



A Comparative Study of Overseas Chinese and Jewish Diaspora Family Owned Businesses

Roger King, PhD

Adjunct Professor of Finance

Director of Center for Asian Family Business Studies

Director of Center for Business Case Studies

Winnie Peng, PhD

Assistant Adjunct Professor of Finance

Associate Director of Center for Asian Family Business Studies

Associate Director of Center for Business Case Studies



Our Research Objectives

Our research examines the similarities and differences between the Overseas Chinese and Diaspora Jewish family businesses.

- ❑ Both face hostilities/prejudices within their host country or are surrounded by hostile nations and yet each has been able to thrive economically and politically.**
- ❑ Presently, 14 million Jews have a much greater influence over global affairs than 40 million Overseas Chinese. The issue is why?**
- ❑ Given an increasing economic and geopolitical presence of the People's Republic China in the coming decades, will the Overseas Chinese and their family businesses have the same or greater global influence as the current ethnic Jews?**



Our Research Objectives (continued)

Our research is still in “work-in-progress” state. Sadly, there is not much research/information on Jewish family businesses. Thus, our objectives of this trip (my first trip to the Holy Land) is to a) find more information on Jewish family businesses and b) to seek potential research collaborators

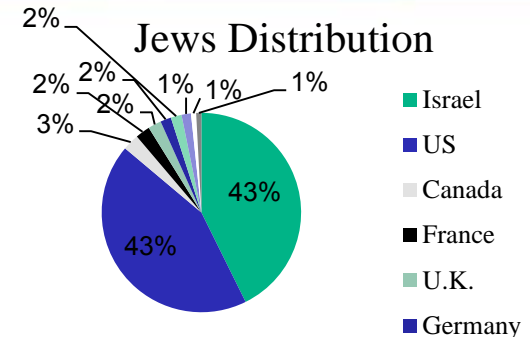


Definitions

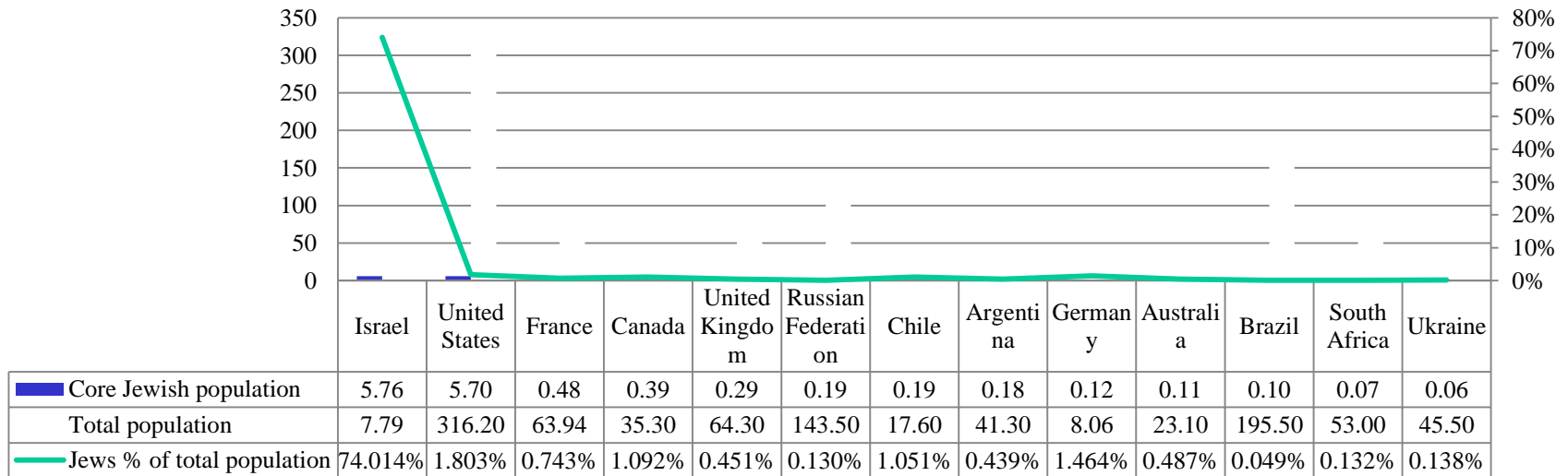
- ❑ **Jewish**: a person who was born of a Jewish mother or has become converted to Judaism and who is not a member of another religion
- ❑ **Overseas Chinese**: a person of Chinese birth or descent who lives outside the People's Republic of China and Taiwan
- ❑ A family business is a company ***owned, controlled, and operated*** by members of one or several families

