

**Cultural knowledge as International Business:
Entrepreneurial Style
in the UK Traditional Chinese Medicine Sector**

Anne-Marie Coles
University of Greenwich

and

L. Yan
Anglia Ruskin University

Year: 2015

No. GPERC07

Abstract: The field of international entrepreneurship has received considerable academic attention over the past 20 years, although paucity remains in our understanding of entrepreneurs as key actors in the transfer of business knowledge across national boundaries. Three types of potential entrepreneurial activity have been identified which can facilitate such processes of knowledge exchange: international, transnational and ethnic. This article sets out to identify characteristics which delineate these different entrepreneurial categories. It focusses on a study of traditional Chinese medicine (TCM) in the UK, a case of non-Western therapeutic practice, where entrepreneurs must transfer knowledge from China to the UK. In the business sample reported below, we discuss the differences between the three entrepreneurial types in transferring knowledge from one cultural context to another.

Keywords: Traditional Chinese medicine; transnational entrepreneurship; ethnic entrepreneurship; knowledge transfer

Acknowledgements: The authors are grateful to Dr Ian Clarke and Dr Athina Piterou for their helpful comments on this paper. The authors would like to acknowledge the financial support received from Greenwich University's Research and Enterprise Committee; grant number RAE-BUS-001/10, which facilitated this project. The authors would also like to acknowledge the research assistance provided by Dijana Zimona in carrying out the interviewing phase.

Corresponding Author: Anne-Marie Coles: University of Greenwich, Business School, Park Row, Greenwich, London, SE10 9LS, UK, e-mail: a.coles@greenwich.ac.uk
L. Yan: Business School, Anglia Ruskin University

Introduction

In the UK the complementary and alternative health sector is dominated by small entrepreneurial firms. These firms incorporate a wide range of different therapies and therapeutic practices and comprise part of a general area of medical self-help activities. Enterprises which offer therapies taken from Traditional Chinese Medicine (TCM) practices have been established in the UK over the past 20 years and this business activity falls into the category of complementary health. The practice of TCM in the UK implies by its very nature an international transfer of knowledge and skill in traditional therapies from China. Entrepreneurs in the TCM sector need to manage the cross-cultural demands of bringing these therapies (which have knowledge, practice and training embedded in the Chinese context) together with the exploitation of market opportunity in the UK. As a host country, the UK offers entrepreneurial opportunities shaped by its specific legislative environment, the role of the dominant health care system and particular requirements of British customers.

Practitioners in TCM need to address these dual demands in their social contexts. On the one hand, they may have strong links with firms in China which produce herbal and other products, and they may also depend on finding knowledgeable practitioners with Chinese training. On the other hand, firms dealing in TCM must also be informed about the business environment in the UK. Considering small Chinese owned medical establishments as entrepreneurial endeavours based on the transfer of traditional therapeutic practices necessarily raises the academic question of how these businesses can be classified and analysed. Their international activity implies that inter-country factors are involved and raises an issue about the nature of the type of entrepreneurship involved in transfer of knowledge. It is not clear whether these firms should be viewed as an example of international business, of transnational entrepreneurship or whether they

fit into a more conventional understanding of ethnic entrepreneurship in a particular country and business context. Thus, study of the Chinese medicine sector in the UK is pertinent to the investigation of the nuances between these three types of entrepreneurship. This article reports on an exploratory study into the role of Chinese owned small business in the Traditional Chinese Medicine (TCM) sector in the UK, based on qualitative interviews with 16 firms [1]. Here, an attempt is made to identify the type of entrepreneurship skills that have been utilised for international transfer of successful business activity.

1. Perspectives on Cross-Country Entrepreneurial Activity

Drori et al. (2009) make an attempt to delineate specific characteristics that distinguish these three entrepreneurial types. International entrepreneurship is classified primarily as focus on small firm processes of growth (financial and market) in a global context. Transnational entrepreneurs migrate from their home country to another which retaining business ventures and networks in both countries. Thus a key indicator of transnational entrepreneurship is the identifiable socio-economic links that enable the entrepreneur to establish a business in the host country while retaining business support in the country of origin. Ethnic entrepreneurs, however, are immigrants to the host country who maintain a distinctive identity through social and cultural customs as well as language, drawing on this background to establish entrepreneurial activities (ibid.). TCM could fall into any of these three categories, by expanding an established Chinese business to the UK, by mobilising professional or product supply networks in China to support a UK business venture. Finally, by exploiting the opportunity to offer TCM practice to the indigenous Chinese community. It is therefore pertinent to identify the distinguishing characteristics of these entrepreneurial types in order to evaluate the position of TCM establishments in the UK.

1.1 International Entrepreneurship

Drawing on a wide range of theories, including resource-based view, knowledge-based view, dynamic capabilities, and network and social capital theories (Peiris, Akoorie, and Sinha, 2012), the field of international entrepreneurship (IE) has developed substantially since its first academic definition of Born Global organisations. Many good attempts have been made to expand the definition of international entrepreneurship, for instance taking consumers as international entrepreneurs (Chandra and Coviello, 2010) or viewing entrepreneurs as intermediaries who exploits information asymmetry (Peng, Lee, and Hong, 2014). In this paper, we return to the original definition of international entrepreneurship as in Oviatt and McDougall (1994) and compare the categories of IE with definitions of transnational entrepreneurship (TE) and ethnic entrepreneurship (EE).

Oviatt and McDougall (1994: 49) defined a Born Global organisation as, a ‘business organisation that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of output in multiple countries’. A key feature of these start-ups was identified as having significant resource commitments in more than one Nation. These observations supported Rennie’s (1993) survey of small firms in Australia, in which he identified a new type of Born Global firm, in high value-added manufacturing, export. These firms demonstrated clearly a combination of small size, young age and ‘ability to compete globally’ (ibid: 48). However, as Oviatt and McDougall (1994) point out the international activities of small firms can range from simple exporting that involves limited risks, to the complex operation of subsidiaries. In order to clarify Born Globals’ international activities, Oviatt and McDougall categorized four types of organisation according to the scope and complexity of their international activities: Multinational Trader, Geographically Focussed Start-Up, Import/Export Trader, and Global Start-Up.

