiculturalism” (2008: 130). One of these examples that even he mentions is cities’ strategies to brand themselves as multicultural, highlighting their ethnic neighborhoods in order to attract visitors, elite immigrants, and foreign investment. This is exactly what will be discussed in my case study as the potential reason why those members of the dominant groups who otherwise tend to ignore or downplay the relevance of challenging inherited racial or ethnic hierarchies may support the idea to develop a “Chinatown” in Budapest.

At the same time, as per Kymlicka, if “multiculturalism means business” (2008: 32) it also has the obvious downside that it may reduce the ideal of multiculturalism to a marketing ploy – as if the “original” political and moral goal would inherently attributed to the practice of “repackage[ing] cultural differences as an economic asset in a global economy and/or as a commodity or lifestyle good that can be marketed and consumed” (2008: 32). Although he admits, after Shachar (2006), that in the growing competition among countries (within the framework of my research I would rather claim *cities*) to attract elite immigrants – professionals and entrepreneurs –, who are seen as contributing to a city’s prosperity and vitality, multiculturalism provides a strategic advantage, he harshly opposes the idea that multiculturalism should be endorsed or rejected on the basis of whether it increases global economic competitiveness or attracts tourism.

Even though I agree with him in that multiculturalism should be taken as a “means of citizenization” that convert such ethnic and racial relations that build on binary oppositions – subordinating a social group as opposed to the other –, into relations of liberal-democratic citizenship, I cannot imagine a moment when the ideal of multiculturalism would be supported by the majority without its entanglement with political or economic interests, at least not in the near future – unless some revolutionary thing happens to the current mode of global production

or democratic systems. Until then I consider it rather naivety to think that the moral commitment of the majority to subvert ethnic and racial hierarchies could be expected<sup>8</sup>.

Despite this contestation of Kymlicka's argument, his claim on the Western European and North American experience about the emergence of multiculturalism on the political agenda makes my analysis and speculations about the possibilities to develop an inclusionary "Chinatown" in Budapest more cautious. Namely because he states that in the "West" there is no precedent when corporate elites would have initiated the adoption of multiculturalism; always the social movement activists were who first voiced the issue. This means, with regard to my case, that if we are to accept that the same trajectory may be true in a Central and Eastern European post-socialist context, we should not expect from the city leadership as representatives of the majority and partly also the corporate elite to promote the idea of multiculturalism without the activism of the racially and ethnically disadvantaged concerned.

At the same time, especially because part of the Chinese migrants whom I am engaged with typically have a good social background, and also because in the observed "Chinese markets" several other migrants than Chinese are trading, I also feel the need to emphasize that not only racial- or ethnic-based differences that matter when opportunities of social inclusion are concerned, but also that of class. This multidimensionality of social inclusion helps to better explain the ideal of guaranteed universal human rights is however postulated and open, the constitution of its borders within liberal democracies inevitably leads to exclusion. The excluded remain constitutive elements of the democratic order. Hence even though my research is engaged especially with an *ethnic* pathway of incorporation and attempt to conceptualize "Chinatown" as a means of social inclusion along this line, it has to be admitted that the promotion of multiculturalism – that is, recognition and accommodation grounded primarily on ethnicity –

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<sup>8</sup> Nevertheless, a slightly more optimistic contestation of Kymlicka's argument may also be provided from a poststructuralist viewpoint represented by Judith Butler using Homi Bhabha's concepts of "hybridity" and "cultural translation" (presented by Boris Buden 2003), which I cannot unfold here, though, because of the limited scope of the thesis as well as because of the scarcity of my empirical findings at this stage of research to underpin the otherwise valuable thoughts.

ignores other dimensions of identity, which, however, equally condition the opportunities for incorporation. With special regard to the institutionalization of a “Chinatown” – which, I think, can be realized only through the commodification of “Chineseness” and thus the entanglement of the logic of capitalist production – the class status, as an other dimension of identity, becomes unavoidably a crucial factor. So I will bear this in mind when I turn to the scrutiny of the local environment and speculate about the potential winners and losers of setting up a “Chinatown” in terms of social inclusion, in the fourth chapter.

This dilemma goes to a degree back to Kymlicka’s concern about the displacement of the emancipatory aims of multiculturalism by corporate interests, which, however, I recognize, think, on a more realistic, less idealistic basis, partly inevitable. Nonetheless, I find it morally and politically unacceptable that with making reference to this inevitability not to look for the possibilities of more inclusive social organizations. Therefore the next section embraces the question how exclusive practices of an ethnic enclave may be turned into the means of social inclusion.

### **1.2.2 How may ethnic-grounded spatial segregation be inclusionary?**

The query whether we can conceive of ethnic or racial segregation as a way of promoting incorporation bears a theoretical tension, since these concepts seem to be contradictory. Yet this section will attempt to reconcile them and argue for the empowering consequences of developing a “Chinatown”, that is, an ethnic precinct by using Deborah Phillips’ (2007) article.

Phillips seeks to address both research- and policy-related concerns of segregation from a critical perspective and engages with such questions as how ethnic and racial segregation can be conceptualized, what it means, and how it became an indicator of migrant integration. She argues that – if we think about within the framework of national government and public administration as Phillips does throughout her whole article – although terminologies, categories and data availability on urban segregation vary between countries and over time, and even if changing

social and political contexts frame thinking and directions in social inquiry in various ways, there can be observed important continuities both over time<sup>9</sup> and between nations.

Her aim is to challenge myths about ethnic clustering and to inform contemporary political and policy debates about the implications of segregation for social cohesion. Therefore she draws attention to some major problems of the ways of thinking about the observed geographical distributions of different ethnic groups, out of which – with regard to my research interests – I would point out two. First, she argues that the fact of residential segregation is considered to be problematic only if non-white ethnic groups are clustering, which is mirrored in ways ethnic neighborhoods are labeled and connoted with social integration. When wealthier, usually, white people move into protective, gated communities in cities or when Jewish minorities form an “enclave” it draws little attention, while if black people become segregated in a “ghetto” or if certain group of transnational migrants prefer living spatially segregated (e.g. British Muslim communities) political discourses within many European Union states – as Phillips states (2007) – expose anxieties about the apparent failure of those groups to follow the “usual” pathways towards spatial and thus social integration in cities.

Phillips argues that these views themselves have serious consequences in terms of social integration. They reinforce racial and ethnic divisions by applying double-scale to white and non-white ethnic groups. On the one hand, in case of non-white ethnic groups they make it seem problematic if spatial and social segregation does not go hand in hand. While on the other hand, the “ghettoization” of a neighborhood can stigmatize already vulnerable and marginalized populations even further, affecting life chances, such as access to work, detrimentally.<sup>10</sup>

Second, Phillips underscores that it should not be ignored that there are various forces that produce and sustain spatial segregation, not only the constraints or institutional discrimination of

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<sup>9</sup> Yet this should not be considered more than twenty-thirty years.

<sup>10</sup> However, we should not downplay the fact that “ghettos” can also be inverted to create positive attributes of feelings of communities and belonging and to a place for possible popular resistance rather than victimization and exclusion (Gilroy 2000).



ethnic groups, or the lack of power of their individual agency. She invokes several scholars' report on the positive attributes of ethnic clustering, like the

extended social and cultural relations, social [and economic] support, a sense of belonging and well-developed community infrastructures [that] may give rise to a sense of well-being for some members of minority ethnic groups [...]. This applies especially, but not exclusively, to [...] those unable to speak the language of their host country. Many families from minority ethnic backgrounds still prefer to live in neighborhoods with some people from similar backgrounds after several generations, both for cultural reasons and, in case of racialized minorities, for a sense of security.

(Phillips 2007: 1148)

These are the factors that – along with the reduced transactional costs – I assume to have decisive role also in case of Chinese traders to decide to concentrate their business operations (and also to live nearby) in the 8<sup>th</sup> and 10<sup>th</sup> districts of Budapest. For this, I will unfold my argument when analyzing the interviews with migrants in the fourth chapter.

At the same time, to suggest that spatial segregation can comply with social integration also in case of racialized minorities, some authors (i.e. Portes and Zhou 1993; Alba and Nee 2003) can be referred to who have portrayed integration not necessarily as a linear, but a multidimensional process, whereby migrants “assimilate” in some areas of life and not others (Phillips 2007). While how social inclusion is conceptualized highly depend on the views on the expected end-point of these processes, which is also reflected in the terminology used (i.e. “assimilation”, “integration”). Each is rooted in a different vision of the ideal society. Therefore in the third chapter that also provides a comparative frame analysis of the city leadership’s opinion on Chinese presence, at certain parts I will highlight how deputy mayors conceptualize these “end-points” of migrants’ integration, which consequently determines their political views also on the spatial segregation of Chinese.

So while I agree and can adapt Phillips’ second point directly to my empirical research, and also acknowledge the problem introduced by the first point, I would make her explanation on the racially coded perceptions of spatial segregation more complex by adding two other factors for the discussion of the issue. She also mentions these in her article, yet I think underestimates the relevance of those: the matter of class, and the degree of the securitization of a minority ethnic

group. As for the former, I would argue that – by using her examples – the spatial segregation of Jewish communities seems to be more acceptable not only because they form a white community but also because likely – however, without considering them a homogenous group in any terms – they belong to a higher strata of the society than those black who live in “ghettos”<sup>11</sup>. At the same time, even though we can presume the same from many Muslims living in British cities, in their case, as a backlash of 9/11 on non-Christian immigrants, their presence became securitized, which proves to be more important in terms of the public imagination and concerns about their spatial segregation – as the growing number of inquiries on the issue underpins this argument as well (Phillips 2007).

Hence, in sum, I maintain that the racialization of spaces is part of the process of politicizing minority ethnic groups’ spatial segregation, yet I argue that it always interplays with the socio-economic integration of the actual group and the degree their presence is conceived to be a source of danger to the majority. Out of these three factors, when it comes to give empirical-based answers to the question ‘what a minority ethnic segregation is conceived to *signify*’, I would prioritize the last as the most decisive one. Especially if we look at the recognition of Chinese and their spatial segregation in “Chinatowns” in Western Europe or in North America, where today those are often seen as spaces for entertainment and excursion, or by a more orientaling view, as “exotic” places, instead of threats to the majority – in contrast with the public perceptions of the spatial segregation of British Muslims (Phillips 2007) or that of Chinese in the late-19<sup>th</sup>, early-20<sup>th</sup> century US (Wong 1982)<sup>12</sup>, regardless of their class status. These ethnic minority groups were/are considered to fail to become socially integrated.

In my case this will be relevant when I seek to answer the question why the municipality in the 8<sup>th</sup> district is more rejective against the building of a “Chinatown” than the lead in the 10<sup>th</sup>

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<sup>11</sup> As for a more refined analysis of the class- and race-based patterns of exclusion of urban “ghettos” and the debated concepts of “underclass” vs. “undercast”, see Loic Wacquant (2008) and William Julius Wilson (1996).

<sup>12</sup> However, the trajectory of the public perception of Chinese and their spatial segregation in “Chinatowns” in Southeast Asian cities would make this issue even more complex, since there the securitization of Chinese presence does not only mean their criminalization but, by constituting a “kin-state minority” (Kymlicka 2008), also the possibility to conceive of them as a fifth column in the country.

district, where, instead of criminalizing Chinese and their business activities, the socio-economic advantages of their investments are underlined. This will be detailed in the third chapter.

Although Phillips, in order to be able to provide central governmental level policy recommendations, took the national as the prime level of research (despite the fact that her examples were of cities) and was engaged with residential segregation, for my analysis – which prioritizes cities as scale of research and not necessarily concern residential but business-grounded ethnic segregation – her claims are remarkable and useful. Yet she pays little attention to “Chinatowns” particularly. Therefore the next subsection will refer to those symbolic sites of the city, marketing ethnic goods and space.

### **1.2.3 The case of “Chinatowns” as sites of production as well as recognition**

The research of “Chinatowns” have been embraced by many scholars (Bonacich 1973, Wong 1982, Zhou 1992, Kaplan and Holloway 2001, Benton and Gomez 2001, Christiansen 2003, Yamashita 2003, Pang 2010, etc.) which were both to reveal the trajectory of particular “Chinatowns” and to explore how the changing social dynamics of those affected Chinese migrants in terms of incorporation. Nevertheless, due to the limited scope of the thesis, I will not describe the conclusions that were drawn along these investigations. Instead, I will display only certain ideas of Jan Rath’s article (2005) which fit well to the theoretical framework set so far, and provides an overview of all those factors that may determine the potential opportunities as well as challenges that the development of a “Chinatown” may arise.

In order to conceptualize what I exactly mean by “Chinatown”, first, I have to make it clear that “Chinatown” does not necessarily mean the same in each city, at least, for sure, not in terms of the architectural structure of an area, the composition of its inhabitants, or the number of residents there (Abramson et al. 2006). The latter suggests that there is no need to take “Chinatown” as a residential segregation, while the second proposition, that is ethnicized places may also be lived by groups of various ethnic origins is underpinned by several fieldwork reports on specific “Chinatowns” (Tseng 1993, Mitchell 2000, Abramson et al. 2006). However, Chinese

themselves may be extremely varied in background, language, geographic origin, and socio-economic status. As for the architectural structure, suffice it



to look at the different examples of places that are formally recognized as “Chinatowns”. While the “Chinatown” in Los Angeles (see first picture above) represents a more

“classical”



form of ethnic clustering, the architectural structure of the “Chinese quarter” in Birmingham (see second picture above) can be found in a detached, though, less enclosed area. The two Chinatowns of

Paris (see third picture above) both consisting of block houses are totally embedded into the fabric of the city, subverting the monolith image that a “Chinatown” would need to be separated with an ornamented arch from the other parts of the city. So these instances substantiate that the name “Chinatown” is rather a floating signifier of a racialized place in the city, which, if get valorized, becomes part of the “city’s symbolic economy” (Zukin 1995). Hence my research is interested in the opportunity when, however, the actual look, the actual number and ethnic composition of the inhabitants of a “Chinatown” may be left as open questions<sup>13</sup> – conditioned by the local environment, including both the structural determinants and local agents –, the labeling processes in question entail the recognition of the fact that the new urban spaces created by migrants constitute to the rise of city’s symbolic capital and its socio-economic development.

