

Entrepreneurship among Southeast Asian refugees

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EXECUTIVE SUMMARY

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Many Indochinese refugees have expressed the desire to resettle in rural areas. Such resettlement must be carefully planned if it is to be successful. This report examines the possibilities of such resettlement through the study of Indochinese entrepreneurship.

The report focuses on already existing food-related entrepreneurship in the metropolitan Washington area. It depicts its structure and functions in order to elucidate the patterns of emerging rural entrepreneurship.

Rural entrepreneurship is studied through the examination of an Indochinese initiated agricultural cooperative. The role of the Indochinese Community Center, a mutual assistance association, is noted in this new entrepreneurial endeavor.

The report concludes with a list of policy concerns derived from the study.

Introduction

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Approximately 20,000 Indochinese refugees have settled in the Washington, D.C. area since 1975 (Refugee Reports 1982). These people represent several distinct cultures and, despite their diversity, both academic and lay observers record a uniform impression: Indochinese refugees express a desire for both individual and community economic independence and, for the most part, engage in activities which help to fulfill that desire. Our research is designed to shed light on that general impression by studying a particular Indochinese refugee phenomenon - food-related entrepreneurship. This research, unlike scientific anthropological studies, does not test a series of hypotheses. Instead, it applies the methods of ethnographic research to describe part of the economic and social world of the Indochinese refugee.

As the body of research on Indochinese refugees in the United States grows and becomes more sophisticated, researchers are giving more attention to the specific forms which refugee adjustment takes (Haines 1980, Haines, Rutherford and Thomas 1980, Haines 1982). Researchers have been concerned with refugee entry into the job market (Finnan 1982) and

with conflicting value orientations (Chakroff and Lidsker 1981). This report concentrates on activities initiated by the Indochinese refugees to achieve the individual and economic independence mentioned and the benefits which accompany those activities.

The study of refugee food-related entrepreneurship is important in itself for what it tells us of this special immigrant group, but it has even more importance for its policy implications and for the insights it offers into the possible rural resettlement of Indochinese refugees. For these reasons we constructed a two level research strategy to study Indochinese food-related entrepreneurship in its American context. We expected our investigations to

p. 3 show if a demand for the products of rural entrepreneurship existed, and we proposed to link the study of food-related entrepreneurship to the possible rural resettlement of refugees by looking at a second level of entrepreneurial activity, the Indochinese cooperative agricultural project in Oxon Hill, Maryland. We hoped to determine if urban and rural Indochinese refugee enterprises could likely establish a mutually beneficial economic relationship and to assess all the activities studied for their policy implications.

Methodology

Several methods of data collection were employed in carrying out the research - participant observation in a number of contexts, in-depth interviews and the use of a loosely designed survey schedule. Nine entrepreneurs have been interviewed to greater or lesser extents. Three of these have partaken in second, lengthier interviews. We have carried out on-site visits and participant observation at restaurants, carryouts, grocery stores and food exchange/food sharing events. We have harvested produce with Lao families involved in the summer projects, interviewed them and attended their planning meetings for the coming summer's work. We have talked with farmers who hire Indochinese day workers to pick vegetables, and we have discussed the possibility of resettling interested Indochinese with agricultural extension agents, community leaders and farmers in rural St. Mary's County, Maryland.

Indochinese Entrepreneurship: Its Structure and Functions

Our earliest research concentrated on the business and ethnic structure of Indochinese groceries and restaurants. We found that these enterprises are predominantly Vietnamese owned (eight of the nine entrepreneurs interviewed are Vietnamese), and we attribute this to the conditions of each group's immigration. The Vietnamese, especially those who came in the initial wave of 1975, were able to bring some capital with them while the Cambodians did not. (Table I illustrates important elements in food-related entrepreneurship.) Of

p. 4 the enterprise, therefore, we realized early that ethnic factors bore little influence on the competition among these businesses. In fact, we found that the competition we had assumed
p. 5 would exist was contradicted by the individual entrepreneurs. They all emphasized their services to the Indochinese community at large, and they pointed to the economic advantages of such services. Hence, as the Indochinese entrepreneurs began to define the elements of their enterprises our perspectives of the phenomena were enlarged to include such factors as

the adaptive and ethnic maintenance functions of food-related enterprises and the cultural beliefs which constitute those factors.