Multinational Trader and Geographically Focused Start-Up are collectively labelled as 'New International Market Makers'. For these firms, the majority of their value chain activities are located in their home country, the most important activities located overseas are the systems and knowledge of inbound and outbound logistics. The benefits of their internationalisation, according to the authors, derive from creating new trading markets. While Export/Import Start-ups focus on exporting to a few countries, the Multinational Traders engage an array of countries and 'are constantly scanning for trading opportunities where their networks are established or where they can quickly be set up' (ibid: 58). In both cases, direct investment in any country, which involves high risks and resource commitment, is kept to a minimum. In contrast, Geographically Focused Start-ups rely on 'the use of foreign resources' (Oviatt and McDougall, 1994: 58). They do not simply export what is available in the home country, but depend on the integration of resources both home and abroad, concentrating their operations in a small number of countries. The products or services they provide are therefore 'tailored' to foreign markets while bearing marks of the home country characteristics [2].

While Global Start-ups share with Geographically Focused Start-ups the characteristic of integrating dispersed resources, they are distinct in that their international activities are 'geographically unlimited' (Oviatt and McDougall, 1994: 59). Global Start-ups are highly proactive, not only do they 'act on opportunities to acquire resources...wherever in the world' (Oviatt and McDougall, 1994: 59), they also actively enact opportunities globally (McDougall and Oviatt, 2005) [3]. Global Start-ups are thus most representative of the combination of small size, young age, international adventure, and entrepreneurial activities encapsulated in the Born Global concept. In order to highlight the international entrepreneurial activities of Born Globals, in 2000, McDougall and Oviatt re-named the study of Born Global organisations as 'International Entrepreneurship' (IE). They identified the field of entrepreneurship as one of its two component

disciplines and defined IE as, ‘the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services’ McDougall and Oviatt (2003: 7). Entrepreneurial opportunities were not only ‘discovered’, ‘evaluated’, ‘exploited’, but also ‘enacted’. What is emphasised in this definition is the proactive, opportunity-seeking and risk-taking activities across national borders. Across these general categories, IE is understood as having as a key characteristic the fact that there are multiple countries involved although not necessarily the original home location. In addition, entrepreneurs are able to adapt their behaviour to the conditions found in new national host countries. This focus on entrepreneurial activity in relevant business contexts highlights an overlap with the concept of transnational entrepreneurship as it is currently understood, although here attention is on the dynamics of business transfer between the home and a specific host country.

1.2 Transnational Entrepreneurship

Views on transnational entrepreneurship (TE) tend to stress the key operational role of international networks where activities are exchanged between a home and host country. For transnational entrepreneurs the individual must be deeply embedded in networks in both countries, necessitating frequent travel to maintain business links and access products and services. The main market, however, is to the dominant National group in the host country rather than within a small ethnic enclave. Mustafa and Chen (2010), for example, identified a key role for family networks in the international activity of immigrant entrepreneurs in Malaysia, while Urbano et al. (2011) note that transnational entrepreneurs are placed in a unique position to exploit cross-national opportunities, embedded as they are in two or more social environments. This process of resource exchange is fundamental to other definitions of transnational entrepreneurship, and Lin and Tao

(2012) note the key role of border crossing activities that results in leveraging resources from both home and host country.

Deeper investigation into specific factors in the business environment that influence transnational entrepreneurial activity exposes a more complex set of factors affecting cross national endeavours. Yeung (2002) highlights the necessity of understanding business contexts in home and host country that can influence the ability of individuals to create and sustain entrepreneurship activity. In addition to knowledge of two or more countries' business contexts, Yeung emphasises the quality of institutional knowledge an entrepreneur has of both the home and host countries. Thus a successful transnational entrepreneur needs both to control resources in different countries and also needs to engage in strategic business development, while creating and exploiting market opportunities. Sequira et. al. (2009) is concerned with identifying the motivational and success factors behind individuals' attempts to establish a transnational enterprise. One issue raised is the extent to which entrepreneurs are embedded in the business practices of the host country, measured through their perception and knowledge of operational context. They give a more structured and fine-tuned taxonomy of transnational ventures: circuit enterprises, for example, are characterised by an international flow of resources; elite expansionists develop international markets; while return migrants are ventures in the home country by people who have lived abroad. While these categories fit into a conventional understanding of transnational entrepreneurship, Sequira et al. (2009) also include cultural and ethnic enterprises which are situated in the host country and work either to promote a national identity or cater for specific requirements of an ethnic group. In this typology, transnational entrepreneurship is distinguished from that of international entrepreneurship as being reliant on specific cultural and community relations. Thus being more related to ethnic enterprises as a form 'of economic transnationalism that immigrants engage in'(Sequira et al.:1026). In comparison with the study of

IE, the concept of TE has been used to explain the agency of entrepreneurs as they mobilise resources in one country and transfer knowledge and skill across National borders for business purposes. However, focus on activities within the host country also marks a relationship with the category of ethnic entrepreneurship as it is currently understood.

1.3 Ethnic Entrepreneurship

The study of ethnic entrepreneurship (EE) in the UK has tended to focus on the relative disadvantage of immigrant groups in the wider labour market. This assumes that the dominant entrepreneurship model at work model is a 'push' into low economic value, ethnic or cultural niches. Levie (2007) suggest that a high level of ethnic entrepreneurship in the UK is associated with a flow of immigration into a particular region. While Basu and Altinay (2002) look at the relationship between business attitude and involvement in entrepreneurial activities in London. They conclude that the relationship between ethnicity and culture does not necessarily determine propensity to establish a small business. Jones and Ram (2007), point out that ethnic owned enterprises are embedded in an institutional and socio-economic structure formed from institutions, market and state regulatory regime in the host country. In this respect, the authors claim, there are many similarities between ethnic and mainstream small businesses, and sector position may have more impact on business success. However, Jones and Ram also note that ethnic entrepreneurs appear to be concentrated in a small range of less profitable sectors. They call for more research to link entrepreneurial socio-economic status to cultural business success. Clark and Drinkwater (2010a) support these conclusions noting the over representation of certain ethnic groups in the self-employed sector in the UK. However, the dynamic nature of these businesses leads the authors to question the conventional explanation, noting that self-employment could be about self-determination as well as discrimination. In the UK ethnic minority businesses tend to