Jan Rath (2005) states that today “Chinatowns” became “export products”, at least in Western Europe, and means of productively commercialized places of ethnic diversity (the risks of which for ethnic minorities was presented above as per Kymlicka (2008)). However, Rath

<sup>13</sup> Beyond a certain form of presence or belonging of Chinese to the area.

enumerates several conditioning factors that make this process possible. He coins the term “mixed embeddedness” that is to describe the ways immigrant entrepreneurship – which is made use of in case of a “Chinatown” – is embedded. He acknowledges immigrants’ concrete embeddedness is social networks (echoing Michael Peter Smith (2001) above), but conceives that their relations and transactions are embedded in a more abstract way in wider economic and politico-institutional structures as well (similarly to the suggestions of Glick Schiller and Caglar (2009)). However, he pays special attention to the fact that regulatory structures are composed not only of formal regulations, or non-regulations, but also of the rules that the informal economy, where usually many migrants work, sets up. Therefore also the law enforcement has a crucial role in forming these structures. These are questions that will be of importance during my analysis as well.

Rath poses the question whether this model of socio-economic development should be supported, when migrants are allowed to form ethnic economies rather than to advance the “mainstreaming” of their activities (however, I think, the two are not exclusive as I argued before). Yet he is also convinced that the creation of such ethnic precincts as a “Chinatown” strengthen the social and economic integration of immigrants. This assessment is supported by Abramson, Manzo and Hou as well; whose report (2006) on the ethnography of the Seattle’s “Chinatown-International District” generally states that

ethnic neighborhoods are more than just tourist destinations and immigrant reception areas. They become an important realm for ethnic groups to engage in political and social mobilization to address shared concerns and negotiate differences, both of which involve a conscious reconstruction of identities and boundaries.

(Abramson et al. 2006: 354)

Nevertheless, Rath also draws attention to the possible risks and challenges that the commodification of ethnic spaces brings up: 1) not all participants of the tourist industry which a “Chinatown” would belong to gain automatically upward social mobility; 2) it may intensify intra-ethnic conflicts based on class differences; 3) as part of tourism it may reinforce gendered

division of labor; 4) it may also reinforce stereotypes on the “exotic other”; 5) undesirable interference with one’s own affairs belonging to the ethnic precinct may be also entailed; 6) the preservation of these sites may only serve “the homogenization and fossilization of urban landscape”, which makes a “Chinatown” cease to be a nodal point of a vibrant community (see Pang et al. 2007); 7) tourist industry may generate further tensions between tourists and locals, for instance, with regard to the use of public space.

Keeping all these in mind, in the course of presenting my empirical research I will dwell on both the opportunities and challenges that the development of a “Chinatown” could mean for the local migrants in Budapest. Yet I will also reveal how those Chinese who run their trading businesses in the 8<sup>th</sup> and 10<sup>th</sup> districts envision a kind of “Chinatown” that could constitute an enabling environment for them.

## Chapter 2 Methods

My main tool to investigate Chinese entrepreneurs' opportunities for social integration as well as impact on the socio-economic development of Budapest is the use of qualitative methods. This includes the participant and non-participant observations of the urban spaces where Chinese concentrate their business activities as well as the conduct of, in sum, sixteen interviews. Among my interviewees there are policy decision-makers responsible for the development of urban renewal plans, migrants trading in "Chinese markets" and local people regularly encountering or working with migrant entrepreneurs. Besides, in order to learn more general information on Chinese life in Budapest, but also because of the constraints of my research in terms of the lack of speaking Chinese and of the limited time of ethnographic research, I also conducted four expert interviews, with Pál Nyíri, anthropologist researching Chinese in Eastern Europe, Gergő Salát, sinologist, Zoltán Várhalmi, sociologist dealing with migrants in Budapest, and Sándor P. Szabó, professional who has been being in charge of as official translator to help the law enforcement since the early-90s. Their help contributed to the provision of a more representative analysis.

The following two chapters that will present the results of my empirical investigations go along two approaches: the third chapter that is engaged with the exploration of the views of the city leadership on Chinese in Budapest offers a more policy-oriented, top-down approach, while the fourth chapter, which is to scrutinize Chinese interests in and propensity to establish a "Chinatown" in the city as well as the perceptions of other locals actors on migrants, represents a bottom-up approach.

The third chapter analyzes policy documents, or more precisely, strategic plans that may concern migrants' urban incorporation in both the context of urban development and social service provisions in Budapest, in general, and in the 8<sup>th</sup> and 10<sup>th</sup> districts, in particular. To enrich the picture that the analysis of these documents draws I compare the various attitudes of the

municipality representatives towards Chinese through the analysis of the interviews with deputy mayors in each district. The advantage of this method is to be able to support the claim that the two districts with similar structural facilities can provide different opportunities for their inhabitants, including migrants, only deriving from the distinct political and cultural orientation of their leadership.

At the same time, it has to be taken into account that policy decision-makers' intention to promote migrants' status may be determined, albeit not at all exclusively, by their membership in a left-wing or right-wing party. Therefore I tried to interview both liberal and more conservative politicians in each municipality; however, I was not always successful in these terms. In my comparative analysis I have to reflect on this as well. To structure the interviews, I chose to apply "critical frame analysis", inspired by Mieke Verloo (2006). However, methodologically my analysis will be slightly different from hers. Methodologically, the main difference is that I will analyze interviews, which were conducted by semi-structured question, instead of publicly announced policy claims that by nature can reflect on the fact what emerges as an issue on the political agenda at all. Yet this can be concerned by my analysis of the policy documents before hand.

Being "critical" in case of the "critical frame analysis" means that the researcher's views on the investigated issue are consciously implied in the analysis. For the clarification of my position on the case I study, you can see the theoretical framework above. As for the conceptual apparatus of frame analysis, I will make use of the notions of "diagnosis" and of "prognosis", which are to structure interviews in a way that illuminates how the general issue of "*Chinese in the city/district*" is framed in the narratives of policy decision-makers (e.g. as a problem, or as a phenomenon to welcome, or as an ignored issue, etc.) and how the issue is considered to be handled. I chose this approach because I would maintain that thus the analysis can be more refined and less biased in terms of political convictions. However, for sure, the analysis will not subvert certain presumptions about the left-wing and right-wing standings on migration issues; framing makes it



also possible to recognize certain similarities between arguments no matter if a rightist or a leftist politician voiced it.

The second part of the ethnography contains more field observations. The prime research fields are the Four Tigers Chinese market and the terrain of the former Ganz Works in the 8<sup>th</sup> district as well as the place of Chinese real estate investments in the 10<sup>th</sup> district. Although I made – either in English or in Hungarian – several semi-structured and unstructured interviews with locals, including Chinese and Vietnamese, in the fourth chapter I will heavily rely also on Pál Nyíri's researches as well, since the language constraints mentioned above, as well as the difficulties to build trust in a both harshly competitive and informal economic-grounded environment unquestionably limited my investigations.

In addition, to improve my argument, I will take advantage of some findings of a quantitative research done by Antal Örkény, Mária Székelyi and Zoltán Várhalmi (2008), within the framework of a larger EU-funded research that dealt with the question of multicultural democracy and immigrants' social capital in Europe. The survey I will refer to was conducted on 600 subjects, out of whom 249 were Chinese. The sample of Chinese, as the report admits, was compiled in two steps: first, 100 had been contacted, who had been selected from a list provided by Hungary's Office of Immigration and Nationality, and then this sample was expanded through the snowball method from 31 starting points. As the reports claims, “[f]or the Chinese [...] sample, snowball sampling had to be applied because a high proportion of respondents refused to answer” (Örkény et al 2008:2). However, in the course of studying migrants, regardless of their legal status, it is more difficult to guarantee the survey be representative, since usually there is a scarcity of data – which is true for cases of both Budapest and the two districts. Yet the survey relied on the information “obtained from the Budapest-related databases compiled by the Hungarian Central Statistical Office, as well as [from the] data aggregated [in] the preceding stages of [the] research” (Örkény et al. 2008: 2). Why I found it useful for my analysis is because a part of it concerned the self-identification and values of Chinese, depending on their attachments

to the host and home country, to their place of residence and to native people. The related findings are supposed to suggest fruitful ideas for answering the general research questions I posed in the introductory chapter above.

### Chapter 3 The City and Urban Planning

To elaborate the findings of my ethnography, I decided to present them from two different perspectives, as mentioned above. While this part aims to represent a top-down approach and concentrates more on the positionality of Budapest, its policy plans with regard to migrants as well as the future strategies of municipalities to incorporate Chinese into urban life, the next chapter will focus on the interests of local stakeholders, especially those of Chinese. The latter should be taken as a bottom-up approach that reflects on migrants' spatial identities and perceptions of the city, with special regard to the Four Tigers Chinese market and its neighborhood.

This chapter has three sections. The first one relies on Glick Schiller's and Caglar's conceptual apparatus (2009) introduced in the first part of the thesis. Hence it takes the city as the unit of analysis and investigates whether really a city's positionality that primarily determines migrants' opportunity structures to incorporate into urban life. It situates Budapest on a comparative city scale in accordance with its economic and political power in a globalized world, and examines whether the two scholars' assumption can be confirmed, that is whether less well-off the cities are the less they tend to advance migrants' ethnic-grounded organization and integration.

The conclusions drawn from this analysis are to be refined in the second and third sections. Therefore the second part assesses the role and power of formal politics in shaping migrants' opportunities, building on Lukes' (2005 [1974]) "three-dimensional view of power". It scrutinizes both former policy recommendations and current policy plans engaged with the emergence and business activities of Chinese traders in the city.

The last section is to compare the views of the municipality leadership of Kőbánya and Józsefváros on Chinese and on the idea to develop a "Chinatown" in each district. It will be analyzed how the related questions of multiculturalism, spatial segregation and city branding are

framed. This will also show how the varying political and cultural orientation of policy decision-makers may provide migrants with different opportunities to incorporate, regardless of the similar structural conditions of those areas in each district where Chinese entrepreneurs run their businesses.

### **3.1 The position of Budapest on a global city scale and the economy of migrants' districts**

As I stated in the first chapter, I am choosing the city as a unit of analysis even though my research is interested in the opportunities of Chinese, more specifically, of Chinese entrepreneurs, to incorporate into the urban life of Budapest in a specific way. This is the way how both methodological nationalism and methodological ethnicity, characterizing many migrations studies, can be avoided and how migrants' dialectical relationship with urban reconfiguration processes can be recognized (Glick Schiller and Caglar 2009)

So taking Budapest as an entry point for my analysis, I agree to use Glick Schiller's and Caglar's comparative city scale that I dwelled on in the first chapter. In order to relate Budapest to one of those ideal-typical forms of cities whose positionalities were defined by the scholars as "top-scale" (e.g. London, New York), "up-scale" (e.g. Dallas), "low-scale" (e.g. Philadelphia), and "down-scale cities" (e.g. Halle, Manchester), I would consider today's Budapest as closer to a "low-scale" position<sup>14</sup>. To elaborate the reasons I give voice to a very recent policy document, the *Strategy for the Integrated Urban Development of the Capital Budapest* (Erő et al., 2009), which I will use also later when I present the city government's propensity to capitalize on migrants' presence in the city in its branding strategy.

This document very explicitly reflects on the challenges that the evolvement of globalization evokes for Budapest and for the spatial field it may influence (calling, in sum, "the Budapest Metropolitan Area"). It argues that since globalization necessitates the promotion of

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<sup>14</sup> However, I find the presented examples less convincing to make my suggestion accepted, for further clarification on these notions see Glick Schiller and Caglar, 2009.

“the efficient and dynamic territorial cooperative processes”, the integration of the Budapest Metropolitan Area into the European “region” is crucial (Erő et al, 2009: 12-14).

It outlines what kind of restructuring processes are going on within this region, and supports the idea to position Budapest as the lead of the “Central/Eastern European Area”. It identifies Vienna as the major rival, which has “offensive regional politics” and “unfairly” better structural conditions; vis-à-vis Budapest without a well-developed strategy in the competition for the economic leadership of the area. It conceives of Warsaw, Prague and Bratislava, the three post-socialist cities as competitors but as well as cooperative partners with similar potentials in terms of renewal. Yet the unique advantage of Budapest is considered to be its closeness to the “South-Eastern Area” and its already blossoming relationship with Croatian, Serbian and some Romanian cities.

The document rightly recognizes that the interrelations between different cities within certain areas or within the European region do influence each other’s position mutually and dynamically. Hence, for example, the cooperation with German cities (and through those spatial relations enhancing the connection to the German economy) has a great impact on the processes of the competition between Central Eastern European cities. The importance of relationships with German cities is underscored by mentioning the “Danube Alliance” that would be developed by major cities along the line of the Danube, under the lead of the German counterparts. The Alliance is to be a competitor of the Mediterranean alliance of French and Italian cities. The main branding strategy the document proposes is the identification of Budapest with the “Capital of the Danube”.

Despite its relative handicaps at the regional level, from the national perspective Budapest is the most competitive city of Hungary: the GDP per capita is more than double of the national average; more than half of the foreign direct investments as well as that the foreign enterprises are concentrated in the capital; more than three-fourths of its economy is based on the tertiary sector; the rate of people with tertiary education compared to the total number of city dwellers is

around 30 percent; while almost half of the national income based on tourism is produced in the metropolis.

Nevertheless, within the city there are great social differences, as the document admits: “Budapest’s social provisions in general at a national level are considered to be good, but the social gaps within the city, compared to the European average, are saliently deep”. (Erő et al., 2009: 20) The economic activity of Budapest citizens is only 60 percent, while the unemployment rate is around 5 percent. Without going more into detail, the document recommends the promotion of modern business services, high-tech and knowledge-based industries and urges the enhancement of Budapest’s position as a tourist as well as a cultural center at an international level. To brand Budapest as the “Capital of the Danube” would enhance also these aims.

In spite of its well-developed conceptualization in certain points about the future of Budapest, this general plan fails to include any idea about the global positionality of Budapest or about the “trans-regional” cooperation of cities. It does not account for such possibilities that may advance the rescaling of Budapest through collaborating with cities out of the European region. Neither does it take it into consideration the high density of migrants and the possibility to capitalize on their transnational business networks.

The lack of accounting for migrants’ presence in the city seems to justify Glick Schiller’s and Caglar’s argument claiming that cities with stronger position are assumed to have the financial means and corporate structure to support multiple forms of ethnic institutions and invest in migrant transnational organizations, while in case of cities at the weaker end of the continuum “ethnic pathways of incorporation are not likely to be prominent”. Yet to refine and partly contest this argument, I will come back to the question when I assess current urban revitalization plans concerning the “development of cultural values”, tourist attractions in the city, and the question of multiculturalism.

