



Digital Commons@

Loyola Marymount University
LMU Loyola Law School

Sociology Faculty Works

Sociology

2009

Private sector development in Xinjiang, China: A comparison between Uyghur and Han

Tyler Harlan

Loyola Marymount University

Follow this and additional works at: https://digitalcommons.lmu.edu/socio_fac



Part of the [Environmental Studies Commons](#), and the [Urban Studies and Planning Commons](#)

Digital Commons @ LMU & LLS Citation

Harlan, Tyler, "Private sector development in Xinjiang, China: A comparison between Uyghur and Han" (2009). *Sociology Faculty Works*. 37.

https://digitalcommons.lmu.edu/socio_fac/37

This Article is brought to you for free and open access by the Sociology at Digital Commons @ Loyola Marymount University and Loyola Law School. It has been accepted for inclusion in Sociology Faculty Works by an authorized administrator of Digital Commons@Loyola Marymount University and Loyola Law School. For more information, please contact digitalcommons@lmu.edu.

Tyler HARLAN

Department of Resource Management & Geography
The University of Melbourne
Parkville, Victoria
3010 Australia
tharlan@unimelb.edu.au

Private Sector Development in Xinjiang, China: A Comparison between Uyghur and Han

INTRODUCTION

This paper focuses private sector participation and entrepreneurship in the Xinjiang Uyghur Autonomous Region (XUAR) in China's far northwest, an area physically and culturally distinct from the economic boomtowns of the coast. Like other border areas of China, ethnic minorities make up a large portion of the population, 54% in Xinjiang compared to 8% in China as a whole [XSY, 2008]¹. The Uyghurs, a Turkic Muslim ethnic group numbering about 8 million, primarily reside in Xinjiang's poorer agricultural south in oasis settlements along the old Silk Road [Toops, 2004]. Economic reforms have been slow to reach rural southern Xinjiang, and even now Uyghurs primarily engage in agriculture outside the main urban areas. In contrast, Xinjiang's Han Chinese-populated urban north has benefited from state investment as an industrial hub and the focal point for private sector activity in the region.

The private sector in Xinjiang, though small, has in recent years attracted growing numbers of entrepreneurs and workers into urban centres. Resources in XUAR are increasingly allocated by the market rather than the state – an environment that, to ethnic mino-

rities, means advantages for Han who have greater access to jobs and self-employment opportunities due to their privileged urban position [Bovingdon, 2004]. Though ethnic groups such as the Uyghurs and Kazakhs have a long history of trade and mercantilism [Roberts, 2004], most minority entrepreneurs operate informally on the fringe of Xinjiang's economic landscape. Rates of private sector participation and entrepreneurship in Xinjiang thus display significant ethnic difference. For Uyghurs, the focus of this paper, this issue has contributed to worsening relations with Han, exacerbated by deadly riots in July and August 2009 [Sainsbury 2009]. Thus, the growth and integration of Uyghur entrepreneurs into the urban private sector forms a crucial step in maintaining ethnic stability in the region.

This paper builds on earlier studies of minority entrepreneurship in Xinjiang that highlight the growing importance of the private sector for the Uyghurs. Research undertaken by Dana (1998) focused primarily on border trade with Kazakhstan, while a later work by Vicziany and Zhang (2004, 2006) examined the relationship between Uyghur migration and entrepreneurship. Both studies

¹ Figures calculated from the Xinjiang Statistical Yearbook, hereafter XSY.

note the low levels of Uyghur participation in the private sector; however, there has been no attempt to investigate the regional variation of Xinjiang's private sector growth and quantify Uyghur participation and entrepreneurship vis-à-vis the Han. This paper addresses this gap by investigating two related issues: private sector concentration in Xinjiang's urban north and levels of participation (defined as self-employment or employment in a private enterprise) and entrepreneurship (self-employment) between Uyghur and Han. It forms part of a larger empirical study that analyses the challenges facing new minority entrepreneurs in Xinjiang and their role in development.

I first describe the growing importance of the private sector in Xinjiang and the economic role of the state. I then note discrepancies between Xinjiang's urban north and rural south in private sector development in relation to Han in-migration. I demonstrate that areas with a large Uyghur population have a less developed private sector than areas with a Han majority. I show how Uyghurs have increasingly engaged in private sector activity, though mostly in tertiary industries such as commerce and catering. I conclude by suggesting the need to foster urban minority enterprises to increase Uyghur participation in the private sector and reduce the inter-ethnic gap.

ECONOMIC DEVELOPMENT AND THE PRIVATE SECTOR IN XINJIANG

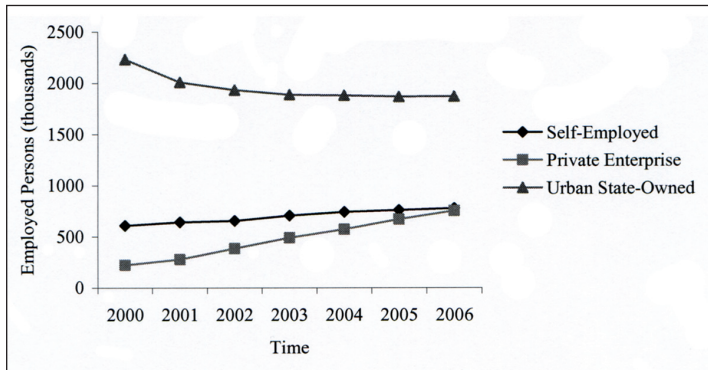
Xinjiang's economy differs markedly from that of China's coast, where the private sector accounts for over 70% of the national GDP [Engardio, 2005]. Like other western provinces in China, Xinjiang's remote location has deterred foreign trade and investment – until the collapse of the Soviet Union, little trade filtered through Xinjiang's 5,000 kilometre-long border. Rather, the central government relied on the Xinjiang Production and Construction Corps (XPCC; hereafter *bingtuan*), a demobilised branch of the People's Liberation Army, to 'reclaim' land and establish large-scale farming [Toops, 2004, pp. 245-246; Seymour, 2000]. Xinjiang's vast resources, strategic position along the Silk Road 'energy corridor' and sometimes-violent ethnic tensions have led the central government to retain a firm grip on the economy. Reform in border trade has aided private sector growth, but the economic structure of XUAR remains unbalanced and is dominated by state and *bingtuan* ownership [Vicziány and Zhang, 2004, pp. 2-5).