depend on informal sources of finance, and are concentrated in less profitable sectors with high failure rates, such as retail, catering and transport. Prescott et al. (2011) recommend longer term reflection on the fate of traditional ethnic run enterprises, which may start due by seeking niche opportunities but in the longer term these businesses may eventually become established and break into mainstream markets. It is the process of identifying opportunities and carving out a sustainable market niche as much as the mobilisation of social ties, which allow these ethnic entrepreneurs to succeed. Prescott et al. (2011: 38) note ‘mature ethnic enterprises eventually begin to target the wider mainstream market’.

In a quantitative analysis of Turkish and Chinese entrepreneurs in the London area, Wang and Altinay (2011) take a more critical view. They note that, in class-based analyses, there does not appear to be a special prominence of entrepreneurship activity among ethnic entrepreneurs. Here, they are attempting to test the hypotheses that ethnic groups are more likely to be involved in entrepreneurship relative to the indigenous population due to greater disadvantage in the labour market. An alternative explanation is that they have an interest in establishing a business venture which is located in personal identification with their cultural origin which also facilitates establishment of networks through informal ties. The authors also note that there appears to be a shift in the type of entrepreneurial activity between generations as ‘skilled and educated second generation of ethnic minorities have started to transform the ethnic minority small business landscape from conventional ethnic-based labour intensive businesses to professional services and technology based enterprises with broader market appeal’ (Wang and Altinay 2011: 7). Taking this analysis Wang and Altinay explain that the traditional ‘enclave’ theory of ethnic businesses is either becoming less relevant or that the primary role of ethnicity in entrepreneurial business has been overstated.

The issue, of how small businesses can widen their appeal to address the mainstream market has traditionally been seen as the challenge of ‘breaking out’ of an ethnic sub-culture to trade with the host community to develop both market and revenue. For example, Bagwell (2008) notes that UK ethnic minority enterprises tend to concentrate in a few culturally defined sectors, while policies for small business support tend to encourage ‘breaking out’ into mainstream markets or diversifying into more profitable areas. The phenomenon of ‘breakout’ has been noticed where there are second generation ethnic minority entrepreneurs (McEvoy and Hafeez, 2009). However, Basu (2011) identifies characteristics which facilitate such a ‘breakout’, which include education, experience, access to networks and opportunity. In addition even ethnic entrepreneurship can be understood as a socio-economic and institutional process. Rusinovic (2008) points out that second generation entrepreneurs may not have access to a strong transnational network as links can break down between generations and, furthermore, not every ethnic entrepreneur has access to transnational resources (see also Tsuda, 2012). However, a consideration of current themes in the study of ethnic entrepreneurship reveals a trend towards convergence with both the concepts of international and transnational entrepreneurship. The idea that mobilising business networks is a success factor in developing ethnic business overlaps both with the concept of TE and IE. Thus, it is suggested by most recent analysis of ethnic entrepreneurship that these businesses can develop through linking into international networks.

1.4 Converging concepts: IE, TE, and EE

Chen and Tan (2009) raise the issue of the role of social and economic networks in facilitating cross country business activities. They criticise the ethnic entrepreneurship literature as being too focussed on assimilation of ethnic groups by the dominant culture. This, they argue, suggests that successful business practices should result in immigrants eventually embracing the dominant

culture of the host society rather than the process of successful transferring ethic or cultural practices from the home to the host country. Comparing both transnational and ethnic entrepreneurship, they note that both approaches share a concern in ‘understanding how entrepreneurial firms branch out from the domestic market’ (Chen and Tan, 2009: 1080). The authors suggest that although cross-national networks are a key feature in successful transnational entrepreneurship, existing immigrant or ethnic small businesses may develop such networks as they develop into transnational operations. For Chen and Tan both international networks based in the home country and domestic networks in the host country contribute to successful business practice.

International and transnational entrepreneurship overlap in their interest in elucidating the ways in which entrepreneurs internationalise, although ethnicity is not a particular concern for international entrepreneurs. The international activity of ethnic entrepreneurs has been identified more recently, as traditionally ethnic entrepreneurs were assumed to sever links with their home country (Mustapha and Chen, 2010). Bagwell (2008) notes an increasing propensity of ethnic owned businesses to link into international economic and social networks. However, her example of Vietnamese-owned nail shops in the UK, it is noted, do not fall into this stereotype of serving a restricted, ethnic niche market. The sector emerged with support from family networks, particularly the experience of successful business ventures in the USA to entrepreneurial ventures in the UK. According to Bagwell (2008: 380) social and family networks, ‘enable ethnic minority entrepreneurs to draw on unique cultural resources or social capital not generally available to the mainstream’. Such resources can include family labour, pooled savings and access to trusted networks. Access to this support has been facilitated by global trends such as cheap air travel, mobile telecommunications, and access to the internet. This demonstrates is more clearly a

relationship between the traditional concept of IE and a more broadly defined ethnic entrepreneurship, in that IE does not critically depend on international links with a home country.

Urbano et al. (2011) note that transnational entrepreneurs are embedded in two or more social environments enabling them to exploit opportunities arising from both countries. However, this is also becoming true for more traditional ethnic entrepreneurs, so that the three categories, TE, EE and IE have started to overlap as boundaries between them become blurred. Lin and Tao (2012) note the definition of TE as involving border crossing activities that result in leveraging resources from both home and host country locations which could be people, suppliers and knowledge. They contend that EEs act both from exclusion from the mainstream and from the opportunity to exploit opportunities, while continuing to function as a distinct cultural and ethnic group (see Thornton et al., 2011 for a review). They note the moving together of understanding the two types of entrepreneurship as ethnic entrepreneurs may also need to leverage international social and business networks. As the boundaries of these entrepreneurial concepts begin to blur, further research into relevant business sectors could throw light on to the actuality of international dynamics that facilitate small business ventures. Thus a focus on entrepreneurial activity within the UK Chinese traditional medicine sector seems opportune. This is not only because the Chinese are an ethnic group with a longstanding entrepreneurial history, but also due to the nature of culturally embedded knowledge related to traditional Chinese medicine.