### 3.2 The emergence of Chinese and recommendations for urban planning in the past

As far as the emergence of Chinese in Budapest is concerned, the first immigrants arrived in Hungary in the late-1960s either as workers sent by the state government, or within the framework of student exchange programs organized under the aegis of the “the socialist friendship” between the People’s Republic of China and the, then, People’s Republic of Hungary. However, these programs concerned only few people.

The first larger wave of immigration started in 1989. One year after that Hungary, the first country in the Eastern Block, abolished the visa obligation for Chinese (Nyíri 2002). This policy decision provided Chinese with the opportunity to move easily into the country. Their main economic incentives to leave China pertained to the capitalist transition of the deficiency economies in the socialist countries. As Nyíri (2006) argues, after the mid-80s, in many Eastern European countries the networks of the state-owned retail industries (where they had existed at all) were cut back, while in some places, like in Hungary, a legal space was opened for private trading and entrepreneurship, albeit with some constraints. Meanwhile in China, the production of export-oriented cheap consumer goods was already ongoing.

The exact historical event to trigger the first wave of Chinese migrants was the 1989 Tiananmen massacre. After the state retaliation, many Chinese entrepreneurs feared a restriction of the burgeoning free market. The sanctions of the “West” imposed on the Chinese economy between 1989 and 1991 endangered the welfare of private entrepreneurs and also of leaders and workers of state-owned companies. Thus joining politically exiled intellectuals, a new wave of Chinese migrants from various social groups took off around 1989 in the hope of better economic opportunities (Nyíri 2003).

The shrinking post-socialist economy of Budapest undoubtedly had gains through the emergence of Chinese entrepreneurs selling cheap commodities. Yet after the influx of around 40 000 Chinese (most of whom settled down in Budapest) the government changed its views and repealed the abolishment of visa obligation in 1992. As a result – and also because of the end of

the Balkan Wars used to mean a market with guaranteed demands for cheap cloths and shoes – many Chinese moved further into other Eastern and Western European countries trying to find opportunities for their families to join them.

According to the current deputy mayor of Budapest, who was working for the city leadership around that time already, the left-wing, socialist-liberal government's main concern regarding Chinese was to assure that they did not pose a criminal threat to the city. Thus the local government of Budapest commissioned my informant along with a sociologist to make a report on Chinese migrants in the city. As opposed to many others in the political and economic management then, the producers of the report, as per the deputy mayor, were really engaged with the analysis of Chinese situation in Budapest, and open for the contingent cooperation with the migrant population, whose emergence, not only in Hungary but also in the whole Central and Eastern European region, was considered to be – in contrast with former the waves of emigration of the Chinese diaspora – part of the expansive politics of the People's Republic of China.

The report in question (Gyimes 1997) beyond that let the government know about the demographic, economic as well as cultural characteristics of Chinese migrants in general, it also included certain policy recommendations concerning urban planning in particular. It refers to the fact that there was an intention to develop a “Chinatown” on the part of the then greatest and most influential Chinese organization, namely the *Association of Hungarian Chinese* – either built on the Four Tigers Chinese market, or in another area where the actual municipality would promote the idea –, yet the report assesses the proposal as follows:

In this kind of “enclosed city area” both personal and public spaces would only advance segregation instead of integration, the detrimental effects of which (ghettoization) are well-known. It is more purposive [...] [to] set up a so-called “China-Plaza” – as far as it is possible not in the inner districts [...]. In such a trade centre as for the control of Hungarian authorities [...] spaces would be more transparent, while for Chinese citizens entrepreneurs European-level quality (sic!) sites could be supplied. Here, on the one hand, the civilized(sic!) Chinese shops could be placed, which could replace the present – improper, overcrowded and intransparent placement of – Chinese markets, while on the other those cultural institutions (school, cinema, library, etc.) could be settled that may serve the “identity consumption” of the Chinese colony.

(Gyimes 1997: 95)



At the same time, also in this part, the recommendation argues that, for the government it “would be purposive *not* to deny the possibility” of founding a “China-Plaza”, initiating this process would “not be practical”, especially in respect of the disadvantageous effects of shopping malls on the fabric of the city. What happened in practice since then is that Vietnamese, Chinese as well as Austrian investors have funded three malls with an Asian image in the city. These are the Sárkány Center, the China Mart and the Asia Center. All three of them are located in suburban areas, much farther from the city centre than the Four Tigers market and the building of the Ganz Works. According to research (Nemes 2006), despite the consciousness of their designs, the authorized stores and larger investments, their turnover lags much behind that of the “classical” Chinese markets. Seeking an explanation for this kind of disinterest in running businesses in these shops, I will refer to the issue in the fourth chapter.

As for the implementation of any kind of policies, according to my informant, following the production of the 1997 report, no salient changes happened: neither had it an impact on urban planning, nor on the legal treatment of Chinese (neither in positive, nor in negative terms). Since then the government has not produced an upgraded report. The deputy mayor commented on the lack of systematic cooperation with Chinese in two ways. On the one hand, he was happy to have been able to encounter and get into good relationship with Chinese intellectuals during the research. Yet the relationships built this way were rather personal, those intellectuals had little influence on the life of the colony as a whole. On the other hand, he argued that despite the openness of the city leadership, the representatives of the migrant community could not come up with constructive ideas that could have organized official relationships.

He claimed that the research had confirmed that “the inclusion and integration” of Chinese is an important issue of public policy. Yet he considered that “the official politics either through legislation or through financial politics, economy, etc.” were not able to promote these processes, since “[they] are very weak” means. The deputy mayor, also responsible for urban renewal, economic and social political affairs of Budapest claimed that the city government “beyond that,

[...] provides the free use of a building for the Chinese-Hungarian bilingual elementary school – which the Hungarian-Chinese, primarily economic relations having been systematically built for several years –”, “is not enough”. He suggested that “the community should take the initiate”.

His explanation for the lack of a “Chinatown” was the “lack of Chinese interest of to become transparent as a community. They are afraid of transparency” (this contradicts the fact what the report implies, though). For my query on the government’s potential interest in the issue, he replied: “At the present moment I have nothing to say about this – because I would lie if I said that I am dealing with this question”.

Nevertheless, there is a 2001 policy recommendation as well which approaches the same issue – that is Chinese presence in the city in terms of urban planning – from a different perspective and draws fairly different conclusions. Instead of Chinese as an ethnic group, the primal focus of Tamás Fleischer’s (2001) analysis, done as part of an urban planning project commissioned by the municipality of the capital, is a particular “border” area between the 8<sup>th</sup> and 10<sup>th</sup> district that happened to be the centre of the Chinese trade businesses. He is concerned with Kőbányai út, which is the road dividing the Ganz Works from the Four Tigers market that continues towards the 10<sup>th</sup> district, which is strategically important also in terms of transit transportation. Therefore he outlines that the present urban planning problem is that, on the one hand, without the by-pass of the traffic, the Kőbányai út cannot be excluded from transportation at all, but, on the other hand, its heavy traffic in it, the secure and efficient operation of the Chinese market cannot be assured either.

In the long run instead of the elimination of the market – as opposed to many policy leaders’ views, which I will present in the next section – he suggests the by-pass of the traffic, since as he puts it:

[The Chinese market] constitutes all those things that always appear in the dreams of the capital city and in the national macro-economic conceptions: job development in the service sector; the enhancement of Budapest’s position as a regional centre, a centre of trading as well as of finance; building on existing logistic depots; not Greenfield construction, but the replacement of deteriorating economic activities [i.e.

the heavy industrial works of Ganz] in Brownfields; utilization and renewal of the existing building blocks; capital investment; [...], maintenance of the local service networks; etc.

(Fleischer 2001: 2)

Recognizing the beneficial impact of the Chinese market on the local environment as well as on the positionality of the city, he proposes a detailed plan on how to expand the *Chinese Trade Area* (see *Potential Chinatown Area* on maps in Appendix 1) along with the reconstruction of transportation. On the one hand, Fleischer claims that without the inexpensive goods and services supplied as “Chinese” in the market the lives of the less well-off inhabitants (being one of the poorest districts, it concerns the majority of residents in the 8<sup>th</sup>, but also that of the 10<sup>th</sup> district) would be much more impoverished, as these products are a significant factor of their living standard. While, on the other hand, he underscores that within the framework of a conscious urban planning project, an enlarged business area close to the city centre, still an enclosed “theme park” may be very attractive for investors, whose emergence could reposition the whole district.

At the same time, he is critical of the strict Hungarian legislations concerning migrants. The hostile reaction of authorities to ethnically-grounded social conflicts, as the report claims, just concludes in the reservation of the low quality of business activities and that of illegality or grey operation. Therefore Fleischer recommends the amendment of current procedures channeling the question into the realm of foreign police, which tends to criminalize all kinds of activity in the business area. He maintains that the stricter and stricter measures taken against migrants only hinder the processes that would promote charging the local stakeholders controlling the local order to a larger extent. However, he thinks that

it seems there is no other real opportunity to regulate “Chinese” trading (and the regulation of the life of the local community in general) than to entrust the maintenance of order to the community itself. But this can be set into native conditions only if, on the other hand, some frame regulations are declared very clearly on the part of the host [authorities], and those get recognition.

(Fleischer 2001: 3)

Current acts of authorities tend up in keeping fair economic actors away from the area, pushing other actors, who would otherwise run legal businesses, into the realm of illegality, finally leading to the growth of corruption. The threat of ghettoization is considered to be only a result of the improper legal proceedings.

### **3.3 Chinese opportunities provided by the city government today**

Although the former section already well represents that politically different answers can be given to the question whether the “new industrial spaces” (McEwan 2005) that Chinese traders create should be promoted or not, going here also beyond Glick Schiller’s and Caglar’s argument, the following analysis is to substantiate that within the same structural constraints, policy decision-makers do have agency to shape citizens’, including migrants’ opportunities for social integration. Depending on their decisions, ignorance, but also on the culturally patterned bias they hold (Steven Lukes 2005 [1974]), different social facts may be conceived as a policy issue and put on the political agenda.

This is to be illustrated in the following two parts where policy documents as well as current city leaders’ opinion on the potential interplays between Chinese entrepreneurship and Budapest’s revitalization schemes will be analyzed.

#### **3.3.1 Long-term urban development plans in Budapest, the 8<sup>th</sup> and the 10<sup>th</sup> district**

To take into account the most recent efforts of the city leadership to reposition Budapest, I am to analyze five related policy documents that may also promote the urban incorporation of Chinese migrants: one is the formerly mentioned medium-term strategy of integrated urban renewal (Erő et al, 2009), while two others are the *Strategy for the Integrated Urban Development of Józsefváros* (Alföldi et al, 2008) and the *Strategy for the Integrated Urban Development 2007-2013* – produced by the commission of Kőbánya municipality – (n.a. 2007), which are plans on the

renewal of the 8<sup>th</sup> and 10<sup>th</sup> districts, where most of the Chinese as well as migrants in general are located (Hárs et al. 2006). Besides, I am also to analyze the policy strategies of the two districts that may concern migrants from the perspective of welfare and social provisions, which are conceived to constitute potential parts of the plans for social integration.

The most overarching document, that is the urban revitalization plan of the capital, informs us that within the framework of a medium-term strategy the development of Budapest's cultural values is among the main goals to be achieved by 2015. It is formulated as follows:

City places and city quarters as conveyers of culture are appropriate means to express the culture of everyday life of city dwellers. [...] The basic means and priority of revitalizing those city areas which have a strong cultural characteristic is the enhancement of the presence of culture traits.

(Erő et al. 2009: 71)

This statement carries a potential opportunity to market part of the city as a value-holder of ethnic-grounded culture traits (e.g. what actually happens to the “Jewish quarter” in the seventh district, regardless the ethnic origins or religious beliefs of its inhabitants). However, it does not detail this goal further.

The policy plan of the 8<sup>th</sup> district that may concern the renewal of the part of the city that conveys the strongest characteristics of “Chineseness” does not even mention the presence of migrants in Józsefváros. It is especially striking because otherwise the plan recognizes that urban tourism and the development of urban attractions significantly contributes to the symbolic capital of Budapest. Thus it proposes that various representational strategies should be worked out by the municipality. It even claims that one of these strategies can be the representation of ethnic cultural elements among other tourist attractions. But another suggestion highlights the representation of the historical past through architecture, which finally becomes the main focus.

The idea to establish special markets in the 8<sup>th</sup> district is also put forward, yet the planned “Delicatessen market” would mainly provide Western European foods (e.g. French cheese, Italian prosciutto, etc.), besides the Hungarian specialties and kosher foods, the latter representing the “Jewish quarter”.

The municipality also aims to attract a “creative class” (Florida 2005) into the city and to “advance the establishment of creative industries”. This would lead to the gentrification of the actual area. For the realization of that the role of retailers and their transnational networks could be crucial, as the document points out. Yet migrants are not conceived as agents of such restructuring processes at all.

In contrast, the same document of the 10<sup>th</sup> district emphasizes that “the preservation of the multicultural characteristic of the image of the district” is of importance. It is put under one of the general goals claiming that “Kőbánya shall be one of the districts of the capital with increasing population, free of segregation, younger and educated labor force, as well as the centre for culture, sport and leisure that, through its supportive measures to live in the district, is able to ensure an environment for its inhabitants that remains attractive in the long run” (n.a. 2007: 106).

When the document elaborates the more concrete aims related to the so-called action areas in the district, which is otherwise constituted of agricultural fields, living spaces, industrial and trading centers, with regard to the *Laposdűlő*, its SWOT-analysis mentions among its future opportunities “the presence of Chinese” “in terms of multiculturalism” (n.a. 2007: 110). Among demographic trends, the migrants’ young age is conceived to be a positive aptitude of the district with an otherwise aging population (mostly because many left the district following the deterioration of heavy industry in the area during the transition of economy, which, however, was the prevailing activity during socialism).

Although the plan does not refer to the opportunities of economic development that migrants’ investments can mean for Kőbánya, the recognition of the positive demographic processes thanks to migrants is confirmed by a 2007 urban renewal plan as well, which is the background report of the current one, saying

[...] it is possible to claim that despite the otherwise just rarely occurring minor tensions, the *enhancing “multicultural” characteristic of the society of Kőbánya* is a significant *value*. As opposed to the experience of Western cities in terms of segregation, here the definite intention of Asian migrants to integrate can be experienced in a way that they preserve their traditions at the same time. The emerging bi-lingualism, on the other hand, may provide an advantage in terms of [the opening towards] the Eastern world region. Yet the

district has *to communicate this positive experience more decisively*, because there usually emerges utterances opposing this in the public of the capital.