However, while the state maintains heavy control over Xinjiang's economy, the number of producing units in the private sector has steadily increased in the last few years. The number of private enterprises (*siying qiye*: 8 or more employees) rose from 3,251 to 5,099 from 2001 to 2004, and self-

employed units (*getihu*: less than 8 employees) increased from 643,000 to 742,000 in the same period [NBS, 2008, Table 5-16; NBS, 2002, Table 5-18; XESY, 2006, Table 7-18]. The number of employed persons in *siying qiye* and *getihu* has also burgeoned with the establishment of new enterprises (Figure 1). Several large privately-owned enterprises from eastern China have recently established branches in Xinjiang [Zhao, 2001, p. 218]. Local governments now actively encourage the development of Xinjiang's small and medium enterprises through tax breaks, as well as providing preferential tax policies for foreign-funded enterprises (*Xinjiang Daily*, 2008). In contrast, employment in the urban state sector has followed the national downward trend through enterprise restructuring and massive layoffs (over 600,000 from 1995 to 2000) [Weimer, 2004, p. 179].

With declining employment in the state and collective sectors, the private sector will be expected to absorb surplus workers and migrants in Xinjiang. Nonetheless, while the private sector in XUAR continues to grow, economic development has been concentrated in the industrialised, urban north at the expense of the rural south. In the next section, I show how uneven development has resulted in inequalities in private sector growth and participation between regions and ethnic groups.

Figure 1. Change in employment by type of ownership, Xinjiang, 2000-2006



Source: China Statistical Yearbook (CSY) 2007 (NBS 2008: Tables 5-2, 5-13 and 5-14); CSY 2006 (NBS 2007: Tables 5-4, 5-15 and 5-16); CSY 2005 (NBS 2006: Tables 5-4, 5-18 and 5-19); CSY 2004 (NBS 2005: Tables 5-4, 5-18 and 5-19); CSY 2003 (NBS 2004: Tables 5-4, 5-17 and 5-18); CSY 2002 (NBS 2003: Tables 5-4, 5-17 and 5-18); CSY 2001 (NBS 2002: Tables 5-4, 5-17 and 5-18).
Calculated by author.

UNEVEN REGIONAL DEVELOPMENT IN XINJIANG

In the PRC as a whole, selling agricultural surplus on the market, the beginnings of ‘primitive accumulation’ [Webber, 2007] heralded the start of a dynamic, ‘home-grown’ private sector of self-employed individuals. Today the penetration of foreign capital into China favours urban areas, leading to higher national rates of urban private sector employment. Yet unlike in the rest of China, farmers in Xinjiang remained more closely tied to the state and were often coerced into growing cash crops, particularly cotton. Only since 1999 have agricultural labourers in Xinjiang been able to sell excess cotton on the market [Chau, 2004, p. 259]. In contrast, cities have received the majority of investment [Zhao, 2001, p. 216]. Thus the rise of

the private sector has followed urbanisation and industrialisation of Xinjiang’s cities as a predominantly urban phenomenon.

Table 1 illustrates the primacy of urban private sector employment in Xinjiang. There are two main issues of note here. First, Xinjiang’s economy maintains a higher share of urban employment than the PRC as a whole, despite XUAR’s higher proportion of rural residents (in Xinjiang, 37.9% to 62.1%; in China, 43.9% to 56.1%) [NBS, 2008, Table 4-1; XSY, 2008, Table 4-1]². Second, Xinjiang’s rural share of private and self-employed individuals is much lower than in urban areas, and its percentage of self-employed individuals has actually decreased since 1995. This can be attributed partly to

² Weimer (2004, p. 177) writes that “in contrast to the rest of China, a relatively large share of Xinjiang’s population resides in urban areas, 50 percent of the total versus 30 percent for China as a whole.” This conclusion is based on pre-2000 census data taken from the Xinjiang Statistical Yearbook, which listed the urban and rural proportion in 1999 at 52.3% and 47.7%, respectively [XSY, 2008, Table 4-1]. However, from 2000 the yearbook notes that “the total urban and rural population is calculated on the 5th national population censuses, data of population is calculated on the annals

of public security in other years” (ibid, Table 4-1). As other studies of Xinjiang evince gradual urbanisation since 1949 (see Ren and Yuan, 2003), we can conclude that a sharp decline in urban population is unlikely. As census data are generally more accurate in Xinjiang, revised ratios provide a better picture of overall proportions. The most recent 2005 1% census sample gives ratios as urban = 24.4%, town = 12.8%, village = 62.8% (calculated by author) [Xinjiang Statistical Bureau, 2007, Tables 1-1a, 1-1b and 1-1c].