2. Chinese Entrepreneurs in the UK

The Chinese population in the UK comprises about 2.5 million people and has been characterised as heterogeneous and dispersed (ONS, 2004). However there is a lack of specific information relating to the status of Chinese entrepreneurs and their contribution to the UK economy. Some

reports tend to assume a general category of black and minority ethnic business (BME) without further sub-division or with divisions that omit any specific reference to a Chinese sub-group. There are some exceptions however from which a snapshot of the changing position of Chinese entrepreneurship can be identified. Clark and Drinkwater (2010a: 333) point out that ethnic Chinese are a highly dispersed group in the UK, 'least likely to live in areas with a high concentration of co-ethnics'. They also note that the Chinese as an ethnic group tend to have relatively high rate of self-employment, although it is first generation immigrants rather than second generation (those born in the UK) who are more likely to be self-employed (see Clark and Drinkwater, 2010b). A report by Barclays (2005) gathered data from 600 BME entrepreneurs, 15% of which were Chinese. From this data, it appears that 19% of the UK Chinese population are self-employed compared to a national average of 11%. This report noted that almost half of their sample (47%) was located in London reflecting the large BME population (Barclays, 2005). The report found that 60% of the Chinese firms were in three sectors: catering, professional services and construction. The Chinese group was more likely than other respondents to claim that family networks made a big contribution to the business particularly in terms of providing finance and other resources. In fact, Wang and Altinay (2011) found that the Chinese community in the London area are more likely to be involved in entrepreneurial activity than in other areas. This may be due to the cultural knowledge and business opportunity overlapping, while social embeddedness in the host culture can facilitate both the establishment of a small ethnically based business and its breakout of the ethnic enclave.

A report from the London Development Agency supports this finding stating that 28% of the London population is comprised of people from minority ethnic groups (LDA, 2005). This report which focuses on the position of BME owned business in London notes that such firms tend to be very small, half of these employing typically, less than five people and 89% employing less

than ten. LDA (2005) suggests that there are approximately 6000 self-employed Chinese people in London, and 1,800 Chinese owned businesses comprising approximately 1% of all businesses. This report also indicates a split in entrepreneurial activity between older and younger Chinese people, with those less than 35 years tend to be more highly educated, running firms in financial or professional services, information technology or international trade. In contrast the older generation focus on service based firms, such as catering, retailing and personal services. In fact, it is claimed that, “new generation Chinese - owned businesses have among the highest income by enterprise and employment of all BME - owned enterprises” (LDA, 2005: 25). Both the reports for the LDA and Barclays agree that the more traditional firms tend to rely on a local ethnic market. The LDA advice for development and survival of BME enterprise in general is to move beyond this immediate market to reach the wider community; to start up in a mainstream or growth area; and to utilise international networks to facilitate cultural and other connections such as source of suppliers. It is worth noting that enterprises focusing on traditional Chinese medicine could develop in all of these three areas.

Chinese entrepreneurs have also been identified as a group with strong transnational links supporting an international business network. Dahles (2005) raises a question over this perceived reliance of Chinese entrepreneurs on family, cultural and ethnic networks, suggesting equal weight should be attached to the more rational analysis of economic gain and the knowledge required for evaluation of the business environment and governmental policies in providing opportunities for entrepreneurial activity. Ram and Smallbone (2003) note that UK Chinese owned businesses demonstrate a higher propensity to access start up finance from banks and formal sources than indigenous firms. However, they are less likely to use business support services. Referring to Chinese entrepreneurship in the traditional medicine sector, Wong and Ng (2002) note the existence of both personal and professional transnational networks. There is only limited

information regarding the situation of Chinese owned immigrant small firms in other countries which could provide a basis for comparison to the UK situation [4]. There is also little information available in relation to the issues concerned with establishing and running a Traditional Chinese Medicine business. However, preliminary work indicates that these enterprises may depend for some of their professional practitioners on first generation migrants who trained in China, although there are also a growing number of UK trained practitioners (Kitching et al., 2009). The next sections will give a definition of TCM for the purposes of this paper and discuss its role in the UK complementary health sector. The data arising from the survey finding will then be discussed.

3. Traditional Chinese Medicine as Cultural Knowledge

The usual way to define Traditional Chinese Medicine (TCM) is to identify a range of therapies which contribute to its practice. A Department of Health (2008) report defines TCM as comprising Chinese herbal medicine, acupuncture, moxibustion, cupping, Qi Gong and Tui Na (therapeutic massage). A Chinese approach is to delineate TCM clearly from a more general non-Western categories, such as that known as ‘Oriental medicine’, which implies wider cultural and national roots and also from the term ‘modern Chinese medicine’, which in China indicates use of the Western bio-medical, scientific approach (Boa, n. d.). The term Oriental medicine is usually taken to refer to traditional medical approaches in a number of countries where practices use the same philosophical underpinning as TCM, such as Japan, Korea and Vietnam (Bao, n. d.) Thus, it appears that TCM can be identified either by its underlying knowledge base, which describes traditional medical practices in more than one country or it can be described through therapeutic practice, which may exclude some therapies commonly offered by TCM practitioners. Scheid (2007) defines TCM as Chinese medical practice represented in contemporary Chinese medical

textbooks, which aims to encourage the modernisation of Chinese therapeutic practices and facilitate its integration into the mainstream health care system. Schied also notes that, in China, there are other sources of knowledge, which are used in training new practitioners such as classical medical literature, a master-disciple apprentice system and an embedded variety of therapeutic practices. On an international level, the World Health Organisation includes TCM in its global review of traditional, complementary and alternative medicine, as a set of practices which are widely used in a number of countries (WHO, 2002).