(Meggyesi 2007: 12)

This exemplifies how distinctive the political approach of the 10<sup>th</sup> district to migrants is compared to that of the 8<sup>th</sup>. Nevertheless, besides urban development plans it should be also accounted for whether policy documents on the provision of social benefits at the municipal level concern migrants and the special needs that their presence may evoke. Therefore I also studied the so-called *Strategic Plans for Social Services* of both districts, which is compulsory to be produced by each municipality since 2004 according to a 2001 amendment of the Welfare Act (No. III/1993). Although this plan of Kőbánya does not claim migrants as potential stakeholders of social benefits, the plan of Józsefváros, in contrast with the ignorance of the urban renewal plan, devotes a separate part to the situation of immigrants. It admits that the number of migrants is generally higher than in other districts of Budapest, however, concerns only those “social migrants” from Asia and Africa with whom the employees of the Local Authority has direct contact with.

At the same time, it enhances that most of the migrants in Józsefváros, both from the eastern part of Hungary as well as from abroad have “rather low social status”. This entails the question whether these people can get access to social provisions. The document is quite critical in this sense, arguing that the contingent linguistic and cultural obstacles which may hinder the efficient provision of social services, especially in case of Asian migrants and Roma, the local municipality should be more supportive in the course of information. It argues that the use of media and issuing guiding brochures is not weaker than in the capital or other parts of the country, in general; however, comparing the significance of the problem in the actual district, in particular, the question is more relevant. The remarkable number of Asian and Roma children in the district is considered to provide both “challenges and opportunities” in terms of multiculturalism. Yet it is not elaborated what kind of processes are referred to here.

The document at another point underlines that most of the transnational migrants are from China, however, it supposes that most of them are settled in the district only temporarily, because they plan to move further. At the same time, it claims that

The *Alliance of Hungarian Chinese* – which in the recent years got in contact with a few municipalities of districts of Budapest, like with that of Józsefváros, as a financial supporter (sic!) – is the greatest organization of Chinese. The Alliance has sub-organizations for youth as well as for women, which might be useful contacts for the social branch. The *Alliance for the Promotion of Chinese-Hungarian Friendship* might also be of importance.

(Kaló et al. 2004: 11)

Under the scrutiny of similar policy documents of the 10<sup>th</sup> district, not a word can be found on migrants. Hence it may propose that in the 8<sup>th</sup> district – as opposed to Kőbánya – migrants, although not engaged in the urban renewal plans appear in strategic plans dealing with welfare provisions. Notwithstanding, according to my interviewee, one of the deputy mayors in Józsefváros who is responsible for social affairs, this statement was included in the document only for political purposes, as a gesture towards Chinese but was not based on real experience, (e.g. on the experience that any of the Chinese organizations would have supported the municipality) and would be left out from the next conception<sup>15</sup>.

This all suggests that the 8<sup>th</sup> district municipality's advocacy of Chinese is ambiguous, while those claims that are to support migrants' social recognition are rather weak or not accurate. A similar attitude will be reflected along the lines of the analysis on the interviews conducted with the leadership of the two districts in question. This I will present in the next section.

### 3.3.2 Different political and cultural approaches: a comparison of the two districts

In order to make a more comprehensive comparison of the standings of policy decision-makers in Kőbánya and Józsefváros and to grasp the diversity of their opinions on Chinese presence in the city, here I will provide a critical frame analysis (Verloo 2006) of the interviews made with deputy mayors in the two districts.

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<sup>15</sup> Of course, this questions the authenticity of the document as a whole, yet the other cited parts of it may not be that fallacious in terms of my analysis.



For the part of my research scrutinizing the urban governance in Budapest, I was trying to have interviewees proportionally representing the political power of the left- and right-wing parties. Hence I conducted four, at least, one-hour long interviews with the liberal or socialist leaders of the city, and three same long interviews with leaders from the conservative parties. Given the fact that at the level of the capital the leadership holds politically liberal values since transition, I conducted an interview with a liberal deputy mayor. Yet I presented that in a former section, thus will omit its analysis in this part. Here I am more interested in the comparison of the views of the leadership at the level of the municipalities of the 8<sup>th</sup> and 10<sup>th</sup> districts.

Although Józsefváros is also governed by a left-wing politician, the majority of the board of representatives is conservative. Therefore I conducted „right-wing interviews” with two right-wing deputy mayors and with a conservative counselor responsible for the urban renewal affairs in the district, as well as an interview with the single deputy mayor who is a member of the socialist party. In Kőbánya the governor belongs to the socialists as well, while left-wing politicians have a slight majority in the decision-making board. This is the reason I had interviews with a liberal and a socialist deputy mayors. Because of the almost equal representation of opposition parties in the policy board, I was also to talk to the third deputy mayor, who is a member of a conservative party, yet without success.

Although the presupposition that left-wing governors are “politically more correct” in terms of migrants’ urban incorporation will be to some extent confirmed, my frame analysis is to illustrate that formal political convictions does not necessarily determine policy decision-makers’ views on the need for the recognition and assistance of transnational migrants in Budapest.

The questions I raised during the interviews and which were discussed more elaborately revolved around three major topics: 1) the general perceptions of Chinese in each district, both as investors and as participants of everyday life; 2) the operation of the “Chinese markets”, that is the Four Tigers market and the Ganz Works in the 8<sup>th</sup> district, while the *New Chinese Trade Area* in the 10<sup>th</sup> district; and 3) the possible need and promise of the development of a “Chinatown”, also

in relation to the branding strategies of municipalities. Since, as the former subsection substantiates it, the idea of setting up a “Chinatown” in the district was not put on the agenda so far, the analysis of how the last question is framed pertains mainly to the “prognostic parts” of the municipality leaders’ narratives; while the first two questions can be analyzed both as issues formulated (“diagnosis”) and issues to be handled (“prognosis”). First I will examine the “diagnosis”, then the “prognosis” voiced related to these questions by policy-makers in each district.

As for the opinion of Józsefváros leadership on Chinese presence in the city, all deputy mayors agreed on that Chinese have little conflicts with native people, that the Hungarian inhabitants of the districts, conceive of Chinese as migrants intended to adjust to the local environment and “assimilate”. The only exceptional opinion was represented by the councilor, who claimed that the “illegal operation of the Four Tigers market” in the informal economy negatively affects the public imaginary of Chinese. He vaguely referred to the social tensions and the criminal cases that, according to him, the concentration of Chinese trading activities engenders.

Yet the perception of the *Chinese Trade Area* itself was more dubious among other policy-makers as well. While both right-wing and left-wing deputy mayors recognized its advantage by providing cheap goods for local poor inhabitants and thus reducing social tensions, which is “a political asset”, their opinions overlapped in claiming that “this [problem] should be solved in a different way”. However, again, the councilor represented a “minority report” stating that the Four Tigers market has neither political nor economic advantage, and “although usually it is said that with its closure the local population would lose its opportunity to obtain to cheap products, so the problem is that Hungarian entrepreneurs are crowded out from the market”, Chinese sell low-quality goods, which they can afford only thanks to the economic support of China. Moreover, he complained that even no taxes can be expected from these enterprises as potential

income for the municipality. The low quality of goods<sup>16</sup> and the reduction of the number of Hungarians – but also that of the Europeans (!) in general – in the garment as well as shoe industry emerged in a “diagnosis” of another right-wing deputy mayor as well.

With regard to the market an explicit “criminalizing” frame was voiced by each representative in Józsefváros. The strength of this frame was various, though. One of them supposed that the problem with the Chinese and Vietnamese businesses are not necessarily the half-illegality of their operations in the market, but that those can only be “cover activities” that are to hide, for instance, “drug dealing”. According to another opinion, the market itself makes the local urban environment insecure and delinquent. This cannot be confirmed by my observations. So I find this framing an example how the ‘other’ in the city, or at least, its activities can become demonized, or, to use the terms introduced in the first chapter, “securitized” by the members of the major society. This approach will be partly echoed in the prognostic parts of the frames and the concerns about the development of a “Chinatown”.

Many interviewees conceived of the market as a “mess”. A right-wing deputy mayor also said it was consciously kept intransparent in order to make it impossible for authorities to reveal Chinese “real legal status” and “real business operations”. However, he did not claim who exactly are responsible for this. The interests of native investors or native service-providers in the maintenance of the market’s informal economy of the market were rarely or only very carefully mentioned. When this point of view was brought up, one of my interviewees even blamed Chinese that thanks to their economic power “they provide such incentives that makes native people cooperate in these activities”. On the part of the major society, only either the former national government was blamed for the current situation – referring to the careless privatization of state-owned companies that had been run in the *Chinese Trade Area* –, or the actual national government was supposed to fail keeping order in the market. As for the role of the Józsefváros

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<sup>16</sup> As for this issue, Nyíri (2002) claims that usually the reason of supplying lower quality products derives only from the demanders’ greater sensitivity to the rise of prices – which the import of better-quality goods would surely entail – than to the changes in the quality.

municipality, it was told by each of my interviewees that they cannot intervene directly into the operation of the market. Yet with regard to the indirect policy impacts, I was told more about the issue to be presented in the following part of the analysis when scrutinizing the “prognostis” of decision-makers.

Although the negative perception of the market was seemingly in contrast with that of Chinese migrants in general, when deputy mayors framed calls for action related to the operation of the market, the ways Chinese should be approached from the side of the government, and the idea to establish a “Chinatown” in the district it became clearer what kind of behavior of migrants would be expected by the city leadership. Regardless of political convictions, the market was suggested to be closed down. The idea to be changed and make it a “civilized, European” marketplace, as the Asia Center or the Sárkány Center are, was voiced by the left-wing deputy mayor of Józsefváros. Right-wing leaders admitted that there was a strong opposition against the market among the members of the representative board. Therefore sometimes the growth of Chinese investments was tried to be hindered by obstructing the issue of permissions to open new businesses, or by using certain policy tools that indirectly affected the operation of the market negatively.

This kind of agenda-setting echoes Lukes’ (2005 [1974]) thoughts on the different modes how the power of formal government can be practiced. The efforts to stop the territorial expansion of Chinese businesses is in correspondence with a proposition that would support rather Hungarian entrepreneurs, however, without detailing in what ways, or who would be responsible for that. One of my interviewee suggested that a comprehensive policy plan should be done to regulate the market, but the national or capital level government was supposed to assume responsibility for the initiative, which should be concluded with an agreement that let the 8<sup>th</sup> district “take not only the challenges but also the economic opportunities of that”. The left-wing governor was less against Chinese investments in the former buildings of the Ganz Works, however, he also underlined the problem with “the fuzzy structure of property rights” there.

While these propositions concern the conditions of Chinese economic integration, not all my interviewees seemed to be concerned, in any way, with the political and cultural integration of migrants. Regarding this I would point out two interesting observations, which refines how left-wing and right-wing politicians may conceptualize the role of the government in the social integration of “foreigners”.

Although all of my interviewees conceived that first generation Chinese migrants represent a distinct culture from that of the majority, only two of them, a left-wing and a right-wing governor underlined that to build cultural links between those is of importance. These two informants mentioned that the children of first-generational migrants, who attend Hungarian schools, are already “nicely assimilated<sup>17</sup> to the Hungarian culture” – to cite the right-wing interviewee. The main reason they provided was that they did not have those language constraints which their parents are usually struggling with. On the other hand, both interviewees emphasized that Chinese were. They traced it back to their “unclear legal status”. This assumption was not contested by an alternative reasoning like that it could derive from the fact that they speak only little Hungarian. Nevertheless, one of my interviewees claimed that it may also be part of their motivations to adjust to the local culture, and thus it may only be the imitation of the behavior of Hungarians, who tend not to socialize with others.

As for building social links between the members of the major society and ethnic minorities, the socialist deputy mayor admitted that the municipality may have done more for the integration of Chinese, yet he could not name any concrete policy actions or social organizations who should assume responsibility. As opposed to this, the conservative deputy mayor made a stronger statement and argued that despite “the isolation of Chinese”, “a homeland, which nationalized Chinese and gave them citizenship, has to take care of its citizens. However, this is a mutual relationship; maybe, the majority should take a gesture towards the minority”. She did not say concrete actions either. Yet her conviction to support migrants seemed to be stronger. She

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<sup>17</sup> This partly reflects on a desired “end-point” of social integration which referred to above in the first chapter (Phillips 2007).

supported her argument by hinting at Germany's responsibility in the failure of the "Europeanization" of Turkish guest workers, who "were [not] given everything they needed" in the host country. She explained that "it is important to have penetrability between cultures, because if we do not open towards them, and do not try to constitute a kind of community, [social] tensions will emerge like it happened in the ghettos of [Western] Europe". So my interviewee, who supposed that Chinese presence in the city will be continuous, proposed to take preventive measures against social conflicts between migrant and non-migrant groups by referring to the examples of Western European cities.

At the same time, her commitment to promote social integration was framed in a patronizing way that suggests keeping certain distance between cultures (e.g. she was against ethnic intermarriages) and keeping the leading role for the major society: "*we* have to raise an awareness that it is good to live here, for any kind of nationals, but *we* should form the city as *we* want". The conservative deputy mayor underlined that she would advance the situation of those who "chose [Hungary] as their homeland and swore on [Hungarian] citizenship", that is her support would be conditional depending on the legal status of immigrants.

The idea to develop a "Chinatown" and incorporate migrants as well as to brand the district in this way was not really welcomed by the policy decision-makers of Józsefváros, no matter of political convictions. Only the councilor admitted that it was "not an unimaginable possibility", since "the city of Budapest is as western (sic!) as to have [a Chinatown]". But he, again, expected the national and city level government to assume the responsibility to conceptualize its construction. The deputy mayors consensually preferred branding Józsefváros, in compliance with the urban renewal plans scrutinized above, as a place with rich historical-cultural heritage from the late 19<sup>th</sup> century, as well as the area where the most tertiary educational institutions can be found within the whole country. All of them represented the construction of the "Corvin-Szigony Sétány" a successful rehabilitation project (for a comprehensive analysis of the social consequences of this kind of gentrification see Cook 2009), but did not conceive of Chinese

investment in the revitalization of the rust belt in the district – that is the abandoned buildings of Ganz Works – as a remarkable result (see photos on that in Appendix 2).