Table 1. Urban and rural employment, Xinjiang and PRC, 1995-2005 (in thousand persons)

	1995		2000		2005	
	Xinjiang	Xinjiang	PRC	Xinjiang	PRC	
Total	6 622 (100%)	6 725 (100%)	629 789 (100%)	7 643 (100%)	680 274 (100%)	
Urban Total	3 497 (52.8%)	3 184 (47.3%)	150 166 (23.8%)	3 604 (47.2%)	176 400 (25.9%)	
Private enterprise	68 1.9%	171 5.4%	12 679 8.4%	586 16.3%	34 584 19.6%	
Self-employed	270 7.7%	409 12.8%	21 361 14.2%	571 15.8%	27 777 15.7%	
Rural Total	3 125 (47.2%)	3 541 (52.7%)	479 623 (76.2%)	4 039 (52.8%)	503 873 (74.1%)	
Private enterprise	23 0.7%	52 1.5%	11 387 2.4%	85 2.1%	23 656 4.7%	
Self-employed	216 6.9%	198 5.6%	29 339 6.1%	188 4.7%	21 228 4.2%	

Source: Wiemer (2004, p. 178); CSY, 2001 [NBS, 2002, Table 5-4]; CSY, 2006 [NBS, 2007, Table 5-4].

Calculated by the author.

Note: Numbers in parentheses indicate percent of total; others indicate percent of urban/rural.

PRC figures are for sums across provinces. Figures derived average about 10% less than the national total and 30% for urban subtotal. Wiemer (2004, p. 178) notes that this is due to a yearbook adjustment.

Percentages within rural sub-category represent employment shares exclusive of primary industries.

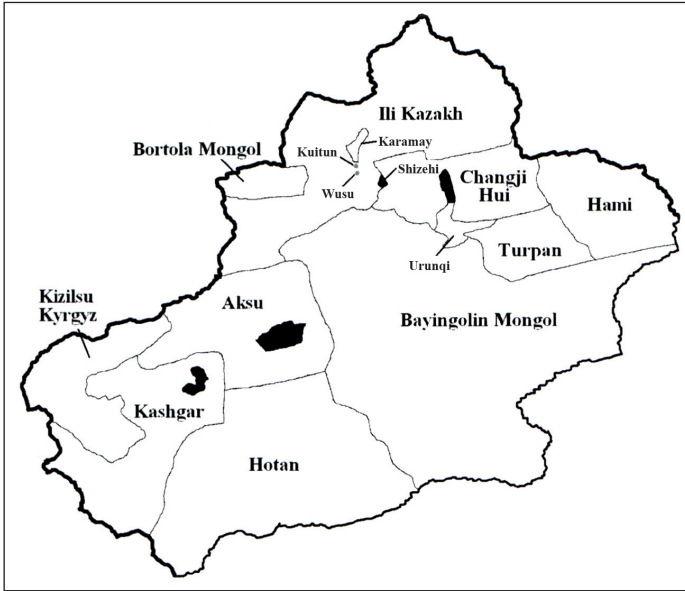
more rapid urbanisation since the reform period and better opportunities in cities both in employment and in private business.

Most of Xinjiang's urban areas, and by far its most industrialised, are located north of the *Tian Shan* (Heavenly Mountains) along the 'northern economic belt' stretching from Urumqi in the east to Karamay in the west (see Map 1). Cities here were originally established as Qing garrison outposts, *bingtuan* settlements or as industrial centres during China's interior modernisation program that served as conduits for state-sponsored migration and settlement [Toops, 2004]. They have since grown rapidly. Xinjiang's northern economic belt accounted for nearly half of the Region's total GDP in 2006 [XSY, 2008, Table 2-10] and 90% of its heavy industry in 1995 [Zhao, 2001, p. 216]. Each has its designated industry: Karamay is a

petrochemical centre, Kuitun is involved in energy production, and Changji serves as an industrial suburb to Urumqi. Road and rail transport link the entire economic belt to the hub at Urumqi, where goods can be loaded and shipped off to destinations in eastern China and further afield.

Smaller cities in Xinjiang's south have experienced some urban development, but to a lesser degree owing to their poor infrastructure and vast distances from key markets [Zhao, 2001]. A railway line from Urumqi to Kashgar was only completed in 1999, while the Hotan spur is not to be serviceable until 2010 [Zhou, 2008]. All of southern Xinjiang's border crossings are closed for at least six months out of the year, prohibiting overland travel. Distance from inner China pre-empts large-scale investment from reaching most of southern Xinjiang, though

Map 1. Prefectures, administrative districts and northern belt cities, Xinjiang



Note: Labels in bold refer to prefectures and administrative districts. Other labels refer to northern belt cities. Areas shaded black are administered by the bingtuan. Ili Kazakh Autonomous Prefecture includes the subdivisions of Tacheng Prefecture and Altai Prefecture.

the central government plans to invest heavily in select southern cities [Zhao, 2001, pp. 216-217]. Economic restructuring in Xinjiang delegates agricultural production and oil extraction as the south's primary activities; however, Tarim Basin oilfields continue to be unprofitable for Xinjiang's residents and most southern inhabitants are involved in small-scale subsistence farming with little income [Becquelin, 2004].

