Chapter 1

Introduction

Having long formed an integral part of social and economic life in Cambodia, the Cambodian Chinese business community, which primarily emerged when the people of South China migrated to Cambodia during the French colonial period (1863-1953), was completely uprooted during the civil war and subsequent Khmer Rouge regime of the 1970s. Since the 1980s, the Cambodian Chinese re-emerged as the driving force of the domestic private sector. Despite their prominent role in what is deemed the reconstruction of Cambodia, Cambodian Chinese entrepreneurship and its revitalization remain understudied. In this thesis, I explore and explain the dynamics of this revitalization in Cambodia’s capital city, Phnom Penh. My argumentation builds on interviews with entrepreneurs and their family members, observations in and outside the business world, and conversations with people directly or indirectly linked to Phnom Penh’s private sector. These empirical accounts are highly diverse in terms of the age and gender of the businesspeople, the economic sectors in which they are active, and the size of their businesses. Ultimately, I aim to unravel the manner in which business people in Phnom Penh have been establishing business ventures since the 1980s, and to identify the social, cultural, economic and political dynamics that enable and constrain entrepreneurial activity. The following question guides this endeavor: How do entrepreneurs in Phnom Penh establish business ventures, and in what ways are these ventures embedded in practices and meanings of Chinese business organization on the one hand, and in the Cambodian social, economic, political and historical context on the other?

While the activity of entrepreneurship is central, I go beyond an understanding of entrepreneurship as an isolated economic activity. Instead, I adopt an
embeddedness perspective (Granovetter, 1985; Jack & Anderson, 2002) that perceives entrepreneurship as purposive activity conducted by agents seeking economic gain, which is simultaneously enabled and constrained by the context in which such agents are embedded. As is suggested in the central question, entrepreneurship in Phnom Penh is embedded in two specific contexts. The first is the Southeast Asian context in which the ethnic Chinese are numerical minorities that nevertheless dominate the national economies in the region (Hamilton, 2006; Yeung, 2004). This observation has spurred debate among Southeast Asia scholars regarding explanations for ethnic Chinese business acumen. The debate concerns particular social practices and cultural meanings deemed characteristic of ethnic Chinese business organization, including family business, ethnic networking, state-business ties, and notions like filial piety, diligence, and informal trust. The second is the Cambodian post-Khmer Rouge context that is characterized by a re-appreciation of ethnic Chinese cultural expression and enterprising activities, rapid economic development, and a political domain marked by weak formal institutions and a strong ruling party. Paralleling this context, various domestic and foreign actors are involved in shaping Cambodia’s political economy since the Khmer Rouge, the most central of which are the ruling Cambodian People’s Party (CPP), Western donor countries, international and local NGOs, Asian investors and state actors (particularly China), and the local private sector that is the subject of this study.

In a broad sense, I argue that in setting up and consolidating business ventures, entrepreneurs enact practices and meanings of Chinese business organization in order to maneuver Cambodia’s political economy. More specifically, I argue that entrepreneurial activity – that is, assembling resources to develop economic opportunities – is organized through the enactment of three distinct yet overlapping socio-cultural arrangements; “Chineseness”, kinship and patronage. These three arrangements are elaborated in the three empirical chapters of this thesis. The first, “Chineseness”, does not so much refer to membership of an ethnic Chinese community, but rather pertains to a model of and for doing business that includes family loyalty, ethnic trust, and patron-client arrangements (Dahles & Ter Horst,
2012). In practice as much as discourse, this business model is tied to Chinese ethnicity, and is an integral part of Phnom Penh’s private sector, which is largely made up of Cambodians of Chinese descent. Kinship, secondly, refers to interpersonal ties hinging on “relatedness” in terms of a shared family or ethnic background (Carsten, 2000; Sahlins, 2011a). These kinship ties foster the trust and altruism between people that is necessary to engage in business exchanges. Entrepreneurs in Phnom Penh build on a range of family and ethnic kinship ties with people both in and outside Cambodia in order to set up, secure and manage firms. Patronage, lastly, also refers to interpersonal ties, but explicitly to those characterized by an unequal albeit reciprocal relationship between a patron and client (Weingrod, 1968). Within Phnom Penh’s elite, the interdependencies between political and business actors are characterized by patronage; in exchange for loyalty and financial contributions to the ruling CPP, business tycoons receive protection and privileges to the benefit of their entrepreneurial ventures. In sum, I argue that the material and non-material resources employed to develop economic opportunities are largely derived from “Chineseness”, kinship and patronage. These three interrelated arrangements explain the complexities that have enabled and constrained entrepreneurship in Phnom Penh since the Khmer Rouge.

