

9 *Guanxi* and the Dynamics of Overseas Chinese Entrepreneurial Behaviour in Southeast Asia

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This chapter focuses on the degree to which *guanxi* linkages and networks that are built using *guanxi* are important to the entrepreneurship and commercial success of many overseas Chinese in Southeast Asia. A model of various factors' influences on their use of *guanxi* is developed. Research proposals concern the sources of overseas Chinese entrepreneurs' business ideas and business information, and the extent to which *guanxi* explains their high rates of business start-ups and the performance of their firms.

China has played an important historical role in Southeast Asian commerce. The extent of these tangible trade links is often viewed as a measure of China's influence in the region (e.g., Villibhotama, 1991; Reid, 1993). The dominance by the overseas Chinese of private-sector commerce in the region has also been seen as a measure of China's influence (Campbell, 1923; Shepherd, 1941; Purcell, 1951; Skinner, 1957; Wickberg, 1965; Lim, 1981). The factors underlying the success of the overseas Chinese and the nature of their immigrant experience have been extensively researched (e.g., Bonacich, 1973; Waldinger, Aldrich, and Ward, 1990; Sender, 1991; Reid, 1997). However, Hamilton and Waters (1997) pointed out that much of the existing research fails to recognize that entrepreneurial success is path dependent. Most Chinese in Southeast Asia are not entrepreneurs and are not wealthy (Hirschman, 1988; Heidhues, 1996). However, as a group, they have achieved higher levels of success in commerce than has the indigenous population, and this makes the paths and management practices they use to achieve these higher rates of success important.