Geographic distribution - Jews

There are about 14 million Jews around the world. Jews are concentrated primarily in North America (46%) and the Middle East (43%). Israel is the only country with a Jewish majority (73%). (The Global Religious Landscape, Pew Research Center, 2012)



Population of Jews and their % of total population in host countries (Million)

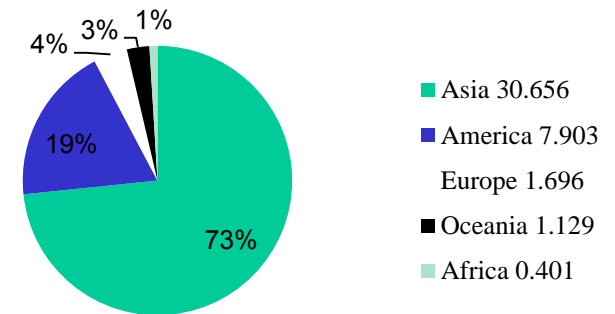


Source: Total population, data from world bank, 2010. Jewish population, data from the Pew Research Center's December 2012 report "The Global Religious Landscape". Figures are estimates for 2010.

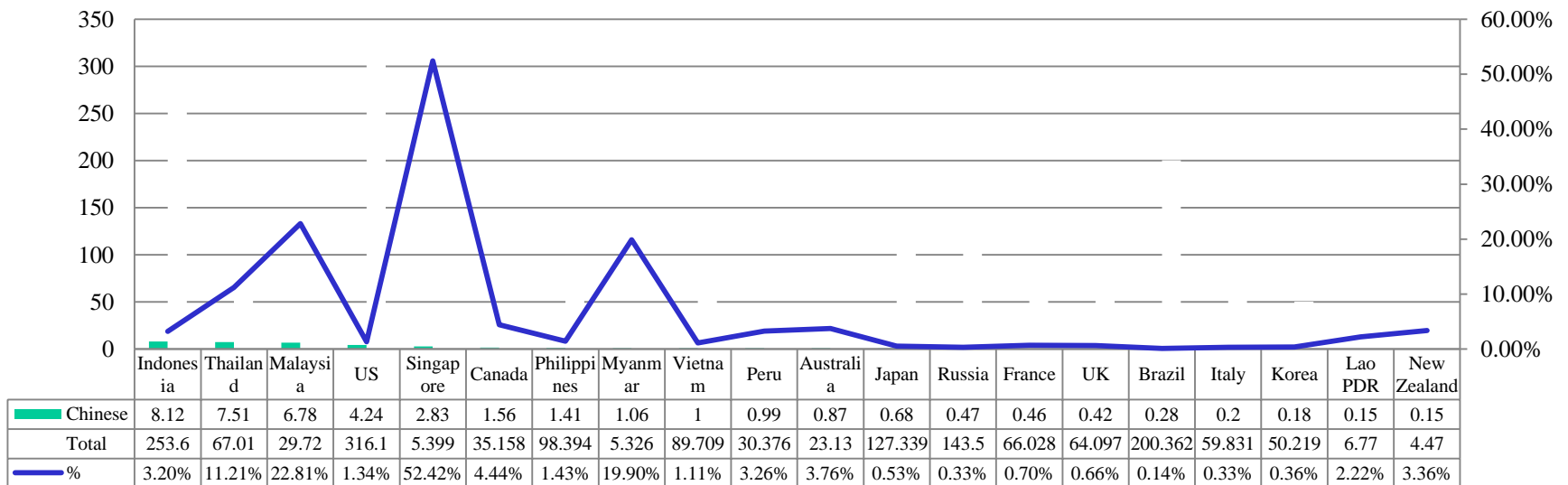
Geographic distribution – Overseas Chinese