Those city leaders who have taken more care of Chinese integration thought that a “Chinatown” would only lead to ghettoization and a kind of socio-spatial segregation where Chinese would become even more isolated than they are today. As the conservative deputy mayor put it “although such thing like that [Chinese] workers [that is not better-off migrants] themselves form a Chinese area in a part of the city, but not in the city centre, [...] may be good, but those, who are [Hungarian] citizens – and I am talking about them now – [...] should be close to the inclusionary country.<sup>18</sup>” The socialist city leader was more concerned with the contingent public reception of a “Chinatown”: “since Józsefváros is usually associated with the high number of Roma population (20-25 % of the inhabitants), prostitution, poverty and delinquency” – despite the fact that, as he said, the municipality struggles against these “biased associations” –, he worried about that if a “Chinatown” would be developed, many people would think that “Gypsies” should be also have such an enclosed area within the city, which he would not like to occur, since that would lead a coercive ghettoization of Roma. He considered that Chinese were integrated well enough for not being in a need to establish such a place.

While the first statement shows how migrants’ recognition and measures defined for the sake of integration may be biased by class issues, the latter standing is a very characteristic example how perceptions of Chinese are related to the Roma in the city. All along my research, Roma were taken by deputy mayors of both districts, either covertly or overtly, as a reference point to frame the issues concerning Chinese. This also mobilized various bias embedded in the local culture, which illustrates Lukes’ (2005 [1974]) notion of the third dimension of power, described in the first chapter.

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<sup>18</sup> It is difficult to translate. It would mean “host country”, but the word my interviewee used holds a strong Christian-nationalist connotation with an implicit reference to the politics of Saint István, the first King of Hungary reigning around 1000, who – according to the Hungarian history education in state-owned elementary schools – represented the kind of idea about an “inclusionary country” towards immigrants in the county.

At the same time, the conception to capitalize on the multicultural environment of the 8<sup>th</sup> district composed of all Roma, Chinese and other migrants was missing from all narratives. Multiculturalism was conceived only as “a condition” which is an unavoidable consequence of globalization. This implies, on the one hand, that multiculturalism is not considered to be put on the political agenda, while on the other, that it is linked to the emergence of migrants, but not to the presence of Roma. The concept not at all meant the ideal of liberal multiculturalism proposed by Kymlicka (2008).

As opposed to the missing frame of multiculturalism, the terms of “European” and “Europeanization” were frequently used, value-laden concepts of my interviewees (similarly to the formulations of policy documents investigated above), and meant some better quality or higher level of civilization that should be targeted or promoted by city policies. These self-colonizing (Kjosszev 2000) identity-constituting narratives well illustrate the cultural orientation of the polity of Józsefváros.

Compared to these, and elaborating how the two left-wing deputy mayors of Kőbánya framed the same issues, we can find overlapping diagnoses with regard to the perception of Chinese. Both city leaders agreed on that Chinese have no serious conflicts with the majority. Moreover, according to one of my interviewees, some dwelling-houses could not be maintained without their emergence, since many buildings in the district got abandoned after the collapse of Kőbánya’s heavy industry. Chinese were supposed to adjust to the local environment, while the social integration of migrants’ children through participating in the Hungarian national education system was accounted as a success. Also they highlighted that the municipality has more concerns with Roma than with Chinese.

Although both deputy mayors recognized the socio-economic advantages of Chinese investments in the rust belt of the district, they conceived of the Four Tigers market in Józsefváros as “a tough nut to crack” and they would also refuse to have a similar “rag-fair” in Kőbánya. As for the Ganz Works buildings, they were not aware of those reconstructions.



Nevertheless, they admitted that the Four Tigers market in the neighboring district was beneficial for the poor not only of the 8<sup>th</sup> but also of the 10<sup>th</sup> district inhabitants. Besides, the investments in Kőbánya can be also derived from its closeness to that market. From the emergence of shops in the 10<sup>th</sup> district the locals can have only indirect advantages, since most of them are wholesale businesses. On the one hand, it is the valorization of the territory that engenders economic growth for the whole neighborhood. While on the other, both deputy mayors underscored that the municipality started to negotiate with Chinese investors and required infrastructural constructions as a condition of the opportunities for further investments in the area. Since Chinese entrepreneurs “proved to be accommodating with regard to this”, not only the abandoned factories were renovated, or new buildings were set up, but also roads have been reconstructed, along with the building of a kindergarten, which is also attended by Chinese children.

Although the agreements with Chinese investors were concluded successfully, one of the deputy mayors was concerned with the fact that the municipality could not cooperate more systematically with Chinese, which entails that the city leadership is not clearly aware of the future plans of investors. For seeking solution to this problem he stated that the municipality should support setting up a local minority self-government for Chinese, similarly to those of other ethnic minorities in the district. The left-wing deputy mayor seemed to be primarily engaged with the promotion of economic cooperation; however, the opportunity to develop minority self-government would most probably advance migrants’ political integration as well.

The other deputy mayor was interested in migrants’ political integration from another perspective. He claimed that more and more Chinese are getting nationalized in the district, which means they would become part of the electorate. His experience was that Chinese do want to participate in the city’ political life<sup>19</sup>, which he thought should be endorsed by the municipality as well. As for promoting Chinese cultural integration, the same deputy mayor assumed that

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<sup>19</sup> However, this assumption was not confirmed with regard to Chinese migrants in general according to the survey (Órkény et al.) on the political organization of migrants.

Chinese are not in a need of that, because his subjective impression was that although first-generation Chinese immigrants are still strongly attached to the Chinese culture and thus “they want to keep their Chinese identity within the family”, but “for outsiders they want to prove that they belong to the country where they are”. Therefore they do not want to organize cultural events showing off their ethnic identity. As he stated, this will most probably change over time, since it is a characteristic of “the second generational migrants, who already were born [in the host country]” to want to keep cultural traditions. From this he concluded that the development of a “Chinatown” as a place to maintain (or invent) “Chinese ethnic identity” may be more needed on the part of the children of Chinese migrants – which will be partly confirmed by the interviews I conducted with migrants as well.

The left-wing deputy mayor conjured up an example also when despite Chinese initiative to buy a building to construct a church for themselves was turned down by the representative board of the municipality. However, he reasoned this rejection primarily with the possible loss of tax-based income that, according to tax regulations, could not have been accounted in case of the operation of a church.

Regarding the views of 10<sup>th</sup> district deputy mayors on the promotion of a “Chinatown” and, in correspondence with that, of the idea of multiculturalism, neither of the city leaders denied the possibility to brand the area in this way. One of the deputy mayors seemed to unambiguously welcome the commercialization of ethnic diversity in favor of the city, since, as he said, “we should not be afraid of the ghettoization of Chinese as we used to be when Chinese emerged in the district”. He explained this by the fact that Chinese reside more dispersedly in the district. This standing implies that the policy decision-maker’s imaginary of any form of the residential segregation of ethnic minorities is strongly associated with the negative images of a “ghetto”.

The other deputy mayor expressed some worries about the same issue, because he would prefer having a “Chinatown” in an area that is more embedded in an environment where most of

the inhabitants are members of the major society, unlike the area where Chinese shops are currently placed surrounded by railway tracks. Nevertheless, he conceived of the development of a “Chinatown” in the district as “rather positive”, with special regard to those investments that Chinese already made in the district. However, he was not sure how the major society would receive the phenomenon. He referred to that according to many people, Chinese enterprises were crowding out Hungarian entrepreneurs from the garment industry and thus indirectly took jobs away from Hungarians. Yet he thought that even if it may have happened earlier, Chinese traders’ competitiveness today is a result of their expertise, which “Hungarian could also learn from”. On the other hand, he said the local manifestation of the changing structure of global economy should not be struggled against, but rather attempted to be controlled in a way that is both beneficial for the native and migrant people.

Relying on these framings, I would argue that more opportunity is seemed to be provided in Kőbánya to establish a “Chinatown” than in Józsefváros. The “criminalizing” diagnosis that was represented by all deputy mayors in the 8<sup>th</sup> district never went along with the promotion of multiculturalism or the recognition of migrants’ activities as beneficial phenomena for the economic development of the whole district. Therefore and also because of the strong self-colonizing “Eurocentric” frame – that also emerged in the urban renewal strategies and the formulations of policy recommendations<sup>20</sup> analyzed above – impeded a “multiculturalist” prognosis to appear in deputy mayor’s narratives. However, those could signify policy decision-makers’ advocacy both for branding the city with reference to the ethnic diversity of its inhabitants and for advancing the social integration of ethnic minorities. This underpins the thoughts I presented in the theoretical part of the thesis, which emphasized that the “securitization” of ethnic minority-related issues entails the retreat of government policies from

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<sup>20</sup> The instances for the “Europeanization” efforts of these documents are like: how the medium-term policy plans promote the integration of the Budapest Metropolitan Area into the European region; how the “cultural openness” in an area of the 8<sup>th</sup> district is urged to be branded through merchandising Western European foods; or how the need for a controllable and transparent “China-Plaza” is framed by referring to the “European-level quality” of the shops there.

the promotion of multiculturalism, in Kymlicka's (2008) term. Neither emerged an "orientalizing" frame which, however, would have been more subjugating by the exoticization of the 'other', could have also promoted the idea of a "Chinatown".

In the narratives of the 10<sup>th</sup> district deputy mayors, the "multiculturalist" frame clearly emerged. Yet it seemed to be a stronger attraction to the commodification of ethnicity than to the recognition and accommodation of migrants, which confirms Kymlicka's worries about the replacement of "corporate multiculturalism" with "social movement multiculturalism". Still I would argue that even if the prime concern of deputy mayors in Kőbánya was rather related to Chinese investors and not to Chinese migrants in general, the idea raised to promote the political integration of Chinese substantiates that the "multiculturalist" branding strategies can have a positive impact on all migrants' opportunities to incorporate into urban life.

## Chapter 4 Chinese Entrepreneurs, Other Migrants and Other Locals

The first part of my case study, through the analysis of the assessment of the city's economic performance and the related policy frames, introduced the reflections of the city and municipality leadership on Chinese traders' activities in the rust belts of the 8<sup>th</sup> and 10<sup>th</sup> district of Budapest. This chapter is to learn more from the migrants' perspectives and especially that of those who run businesses either in the Four Tigers Chinese market and in its neighborhood or in the *New Chinese Trade Area* located in the 10<sup>th</sup> district. By invoking Jan Rath's (2007) term "mixed embeddedness" and the three dimensions that structurally condition immigrants' entrepreneurship, that is 1) embeddedness in transnational social networks, 2) embeddedness in economic structures, and 3) embeddedness in regulatory structures embracing both formal and informal rules, the chapter will dwell on these three aspects affecting migrants' agency.

The first section, echoing also Michael Peter Smith's (2001) views on the processes of globalization from below, will scrutinize how the Chinese traders of Budapest are embedded in transnational networks, that is, how and to what extent they are tied to their homeland and to other Chinese, and how these ties interplay with Chinese migrants' identity and political organization. I will briefly refer to the changing migration politics of the People's Republic of China as well.

Although the third chapter already charted the economic and political environment on the city level that structurally conditions Chinese entrepreneurs' opportunities to incorporate, the second section of this chapter will be more focused. It will not investigate the future plans within a given structural framework, but will explore the already implemented and enforced policies and the more concrete processes of economic changes that had direct impact on the trajectory of the old and new *Chinese Trade Area*. It will reflect on the dialectics between the new industrial spaces (McEwan 2005) that Chinese created and the identity of Chinese entrepreneurs. This will form the basis of speculations on Chinese interests and propensity to develop a "Chinatown", which

will be underpinned by the analysis of a survey on Chinese attachments to the city and of the interviews conducted with migrants in the old and new *Chinese Trade Areas*.

#### **4.1 Chinese traders' embeddedness in transnational social networks**

As I described in the theoretical part of the thesis, Smith (2001) is engaged with the scrutiny of the widely spatially dispersed social networks that are maintained by and sustain transnational migrants and refugees. Those he conceives as both a medium and an outcome of social practices “from below”.

Using this approach and relying on Nyíri's extensive ethnographic research of Chinese in Hungary here, I am to study the identity claims that Chinese traders in Budapest may hold, because I assume that their transnational business ties through identification processes become constituent elements of their “reterritorialization” (Smith 2001) strategies in cities they are settled. I am to explore how these strategies may influence migrants' agency to incorporate and their propensity to choose a form of spatial segregation as a way of social integration (Phillips 2007), that would entail the reconfiguration of the city as well.

Nyíri (2006) asserts that Chinese migration into Central and Eastern Europe after the Cold War had different characteristics than the earlier waves of Chinese influx into the US or into Western Europe. Formerly I referred to the fact that around 1989 more educated migrants, with more cultural capital and stronger links to state-owned companies arrived in Eastern Europe, firstly at Hungary. Migrants largely participated in the garment and shoe industry, vis-à-vis their counterparts in Western Europe, who had mostly come from villages, has been less educated and had first established restaurants and small works, and endeavored to become self-suppliers. Unlike formerly settled Western European Chinese, who preferred concentrating their economic activities and rather moved further if the market started to shrink, Eastern European Chinese always tried to find the market niches and expand the range of their activities – or started to

produce for exportation into the other countries of the region. This strategy better promoted the upward mobility of Chinese entrepreneurs.

Nyíri (2000), in accordance with the characteristics of migration, attributes different identity claims to different groups of the Chinese diaspora. Based on Li Yiyuan's (1970) categorization, he distinguishes three models that can describe Chinese collective identity claims: the "direct model" based on the particular culture traits of the group; the "inner-meditative model" that aims to detach the group from others; and the "ideological model" that identifies the group as part of a pan-Chinese community. He argues that the nature of social ties and economic activities can determine which model prevails in the life of a group.

In case of "new Chinese migrants" the strong affiliations to the homeland are built on the links to national elites and thus those are more important than their bonds to a province and the actual birth-place. However, formerly for diasporan Chinese these ties meant the primer resource of capital. Relationships with the provincial elites can still represent political capital – that can be transformed into economic capital –, but the symbolically important core place today is Beijing (Nyíri 2000). This concludes with that the constructed identities of today's migrants, like that of Chinese traders in Budapest, is more likely to be close to an ideological model.

According to my research, and also to Nyíri's (2007), the political organization of Chinese in today's Budapest is rather weak. Even those who organize themselves are focused on the maintenance of transnational ties, instead of seeking opportunities for institutional relations with native organizations (like it was missed by my interviewees in the 10<sup>th</sup> district municipality as well). In addition, even the first instance – which is, as per Nyíri's accounts, still one of the few prominent examples –, when Chinese participated in host-country politics could confirm the former assumption. This took place in September 1995 when the *Association for the Promotion of the Chinese-Hungarian Friendship* organized the first, and since then the last, conference where both Chinese migrants and the representatives of the city government, and of a well-known NGO participated in. This initiative aimed at promoting a more efficient incorporation of Chinese into

the larger society. Within this context several issues were brought up, including the economic advantages that the newcomers offer for the native; or the problem of the discriminative legal treatment that Chinese face at foreign police stations; or the possible help that Chinese intellectuals and professionals could provide for Hungarian policy-makers related to their foreign politics towards China, etc.