In the UK, a report from the House of Lords (2000) on the complementary and alternative health sector, identifies three categories of practice that lie outside the dominant bio-medical scientific model. It is recognised here that TCM is based on a long established traditional knowledge system which differs from established scientific principles of modern health care. Complementary therapies are accepted as those which co-exist with the dominant model and may be used in addition to conventional treatments, for example, reflexology. Therapies that are ‘moving towards mainstream’ (for example acupuncture) can be prescribed as part of a conventional treatment.

A major issue identified in the literature concerns the difference in approach to medical knowledge between Western and TCM practice. There are three areas of concern: differences in assessing efficacy of treatment between the evidence-base approach of modern medicine (EBM) and the traditional knowledge (TK) of TCM; professionalization and regulation of TCM practitioners; and evaluation of treatment success through the subjective knowledge and experience of patients and clients. Evans (2008), looking at the position of complementary health therapy in Australia, identifies a growth in significance of EBM in the herbal sector in general over the past decade although this evidence relates to western style rather than Chinese herbalism. Nevertheless, such trends are very likely to influence both styles. One particular influence

identified is the role of professional associations in herbalism which have been keen to adopt a biomedical discourse to provide explanations as to the mode of action of plant - based remedies. Evans (2008) notes the difference between TK and EBM, the former being developed by indigenous and traditional cultures over a long period of time through observations rather than experiment with an interactive and participative form of knowledge exchange. In contrast the biomedical tradition focuses on measurable results achieved from appropriately organised clinical trials on which efficacy is judged. Two very different approaches to establishing truisms which as Evans (2008) points out, can also divide opinion amongst practitioners. These tensions between EBM and TK can be seen in Traditional Chinese Medicine, partly in the nomenclature adopted in China itself to enable a distinction to be made with modern Chinese medicine which is firmly based on the Western, biomedical model (Bao, n. d).

In terms of the training of practitioners, Doel and Segroot (2004) point to the heterogeneous nature of knowledge involved. This includes particularly the professional knowledge of the trained practitioner in also of both application of therapies and appropriate practice setting. Practitioners also need knowledge of appropriate sources of supply of specific regulations relating both to import and practice. Doel and Segroot (2004:736) note that practitioners' skill lies in utilising this knowledge:

“In locating suitable suppliers, recognising poor quality herbs, understanding how different medicines interact and which remedies can be safely and effectively used for each individual patient”

In effect the authors conceive of treatments as singular practices, bringing together heterogeneous materials and practices specific to each consultation. Therefore, this is a situated knowledge of practitioners, deciding on treatments for specific individuals for which it is difficult to prescribe regulations, standards or guidelines (Doel and Segrott, 2004).

The third source of knowledge is that gained by clients from the participative nature of the treatments. The evidence available suggests that this is subjective knowledge which is a synthesis of individual understanding of both the significance of EBM and TK (Little, 2009). Neither of these sources of knowledge however, is decisive for users of the treatments in light of whether or not these are perceived to have been individually effective. Research with focus groups stressed the importance to users of personal experience and individual communication in building trust and confidence in particular practitioners. Little (2009: 9) identifies the role of alternative and complementary therapies in satisfying unmet healthcare needs which, ‘calls into question the adequacy of a singular biomedical model in contemporary society’. This knowledge, gained from participation and subjective evaluation of efficacy by the user appears to bridge, not only the gap between the biomedical and traditional medical approaches, but also the socio - cultural background of the clients, as Green et al. (2006: 1505) note Chinese born users of both western TCM, “successfully integrate two bodies of knowledge derived from contrasting sets of cultural assumptions: traditional health beliefs and bio-medical Western representations”.

4. Research Setting and Methods

The empirical data for this study is based on telephone interviews with 16 firms working in the TCM sector in the Greater London Area in the UK in July 2011 [5]. The questionnaire was designed to gather an indication on whether the businesses displayed international, transnational or ethnic entrepreneurship characteristics. All establishments fell into the category of small firms, as all had twenty or fewer employees. Although the majority of these firms were established post-2000, five had been in existence for much longer, being set up between 1981 and 1991. Some variations between the firm were found in terms of their trading context (see Table 1). In all cases

the ethnicity of the owner was Chinese, a clear majority (9) stating they were first-generation immigrants. Of the remainder, four were second generation and three did not specify. There was also a preponderance of ethnic Chinese amongst the employees, including therapists and practitioners. Regarding the main therapies that were offered by the establishments the most common was acupuncture, offered by 12 of the firms. Herbal medicine was dispensed by 10 establishments and massage at 4 of them. Only one enterprise combines acupuncture with other complementary therapies – osteopathy and homeopathy, and this establishment stated it employed both Chinese and British nationals. Of six business owners who answered the questionnaire directly, five had undertaken their training in China before setting up their UK business. Only one, a second generation Chinese, who ran the oldest of the establishments set up in 1981 claimed to have had all previous training and experience in the UK. This data gives a clear indication that this sector does contain some practitioners who have transferred their practices within an international business setting, although the broad indication is that this is not necessarily the case with every Chinese medicine establishment. The business combining Chinese and Western therapies also had a first generation Chinese owner, but one who was obviously willing to expand and experiment with services on offer.

Table 1. Firms' trading context (n=16)

	1st generation	2nd generation	n/a	
Ethnicity of owner	9	4	3	
	Yes	No		
On-going links with China	8	7	1	
	China	UK		
Owners' past training	5	1	10	
	Acupuncture	Herbal medicine	Massage	Other therapies
Therapies offered	12	10	4	1

5. Findings

Taking those firms with a clear link to China, 11 of the 16 respondents reported that they either had previous business experience in the country or that they had experience of TCM practice there before coming to the UK. A series of questions were posed to these particular enterprises to elucidate whether they depended in any way, on continuing international exchange (see Table 2). The responses, however, did not give a clear indication of continued transnational activity. There was a split of four firms to five on whether they relied on supplies from China with the former replying in the affirmative while the latter all stated their supply come from UK distributors. In addition, none of the firms with Chinese experience stated that they maintained links with suppliers known previously to them in China (8 replies). Also, no firm reported continuing links with therapists in China and none of the firms reported that their therapists travelled to China to update their training. Only four of these firms stated that they had regular trips to China for business purposes, stating the need to collect information on and to buy new products as the reason for a visit. No one visited China more than once a year. However, a further four firms did admit to being in contact with China in order to gather information on new products. These results indicate that the majority of firms do have some previous experience of the TCM sector in China and there is a very small indication that, once in the UK, these firms feel the need to maintain a close presence in the dual business environments. The evidence here for TE activity as reported in the academic literature exists but is quite weak.