There are around 41.78 million overseas Chinese worldwide. The Chinese American community is the largest overseas Chinese community outside of Asia. It is also the fourth largest in the Chinese diaspora, behind the Chinese communities in Indonesia, Thailand and Malaysia (Overseas Communities Council, Taiwan, 2013).

Overseas Chinese Distribution



Overseas Chinese and their % of total population in host countries (Million)



Top 10 Jewish billionaires (Forbes 2015)

Name	Age	Net Worth (US billion)	Country of citizenship	Source	Years in Business	Position
Larry Ellison	70	54.3	US	Oracle	38	CEO and co-founder
Michael Bloomberg	73	35.5	US	Bloomberg	34	CEO and co-founder
Mark Zuckerberg	30	33.4	US	Facebook	13	Chairman and CEO, co-founder
Sheldon Adelson	81	31.4	US	Las Vegas Sands	27	Chairman and CEO
Larry Page	42	29.7	US	Google	17	CEO and co-founder
Sergey Brin	41	29.2	US	Google	17	Director of Special Projects and co-founder
George Soros	84	24.2	US	Soros Fund Management LLC	45	Founder
Carl Icahn	79	23.5	US	Icahn Capital Management	30	Founder
Steve Ballmer	59	21.5	US	Microsoft	34	CEO (not founder)
Michael Dell	50	19.2	US	Dell	31	Chairman and CEO
	Average Age: 60.9	Average wealth: 30.19			Average: 28.6	

Top 10 ethnic Chinese billionaires ex. Hong Kong (Forbes 2015)

Name	Age	Net Worth (US billion)	Country of citizenship	Source	Years in business	Position
Henry Sy	90	14.2	Philippines	SM (Diversified)	57	Chairman and founder
Dhanin Chearavanont	75	13.6	Thailand	CP Group(Food)	62	Chairman (2 nd generation)
Charoen Sirivadhanabhakdi	70	13.2	Thailand	TCC (beverages)	55	Chairman and founder
Patrick Soon-Shiong	63	12.2	US	Pharmaceutical	18	Founder
Robert Kuok	91	11.3	Malaysia	Diversified	68	2 nd generation
Robert & Philip Ng	63	9.6	Singapore	Sino (real estate)	45	Chairman (2 nd generation)
R. Budi Hartono	74	9	Indonesia	banking, tobacco	52	2 nd generation
Michael Hartono	75	8.7	Indonesia	banking, tobacco	52	2 nd generation
Goh Cheng Liang	88	6.8	Singapore	Nipsea (Paints)	70	Founder
John Gokongwei, Jr.	87	5.8	Philippines	JG (Diversified)	55	Founder
	Average age: 77.6	Average wealth: 10.4			Average: 53.4	

Top 10 ethnic Chinese billionaires (Forbes 2015)

Name	Age	Net Worth (US billion)	Country of citizenship	Source	Years in business	Position
Li Ka-shing	86	33.3	Hong Kong	CKH (conglomerate)	75	Chairman and founder
Lee Shau Kee	87	24.8	Hong Kong	Henderson (conglomerate)	57	Chairman and founder
Thomas&Raymond Kwok	63	15.9	Hong Kong	SHK Properties	40	2 nd generation
Cheng Yu-tung	89	144	Hong Kong	conglomerate	45	Chairman and co-founder
Henry Sy	90	14.2	Philippines	SM (Diversified)	57	Chairman and founder
Dhanin Chearavanont	75	13.6	Thailand	CP Group(Food)	62	Chairman (2 nd generation)
Lui Che Woo	85	13.5	Hong Kong	Casinos	65	Chairman and founder
Charoen Sirivadhanabhakdi	70	13.2	Thailand	TCC (beverages)	55	Chairman and founder
Patrick Soon-Shiong	63	12.2	US	Pharmaceutical	18	Founder
Robert Kuok	91	11.3	Malaysia	Diversified	68	2 nd generation
	Average age: 81	Average wealth: 29.6			Average: 54.2	