Nonetheless, the meeting was not attended by the representatives of the *Association of Hungarian Chinese*, which back then counted as a very influential migrant institution. The power of the organization originated from its leader's close relationship with Beijing elites and the Hungarian Chinese Embassy. The president of the association held prominent positions in public organizations of various Chinese provinces. Through its transnational networks he could mobilize significant degrees of political and economic capital. Yet his authority was contested by several Chinese groups in the city. One example of that was even the organization of the *Association for the Promotion of the Chinese-Hungarian Friendship*. Hence it is understandable why the leadership rejected to participate in the event. Any achievement of the meeting would have meant a weakening of its position.

Moreover, according to Nyíri, the organization never agreed with the project of a more enhanced integration of Chinese migrants. Provided that my assumption that spatial segregation can trigger social integration (see Phillips 2007) is acceptable, seemingly this proposition is in contradiction with the fact that the very same organization was the one which, according to the policy report presented above (Gyimes 1997), suggested the development of a "Chinatown" in Budapest. Yet Sándor P. Szabó, another expert of Chinese, explained this suggestion with the fact that the organizational leadership was seeking her economic self-interests only. That is, it was not derived from the embark on a more efficient social integration of Chinese.

In contrast with this, the main organizer of the 1995 conference has even put forward that Chinese migrants should become an officially recognized ethnic minority in Hungary. Although it



would have been difficult to attain because of the strict rules<sup>21</sup> of the Hungarian minority law, the harshest rejection against the proposal was expressed from the side of Chinese themselves. According to Nyíri (2000), they were afraid of becoming a “minority” similarly to the Tibetan or Uygur minorities in China, to whom rather negative connotations are connected. Therefore they preferred belonging to a “global majority” of Chinese rather than gaining minority status in a foreign country.

Nevertheless, as per P. Szabó, Chinese have not got such a strong opposition against the official minority status. He thinks that Chinese today do like to participate in local politics, which claim is supported by the utterances of one of the deputy mayors in the 10<sup>th</sup> district. However, this is partly refuted by the analysis of a survey (Örkény et al 2008) – made on a sample of 249 Chinese – which among several other things investigated the political participation, the organizational involvement and the self-identification of migrants in Budapest<sup>22</sup>. According to P.Szabó’s opinion the prime constraint of advocacy is only the lack of the knowledge of speaking Hungarian. Anyhow, to substantiate why migrants may need to incorporate into urban life, even despite their strong embeddedness in transnational networks, I will go back to the question in the next section.

Before that let me briefly reflect on how the institutional structures of the People’s Republic of China can and do condition<sup>23</sup> the transnational ties of Chinese citizens. To reason why I think this is important – in spite of the fact that my theoretical framework is based on the aim to scrutinize the city and its migrants –, I invoke Aihwa Ong’s (1999) argument which claims that even if globalization is considered to reconfigure the different spatial scales (Brenner 2004), we must not overlook that nation-states, along with their juridicial-legislative systems, bureaucratic apparatuses, modes of governmentality, and economic entities still define and

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<sup>21</sup> According to the Hungarian minority law (Act LXXVII/1993) only that ethnic group can be legally recognized as a minority whose members live in the territory of Hungary for at least 100 years and have a citizenship.

<sup>22</sup> Among its findings it states that “participation in political actions is not characteristic of [Chinese]. [They] exploit[...] very few opportunities to exercise their democratic rights.” (2006:61)

<sup>23</sup> Many of Nyíri’s texts deal with the structural role of both the local and transnational media maintained by diasporan Chinese, yet due to the limited scope of the thesis, I will not refer to those.

control its populations, no matter in movement or not. Ong points out that the Chinese government's response to the challenges of global capitalism and capital flows is a good example how neoliberal processes can fragment not only spaces but also state sovereignty. She introduces the notion of "graduated sovereignty" which means that the state initiates different registers of sovereignty concerning citizens variously according to whether they relate or do not relate to global markets, and ends up in the different mixes of legal compromises and controls.

A good illustration of the "flexibilization of the citizenship" of diasporan Chinese is how the Chinese state's migration politics has shifted over time. Nyíri (2000) outlines that while before the 1978 economic reform of China transnational migration had been seriously sanctioned; by the end of 80s regulations were amended and aimed to ease the process of emigration. The institutions that had dealt with diasporan Chinese before the repressive "cultural revolution" were re-established, while state delegations regularly visit the diasporan organizations abroad since then.

Nyíri (2000) claims that from the beginning of the 90s it became enacted that those migrants who are settled down and became investors in a foreign country and return to China for a short period of time, can receive certain privileges, vis-à-vis other citizens who remained. They can always expect, for instance, allowances for their mainland investments. But sometimes they also gain political positions as a reward. The family members of these people are also supported: the state guarantees funds for their tertiary education, which means a major help in a highly competitive educational system. According to the official discourse, these "new emigrants" are "useful resources" in terms of the economic development of China. For this reason even those exiles who were smuggled into a foreign country (which would normally be penalized by the Chinese enforcement), but could obtain a residence permit do not have to be afraid of being prosecuted.

Although the support and promotion of emigrants is growing since the 90s, the Chinese government also puts a higher pressure on its expats and expects them to become economically

successful in the short run, in order to help their homeland (Nyíri 2000). In sum, Chinese state conceives of “new emigrants” as part of the Chinese economy and politics, which undoubtedly has an effect on the economic-political behavior as well as on the identity construction of diasporan Chinese. These kinds of changes in state sovereignty and such reconfiguration of citizenship<sup>24</sup> primarily advance the discourse of “the global majority of Chinese migrants”.

#### **4.2 The basis of and propensity to develop a “Chinatown” in Budapest**

Despite the strong transnational ties that Nyíri argues for, it would be misleading to think that just because Chinese businesses rely heavily on their connections to enterprises in China that supply them with goods, capital and business information, they are not embedded in the local society and economy as well. Just on the contrary, for both the functioning and the profitability of trading business, as also Nyíri (2007) admits, Chinese migrants need to employ a range of local workers, like administrative staff, interpreters, lawyers, accountants, etc.<sup>25</sup>

In addition, referring back to the quotation of Abramson’s, Manzo’s and Hou’s (2006) article on ethnic neighborhoods, local ethnic precincts are not simply “immigrant reception areas” but also important sources of identity-construction as well as political and social mobilization. In case of Budapest Chinese this proposition can be supported by the findings of the survey (Örkény et al. 2008) introduced above as well, which refers to the examination of Chinese attachments – among others – to the homeland, to co-ethnic groups, to their social class, to religious communities, to Hungarians, to Hungary, and to Budapest. The survey analysis admits that “the integration of immigrants is greatly influenced by their degree of attachment to the host country, their residence [...] and other countries” (2008: 32), and states that while Chinese settled in Budapest are most likely to be attached to other Chinese and China, interestingly, the third most important ties respondents named were their attachments to

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<sup>24</sup> It is important to know that the People’s Republic of China still does not allow holding dual citizenship status.

<sup>25</sup> However, not only them but also those local service-providers benefit from the demand of Chinese who supply daily substances.

Budapest, though, not to Hungarians. This shows that even if Chinese do not have strong social ties to non-co-ethnic groups, their senses of spatial belonging to the city can be crucial.

This is the reason why I am seeking answer to the question whether the Four Tigers market and its neighborhood can serve as a place of migrants, and especially of Chinese entrepreneurs, for mobilization and identity construction in the first subsection. I will present it along with introducing the market's trajectory. I will account for both those economic processes and regulatory schemes that could directly affect the operation of Chinese and other migrants' businesses in the neighborhood. The second subsection will be more engaged with migrants' interests in the development of a "Chinatown" and their needs with regard to urban incorporation in this way, as formulated by my migrant interviewees.

#### **4.2.1 The local micro-cultures of inclusion and exclusion**

The Four Tigers is the greatest "Chinese" marketplace that operates in today's Budapest. However, as I already referred to that, it is a place not only for Chinese to merchandise but also for migrants of various ethnic origins. It is true for the stalls placed in the building of the former Ganz Works as well. According to one of my informants, within the *Chinese Trade Area* at least fourteen nationalities are represented, without accounting for all, beside Chinese one can encounter with many Vietnamese and Mongols, but also Albanian, Polish, Ukrainian, Romanian, Japanese, Cambodian, Korean, Turkish, Syrian, etc. Despite this multicultural environment the area is made a reference to the Chinese by the public. This derives from the fact that, on the one hand, they composed the first "visible" – that is, distinguished on racial grounds – foreign group in the market beside the Polish, Russian and Romanian migrants, while on the other, Chinese traders themselves appropriated the place by naming the formerly known "Józsefváros market" as the "Four Tigers market".

Following the abolishment of the visa obligation and the influx of large number of Chinese migrants, the Four Tigers market became the central depot of those cheap clothes and shoes

which through the support of the Chinese government as well as through other transnational ties were easily imported to Hungary. Many products were and are still re-exported to countries in the whole Eastern European block. However, when this market was established it came into existence together with some others just after transition. This place became especially crowded and strategically important when a lot of Chinese traders had to resettle their business activities in 1993, since the very first Chinese market, the so-called “Kondorosi market” in the 11<sup>th</sup> district, got demolished for the sake of the “rehabilitation” of the area (just like it happened to another “Chinese market” in 2007).

As Polonyi (2007) gives a short account of the trajectory of Chinese markets in the city, he states that when the first Chinese traders emerged they were selling cheap goods from China in the streets and under-passes of Budapest. Due to the collapse of both the economic and welfare system of Hungary, the demand for such products on the part of the native population could become steady. However, when this situation got conceived to be “unbearable”, some markets were set up, either based on the flea markets operating already in the socialist era, or by searching for abandoned places in the city. Chinese due to the lack of social and cultural capital were unable to organize these markets. Therefore some Hungarian businessmen, along with former policemen, by making use of their local knowledge and social networks to municipalities and to the local police capitalized on the situation and organized the operation of these markets. They provided services for Chinese that could reduce the transactional costs of immigrant entrepreneurs’ businesses, regardless of the knowledge of the local language. This is also the way how the Four Tigers market and its security service got organized.

However, hence not only the necessary official documents for the normal business operation and the protection from the harsher raids of the police or national authorities – like that of taxation, consumer protection, or national public health – were guaranteed, but also the social relations within the local informal economy were set up. Although it can be never told to what extent the activities on the Four Tigers market should be conceived of as part of the

informal economy, we must not overlook the significance of those informal rules that shape the locally effective regulatory schemes and thus migrants' opportunities for urban incorporation that Rath (2003) emphasizes in his article.

Partly, these informal rules have constrained my observations in the market as well, since many times I had to face a climate of suspicion and sometimes even resentment, yet not from the side of migrants but from that of the native management. Nevertheless, I could have shorter conversations with the guards at the gates of the Four Tigers market as well as with a technician controlling the reconstructions on the part of the *Chinese Trade Area* where more and more Chinese are buying up parts of the buildings of the former Ganz Works. Lately, a huge area was acquired by a Chinese investor as the native owner of Ganz went into bankruptcy due to the 2008-2009 economic crises.

The technician on the one hand blamed the former government for irrational privatization of the Ganz Works, while on the other blamed the current leadership of the district that it is not willing to recognize the advantages and the long term consequences of Chinese investments in the district. He proposed that the municipality should initiate infrastructural reconstructions, like the shifts of transportation that would even promote the development of a "Chinatown". Yet he assumed those had no chances to be implemented either because political decision-makers are not pragmatic enough, or because the counter-interests of people "at a too high level" hinder the changes in current circumstances. At the same time, he argued that if the city leadership did not recognize its potential interests in the cooperation with those Chinese who are investing in the *Chinese Trade Area* today, in the long run they could only lose opportunities, since Chinese are in a more powerful position in terms of economic sources than the local municipality is. He also considered it unquestionable that local inhabitants gained a lot from the presence of immigrant entrepreneurs, which current policy decision-makers did not take into account, because many of them got corrupted and sought only their own interests.

As for the guards' perspective, they did not say a word either on the formal or the informal "rulers" of the area, but reflected on the fact that regardless of the difference of the cultures of Chinese, Vietnamese, Turks, or Arabs, the local vendors always cooperate if they had to fear of control. They conceived of the sellers of the Four Tigers market as "a real live community". One of the guards said "here cultures learn from each other", and argued that thanks to the market even certain stereotypes could be subverted, like the biased imaginary of Arabs that they would be aggressive and more offensive than other peoples. He framed it a way, like: "Vietnamese are more prone to get a knife than Arabs. Well, they are really brutal...but the Turks are the most decent – they are already, like, Europeanized". At the same time, the cooperation within the co-ethnic groups of Vietnamese, but also of Chinese was admired by the guards, but also by some Hungarian sellers in the market. They made reference to that in contrast with Hungarians.

I queried a guard on the possible reasons why Chinese and Vietnamese prefer staying in this market to moving to one of those malls, like the Asia Center or the Sárkány Center, that were built to provide space especially for Asian entrepreneurs to locate their businesses. He explained that beside the fact that those are too far from the city centre, unlike the Four Tigers market, in the Józsefváros market vendors are more embedded than to want to move. He referred to the long trajectory of the market, but also pointed out that while in this environment migrants could act out their cultures more freely – exemplifying it with "the spitting on the ground" in case of Chinese –, in such a tidy environment that these malls offer for the renters no space remains for "migrants to shape their close environment". He said in the Four Tigers market "they always have the freedom to change certain things, which they like", while in a "mall they could not do this".

These interpretations suggest that both Chinese and non-Chinese entrepreneurs of the market are culturally and economically embedded into the local settings engendered and maintained by migrants' business activities. But to see whether the *Chinese Trade Area* can serve as

a space for political mobilization, let me refer to Nyíri's research on the political organization of Chinese.

Nyíri in one of his books (2007) points out that the few moments when some Chinese migrants raised outcry against the perception of Chinese appearing in the Hungarian media or organized against the discriminative behavior of Hungarian authorities were most likely connected to the operation of the Four Tigers market. The first case when Chinese protested against their treatment and got into conflict with the locals was when the management of the market wanted to raise stall rents disproportionately. Later, they were complaining against the brutality of the security guards of the market (the service-providing company has been changed since then).