These underlying social and cultural beliefs clearly differentiate the Indochinese enterprises and entrepreneur from their American counterparts. *The American Heritage Dictionary* defines entrepreneur as a “person who organizes, operates and assumes the risk for business ventures. “Our research indicates that while there may be no essential difference in the ways in which Indochinese and Americans define that term, the ways in which they live out that definition markedly differ. Each group faces the same economy, but each lends its particular imprint to the economic activities it faces. Our evidence indicates that Indochinese food-related entrepreneurship differs from its American counterpart in two important areas: 1) investment and planning and 2) the estimation of the returns and benefits accruing to the entrepreneur.

1) Investment and Planning

Once they discerned that propitious circumstances existed for starting a business, the Vietnamese entrepreneurs outlined long range plans whose execution depended equally on the financial success of the venture and the availability of kin as a source of both labor and investment.¹ All of our respondents expressed reservations about obtaining loans from American financial institutions. They believe that the banks of the United States are difficult to deal with,

that the laws and regulations governing bank loans are too constraining, and that the time involved in procuring a loan is excessive. Only two of our respondents procured loans, one from the Small Business Administration and one from a Virginia bank, and only one of the two men financed his business wholly through his loan. The remainder of the entrepreneurs secured their initial financing through savings and loans from kin and community.

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These loans garnered through kinship ties and community networks were rather informal in nature. No repayment schedule accompanied these loans, and no anxiety was expressed regarding their repayment. Usually no set amount was required from investors, and the terms of repayment were not discussed. Most of our respondents seemed to hold the same attitudes as this Virginia grocery store owner when it came to the topic of kin and community loans:

I got money from many, many people. People gave \$1,000 or \$2,000, \$100 or \$200, whatever they could. When they wanted to give me money, I said 'Okay as long as we don't talk money.' We never talked about paying back and no interest. When they need it, they will get it back. I have one partner, but I do all the work - ordering, stacking shelves, picking up deliveries. Only family work here, I do not have to pay anybody.

¹ We label the entrepreneurs as Vietnamese here because the one non-Vietnamese entrepreneur, a Lao, was not overly concerned with long range plans but with the more immediate needs of his family. In the past few weeks, considering the fact that his son has found a secure job, he has made arrangements to sell his grocery store.

Hence, as we can see from this quote, the Indochinese entrepreneurs utilized traditional kinship and social values to finance their businesses and confront an uncertain economic situation. By so doing they minimized their risks - certainly their friends and relatives would not repossess their homes -as they do in all areas of their ventures, and they gave those ventures a community orientation.

This community orientation and minimization of risks characterizes the preparation and execution of long range plans as well. All but one of these entrepreneurs has plans for expansion (the one who does not is a Lao who intends to sell his store very soon), and the possibility of these expansions

p. 7 rests with the obligations to and from relatives. As these businesses are established, the Vietnamese businessmen broaden their ability to fulfill their social obligations and, in fact, the traditional kinship structure enables them to carry out their plans for expansion. Their plans for expansion usually depend on a reliable and cheap labor pool, and their kin provide that at the same time as they help their kin. The Vietnamese kinship system is an extensive patrilineal system which emphasizes sibling relationships in the first ascending generation (Haines 1980). Such a system entails an ideal which posits social and economic cooperation as well as sharing among relatives, an ideal difficult to put into practice in the American context. Yet, the food-related venture enables the Vietnamese to put it into practice, and its enactment, in return, empowers the entrepreneur to proceed with his long range plans. Not only does the economic independence enable families to carry out kinship obligations but also the kinship system structures, to some extent, those businesses. Economics and kinship reciprocally effect one another, a phenomena evidenced by the particular evolution of a Maryland grocery store which we witnessed over the course of our research.

We first visited this store in October: it was a small grocery store which ran a tax service. In February when we returned for a follow-up interview the establishment not only sold groceries and completed tax returns but also included a carryout with a rather large menu and an area for patrons to either sit down and eat or socialize. The owner of the grocery/carryout explained that this expansion took place somewhat spontaneously. The pizza shop two doors down from his original store had gone out of business and was for rent. He rented it knowing that his aunt, uncle and cousins would soon be moving to the area. He knew his aunt to be a good cook, and, although she had never done it before, he felt that she could cook for and coordinate the restaurant with some administrative help from him. Moreover, his uncle, for whom he

p. 8 found a full time job, and his cousins, who attend school, could work part time for him. He had more hands to help him transport his merchandise and another apartment in which to store the stock displaced by the restaurant/carryout. These relatives are paid in kind, and the work they do is not calculated in terms of time and dollars. Mutual assistance rules the relationship, and this mutual assistance both enacts traditional kinsip values and supports long range business plans.

