

**“Achieving economic and cultural independence: the contributions,
successes and future directions of the Indochinese in America”**

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Mr. Chairman, Members of the Subcommittee on Immigration and Refugee Policy,

As a representative of the national consortium of Southeast Asian refugee organizations, I am very pleased to appear before you today to present the refugee viewpoint on the re-authorization of the Refugee Act of 1980. In the first place, I would like to say that we, refugees from the three countries of Indochina, are committed to offer whatever help we can in designing an improved domestic resettlement program and in carrying it out to the best of our combined abilities.

1.1. Toward an Effective Resettlement Strategy

From the perspective of the Southeast Asian refugee community, we support the establishment of an effective placement strategy, special assistance to impacted areas, emphasis on employment-related services and better coordination between various organizations and agencies at different levels. In all of these activities, we consider the full participation of the refugee community as critical to the success of resettlement programs.

While recognizing the high welfare dependency rate, we feel the need to point out that this rate generally refers to refugees who are on some form of public assistance, and that earlier refugee arrivals have now proved to enjoy a higher rate of labor force participation than the U.S. population.¹ Furthermore, the welfare dependency rate does not reflect the actual contributions of refugees who have been self-sufficient, and

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hence their contribution to the American society at large. A recent study by the Refugee Policy Group also indicates that welfare dependency rates, as a measure of program effectiveness, are not themselves very effective. They fluctuate - up and down - for a variety of methodological and statistical reasons that can have little to do with the operation of the program.² In mentioning these points, we are not suggesting that the welfare dependency rate be ignored. In fact, it is our interest and commitment to work jointly with other agencies for the reduction of refugee welfare dependency. We believe that innovative mechanisms must be developed to involve our refugee community resources in more effectively combating this problem.

The history of immigrants to the U.S. indicates that the success of new Americans depends highly on the existence and viability of an ethnic support system. Since a refugee placement strategy must take into consideration the economic and social factors affecting the resettlement process, refugee community organizations and resources must be mobilized to ensure a viable network of community support in order to achieve success. The capability of refugee organizations in the resettlement of newer refugees has proven to be by far the most cost-effective method of resettlement.

For example, a recent survey of the Cambodian Cluster Project showed that, of the 8768 Cambodian refugees who arrived in twelve cluster sites across the nation, only 880 individuals left the initial placement sites. Of these individuals, 10.6% moved to other cluster sites, thereby avoiding migration to impacted areas.

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More than 23% stated that they had close relatives in the U.S. and were moving to join them. Actual secondary migration rates among refugees resettled through this special project, therefore, must be viewed as similar to that of the general population. The survey results also showed that 47% of the Khmer population resettled at cluster sites was fully employed, 37% was dependent upon cash assistance while an additional 9% was dependent solely upon their private sponsors. In evaluating these data, it must be remembered that a majority of this population came from a rural background, were illiterate and have been in the U.S. for only six months or less.³

Another example shows the effectiveness of job development services performed by a refugee organization: within the period of ten months, a branch office of the Lao Family Community, Inc., in Missoula, Montana, was able to relocate 130 Hmong families to Billings, approximately 340 miles from Missoula, following an effort by this organization to find employment for them. This relocation was conditional on the refugees' finding work, through the Lao Family Community, before they moved.

In an effort to reduce welfare dependency, only 15% of newly arriving refugees sponsored by the Indochinese Service Center in Harrisburg, Pennsylvania, are receiving any form of public assistance. This figure includes many refugees who are over 55 years of age and homebound women who cannot yet go to work because of small children or the language barrier. This Center, currently supported both in terms of financial contributions and voluntary services by 52 local churches and a membership of 900

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refugee families, claims its success as running the most cost-effective service delivery program in the state. Under federal and state grants in the past three years, the Center was able to provide as many as four times the number of service units required by the government.⁴

1.2. A New Approach: Refugee Community and Economic Development.

Employment for refugees has become an important issue in refugee resettlement, which impacts on both the welfare dependency rate and community tensions. On the one hand, low labor force participation rates among new arrivals have had a direct consequence on the use of various forms of public assistance - a costly expenditure for the federal government. On the other hand, successful competition for jobs and employment opportunities also causes

resentment among other ethnic minorities - a source of community tension problems. Having been in this delicate position, we have sought effective ways to resolve both of these problems. In our view, it is critical that refugee self-help efforts be made in the context of community growth and establishing a sound economic base within refugee communities. This is particularly true in the case of the Indochinese who are making the transition from refugee status to culturally, economically and politically strong Asian-American communities.

What is desirable is a gradual, but definite, shift in emphasis from income maintenance and social services to well-planned community-based economic development initiatives so as to foster progress toward complete self-sufficiency among the refugee population. In this endeavour, Southeast Asian refugees have engaged in economic activities which simultaneously:

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1. More fully mobilize human and financial resources within the refugee community;
2. Create new job opportunities for refugees, especially newcomers with limited language and survival skills; and
3. Contribute to the growth of the American economy.

Several examples illustrate the practicality of this logical approach:

- A preliminary survey conducted nationwide by the Vietnamese Mutual Assistance Program shows that there are approximately 500 Vietnamese hotels and restaurants, many of them deserve national attention such as the International Club Restaurant in Houston, Texas, with 300 seats, and the Carter Hotel in New York City with 700 fully-equipped rooms and suites.
- In Orange County alone, there are more than 200 Vietnamese businesses providing a variety of commercial, professional and other services.