During the 90s the already mentioned Chinese organization the *Hungarian Chinese Association* backed the interests of Chinese traders in the market but after that its authoritative leader left the organization in 1998 (Nyíri 2007), on another occasion of rent dispute a “joint negotiating delegation of Chinese and Vietnamese merchants” was arranged to see the management. The chairman was Vietnamese, the two vice-heads were presidents of Chinese organizations, but the delegation consisted of Turkish and Afghan traders as well. Then, in 2001 when a Hungarian news agency released a report about body-snatching by Chinese criminal groups who supposedly reused the documents of their compatriots to smuggle in immigrants, another committee was set up to protest the reports, namely the *Committee for the Protection of the Lawful Rights and Interests of Chinese in Hungary*, which also let her voice hear in 2002 when the business of Chinese restaurants was negatively affected by the discovery of a drug frozen chickens originating in Thailand and a subsequent ban on meat imports from China. This committee already tried to apply the human rights discourse to stand up on behalf of Chinese, which was first used by those spokesmen who were the protesters against the increase of rents in the Józsefváros market (Nyíri 2007).

These examples prove that although – as I referred to it earlier – Nyíri maintains (2005, 2007) that Chinese interests in the participation of native-dominated public discourse is limited,



their claim-makings revolve around the Four Tigers market. This proposes that the market, along with its neighborhood where Chinese are spreading their businesses, is a strategic site of political contestation<sup>26</sup>. To conclude, both Nyíri's investigation and my observations confirm the assumption that the *Chinese Trade Area* can be a source of social and political mobilization – moreover, not only for Chinese traders but also for other migrant entrepreneurs.

Nevertheless, even if we admit that the area in the 8<sup>th</sup> district is not only a gateway for migrants to enter and incorporate into the city's economy, but also a space where substantive forms of citizenships can be acted out, it is also a place which is highly stigmatized – similarly to the “Chinese markets” of Budapest in general. Hence it is a space that is both inclusive and exclusive. It provides opportunities for participation but reproduces the image of the marginalized ‘other’ in the city, through which not only the self of the major society, but also the self of the successful migrant traders can be constructed. Most probably, the leaving of the Józsefváros market and the demonstration of capacity to invest in spaces where traders are not so dependant on others, as renters are on the Hungarian management in the Four Tigers, brings Chinese entrepreneurs closer to the ideal model of social mobilization. This statement can be supported by Nyíri's (2007) reference on the cases when certain Chinese entrepreneurs were motivated to introduce a new brand, in the otherwise blossoming enterprises they had, to sell the newly labeled product strictly to department stores and not at the Four Tigers market. That is, to create a brand unblemished by the “Chinese market” image triggered not simply by common people but by the Hungarian mainstream media (Nyíri 2007). The consequences of this in terms of developing a “Chinatown” in the city I will refer to in the concluding part of the analysis.

As for the influence of the media, if it advances a public imaginary of Chinese, in general, only related to the markets as almost exclusive sites of Chinese participation in urban life, it constraints the perception of Chinese migrants in the city. These kinds of accounts try to confine

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<sup>26</sup> This can be confirmed by my interviewee's, P. Szabó's statement that “the Four Tigers market is the alpha and the omega of the Chinese”.

migrants to the “Chinese market”<sup>27</sup>, which is also an attempt to inscribe references of disorder, illegality and low-quality on their ethnic identity. Therefore wealthier migrant investors feel the pressure to leave the Four Tigers market<sup>28</sup>. However, in this way they just reinforce instead of attempting to stand up against and contest the negative images of the market. Yet it is a question, as it was concerned in the first part of my analysis, to what extent language constraints condition these processes.

To look at the other side of the coin, the push – for the sake of a better image of the market, which also the formal recognition of a “Chinatown” located there would be – towards the integration of the, at least partially, informally operating market into the formal economy would jeopardize the social status of those who are already vulnerable. The awkward alliance of the possibly corrupted management and elites with the illegal migrants and sellers – regardless of ethnic origins and nationality – of the market would be ruptured. However, illegal sellers and migrants usually work in the market to seek better opportunities for social integration than formal institutions can provide them. Similarly, those poor who take advantage from the inexpensiveness of products supplied by the market might be deprived.

As for the situation in the *New Chinese Trade Area* I did not reflect on that here, because it was developed too recently to be able to draw conclusions on the potential of the place to form a basis for mobilization. However, relying on Phillips’s (2007) argument, I assume so. With regard to the participant observations in the area and the conversations with native locals, my informants were not really aware of Chinese traders’ businesses and plans for the future yet. While the interviews I have conducted with migrants there I will scrutinize in the next subsection.

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<sup>27</sup> For the query how my research differs from this approach, despite the fact that I am also focusing on a specific “Chinese market”, explanation can be found in my theoretical framework.

<sup>28</sup> Beside the constant threat of that it will be closed down soon.

#### 4.2.2 What a “Chinatown” may signify in the urban context of Budapest?

This part of my analysis is to present the limited ethnographic research I have done among migrants working in both the *Chinese Trade Area* of the 8<sup>th</sup> and the *New Chinese Trade Area* of the 10<sup>th</sup> district. I could not reach real estate investors who directly participate in the revitalization of the rust belts. So my analysis here reflects only the opinion of those who, however, would be concerned by the development of a “Chinatown” in the city, do not have power to govern the processes.

My interviewees consisted of Asian (of various age and of both gender), mostly Chinese but also Vietnamese<sup>29</sup>, whom I asked about their attachment to the market, their senses of belonging – which also referred to their ethnic identities –, and their imaginaries of a “Chinatown”. I also queried their views on the conditions to develop a “Chinatown” in Budapest.

As for the attachments to the market, almost<sup>30</sup> all of my older, first-generational migrant interviewees claimed that they had started to run businesses in the *Chinese Trade Areas* immediately after their arrival at the city. At the same time, also those younger migrants who were either children or other close relatives of first-generational migrants (not born but brought up in Hungary) accounted that after graduating at school – either at a secondary or tertiary level – went to work in the market to support their families’ businesses. As a Vietnamese 18-old boy stated, “everybody who is foreigner, sooner or later, ends up in the market”. Nevertheless, neither he, nor the Chinese girl who came to Hungary to study in an English-language college with the support of her aunt, who migrated to Budapest years before, assumed to stay in the trading business for a longer time.

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<sup>29</sup> According to my informants, Vietnamese composes the second largest ethnic group in the *Chinese Trade Area*. Although, due to language constraints, I could distinguish Vietnamese from Chinese only by the observation of the language of journals sellers were usually reading in the market, all of my interviewees confirmed that, as a matter of fact, the Four Tigers “Chinese” market is mostly inhabited by Vietnamese vendors today. Chinese entrepreneurs moved either to the building of the former Ganz Works and/or the *New Chinese Trade Area*. The newly established marketplaces at the territory of Ganz Works and/or the *New Chinese Trade Area* provided space for Vietnamese entrepreneurs as well, yet, interestingly, in the 10<sup>th</sup> district Chinese Trade Area Vietnamese had not emerged – as my informant working there said.

<sup>30</sup> The single exception was the case of a woman who arrived at Hungary 18 years ago to study here, and works now for one of the Chinese weeklies, the main office of which is located in the *New Chinese Trade Area*.

In contrast, the senses of spatial and ethnic belonging of my interviewees drew a more colorful picture when I asked them whether they conceive of themselves as a Hungarian, Chinese or rather Budapester. In this sense, migrants' identities varied and patterned mainly according to the length of their residency, their class status and by the fact whether they were younger – typically descendants of first-generational migrants – or older newcomers. As for the definition of these categories, I took migrants less than the age of around 35 “young”, while a minimum of 10-15 years of residency as “long”. For the class status I was trying to conclude either from the nature of the profession of my interviewee, or from the size of the enterprise (based on my informants' assessments and the popularity of the brand) in which they had an interest. Nevertheless, since I had interviews only with nine migrants, all my observations and classifications I am providing here has to be treated with caution.

As far as my investigations are concerned, not surprisingly, I found that those who resided in Budapest for a longer period of time and those who were brought up in Budapest as relatives of formerly immigrated Asian were more prone to identify themselves either as Hungarian or as Budapester. At the same time, depending on the class status, regardless of the length of residency, better-off migrants were more willing to consider themselves as Budapesters – but not necessarily Hungarian. That is, on the one hand, while the Chinese adwoman at one of the Chinese weeklies, who is in Hungary for 18 years and whom I assumed to have a higher position at the social strata than a vendor at the marketplace, identified herself as a Budapester-Chinese, with strong cultural belonging to “Chineseness”, one of the Chinese retailers by the Ganz Works, arrived at Budapest 20 years ago, conceived of himself as Hungarian-Chinese but with a weaker sense of belonging to the city. To confirm his “Hungarianness” he even claimed he was “sure that already some Hungarian blood [was] flowing in [his] veins”. On the other hand, when I talked to a manager of the *Sandic*, which is an internationally well-known wholesale company, in spite of the fact that he was in Hungary only since 2003, he informed me to be “a bit” Budapester. Yet during the interview he distinguished himself like “we foreigners ...” and “you, Hungarian...”, when he

was explaining me the possible reasons of the recent Chinese real estate investments in the rust belts of the 8<sup>th</sup> and 10<sup>th</sup> districts.

As for my young interviewees, no matter whether their relatives worked in the catering service or at a more profitable wholesale business in the garment industry, they referred to themselves as Budapester, however, with strong Chinese cultural ties. In one of these cases an 11-year old boy with excellent Hungarian vocabulary told me that “my home is Budapest, but I am Chinese”. Yet he said they would move with his family if the business turned down. The Chinese cultural heritage seemed to be important for him. He said they regularly visited China with his family each year for a month. The Chinese girl who was helping her aunt in running the business confirmed that Chinese parents usually pay special attention to make their children learn the Chinese culture, and assure it become important for them.

At the same time, the Vietnamese boy, who has just graduated at the high school and lives in Budapest since he was 1, said he would identify himself both as Budapester and Hungarian. He has never been in Vietnam because his parents could not afford to go, but still he had some sense of belonging to the Vietnamese culture. His parents were speaking no or very little Hungarian. A younger Chinese girl I talked to in English in a restaurant placed by the *New Chinese Trade Area* arrived at Hungary only a year age. Thus she has not had strong ties to the city yet.

Nevertheless, when I talked to an older Vietnamese vendor by the Ganz Works who has been staying in Budapest for eleven years he did not think he would be either Hungarian or Budapester. Yet he said he was not gathering together with Vietnamese either: “I am just going to work in [each] morning. Also weekends. Then, go home. No time. Because it is very expensive [to live in Hungary]. 10 days I have [in] a year [for vacation]”. He had a Vietnamese wife and children.

I also had a younger interviewee who lives in Vác for 10 years, though, for him Budapest was very important. He was a commuter and said he liked Budapest better than Vác, because

here he could get in touch with more people, both Hungarian and Chinese. He was under the process of getting Hungarian citizenship.

In sum, provided that we accept the assumption that the conjoint demand for the preservation of distinct ethnic and cultural belonging (that is, being Chinese, Vietnamese) and for the identity-construction through the cityscape (that is, identification not through the country and “Hungarianness” in general) means some sort of interest in the development of an ethnic precinct in the city, based on the interviews I had, we can conclude that who might want to have a “Chinatown” or “Little Saigon” in Budapest are those Asian who have a higher class status, regardless of length of residency and age, and who are at a younger age.

Nevertheless, since I conducted only few interviews with migrants – let alone the fact that I was trying to reflect on patterns for which I had only one or two examples –, I would not dare saying these are unquestionable findings, but rather speculations – based on ethnographic investigations – as well as suggestions for the object of further research on the issue. These observations and assumptions may be falsified or verified, for instance, by the further refinement of the survey (Örkény et al. 2008) charted above. Although the survey states that belonging to the city is a relatively important constituting element of Chinese identities, it does not provide disaggregated data along the lines suggested, within the group of those who had stronger attachments to Budapest than the average. A more refined investigation would be needed.

As for the concrete answers to my questions related to the development of a “Chinatown” in Budapest, some of my interviewees, like the Vietnamese retailer, who summarized his only concern as “the business should be worked out”, or the Chinese vendor being in Hungary since 1989 were indifferent, some others envisioned diverse positive imaginaries of that. There was nobody who would have denied the idea, or would have reflected on any possible negative consequences of its implementation.

The Chinese manager of *Sandic* unequivocally claimed that a “Chinatown” would be good. “It would employ a lot of Hungarian, like the market does now, which is good for you”. “It

would be good for the business, because foreigners [i.e. foreign wholesale traders who regularly visit the *Chinese Trade Areas* to import cheap Chinese shoes and cloths] could find it easily. They would know where to go.” “For the Chinese, it would be good. But not for the festivals. They are here only in transit. Only for the business. But now, it is not good. Many already left. I am still waiting” – referred he to the current economic crisis that, as my other informants confirmed as well, harshly affected the whole marketplace. The manager explained that some wholesalers already moved to other countries, like Slovakia or the Czech Republic. Some, who had good connections, went back to China, because today business opportunities are better there. Retailers cannot afford to move so easily.

He envisioned a “Chinatown” that embraces more streets. That is, how he reasoned why the *Chinese Trade Area* in the 8<sup>th</sup> district could not become one. He said that not the cultural organizations or the fact whether Chinese live there would count, but that the products merchandised there should be Chinese. He thought that all Chinese, Hungarian, or other migrants who are sellers in the *Chinese Trade Areas* could become stakeholders of a “Chinatown”.

For the question what he thinks why Chinese invest money into real estates now, he provided a threefold reason. First, because of the economic crisis it is not worth reinvesting the profits that Chinese gained on former businesses into the garment industry. Still, and this is the second reason, because of the weakness of the Hungarian currency, it is better to invest the money Chinese traders have. Yet beside these economic-based calculations, the third reason he gave was that those migrants who had brought up their children in Hungary, whose mother tongue is already Hungarian, they did not want to move just because of the business interests. As per my interviewee, these people thought it was better for their children to stay in Budapest. Therefore they invested into real estates.

However, this partly contradicts to the information that the 11-year old schoolboy told me, as referred to that above. He said he would be happy with an “American-type of Chinatown”,

where Chinese food would be sold, and a “museum” would be operated, which I interpreted as a metaphor of the preservation of Chinese culture. He did not think that Chinese should live there.