2) Estimation of Returns and Benefits

Our data show that the Indochinese define success differently than Americans in food-related enterprises. While his American counterpart, who is most often a fast-food franchise owner, must be concerned primarily with bank loans and financial success, the Vietnamese entrepreneurs count success by measuring many items never listed on a balance sheet. Profit, in the sense of a percentage of investment at the end of a year, is not the sole or even the main criterion for success. (It is no coincidence, in our opinion, that no Indochinese owns highly mechanized, capital intensive fast-food franchises in the Washington metropolitan area.) For example, food-related businesses provide for the basic nutritional needs of one's family, and the Indochinese entrepreneur counts this into the success of his venture. One carryout owner pointed out that he had been spending \$600.00 a month on food for his family of seven. Now that he has the carryout, he spends only \$1,000.00 a month for the whole operation and feeds his family from the same supply. His costs are reduced, and his business pays off in ways not apparent on a balance sheet.

All members of the owners' families are involved in the enterprises. Everyone can be expected to appear at the store or restaurant at some time of every day. Each member works to some degree. It is this ability to create "something for everyone to do" which is counted into success. The enterprises provide employment and social contact for family and kin, and the owners often bring other family members who are living elsewhere to

the Washington area when the venture is operating securely.

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The enterprises, therefore, provide a multiplicity of positive social functions which the entrepreneurs calculate into their success ratio. These functions appear on the levels of the individual, the family, the extended family, and the community. Informants report that having employment is important to one's sense of individual worth, and working together provides the family with a setting in which positive adjustment to their new situations can be made while avoiding the traumatic experiences which adjustment to American life can impose (Glaser, 1982). Extended family members eat at these establishments and take food home with them. They are often paid in kind, thus lessening the financial burdens of both their wage-earning families and the owner. (Such arrangements also enable the owner to wrest himself free from the federal regulations on wages and taxes.)

Family interactions within the establishment are kept within the context of Vietnamese values so these institutions help to maintain the traditional respect for one's elders that is so often undermined by conditions of resettlement. Because food-related enterprises serve a predominantly Indochinese clientele, the necessity of learning English is postponed somewhat for the older generation. The older members of the families are buffered by the younger who have learned English faster and who deal with those customers who speak English. The elder Vietnamese, on the other hand, maintain their dignity and the respect of the young through demonstrations of their considerable expertise in the day to day workings of the enterprise.

These social and cultural adaptations which the food-related enterprises facilitate are reproduced on the community level as well. In fact, they create a sense of community. The venture acts as a gathering point

p. 10 and in many ways serves a function formerly reserved for the ethnic neighborhood (kim, 1982). These gatherings rely on the recreation of a Vietnamese community ethos which depends, as Haines (1980:11) has pointed out, on the smooth functioning of social units smaller than the community or corporate group - kinship groups.

The Indochinese groceries and restaurants, relying on these groups to reproduce themselves, provide this ethos, an ethos which on any given day can be observed in the cooperative interaction of fellow businessmen, the exchanges between employees and customers, and the socializing among customers. For example, checkout lines at these enterprises differ from those we normally encounter at an American supermarket or grocery. In the American case, everything is streamlined to facilitate speed. The Vietnamese checkout is oftentimes a social event in itself and takes time. We have observed lines interrupted several times in the course of half an hour while the owner recommends and gets another product, checks a price, or chats with someone else. These interruptions, frustrating to the American consumer, establish bonds between the establishment and its customers and serve a community organizing function. If a customer is purchasing a large number of items the person at the cash register will leave the post to get an item which complements the purchase and present it to the customer at no charge. Reciprocity enters into the business transaction and a community spirit is enhanced.

The Vietnamese entrepreneurs, at least those in the Wilson Boulevard area of Clarendon, augment this community spirit as well through the cooperative relationships they have with each other. The owners of these stores and their employees often restock their shelves with goods from another store when they run out of an item. Each has an account at the other's store

p. 11 and uses the account to keep items they offer on hand at all times. The entrepreneurs attribute this exchange to their strong community spirit, but there is an economic function as well. This type of exchange minimizes risks. All of the owners with whom we talked emphasized at one time or another the need to have all items on hand so that their customers will feel secure knowing the supply is reliable and will therefore return. One Virginia entrepreneur told us, "They take care of me and I take care of them".