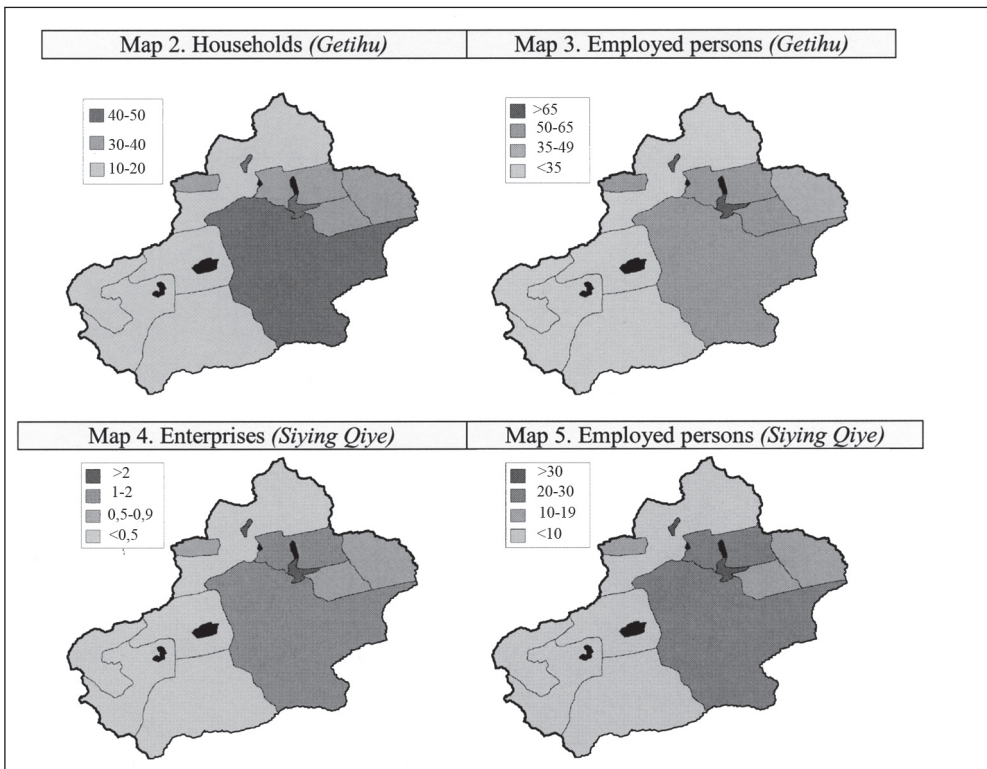
Private sector development has followed government investment and infrastructure in the urban north and has grown rapidly. Maps 2-5 illustrate the density of producing units and employed persons in both private sector classifications (*getihu* and *siying qiye*) for 2004 in each Xinjiang prefecture and prefecture-level city. In both cases, southern Xinjiang displays less density of private sector activity than the north.

Nearly all northern prefectures and administrative districts display greater density of *getihu* and *siying qiye* than those in the south, particularly the northern belt cities of Urumqi and Karamay and Changji Hui Autonomous Prefecture (hereafter AP). In the south, Aksu Prefecture exhibits a slightly higher ratio of enterprises per thousand

population than other southern districts, largely due to the presence the Ayal *bingtuan* unit [Toops, 2004, p. 258]. XPCC members are no longer guaranteed labour in Xinjiang and many choose to participate in the private sector [Wiemer, 2004, p. 178], which boosts the density of *getihu* and *siying qiye* in Aksu. Bayingolin AP also has much private activity as it includes Korla, a boomtown built on energy resources. Ili Kazakh AP in the north supports border ports and cooperative zones conducive to private trade [Zhao, 2001, p. 216]. In contrast, the southern districts of Kizilsu Kyrgyz, Kashgar and Hotan display extremely low densities of self-employed household units and private enterprises.

The critical issue is that not only have industrial development and investment been concentrated in Xinjiang's urban north, but that the northern 'economic belt' and surrounding industrial cities contain a large majority of Han residents. Many are migrants from eastern China, arriving since de-collectivisation and the establishment of the household responsibility system in 1978 that prompted a second 'looser' phase of Han migration into Xinjiang [Ren and Yuan, 2003, p. 96]. From 1953 to 2006 the Han population

Maps 2-5. Private sector producing units and employed persons by prefecture/district, Xinjiang, 2004 (figures are per thousand population)



Source: Xinjiang Economic Census Yearbook [XESY, 2006, Tables 1-9 and 7-18]; XSY, 2007 (2008, Tables 4-7 and 4-12); XSY, 2005 (2006, Tables 4-5 and 4-7).

Calculated by author.

Note: Getihu = less than 8 employees; siying qiye = 8 or more employees.

Note: Areas shaded black are administered by the bingtuan and not included in the analysis.

increased its share of Xinjiang's total population from to 6.1% to 39.6% [Toops, 2004, p. 246; NBS, 2008, Table 4-7]. Though many recent migrants are skilled, those lacking a household registration permit, or *hukou*, comprise Xinjiang's 'floating population' that reside in Xinjiang's urban areas, particularly in the north [Solinger, 1995]. *Bingtuan* members are also overwhelmingly Han at 88.8% of total membership [Seymour, 2000]. At the same time, Xinjiang's Uyghurs and ethnic minorities predominate in rural areas (Table 2) and in southern Xinjiang (Maps 6-7).

The majority of Uyghurs in Xinjiang inhabit a series of oasis settlements and rural townships surrounding the southern Tarim Basin, primarily in the Kizilsu Kyrghyz, Kashgar and Hotan districts. However, substantial populations are present in

the eastern towns of Turpan (*Tulufan*) and Qumul (*Hami*), both known for fruit production, and the traditional centre of Gulja located in Ili Kazakh AP on the border with Kazakhstan. Xinjiang's thirteen other recognised minority groups are also predominantly rural, and many (particularly Kazakhs) reside in the northern grasslands, mostly in Ili Kazakh AP [Benson and Svanberg, 1998]. In contrast, the Han population primarily resides in Xinjiang's larger 'northern belt' cities and in other northern areas linked by rail to eastern China. One exception is Korla, located in the sparsely inhabited Bayingolin Mongol AP, which boasts a large Han population that significantly increases the Han share in the prefecture [Ma, 2003, p. 113]. When divided into north and south, Xinjiang thus displays considerable ethnic difference in population.

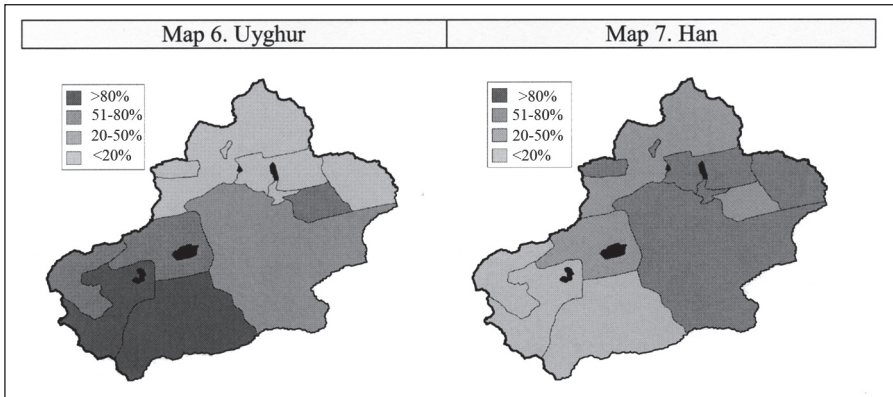
Table 2. Urban and rural population shares, Xinjiang, 2004 (%)

	<i>Shares within groups</i>			<i>Shares between groups</i>		
	City	Town	Village	City	Town	Village
Han	43.1	15.2	41.7	70.4	47.1	26.5
Uyghur	10.4	10.1	79.5	20.0	36.8	59.5
Other Minorities	1.8	15.7	66.5	9.6	16.1	14.0

Source: Xinjiang 1% Population Census Sample 2005 (Xinjiang Statistical Bureau 2007: Tables 1-1a, 1-1b, 1-1c, 2-1, 2-1a, 2-1b and 2-1c).

Calculated by author.

Maps 6-7. Ethnic shares by prefecture/district, Xinjiang, 2006



Source : XSY, 2007 (2008, Tables 4-7, 4-12, 21-2).

Note: Areas shaded black are administered by the bingtuan and not included in the analysis.

Bachman (2004) charges the central government of 'Han economic imperialism' in Xinjiang and argues that the main beneficiaries of economic development are urban Han. 'Internal colonialism' may not capture the dynamic of Han and urban-centric development in Xinjiang [Sautman, 2000], but it does illuminate the economic inequalities between the north and south and therefore, Han and Uyghur. Statistical data comparing living standards of China's minorities is unavailable in the PRC [Bovingdon, 2004, p. 40], but existing census figures demon-

strate that the Uyghur 'traditional heartland' in southern Xinjiang shows poorer economic growth, lower GDP per capita and less private sector development in than in the Han-populated north. Additionally, Wiemer (2004, p. 177) has constructed a regression equation that demonstrates that, when controlling for agriculture, every one-percent increase in Han population corresponds with an increase in per capita GDP of 44¥. These figures together suggest that Uyghurs are more economically disadvantaged and have less access to the private sector than Han.

GAUGING UYGHUR PRIVATE SECTOR PARTICIPATION AND ENTREPRENEURSHIP

Regional disparity in economic development and in the density of privately-owned units seems to demonstrate ethnic divisions in private sector participation. Several researchers note poor minority performance in the private

sector in Xinjiang [Vicziány and Zhang, 2004; Wiemer, 2004]. Other studies conclude that Han retain easier access to jobs, education the private sector than Uyghurs due to their privileged urban position [Bovingdon, 2004].

Indeed, the location of most Uyghurs in rural areas outside the main economic centres precludes them from private sector participation and entrepreneurship. While preferential policies have accounted for better Uyghur participation in higher-salaried staff-and-worker positions (*zhigong*) [Hopper, 2005, pp. 46-47], these policies are not extended to the private sector [Bovingdon, 2004, p. 37]. Accordingly, Uyghurs experience difficulty in securing private sector employment, often because Han business owners prefer Han employees [Gilley, 2001]. Thus, we would expect both Uyghur private sector participation and entrepreneurship to be low vis-à-vis the Han.

There is little statistical evidence to help determine Uyghur participation and entrepreneurship in the private sector. However, comparisons of workforce shares between ethnic groups in different industries shed some light on the degree of Uyghur private sector participation. Table 3 gives shares between ethnic groups both for agriculture and for non-farm industries, taken from the 2000 census 'long form' sample. Han exhibit higher shares in all non-farm industries, particularly in manufacturing, resource extraction and construction positions that offer better remuneration (see Hopper, 2005, p. 42).