According to one of my interviewees, there will be a “Chinatown” in Budapest within ten years, built on the *New Chinese Trade Area*. However, in terms of size he said that “it should be bigger than that”. He assumed that some Chinese and also Vietnamese would move there. It would not be necessary, though. But he doubted that other migrants could be interested. He said he would like to have a “Chinatown”, because Chinese people could feel themselves more secured<sup>31</sup>.

A Chinese girl thought it would be good to have a “Chinatown” where young Chinese could go out and spend their leisure time. But she disbelieved that anybody would develop one in the near future, because “the Chinese take care only for the business, and a Chinatown today would not be a good business. Because those people who have money usually travel a lot, while those Chinese laborers who would enjoy themselves in a Chinatown haven’t got much.” She predicted that those second-generational Chinese migrants would establish one – in the next 10-20 years –, for whom this would be important also in cultural terms, and who would “not have to work that hard as they parents do.”

To conclude this part of my analysis, based on ethnography, my assumption is that who – despite the typical transnational links and identity claims – would support the idea to develop a “Chinatown” in the *Chinese Trade Areas* of Budapest could be recruited from either younger migrants, who were brought up in Hungary (either as Hungarian or as Chinese citizens) yet with strong ties to the Chinese culture, or from wealthier entrepreneurs who would like to enhance their business and economic position this way. However, not necessarily they could be the only beneficiaries, but also other members of the Chinese minority, whose cultural and political

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<sup>31</sup> As for the sense of security as an advantage of ethnic clustering see Phillips’ (2007) article introduced in the first chapter of the thesis.



integration could be promoted this way, as well as those, no matter of ethnic origins, who could be economically integrated by the sell of “Chineseness”.

Nevertheless, taking the opportunity of this kind of ethnic pathway for the urban incorporation of Chinese traders may also lead to the exclusion of some of those vulnerable groups who can gain today from the partial informality of business activities at the *Chinese Trade Area*, like the poor of the 8<sup>th</sup> and 10<sup>th</sup> districts, the illegal migrants, and the illegal sellers in general. Most probably, they would have less capacity to capitalize on a planned “Chinatown”, under more surveillance, let alone the concerns that Rath (2007) underscores related to the commodification of ethnicity for the sake of developing a formally recognized ethnic neighborhood, as presented by the first chapter.

So while a “Chinatown” that can be conceived as a form of recognition of the ethnic diversity may not only provide tools for migrant traders to rupture the dominant socio-economic system and to promote the redistribution of cultural and political rights, but may also lead to the reinforcement of cracks between the major society (as well as better-off migrants) and those migrants, who are economically weaker or less successful.

## Conclusion

The prime aim of my thesis was to seek explanation for the lack of a “Chinatown” in Budapest despite the high density of Chinese traders in the 8<sup>th</sup> and 10<sup>th</sup> districts of the city. I found this question relevant because throughout my whole research I have been holding the assumption that the institutionalization of a “Chinatown” can be an example when the entanglement of the processes of transnational migrants’ urban incorporation and a city’s socio-economic development is recognized.

I based this assumption, on the one hand, on Glick Schiller’s and Caglar’s argument (2009) on the interplays between cities’ efforts to reposition themselves within the context of neoliberal global capitalism and migrants’ opportunities for social integration, while, on the other, on Phillips’s (2007) and Rath’s (2005) conceptions about the spatial segregation of ethnic minorities in the city. I applied Phillips to argue that spatial segregation does not necessarily entail social segregation. Moreover, it can form a basis for social integration. Rath’s conception helped to support the claim that the commodification of ethnicity, like the formal recognition of a “Chinatown”, can enhance all the cultural, political and economic position of immigrant entrepreneurs.

I reflected on Kymlicka’s (2008) concern that this kind of advocacy for ethnic diversity may lead to the replacement of the goals of the “social movement multiculturalism”, which is to recognize and accommodate ethnic minorities, with that of the “corporate multiculturalism”, which seeks the business and political interests of only the elite. Yet I partially contested it as well as the exclusive prioritization of the ethnic dimension of identity applied for the scrutiny of social exclusion. Therefore I drew attention to the fact that even if a “Chinatown” can become inclusionary for a group of migrants, the degree of the social inclusion achieved may be uneven and exclusionary, especially grounded on the difference of class statuses. Along these lines, I also

outlined Rath's (2005) report on the potential negative effects of the institutionalization of a "Chinatown".

Throughout the thesis I used the term "Chinatown" as a floating signifier that, however, makes reference to a spatially segregated ethnic precincts in the city does not tell any determinate on the architectural structure, the exact ethnic composition and the number of residents of the area. My presumption was that the signification of an area as "Chinatown" in the city is determined by both the city leadership and the migrants whose ethnic origin is used as point of reference, albeit the development of a "Chinatown" can directly concern also other inhabitants, who hold some stake in immigrant entrepreneurship. In case of Budapest this involve mainly those who have interest in the operation of the Four Tigers market and the business activities in its neighborhood – in the rust belts of both the 8<sup>th</sup> and 10<sup>th</sup> districts, which are just reviving thanks to Chinese investments. This is the reason I assumed there is a potential to build a "Chinatown" in these areas.

For the analysis I posed three research questions that revolved around 1) the conditions when urban government can become interested in the development of a "Chinatown"; 2) the challenges that the use of a "Chinatown" as part of the city's branding strategies may entail in terms of social integration and 3) the motivations of Chinese migrants to create this kind of ethnic precincts.

My main methods were qualitative; however, I also used the results of a quantitative survey that made reference to the attachment of Budapester Chinese to the city. I also relied on Nyíri's extensive ethnography as well as on the expert interviews I have conducted with either researchers or practitioners with wide-ranging experience with Chinese immigrants. To find answers for my above presented research questions I applied both a top-down and a bottom-up approach. As for the former I analyzed policy documents and conducted interviews with policy decision-makers at a city level as well as in the 8<sup>th</sup> and 10<sup>th</sup> districts. The bottom-up approach was meant to be more focused and explore the local cultural context as well as the interests in and

visions about a “Chinatown” of those Chinese who make use of the trade businesses in the city. Therefore I conducted interviews with local workers, no matter of ethnic origins but with special regard to Chinese, and made participant as well as non-participant observations in the multicultural trading areas of the two districts.

Based on the assumption, suggested by Glick Schiller’s and Caglar’s article (2009), that the less well-off a city is the less it can provide the opportunity of an ethnic pathway for migrants’ urban incorporation, I started my analysis with the exploration of Budapest’s positionality within the nation, at a regional as well as at a global level. Yet to refrain and partly contest this approach, I investigated that – despite the fact that Budapest’s position is rather weak on a global scale – what kind of standings can be voiced by policy decision-makers depending on their cultural and political orientation, which may affect Chinese traders’ urban incorporation in varying ways. Beside the investigation of policy documents concerning urban renewal plans and the social integration of Chinese in the city, I compared the frames of the city leadership in the 8<sup>th</sup> and 10<sup>th</sup> districts on 1) Chinese presence, 2) their business activities and 3) the idea of developing a “Chinatown” in the district they govern.

The findings of my frame analysis suggested that although not necessarily for the sake of the social integration of the Chinese but for the prosperity of the area, the 10<sup>th</sup> district municipality was more open for the development of a “Chinatown”. Based on my theoretical framework I traced this back to the way how policy-makers framed the issues of Chinese emergence and business activities (diagnosis) and how they framed the related policy objectives and calls for actions (prognosis). While the leaders of the 8<sup>th</sup> district municipality used a “securitizing” frame to conceptualize Chinese traders’ business activities – which could entail the emergence of neither a “multiculturalist” nor an “orientalizing” frame in the prognosis –, the deputy mayors in the 10<sup>th</sup> district were more prone to recognize the socio-economic advantages of the new industrial spaces (McEwan 2005) that Chinese investors created. Accordingly, they did not mind to promote the idea of multiculturalism in urban plans and to develop a “Chinatown”

located at the territory where Chinese businesses are concentrated in the district today. It was not unambiguous whether only the interests of Chinese investors or that of Chinese migrants in general would be concerned, which partly echoes Kymlicka's concerns referred to above. Nevertheless, my conclusion is that even if the municipality would get committed to the idea of a "Chinatown" only as part of its branding strategy, based on the deputy mayors' narratives, as the spin-off effect of its implementation, the enhancement of the political and cultural status of Chinese can be expected as well.

As for the second part of my analysis, first, I recognized that the strong transnational ties that "new Chinese migrants" can maintain after the 1978 economic reform and the shifts in the migration politics (Ong 1999) of the People's Republic of China significantly influence migrants' senses of attachments to China and to diasporan Chinese (Örkény et al. 2008), on their demands for reterritorialization (Smith 2001) and on their identity claims – particularly in Eastern Europe where Chinese arrived later than the first waves of their counterparts in North America and Western Europe (Nyíri 2000).

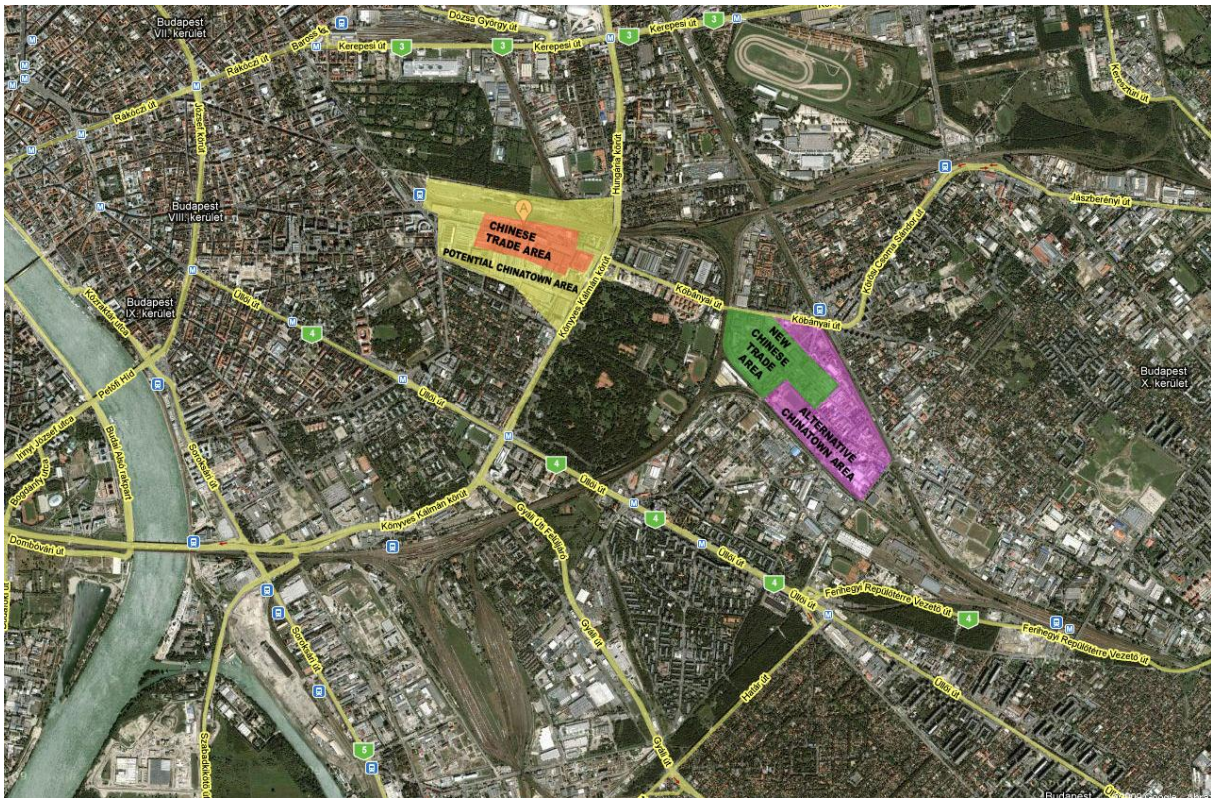
Yet it would have been misleading to think that members of a local colony would not be anchored to the space where they live their everyday life. Therefore, based on the fact that most of Budapest Chinese traders work in the *Chinese Trade Areas* of the 8<sup>th</sup> and 10<sup>th</sup> districts, I focused on the local cultures of the Four Tigers market and its extended neighborhood. I explored the trajectory of the "Chinese markets" in Budapest, making reflections on the economic and regulatory schemes that triggered and made the emergence of those possible. I drew special attention to the social groups who can make use of the operation of these markets today especially because those at least partially belong to the informal economy. These people like the poor of the neighborhoods, the illegal sellers, in general and the illegal migrants, in particular may become more marginalized in the course of the institutionalization of a "Chinatown", since it would also mean a push towards the acceptance of the structural conditions of the formal capitalist economy. Therefore, to conclude, even if certain groups, with

special regard to Chinese, may enhance their social, political and cultural position within an urban context through the development of a “Chinatown”, the formal recognition of their ethnic diversity may lead to the reinforcement of class-based inequalities among the better-off traders, no matter of citizenship and certain vulnerable groups named above.

As for the third question of my research, I was investigating migrants’ propensity to and consciously recognized interests in the establishment of a “Chinatown”. Hence I analyzed the interviews conducted with Chinese and Vietnamese in the *Chinese Trades Areas* of both districts. Relying on those I speculated, and would conclude that most probably the wealthier migrants as well as the younger generation of Chinese could gain from the development of a “Chinatown” in Budapest, however, for varying reasons – which was partly reflected also in the way the members of these groups envisioned a “Chinatown” in the actual urban context. For better-off Chinese, a “Chinatown” would mean the enhancement of their business and economic positions, not necessarily entangled with the aim to promote Chinese migrants’ more efficient urban incorporation in general. While for the younger generation of Chinese who were brought up in Hungary, however, along with sustaining strong links to the Chinese culture, a “Chinatown” could constitute an enabling environment, where the “Chinese” ethnic identity could be constructed and maintained. Nevertheless, these assumptions – based on a limited ethnographic research – are not to suggest that only these groups could be the beneficiaries of a “Chinatown”. Yet for the verification of my speculations, on the one hand, and for a more elaborate scrutiny of the issue, on the other, a more extensive research is needed to be done.

## Appendix 1

Map of the 8<sup>th</sup> and 10<sup>th</sup> districts with the designation of the older and the newer *Chinese Trade Areas*, as well as the *Potential Chinatown Area* as per the 2001 suggestion of Fleischer Tamás and the *Alternative Chinatown Area* that was assumed to be being built in the long run, by a deputy mayor of the 10<sup>th</sup> district.



## Appendix 2

Photos of the Four Tigers market and the buildings of the former Ganz Works under Chinese reconstruction works in Józsefváros









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