Table 2: Responses from firms with previous business experience in China (n=11)

	Yes	No	N/a
Using Chinese suppliers	4	5	2
Maintaining network links with China	0	8	3
Therapists return to China for training	0	11	5
Visit China for business	4	7	5

There were five firms who were entirely UK based in terms of their previous experience, and amongst these firms the link with business practise in China was slightly stronger (see Table 3). All these firms claimed to get their supplies from China, although one used both Chinese and UK sources, and two businesses also used Chinese trained therapists. None of the UK based firms reported that they travelled to China to gather business information. The UK based firms appear to resemble more traditional ethnic entrepreneurs being entirely national firms. Although they have some interaction with China for supplies, there is no reported international travel. These characteristics are consistent with ethnic entrepreneurship in other sectors. From the sample interviewed there is some evidence of a limited TE interactions as well as a distinct section of businesses that demonstrate more traditional ethnic entrepreneurship characteristics.

Table 3: Responses from firms' with no previous experience of business in China (n=5)

	Yes	No
Supplies from China	5	0
Therapists training in China	2	3
Regular business travel to China	0	5

Another indication as to the characteristics of this business sector can be gained from consideration of the customer base. A traditionally ethnic sector would be expected to cater to a mainly Chinese clientele while TE businesses would not necessarily cater to a distinctly ethnic enclave. In answer to the question 'do your customers represent any particular ethnic group?' only one stated that its customer base was mainly Chinese. Eleven firms reported a mix of Chinese and Western customers, with one commenting that they did not serve many Chinese. These answers indicate that this is not traditional ethnic entrepreneurship supplying a cultural enclave within the dominant society. However, a mix of customers did not mean that the enterprises necessarily had altered the mix of therapies on offer to cater for a particular customer base. Eight firms reported that there is no difference in preference for different types of therapy between western and Chinese customers in terms of preferred therapy, while only one commented that Westerners tend to prefer herbal remedies and Chinese like acupuncture.

Finally, it has been noted in the literature that Chinese entrepreneurs tend to rely on informal network links to a greater extent than other ethnic groups. However, questions here relating both to participation in formal business and informal networks do not indicate that these are important to these businesses. In reply to a question as to whether the respondent maintained informal links with friends and family in China, the responses were divided. Eight replied yes to this question, and seven were negative. However, when asked whether these links were useful to the business all

answers were negative. Again these responses appear to be at odds with other research on Chinese entrepreneurship in the UK and indicate the need for further research on this sector to corroborate these initial findings.

6. Discussion

This article has attempted to investigate the entrepreneurial criteria which could explain the success of TCM establishments in the UK, which has become a very prominent aspect of the wider complementary health sector due to the positioning of practices in the High Street. TCM businesses involve transfer of specific knowledge, both of therapies and business practices from China. In addition, the traditional knowledge base of the therapies offered is in stark contrast to the experimental evidence base required by the dominant bio-medical establishment. However, from the client point of view, both approaches can co-exist without contradiction. There is clearly a cultural aspect to this business area as the retail practices themselves are presented as delivering specifically Chinese therapies. In terms of the three approaches to explain cross-National entrepreneurship, IE requires the active development of business opportunities in more than one country; TE demands on-going exchange between the business practices in the home and one host country; while EE is traditionally identified through the developments of ethnic enclaves. The questionnaire results, however, do not present a strong case in favour of one of these entrepreneurial types, but provide indications that support all three.

There is very little evidence that the majority of the firms which answered the questionnaire intend to become truly international in terms of continued expansion, although one firm did answer positively indicating that such international entrepreneurship cannot be ruled out entirely. The rest of the evidence indicates that the firms in this sector are split between displaying TE and EE

characteristics, which implies that it would be wrong to try and see this sector as homogenous; rather it contains both types of entrepreneurial activity. TE requires some international travel and contacts, and certainly those firms established by first generation Chinese did report that they had on-going exchanges with China. Those firms that were set up from a UK base did not appear to have such strong international links. However, this is not a traditional ethnic sector, as it has clearly 'broken out' of a narrow ethnic customer base. In addition, the host culture appears to be adapting to support the needs of this sector, particularly by the development and provision of training opportunities in Chinese therapies. In addition, there is some interaction between TCM and new pharmaceutical development indicating an interest to carry our research to determine efficacy of traditionally used substances. This demonstrates that there can be some dynamism and responsiveness engendered within the 'host' country in response to successful business activity. This idea of interaction and adaptation within the host country is also supported by the adoption of acupuncture as a prescriptive therapy by the NHS.

Other studies on Chinese entrepreneurs have suggested that they are much more dependent on informal networks than others. This conclusion is not really supported by the responses to the questionnaire and so remains an aspect of this business activity requiring further investigation. It could be that there are a variety of different sources that entrepreneurs rely on beyond the support of family networks. This either demonstrates a limit to our data or is an indication that there are currently limits to our knowledge of Chinese entrepreneurship in the UK. One issue to consider is that these businesses are trading in a sector where many regulations, both national and European govern safe practice. This presents a particular challenge where the firm owners need to understand the specific regulatory contexts within which they are practising. This could act as a discouragement for firms in the UK to import remedies directly from China preferring to let the distributors take the risk of checking quality purity and regulatory compliance.