This thesis is a compilation of four articles (chapters two to five) that have been published in, or submitted to, international peer-reviewed journals. Hence, chapters two to five have the character of stand-alone articles. The objective of this introductory chapter (and the concluding chapter six) is to bring together the overall argumentation, theoretical grounding and relevance of this thesis. In the first section below I develop an embeddedness perspective on entrepreneurship. I elaborate on the position of the embeddedness perspective within entrepreneurship studies, and outline the two dimensions – process and context – that I consider central to such a perspective. Also, I describe the three main contributions of this thesis to literature on embedded entrepreneurship. These include an investigation into the embeddedness of entrepreneurship in the spheres of ethnicity, family and politics; the employment of anthropological and institutional theory insights to generate a theoretically grounded
view on how the recursive relationship between entrepreneurial activity and context brings about “systems of social relations” (Granovetter, 1985, p. 487); and a focus on both the social and cultural dimensions of embedded entrepreneurship. In the second section I describe the abovementioned Southeast Asian and Cambodian contexts within which Cambodian Chinese entrepreneurship is embedded, and outline the context-specific scholarly debates to which this study contributes. In the third section I elaborate on the ethnographic approach that I adopted. I describe ethnography as a particularly suitable methodology for studying embedded entrepreneurship, and reflect on the research process and strategies of data collection that are at the basis of this thesis. In the fourth and last section I provide an outline of the remaining chapters.

1.1 An embeddedness perspective on entrepreneurship

Entrepreneurship is best defined as the “creation of new enterprise” (Low & MacMillan, 1988, p. 141), with “new enterprise” referring to all economic activity, as opposed to only formal business (Davidsson & Wiklund, 2001). Accordingly, this definition includes the creation of a new business, as well as the generation of enterprising activity within an existing business. This definition is largely congruent with a more extensive definition by Shane (2003), who takes entrepreneurship to be “an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods or services, ways of organizing, markets, processes, and raw materials through organizing efforts that previously had not existed” (p. 4). Along with Schumpeter, the founder of entrepreneurship as a field of research (Swedberg, 2000), Low and MacMillan (1988) and Shane (2003) see innovation as the quintessential characteristic of entrepreneurship. When it comes to the “how” of entrepreneurship – what entrepreneurs actually do (Swedberg, 2000) – the creation of new enterprise entails the assembly of entrepreneurial resources to develop economic opportunities (Johannisson, 2011; Kloosterman, 2010). In this case, I consider the term “entrepreneurial resources” to encompass all possible, and often interrelated,
material and non-material resources, including financial capital and credit, property, connections, tacit knowledge, and personal experiences and capabilities (Kontos, 2003). I use “opportunity development” (Dimov, 2007, p. 714) not to refer to “objective” openings within an economy (Shane & Venkataraman, 2000, p. 220), but rather to the emergence of opportunities through the efforts of one or more individuals (Fletcher, 2006; Jack & Anderson, 2002). Although the empirical focus in this thesis is on the assembly of resources to develop economic opportunities, I perceive this activity as embedded in the environment of those who engage in the creation of new enterprise.

Although Polanyi (1944) is generally seen as the originator of the embeddedness concept (Dacin, Ventrasca, & Beal, 1999; McKeever, Jack, & Anderson, 2015), Granovetter’s classic 1985 article ushered in the widespread use of the concept over the course of recent decades (Dacin et al., 1999; Portes & Sensenbrenner, 1993; Zukin & DiMaggio, 1990). Granovetter (1985) attempted to remedy what he called over and under-socialized conceptions of human action, the former represented by Parson’s (1960) view of internalized cultural norms and values as constitutive of a person’s orientation towards action, the latter by economics’ (neo)classical view of the instrumentally rational homo economicus. Although seemingly opposing, Granovetter (1985) observed these two views to in fact both presuppose “atomized actors”, regardless of whether such atomization is based on internalized culture or self-interest. In Granovetter’s (1985) own words:

“Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy. Their attempts at purposive action are instead embedded in concrete, ongoing systems of social relations” (p. 487).

Embeddedness may be broadly defined as “the nature, depth, and extent of an individual’s ties into the environment” (Jack & Anderson, 2002, p. 468). Embeddedness lays bare the “nested and constitutive aspects of context” (Dacin et al.,
1999, p. 319) when explaining how the context in which businesspeople are situated shapes their entrepreneurial endeavors (McKeever et al., 2015).

The embeddedness argument resembles Giddens’ (1979, 1984) structuration theory, which deals with the duality of agency and structure. Giddens argued that social structures are both the medium for and outcome of behavior. Humans are not cultural dupes acting according to taken-for-granted prescriptions, nor do they act solely on the grounds of instrumental rationality to manipulate their environment. As Friedland and Alford (1991) contend: “we should not be forced to choose between an acultural analysis of power and an apolitical analysis of culture” (p. 256). Instead, social structures shape entrepreneurial agency, and entrepreneurial agency re-articulates or redefines the social structure (Jack & Anderson, 2002). Notably, the duality of agency and structure implies that entrepreneurial activity comprises both creative and habitual dimensions, and can thus be seen as a form of situated creativity (Johannisson, 2011; Spedale & Watson, 2014).

The embeddedness perspective must be seen in the light of entrepreneurship studies’ “social sciences view” (Swedberg, 2000), which emerged in large part as critique of the traditional split between economic and psychological approaches. While economists focus on opportunities, more or less assuming that entrepreneurs naturally surface where economic opportunities emerge, psychologists point to individual traits to explain entrepreneurship, such as a risk and achievement orientation (Lindgren & Packendorff, 2009). As an alternative, Shane and Venkataraman (2000) – and Shane (2003) more extensively – have developed a general theory of entrepreneurship that successfully reconciles economic and psychological approaches by considering the nexus of enterprising individuals and valuable opportunities. Nonetheless, the social dimension (Ulhøi, 2005) of entrepreneurship is still largely absent in their accounts (Zahra & