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Entrepreneurial Trajectories and Family Business: The Case of the Ethnic Chinese in Cambodia

After the demise of the Khmer Rouge in 1979, Cambodia was a torn country. The Khmer Rouge regime (1975-79) had left an estimated two million Cambodians dead through execution or starvation in the rural labour camps. The cities had been emptied upon the Khmer Rouge takeover, the use of money banished, and connections to the outside world closed off. When the Vietnamese invaded Cambodia in late 1978, state institutions and the economy had to be rebuilt from scratch. Once the Vietnamese army allowed Cambodians back into Phnom Penh, particularly ethnic Chinese entrepreneurs started home-based enterprises in food production or retail, and petty traders initiated commodity imports across the porous Thai border and from Singaporean boats approaching the Cambodian coast. Entrepreneurs maintained a low profile and kept their businesses small throughout the 1980s, especially because the Vietnamese-backed government attempted to construct a socialist economy and cripple the private sector. Nevertheless, private enterprises provided the bulk of consumer goods and small-scale enterprise flourished. As the Cold War drew to a close, the Vietnamese left in 1989. Since then, Cambodia has made the transition from economic isolation to regional and global integration, spearheaded by Prime Minister Hun Sen's pragmatic, capitalist oriented view of rebuilding the country. The domestic private sector has revitalized since the Khmer Rouge, and ethnic Chinese family businesses have emerged as the main drivers of this revitalization.

As is the case in most other countries in region, the Cambodian private sector is largely dominated by ethnic Chinese that migrated from Southern China to Southeast Asia during the first half of the twentieth century. Academics have pointed towards a specific 'Chinese capitalism' to make sense of ethnic Chinese business acumen, arguing that Chinese businesses have their roots in a Confucian cultural tradition that is based on paternalism, personalism and defensiveness (Redding 1990, 184), and by means of family ties and *guanxi* networks – networks built on reciprocal social relationships and informal trust – are able to expand their businesses. Moreover, such family-cum-ethnic loyalties supposedly accommodate transnational networks between various Southeast Asian and mainland Chinese business communities (Fukuyama 1995, 92). In turn, critical scholars have fiercely denounced such culturalist readings of a presumed fixed ethnic culture that propels entrepreneurial behavior, and

have questioned the predominance of the family business model, trust-based ethnic networks and a Confucian culture that supposedly underpins these relationships (e.g. Gomez and Hsiao 2001).

This paper adopts an institutional perspective (Yeung 2004; Hamilton 2006) that assigns 'Chinese capitalism' a dynamic nature, arguing that ethnic Chinese entrepreneurship is dually embedded in historically developed practices of Chinese business organization on the one hand, and in the Cambodian social and economic context on the other. This argument will be substantiated by adopting a holistic perspective that positions the trajectories of entrepreneurs in their time and place specific contexts. By unpacking the congruence of social and business life through what Dahles (2004) terms 'business-life-history', an in-depth understanding is elicited of the situated choices that entrepreneurs and their family members have made in setting up and consolidating their firms. Such an anthropological approach highlights the contextual and processual character of entrepreneurship that transcends the "methodological individualism that was imported into entrepreneurship studies from economics and psychology without much reflection" (Steyaert 2007: 472).

The argumentation in this paper builds on ethnographic fieldwork that has been conducted in Cambodia's capital, Phnom Penh, between October 2010 and December 2011. During this period, semi-structured and informal interviews have been conducted with entrepreneurs, government officials, and people from research institutes and media outlets on the re-emergence of Phnom Penh's private sector over the last decades. We zoom in on ten cases of family firms and explore how family and ethnic relationships have been deployed in business venturing. It is illustrated how nuclear and extended family relationships have proven crucial for business venturing, for example with respect to managing and retaining control over the company, and in acquiring material and financial resources. In analysing and discussing the presented empirical material, we argue that the proliferation of family businesses within Phnom Penh's private sector can be explained by relating how historical legacies of Chinese business practices have been deployed in and adopted to the Cambodian social and business environment.

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