7. Conclusion

IE, TE and EE represent three trends in the attempt to understand the dynamics of international transfer of business practices. Here, the case of TCM had been used as a case to identify whether one of these entrepreneurial theories can explain the development of a successful culturally based sector in the UK. It is acknowledged that results of interviews with 16 TCM practices provide rather limited data, and more research is necessary to fully understand the dynamics of TCM businesses. However, the findings are inconclusive in identifying only one model of entrepreneurship. They point rather to a more heterogeneous mix of entrepreneurial types involved in the establishment and development of this sector. In addition, it has been noted that changes in the home context indicates that the host country does not remain unchanged when there is such an international transfer of knowledge. The results reported on here indicate the need for further investigation of TCM to enable a clearer reflection on how the different entrepreneurial theories can be explanatory of everyday business practice. In conclusion, three key points stand out as concluding comments:

1. Commentators who have identified some overlap and synergy between the IE, TE and EE concepts are supported by these findings from TCM. In particular, in an ethnic sector displaying market 'breakout', there are similarities with the international transfer of knowledge and material flows identified as part of the TE activity. It could also be suggested that, over time a businesses that starts as a result of TE activity may become more of an ethnic business as the host country adapts to the needs of the sector. In addition, TE over two countries does not rule out the possibility of expansion and market development into other countries

2. It is not necessary to assume that an ethnically based business sector is homogenous in its origin and evolution. In TCM there is a clear split between businesses established by first

and second generation Chinese entrepreneurs, with both previous experience in the UK and China. This implies that care is needed when attempting to unravel the apparent overlap of entrepreneurial concepts, as there is clearly more than one type of previous experience that results in successful TCM businesses.

3. This sector is predominantly quite a recent development in the UK as the majority of businesses were established post-2000. This may contribute to the heterogeneity of the entrepreneurial types involved in their establishment. This also may help to explain why those UK based entrepreneurs have been able to avoid the traditional enclave markets.

Notes

1. For instance, a new joint-venture between a British and a Chinese university may aim to develop management courses for China. On the one hand, they draw upon the British management education and aim to 'export' this to China; on the other hand, in order to ensure the compatibility between the modules and the audience, the differences in the Chinese educational systems, the social, cultural differences, among others, would have to be taken into consideration. It is this integration of resources that defines Geographically Focused Start-ups. Their value chain activities are dispersed and co-ordinated across geographic location; and this, posited Oviatt and McDougall (1994: 59), would be 'socially complex or involve tacit knowledge'.
2. Again with the example of management education, a Global Start-up would not only develop market-specific management courses for a large number of countries, but also actively 'create' new markets, for example, in some European countries, where management is considered as experience-based rather than education-based. Among the four types of Born Global organisations, Global Start-ups are the most difficult international new venture to develop, but once established, have the most sustainable competitive advantage 'due to a combination of historically unique, causally ambiguous, and socially complex inimitability with close network alliances in multiple countries' (Oviatt and McDougall, 1994: 60).
3. A review of enterprises in Australia supports some of the main UK findings in particular the key role played by family networks especially in providing a source of finance. In addition, such firms have strong international supply networks and can also rely heavily on an ethnic Chinese customer base. In addition a split between the older and younger generation can also be identified in Australia where more highly educated, younger Chinese have moved into professional and financial services as well as information technology, similar to that seen in the UK (Collins, 2002).

References

- ATCM (2010) *Association of Traditional Chinese Medicine (UK)*, www.ATCM.co.uk, [accessed 26/07/10].
- Bagwell S (2008) Transnational family networks and ethnic minority business development The case of Vietnamese nail-shops in the UK. *International Journal of Entrepreneurial Behaviour and Research* 14 (6): 377-394.
- Bao, K (n. d.) *Comments on Nomenclature in Traditional Chinese Medicine*, <http://www.china-rmb.com/china-english/tcm/TCM-terms.htm> [accessed 26/07/10].
- Barclays Bank (2005) Black and minority ethnic business owners: A market research perspective. *SME Research* May.
- Basu A (2011) From 'break out' to 'breakthrough': Successful market strategies of immigrant entrepreneurs in The UK. *International Journal of Entrepreneurship* 15: 1-23.
- Basu A and Altinay E (2002) The interaction between culture and entrepreneurship in London's immigrant businesses. *International Small Business Journal* 20: 371-393.
- BBC (2005a) *Chinese Medicine Outlets Probed*, <http://news.bbc.co.uk/1/hi/health/4429414.stm>, [accessed 26/07/10].
- BBC (2005b) *Chinese Medicine Slim Aid Warning*, <http://news.bbc.co.uk/1/hi/health/4252298.stm>, [accessed 26/07/10].
- Budd S and Mills S (2000) *Professional Organisation of Complementary and Alternative Medicine in the United Kingdom: A Second Report for the Department of Health. Complementary Health Studies Programme*, University of Exeter, Exeter.
- Cant S and Sharma U (1999) *A New Medical Pluralism? Alternative Medicine, Doctors, Patients and the State*, London: UCL Press.
- Chandra, Y. and Coviello, N. (2010) Broadening the concept of international entrepreneurship: 'Consumers as international entrepreneurs', *Journal of World Business*, 45: 228-236.
- Chen W and Tan J (2009) Understanding transnational entrepreneurship through a network lens: Theoretical and methodological considerations. *Entrepreneurship Theory and Practice* September: 1079- 1091.
- Clark K and Drinkwater S (2010b), Recent trends in minority ethnic entrepreneurship in Britain. *International Small Business Journal* 28(2): 136-146.
- Clark, K and Drinkwater, S (2010a) Patterns of ethnic self-employment in time and space: evidence from British census microdata. *Small Business Economics* 34:323–338.
- Collins J (2002) The Chinese diaspora in Australia. *International Journal of Entrepreneurial Behaviour and Research* 8 (1/2): 113-133.
- Dahles H (2005) Culture, capitalism and political entrepreneurship: Transnational business ventures of the Singapore-Chinese in China. *Culture and Organization* 11(1): 45–58.
- Doel M A and Segrott J (2004) Materializing complementary and alternative medicine: Aromatherapy, chiropractic and Chinese herbal medicine in the UK. *Geoforum* 35: 727-738.
- DOH (2008) *Steering Group on the Statutory Regulation of Practitioners of Acupuncture, Herbal Medicine, Traditional Chinese Medicine and Other Traditional Medicine Systems Practised in the UK*, Report to Ministers, May, UK Department of Health.