All these factors, then, create a sense of community in the commercial areas which is enhanced with the expansion of the venture. As the groceries or restaurants expand to include other subspecialities, more customers are attracted and the ventures become focal points for community gatherings. During February's Tet (the Vietnamese New Year) an unannounced dragon dance took place in the largest grocery store of Clarendon. The dance stopped all commerce and engaged shoppers, diners, employees, and passersby. Indochinese from Maryland, Virginia, and the District of Columbia were all present, as they usually are, in anticipation of meeting friends, exchanging information, and enjoying Indochinese food. The

dragon dance provided them with a means to reaffirm their ethnic identity and allowed a celebration of that identity in an integrative way.

Such integrating social mechanisms and the behaviors which give rise to them enable us to differentiate the character of Indochinese food-related entrepreneurship from its American counterpart. This differentiation is important because it enables us to understand the different rules underlying the business activities of Indochinese enterprises and their American counterparts, and because they may suggest ways in which rural entrepreneurship might develop.

The following table depicts some of the attitudes which underlie and characterize the Indochinese food-related enterprise. We cast them alongside what American analysts posit as the essential elements of contemporary entrepreneurship to emphasize differences in conducting economic ventures and the different values in which those ventures are interpreted (The Entrepreneurship Institute, 1982; Venture Magazine, 1982).

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The Indochinese Agricultural Experiment

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Up until this point we have been describing the urban food-related entrepreneurial venture - a grocery, carryout or restaurant. However, the summer farming and garden projects of the Indochinese Community Center (ICC) in Oxon Hill, Maryland and Fairfax, Virginia, constitute entrepreneurship at yet another level.

The Indochinese Community Center (ICC), a mutual assistance association offering a number of services to its Lao, Vietnamese, and Cambodian members, leased a five acre plot in Oxon Hill, Maryland, during the summer of 1982 to grow a variety of vegetables. Twenty Lao families were involved in the project. Far more was produced than the growers could use. From the Lao point of view the experiment was exactly that and not a failure although only a small percentage of the crop was harvested. The same longrange planning and minimization of risks apparent in the urban food-related activities were at work in the farming project. The refugees were merely testing their traditional agricultural knowledge in new circumstances.

The families involved in the summer planting and harvesting bought into the cooperative, paying a small amount for seeds and the cost of plowing. Tasks were not assigned but were dependent on transportation and availability of people to do them. Families brought kin and friends to help and these received vegetables in return. Every family took home more produce than each could use. Before the project began there had been talk of marketing the produce. Although the leasor of the land accepted much of the produce for sale at his roadside market and paid the families in cash, most was not sold but was distributed through the Lao community. Some produce went to Buddhist monks who serve the community, thus fulfilling religious obligations. Seeds were gathered, dried, and prepared for planting in 1983.

The knowledge and benefits gained at Oxon Hill were supplemented by a

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second smaller project in Virginia in which several families participated. These families planted on county lands made available through the Extension Service of the Fairfax County, Virginia Park Authority. Through their group efforts they have learned that many oriental vegetables can be grown here with the raised bed techniques of Indochina. These families grew Chinese parsley, cabbage, Chinese water cress, green mustard, mint, green onions, lemon grass, ginger, cherry tomatoes, hot peppers and oriental eggplant.

This experiment in agricultural cooperation is an interesting development to observe for reasons other than entrepreneurial ones. Only Lao families participated in the experiment, a fact which leads us to think that rural entrepreneurship may be valued for certain ethnic groups in the Indochinese community and not valued in others. Vietnamese families in the D.C. area were aware of the experiment, but none chose to participate. Finnan (1982: 166) has noted that the Vietnamese "like a clean job; it is the culture," and she attributes that preference to a Vietnamese middle-class ethos. The same ethos may enable comprehension of the situation noted here, and future research into this feature is warranted.

Plans for the Coming Season at Oxon Hill

The Lao community leaders at Chillun Heights and the Indochinese Community Center have begun to organize the cooperative garden plot for this agricultural season. They are trying to improve upon the results of last year. The prospective participants have met several times in the past two months and have decided to lease a smaller plot than last year. Twenty dollars is the investment required from each participating family, and this investment will be used for buying seed and renting the land. It is hoped that this investment will induce the cooperative's members to more efficiently harvest the produce.