Table 3. Ethnic shares between groups by industry, Xinjiang, 2000 (%)

	Han	Uyghur	Other minorities
Total	41.4	45.6	13.0
Agriculture & primary industries	25.1	59.9	15.0
Non-farm industries	67.2	23.0	9.8
Extractive	75.9	14.4	9.8
Manufacturing	70.6	23.0	6.3
Construction	89.5	7.3	3.2
Transport/storage	72.3	18.2	9.4
Commerce/catering	66.9	23.2	9.9
Commercial services	77.6	13.1	9.3
Social services	56.4	30.2	13.4
Other	58.6	28.2	13.2

Source: Xinjiang Population Census 2000 (2002, Table C2-1).

Data from long form. Calculated by author.

Note: Commercial services includes: 'finance and insurance' and 'real estate'. Social services includes: 'social services', 'hygiene, sport and social welfare' and 'education, culture and art, radio, film and television'. All other categories classified as other.

However, much of this disparity in secondary and tertiary sector employment between ethnic groups is due to the high percentage of the Uyghur population being employed in agriculture. Noticeable Uyghur shares of trade and catering services (23.2%) and manufacturing (23.0%) thus suggest some level of participation. When considering shares *within* ethnic groups, commerce/catering and manufacturing account for 7.8% of total Uyghur employment and, importantly, 40.1% of Uyghur non-farm employment [Xinjiang Population Census 2002, Table C2-1]. Thus, to obtain a better picture of Uyghur private sector participation within the ethnic group, we should examine overall employment of the *non-farm work-*

force only. In Table 4, shares within ethnic groups are divided by the proportion of the ethnic group engaged in non-farm activities, demonstrating that Uyghurs outside agriculture migrate toward employment in other industries, particularly commerce. When shares within groups for the non-farm workforce only are examined, the percentage of Uyghurs engaged in commerce/catering and social services actually exceeds that of Han, while reaching similar levels in manufacturing and transport. Shares for other minorities experience a similar jump. Since a large proportion of Xinjiang's private sector is skewed toward commerce and transport [see XESY, 2006, Tables 1-9 and 7-18], these figures suggest

Table 4. Ethnic shares (non-farm workforce) within groups by industry, Xinjiang, 2000 (%)

	Total	Han	Uyghur	Other minorities
Agriculture & primary industries	61.4	37.3	80.6	70.9
Non-farm industries	38.6	62.7	19.4	29.1
<i>of non-farm workforce, shares in:</i>				
Extractive	3.2	3.6	2.0	3.2
Manufacturing	19.4	20.4	19.5	12.5
Construction	8.3	11.0	2.6	2.7
Transport/storage	8.3	8.8	6.7	7.9
Commerce/catering	20.5	20.4	20.6	20.6
Commercial services	2.6	3.0	1.5	2.4
Social services	21.2	17.9	27.8	29.2
Other	16.3	2.9	2.1	2.7

Source: Xinjiang Population Census (2002, Table C2-1). Data from long form. Calculated by author.

Note: Categories grouped as in Table 3.

that non-farm Uyghurs and other ethnic minorities may be inclined toward private sector participation.

The census data, however, cannot accurately gauge Uyghur private sector participation, nor do they demonstrate the degree of Uyghur involvement in entrepreneurship. Fortunately, figures from a 1998 PRC study of minorities in Xinjiang, compiled by Wiemer (2004, p. 180), show the density of *getihu* by ethnic group, a useful gauge of self-employment. As with industry shares between ethnic groups in Table 4, the

Uyghur population in Table 5 exhibits a lower density of *getihu* than the Han population, suggesting that Uyghurs are less inclined toward self-employment than Han. However, if the number of *getihu* in non-farm industries is divided by the proportion of the population in the non-farm workforce, the density of *getihu* for Uyghurs increases significantly to nearly double the ratio for the Han population (see Table 5). Not surprisingly, the majority of self-employed Uyghurs are involved in commerce and catering, which validates the data in Table 4.

Table 5. Self-employment by ethnicity, Xinjiang, 1998 (in number of *getihu* per thousand population)

	<u>Whole population</u>		<u>Non-farm workforce</u>	
	Han	Uyghur	Han	Uyghur
Overall	25.33	15.99	40.40	82.42
Agriculture	0.00	0.00	0.00	0.00
Extractive	0.01	0.01	0.00	0.00
Manufacturing	2.79	2.02	4.45	10.41
Construction	0.07	0.06	0.11	0.31
Transport/Storage	2.39	0.82	3.81	4.23
Commerce/Catering	15.31	11.42	24.42	58.87
Social Services	4.27	1.51	6.81	7.78
Other	0.49	0.15	0.78	0.77

Source: Adapted from Wiemer (2004, p. 180).

Note: Ratios divided by ethnic non-farm workforce proportions from Table 4.

The self-employment trends illustrated in Table 5 suggest that low levels of Uyghur self-employment for the whole population are mainly due to participation in agriculture rather than an inability to conduct business. In fact, the non-farm Uyghur workforce shows a much greater density of commerce and catering *getihu* than Han, showing that Uyghur self-employment outside agriculture is actually twice as common as with Han, particularly in commerce and restaurant/catering industries.

Furthermore, the figures in Table 5 actually underestimate levels of Uyghur self-employment for at least two reasons. First, Xinjiang's private sector has grown substantially in the last decade since the 1998 *getihu* study was published, and Uyghur entrepreneurship has increased with it [see Vicziany and Zhang, 2004]. Second, much of Uyghur self-employed activity goes uncounted in statistical data. Uyghurs who engage in informal self-employment, usually by selling excess crops or handicrafts, may do so without reporting their activities to the local government office. This 'informal' private sector is common in both the countryside and in cities where traders and petty entrepreneurs operate without a fixed location [Solinger, 1995]. Thus, small scale trade and craft production among Uyghurs may not be represented in the official data.