Drori I, Honig B and Wright M (2009) Transnational entrepreneurship: An emerging field of study. *Entrepreneurship Theory and Practice* September: 1001-1022.

EHTPA (2009) *Government Moves to Regulate Practitioners of Acupuncture, Herbal/Traditional Medicine and Traditional Chinese Medicine*, Consultation Document, unpublished.

Ensign P C and Robinson N P (2011) Entrepreneurs because they are immigrants or immigrants because they are entrepreneurs? A critical examination of the relationship between the newcomers and the establishment. *The Journal of Entrepreneurship* 20(1): 33–53.

Evans S (2008) Changing the knowledge base in Western herbal medicine. *Social Science and Medicine* 67: 2098-2106

Green G, Bradby H Chan A and Lee M (2006) 'We are not completely Westernised': Dual medical systems and pathways to health care among Chinese migrant women in England. *Social Science and Medicine* 62: 1498–1509.

Jones T and Ram M (2007) Re-embedding the ethnic business agenda. *Work Employment Society* 21: 439-457.

Kitching, J, Smallbone, D and Athage R (2009) Ethnic diasporas and business competitiveness: Minority owned enterprises in London. *Journal of Ethnic and Migration Studies* 35 (4): 689-705.

LDA (2005) *Redefining London's BME-owned Businesses*, London Development Agency March.

Levie J (2007) Immigration, in-Migration, ethnicity and entrepreneurship in the United Kingdom. *Small Business Economics* 28:143–169.

Lin X and Tao S (2012) Transnational entrepreneurs: Characteristics, drivers, and success factors. *Journal of International Entrepreneurship* 10: 50–69.

Little, C V (2009) Simply because it works better: Exploring motives for the use of medical herbalism in contemporary UK health care. *Complementary Therapies in Medicine* 17(5-6): 300-8.

McDougall P P and Oviatt B M (2003) Some Fundamental Issues in International Entrepreneurship, <http://www.hajarian.com/estategic/tarjomeh/88-1/farahzadi.pdf> [accessed 14.3.13].

McDougall P P and Oviatt B M (2005) Defining international entrepreneurship and modelling the speed of internationalisation. *Entrepreneurship Theory and Practice* 29 (5): 537-554.

McEvoy D and Hafeez K (2009) Ethnic minority entrepreneurship in Britain. *Management and Marketing* 4 (1): 55-64.

Moore C, Bell R G, and Filatotchev I (2010) Institutions and foreign IPO firms: the effects of 'home' and 'host' country institutions on performance. *Entrepreneurship Theory and Practice* 34(3): 469-490.

Mustafa M and Chen S (2010) The strength of family networks in transnational immigrant entrepreneurship. *Thunderbird International Business Review* 52 (2): 97-106.

One Nucleus (n. d.) *Xiangcam TCM Research Centre*, <http://www.onenucleus.com/page/directory?id=3321>, [accessed 26/07/10].

ONS (2004) *Census 2001: National report for England and Wales*, London: Office of National Statistics.

Oviatt B M and McDougall P P (1994) Towards a theory of international new ventures. *Journal of International Business Studies* 25 (1): 45-64.

- Peiris, I. K., Akoorie, E. M. and Sinha, P. (2012) International entrepreneurship: A critical analysis of studies in the past two decades and future directions for research, *Journal of International Entrepreneurship*, 10: 279-324.
- Peng, M. W., Lee, S. and Hong, S. J. (2014) Entrepreneurs as intermediaries, *Journal of World Business*, 49: 21-31.
- Quested T (2009) Seeds sown for world-leading plant medicine hothouse in Cambridge. *Business Weekly*, <http://www.businessweekly.co.uk/2009072335249/life-sciences/seeds-sown-for-world-leading-plant-medicine-hothouse-in-cambridge.html>, [accessed 26/07/10].
- Ram M and Smallbone D (2003) Policies to support ethnic minority enterprise: the English experience. *Entrepreneurship and Regional Development* 15 (2): 151 — 166.
- RCHM (2010) *Register of Chinese Herbal Medicine*, www.RCHM.co.uk, [accessed 26/07/10].
- Rennie M W (1993) Born global. *McKinsey Quarterly* 4: 45-52.
- Rusinovic K (2008) Transnational embeddedness: Transnational activities and networks among first- and second-generation immigrant entrepreneurs in the Netherlands. *Journal of Ethnic and Migration Studies* 34 (3): 431-451.
- Scheid V (2007) Traditional Chinese medicine-what are we investigating? The case of menopause. *Complementary Therapy in Medicine* 15(1-3): 54–68.
- Sequeira J M, Carr J C and Rasheed A A (2009) Transnational entrepreneurship: Determinants of firm type and owner attributions of success. *Entrepreneurship Theory and Practice* September: 1023-1044.
- Thornton P H, Ribeiro-Soriano D and Urbano D (2011) Socio-cultural factors and entrepreneurial activity: An overview. *International Small Business Journal* 29(2): 105–118.
- University of Bristol (2004) Chinese herb garden. *Newsletter* 2 (4):1.
- Urbano D, Toledano N and Ribeiro-Soriano D (2011) Socio-cultural factors and transnational entrepreneurship : A multiple case study in Spain. *International Small Business Journal* 29: 119-134.
- Wang C and Altinay L (2011) Social embeddedness, entrepreneurial orientation and firm growth in ethnic minority small businesses in the UK. *International small Business Journal* 30(1): 3–23.
- WHO (2002) *WHO Traditional Medicine Strategy 2002–2005*, Geneva: World Health Organisation.
- Wong L and Ng M (2002). The emergence of small transnational enterprise in Vancouver: The case of Chinese entrepreneur immigrants. *International Journal of Urban and Regional Research* 26: 508–530.
- Yeung H W-C (2002) Entrepreneurship in international business: An institutional perspective. *Asia Pacific Journal of Management* 19: 29–61.