Once the produce is harvested plans call for the distribution of the produce

p. 15 and any cash earned among the participating families according to the number of hours worked on the plot. The cooperative members plan to grow both the American produce which they harvested last year and the oriental vegetables which the I.C.C group experimented with in Virginia. I.C.C members have consistently consulted with the group and will help them organize the planting, harvesting and marketing of the produce. So far the project's leaders have confirmed several retail outlets, but they foresee much of the marketing being conducted at an informal level. The cooperative has not established any market relationships with the already existing Indochinese food-related businesses. The Indochinese entrepreneurs have expressed a willingness to deal with local producers on an informal level, and the cooperative members have chosen to abide by that wish. They will establish their credibility as producers piecemeal and will deal with the food-related businesses on a week to week basis. Our data do show, however, that many informal farm to market routes do exist. These include entrepreneurial activities on the part of individual growers whose grass routes ventures would not be dignified with the title of business venture in the American sense. The cooperative plans to utilize such marketing measures.

We see, then, that the cooperative is fairly well settled economically. But it does have some organizational difficulties stemming from ethnic differences. At the major organizational meeting in February equal members of Lao and Khmer attended. The Lao leaders presented their plans and opened discussion: the Khmer responded with reservations about those plans. They feel that if they invest in the project they may never obtain the proper return on their investment. They say that last year they did not get to the Oxon Hill site enough to warrant a twenty dollar investment. The leasor of the land sends a bus to Chillun Heights every day to pick up a designated

number of workers, and the Khmer feel that the Lao, the group that make the first contact with the leasor through the voluntary agency which sponsored many of them, will have priority as workers. They feel, therefore, that they will not get to Oxon Hill enough to harvest vegetables from the cooperative garden. p. 16

Unfortunately, this problem is out of the Lao's hands since they do not decide the number of laborers to be used each day and do not provide transportation. Anxious over their economic situations, all the families are protective of their own interests. The Indochinese Community Center's staff is aware of this problem and shall seek resolutions for it as the project proceeds.

Implications for Rural Resettlement

The main focus of our research has been the structure and functioning of the Indochinese enterprise, the possibilities of marketing Southeast Asian agricultural produce and the possibilities of producing that produce. We have found that social and cultural factors play a role in structuring the Indochinese enterprises, and they ought to be considered carefully in any plans for developing rural enterprises; that marketing Southeast Asian agricultural produce is possible but only on a limited and informal scale at the moment even though all of the food-related enterprises we had contact with were interested in locally grown produce; and that Southeast Asian agricultural produce can be produced locally under a variety of arrangements.

Significantly we have found that any rural resettlement plan which relies on the production of Asian produce would be a mistake because there simply is not a large enough market for it. Moreover, we have concluded from studying successful Indochinese enterprises that rural resettlement should take place in groups in areas which can provide satisfactory social services. Rural resettlement would not be desirable without the semblance of an Indochinese community in a particular area whose social service system

could provide for the special needs of refugees.

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Yet, such reservations do not rule out rural resettlement. The Indochinese agricultural workers we have interviewed in Chillun Heights express a desire to resettle in rural areas, and our discussions with a team of agricultural extension agents in St. Mary's County, Maryland indicate that there may be successful ways to resettle refugees in those areas. These agents, having been informed of the relationship of farmers and refugees in Oxon Hill, felt there might be a role for rurally resettled Indochinese with innovative farmers in their area. They told us of their

efforts to revitalize the agricultural economy in their area by encouraging some of the larger farmers to move away from tobacco to other, more labor intensive crops, and these men believed that the availability of a reliable Indochinese labor force may well instigate these farmers to finally innovate. These agricultural experts were aware of the conservatism typical of middle class farmers in areas like theirs but felt that if the Indochinese resettlement was presented as a community benefit through a church or other voluntary agency then there would be real possibilities (Cancian 1979).

Implications for Policy

We would like to draw attention to a number of policy concerns affecting entrepreneurship that emerged in the course of our investigations. At a time when dependency rates are a widespread public concern Indochinese entrepreneurship seems a fertile place of study. It reveals the nature of economic independence and may suggest fruitful paths for policy-makers to follow.

This report contains insufficient data to support more than a mere listing of these concerns, but the list is useful nonetheless in that it suggests areas to address with regards refugee entrepreneurship and economic independence.

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1. Effective kinship relations both foster and are fostered by economic development, and the development of family enterprises are adaptive on the individual, familial and community levels.
 2. The Voluntary Agency is effective in establishing relationships between refugee groups and the established power bases in communities while the Mutual Assistance Association is adept at the necessary first step of organizing refugees. These groups should function in a complementary manner in relation to each other.
 3. In groups with "loose structures" of social organization the Mutual Assistance Associations may have a vital role to play in facilitating entrepreneurship and/or economic independence.
 4. Capital accumulation is difficult for refugee groups and the difficulties they perceive with American methods of financing ought to be addressed.

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