These official statistics and other studies of Xinjiang demonstrate that most Uyghur entrepreneurs in Xinjiang are engaged in trade

and catering services (such as restaurants). Many traders rent stalls in regional and urban bazaars selling goods obtained from eastern China. Uyghur eateries abound in Xinjiang's cities due to their 'cultural monopoly' on *halal* food services [Vicziany and Zhang, 2004]³. In addition, a significant number of Uyghur merchants have forged trade links with Central Asia, with whom they have a cultural and linguistic affiliation. Merchants may 'sojourn' in Kazakhstan or Uzbekistan for months at a time selling Chinese-made goods and then scour domestic markets for more products [Roberts, 2004]. Several merchants have grown quite wealthy in this way [see Vicziany and Zhang, 2006, p. 58].

However, Uyghur merchants who have grown accustomed to skirting customs duties on imports and exports have found increasing scrutiny at the border in recent years [Roberts, 2004, pp. 221-224]. Many merchants now operate through approved channels or through urban-based import/export agencies. In addition, Central Asian buyers who prefer to purchase goods in bulk now often head straight for factories in eastern China or large-scale markets in Urumqi, rather than operating through Uyghur 'middlemen' [*ibid.*, p.224]. Thus, while border trade remains lucrative for some Uyghur merchants, industries within the urban private sector are growing in importance, and access to them is necessary for Uyghur business development.

CONCLUSION

This paper has described Uyghur private sector participation and entrepreneurship compared to Han. I have argued that while Xinjiang's private sector has grown in importance, self-employment and private enterprise are mostly limited to urban areas in the north. This affects Uyghur participation and entrepreneurship in the private sector, which is significantly lower than Han. However, I have demonstrated that Uyghurs outside

agriculture are more inclined toward self-employment than Han, particularly in trade and catering services. A survey of other recent studies [Roberts, 2004; Vicziany and Zhang, 2004] has revealed that many Uyghur entrepreneurs are involved in informal or unregistered private sector activity, many as merchants along the Central Asian border. However, changing economic conditions in Xinjiang are boosting the importance of

³ Hui Muslims also own restaurants and eateries throughout Xinjiang, though Uyghurs rarely eat in Hui

establishments.

urban entrepreneurship for Uyghurs. There is a need, then, to foster and encourage the development of urban Uyghur enterprises that will facilitate greater minority participation in the private sector.

In a previous study, Vicziany and Zhang (2004, p. 13) state that Xinjiang's unique political economy (prevalence of state-owned enterprises, the *bingtuan*, and central government subsidization of the economy) make state support a key to successful entrepreneurship, and call for state funds invested in inefficient *bingtuan* enterprises be redirected toward subsidies for minority entrepreneurs. Though this would be a welcome improvement, similar funding schemes thought already to be in place have been poorly implemented and inaccessible for most Uyghurs. Thus, state efforts should

focus on quality implementation of funding opportunities for enterprises as well as working toward restructuring finance channels through banking and microfinance programs [Park et al., 2001]. In addition, entrepreneurship training strategies similar to those in place in other inner provinces of China should be made more widely accessible to Uyghurs (see ADB 2008 for a description of these programs). These approaches should accompany the ongoing development of reforms tackling education, poverty and infrastructure to further promote indigenous entrepreneurship among Uyghur communities. Uyghur entrepreneurs can provide a valuable source of employment and income for the community, making them a vital component in reducing economic disparity and improving ethnic relations in Xinjiang.

REFERENCE LIST

- Asian Development Bank (ADB) (2008), China western region rural entrepreneurship promotion, Manila, J. Wei and C. Jiang, available at <http://www.adb.org/Documents/Translations/Chinese/Western-Region-Rural-Entrepreneurship-TA4790-CN.pdf> accessed 2 March 2009.
- BACHMAN D. (2004), "Making Xinjiang safe for the Han? Contradictions and ironies of Chinese governance in China's northwest", in M. Rossabied, *Governing China's multiethnic frontiers*, Seattle, University of Washington Press, pp. 155-185.
- BEQUELIN N. (2004), Staged development in Xinjiang, *The China Quarterly*, vol. 178, n° 1, pp. 358-378.
- BENSON L. and SVANBERG I. (1998), *China's last nomads: The history and culture of China's Kazaks*, Armonked., NY, M.E. Sharpe.
- BOVINGDON G. (2004), Autonomy in Xinjiang: Han nationalist imperatives and Uyghur discontent, *Policy Studies*, East-West Center Washington available at <http://www.eastwestcenter.org/stored/pdfs/PS011.pdf> accessed 26 February 2009.
- CHAU K.-C. (2004), "Xinjiang", in Y.M. Yeung and J. Shen eds., *Developing China's West: A critical path to balanced national development*, Hong Kong, Chinese University Press, pp. 251-275.
- DANA L.P. (1998), Small business in Xinjiang, *Asian Journal of Business & Information Systems*, vol. 3, n° 1, pp. 123-135.
- EENGARDIO P. (2005), China is a private-sector economy, *Business Week Online* 22 August 2005 available at http://www.businessweek.com/magazine/content/05_34/b3948478.htm accessed 24 January 2009.
- GILLEY B. (2001), Uighurs need not apply, *Far Eastern Economic Review* (August 23).
- HOPPER B. (2005), The face of development: Migration and (dis)integration in Urumqi, Xinjiang Uyghur Autonomous Region, Unpublished Honours Thesis, Department of Geography Melbourne University, Melbourne.
- MA R. (2003), "Population distribution and relations among ethnic groups in the Kashgar region, Xinjiang Uyghur Autonomous Region", in R. Iredale, N. Bilik and G. Fei Armonk eds., *China's minorities on the move: Selected case studies*, NY, M.E. Sharpe.
- National Bureau of Statistics (NBS) (2002), *Zhongguo tongji nianjian 2001 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2003), *Zhongguo tongji nianjian 2002 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2004), *Zhongguo tongji nianjian 2003 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2005), *Zhongguo tongji nianjian 2004 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2006), *Zhongguo tongji nianjian 2005 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2007), *Zhongguo tongji nianjian 2006 (China statistical yearbook)*, Beijing, China Statistics Press.
- National Bureau of Statistics (NBS) (2008), *Zhongguo tongji nianjian 2007 (China statistical yearbook)*, Beijing, China Statistics Press.
- PARK A, REN C. and WANG S. (2001), Microfinance with Chinese characteristics, *World Development*, vol. 29, n° 1, pp. 39-62.