Numerous individual success stories have been reported in the U.S. media. The case of Quang Tran is probably the most significant. Starting his new life seven years ago as a welder in Seattle, Washington, the 30-year old Quang Tran is now running his own ship-building and repair company. Tran's company grossed about \$8 million last year and has provided jobs to both refugees and local Americans.⁵

Nguyen Huy Han, whose story was printed in both *Time Magazine* and *Money Magazine*,⁶ went on welfare soon after his arrival in Pontiac, Michigan, in 1975. He and his sister saved \$500 and used it to convert a disused root beer stand into the WE (for West East) Restaurant, which offers Vietnamese and other oriental foods. Introducing an enterprising notion, customer profit sharing, Nguyen keeps a running total of his regular customers' bills; the more they spend, the bigger their share at the end of the year. The list of customers, to whom he has

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distributed over \$100,000 of his profits, has risen during the past five years from 230 to about 6,000. Nguyen has been on local and national TV networks sixteen times and acknowledged three times by the City Council of Pontiac, Michigan, as having "innovative ideas and concepts which deserve national acclaim."

Needless to say, these representative success stories mean large numbers of jobs for both refugees and others in America. Within the Indochinese refugee community, there have been energetic activities aiming at the establishment of a strong ethnic community in the American society. In response to these needs, the Indochina Refugee Action Center (IRAC) has designed a comprehensive community development program to assist the Indochinese in their transition from refugees to Asian-Americans. The newly-created Indochinese Economic Development Center has also developed several prototype economic development projects which can generate income and create new jobs for refugees without causing friction with other ethnic minorities.

As the refugee community begins building a solid economic base, they can effectively contribute to the settlement of new refugees in a less costly and more meaningful manner. Furthermore, economic development by refugees, through working with Americans and other ethnic minorities, also helps bridge the distance between new refugees and the mainstream of the American society.

By fully mobilizing refugee community resources in the resettlement program, the refugees' potential can be better utilized. Already many members of the refugee community have

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made significant achievements in areas other than economic activities. Two examples worth noting are: the 15-year old Nguyen Khoa, who brought fame to the five-member table-tennis team on their tour to mainland China in May 1982, and the 17-year old Minh Thai, who was recently sent to Budapest, Hungary, for an International Rubik's Cube Contest and won the first prize with a record of 24 seconds. In addition, Indochinese students have been generally rated very highly in terms of both behavior and talent. Many have graduated from colleges and become highly-qualified professionals in different areas of activity.

1.3. Recommendations

In consideration of the Congressional mandate to re-structure and refine the domestic refugee resettlement program so as to mobilize all available resources and talent in the most efficient manner possible, we recommend that the language of the Bill contain the following points:

- Formal recognition of the role of the refugee self-help organizations in the policy making process and in the implementation of resettlement activities
- Concrete efforts to strengthen the refugee community so as to enhance their capacity in terms of community organization and community-based economic development
- Formalized coordination mechanisms to include refugee organizations as one among public and private resettlement actors
- Inclusion of heretofore untapped or underused federal agencies such as the Departments of Commerce, Agriculture, Labor and Housing and Urban Development in the refugee resettlement program.

We also recommend that the authorization for appropriations for refugee assistance be extended for three years in order to allow long-range planning and full implementation of new initiatives in the resettlement field.

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Mr. Chairman,

In conclusion, I would like to stress that the Indochinese in America are not a long-term dependency problem for this country. They are an important opportunity. Yes, there are some initial needs which refugees have, and for which there must be some public support for a limited amount of time. But through their determination, their skills, and their love of independence and freedom, the Indochinese and other refugee groups are making and will continue to make a very positive contribution to the labor market, business, the arts, education, sports, and the other endeavors which are the core of this country's success. Let us not confuse the small amount of language and job training which are necessary for some when they come initially - with a long-term dependency scenario. That is not the evidence from the Indochinese or other refugee groups, and it is not the indications of their future in the U.S. The public funds we spend on refugees in their initial period is a wise and safe investment in their future and the future of this country. The return on the investment is already obvious, and will improve over the years to come: in labor supply, business, productivity, tax payments, and the purchase of consumer products. The Indochinese-American community also will become an active and cohesive group in the American political process; many have achieved citizenship and are voting in the current national and local elections.

Refugees come to the U.S. with very little. They work hard and over a short time contribute a great deal. Let us keep this in mind in the current debate around re-authorization of the

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Refugee Act and the consultation process. Refugees are good for America and we need to accept many more of them in the years ahead.

Thank you.

Notes

i.

Report to the Congress: Refugee Resettlement Program, U.S. Department of Health and Human Services, January 31, 1982. Data on page 18 show that, as of October 1981, 76.0% of 1975 Indochinese arrivals and 70.7% of 1976-77 arrivals were in the labor force as compared to 64.0% of the general U.S. population.

ii.

"The Meaning of Refugee Welfare Dependency Rates", by Refugee Policy Group, September 1, 1982.

iii.

"The Cambodian Cluster Project: A Survey Report", by the Indochina Refugee Action Center, March 1982.

iv.

Information guaranteed accountable by the Indochinese Service Center, Harrisburg, Pennsylvania.

v.

The Washington Post, August 13, 1982.

vi.

Money Magazine, October 1977, and *Time Magazine*, June 12, 1978.