Overseas Chinese dominate the top 10 richest in their respective host ASEAN countries

☐Indonesia – 7

☐Thailand – 8 (more difficult to identify due to near total assimilation. Even the current royal family is part ethnic Chinese)

☐Malaysia – 8

☐Philippines – 6

43% of the 30 richest in United States are Jewish



Similarities:

- Hard working (out of necessity for survival)**
- Frugal and thrifty**
- Importance of (higher) education for the benefit of future**
- Notion of my “bag is packed” mentality – prefer liquid assets ex US**
- Economic success in host countries**
- Hostility - disliked by host society**
- Importance of family unity and continuity**

A globe with a red ribbon is centered in the background of the slide. The globe is blue and white, and the red ribbon is draped across it. The title "Similarities (continued)" is written in white text over the globe.

Similarities (continued)

- Clannish and resistance to assimilation**
- Male orientation in inheritance**
- Survival driven**
- Dependence of Diaspora network**
- Developed great economic power enabling the use political influence/bribery to protect their interests**

A globe with a red ribbon is centered at the top of the slide. The globe shows a cityscape and a red ribbon is draped across it. The word "Differences:" is written in white, bold, sans-serif font, underlined, and positioned over the globe.

Differences:

- ❑ Notion of homeland or sojourners (Chinese)
- ❑ Dialectic bondage with kinship organizations 同鄉會 (Chinese)
- ❑ Active/direct participation in local politics (Jewish - especially in US)
- ❑ Individualism (Jewish) vs. collectivism (Chinese)
- ❑ Religion bondage (Judaism) vs. cultural bondage (Confucianism)
- ❑ Meritocracy (Jewish) vs. birth order (Chinese) in inheritance practice



Differences (continued):

- ❑ **Patriarchal (Chinese) vs. open dialog (Jewish) in decision making**
- ❑ **Developed (Jewish) vs. emerging or developing (Chinese) economies**
- ❑ **Control or dominate significant and important industries in US – Financial Services, Technology, Media and Real Estate (Jewish)**
- ❑ **Global achievers: At least 193 (22%) Nobel Prize winners are Jewish vs. 11 for ethnic Chinese**
- ❑ **Cumulated wealth of Jewish billionaires vs. Overseas Chinese billionaires US\$30.2 vs. US\$10.4 – also younger 60.9 vs. 77.6 and tend to be founders**



Observations:

Today, why 14 million Jews have a much greater influence over global affairs than 40 million Overseas Chinese?

- ❑ Western domination of the globe over the past 2 centuries**
- ❑ Notion of developed vs. emerging/developing economies**
- ❑ In US, most Overseas Chinese are late arrivals (1980's) – early waves are mostly labors**
- ❑ Difficulties in assimilate in developed economies for Chinese – also notion of homeland**
- ❑ Limited involvement in politics and access to certain industries (personal experiences)**



Observations (continued):

Given the increasing economic and geopolitical presence of the People's Republic China in the coming decades, will the Overseas Chinese and their family businesses have the same or greater global influence as the current ethnic Jews?

- ❑ Notion of Asian Century – nation state vs. culture state (Martin Jacques)**
- ❑ Continual conflict between US and China (notion of containment and blue navy)**
- ❑ Territorial disputes especially in East and South China Sea**
- ❑ Not necessary positive for Overseas Chinese owned family business**



Thank you, תודה, 谢谢