- REN Q., and YUAN X. (2003), Impacts of migration to Xinjiang since the 1950s, in R. Iredale, N. Bilik and G. Fei Armonk eds., *China's minorities on the move: Selected case studies*, NY, M.E. Sharpe, pp. 89-105.
- ROBERTS S.R. (2004), A "Land of borderlands": Implications of Xinjiang's trans-border interactions, in S.F. Starr Armonk ed., *Xinjiang: China's Muslim borderland*, N.Y., M.E. Sharpe, pp. 216-239.
- SAINSBURY M. (2009), Urumqi chiefs go in bid to end riots, *The Australian*, vol. 7, (September), available at <http://www.theaustralian.news.com.au/story/0,25197,26034643-25837,00.html> accessed 19 September 2009.
- SAUTMAN B. (2000), Is Xinjiang an internal colony?, *Inner Asia* vol. 2, n° 2, pp. 239-271.
- SEYMOUR J.D. (2000), Xinjiang's Production and Construction Corps, and the Sinification of Eastern Turkistan, *Inner Asia* vol. 2, n° 2, pp. 171-193.
- SOLINGER D. (1995), The floating population in the cities: Chances for assimilation?, in D.S. Davis, R. Kraus, B. Naughton and E.J. Perry eds., *Urban spaces in contemporary China: The potential for autonomy and community in post-Mao China*, Cambridge: Cambridge University Press, pp. 113-139.
- TOOPS S. (2004), The demography of Xinjiang, in S.F. Starr Armonk ed., *Xinjiang: China's Muslim borderland*, N.Y., M.E. Sharpe, pp. 241-263.
- VICZIANY M., and ZHANG G. (2004), The rise of the private sector in Xinjiang (western China), Han and Uyghur entrepreneurship, Paper read at 15th Biennial Conference of the Asian Studies Association of Australia 29 June-2 July 2004 at Canberra, Australia available at <http://coombs.anu.edu.au/SpecialProj/ASAA/biennial-conference/2004/Vicziany+Zhang-ASAA2004.pdf> accessed 9 March 2009.
- VICZIANY M., and ZHANG G. (2006), Minority entrepreneurs on the move: The Uyghurs, in I. Neilson, R. Smyth and M. Vicziany eds., *Globalisation and labour mobility in China*, Melbourne, Monash Asia Institute, pp. 53-72.
- WEBBER M. (2007), The places of primitive accumulation in rural China Second Global Conference On Economic Geography 25-28 June 2007 Beijing, China.
- WIEMER C. (2004), The economy of Xinjiang, in S.F. Starr Armonk ed., *Xinjiang: China's Muslim borderland*, NY, M.E. Sharpe, pp. 163-189.
- Xinjiang Daily (2008), Zhiziqu Gongshang Ju lingdao zuo ke (interview with Autonomous Region Industrial and Commercial Bureau chief) 4 September 2008 available at <http://61.128.100.120/voice/265648.shtml> accessed 17 December 2008.
- Xinjiang Economic Census Yearbook (XESY) (2006), *Xinjiang jingji pucha nianjian 2004 (Xinjiang economic census yearbook)*, Beijing, China Statistics Press.
- Xinjiang Population Census (2002), *Xinjiang Weiwu'er Zizhiqu 2000 nian renkou pucha ziliao 2000 (Xinjiang population census)*, Beijing, China Statistics Press.
- Xinjiang Statistical Bureau (2007), *2005 nian Xinjiang Weiwu'er Zizhiqu 1% ren kou chou yang diao cha zi liao (Xinjiang Uyghur Autonomous Region 1% population census sample)*, Beijing, China Statistics Press.
- Xinjiang Statistical Yearbook (XSY) (2006), *Xinjiang tongji nianjian 2005 (Xinjiang statistical yearbook)*, Beijing, China Statistics Press.
- Xinjiang Statistical Yearbook (XSY) (2008), *Xinjiang tongji nianjian 2007 (Xinjiang statistical yearbook)*, Beijing, China Statistics Press.
- ZHAO Y. (2001), Pivot or periphery? Xinjiang's regional development, *Asian Ethnicity*, vol. 2, n° 2, pp. 197-224.
- ZHOU C. (2008), Kashi yu Hetian tielu liu yue kaijian (Kashgar to Hotan railway to begin construction in June) Government of Kashgar News Source 3 March 2008 available at <http://www.kashi.gov.cn/Article/200802/6288.htm> accessed 30 January 2009.
-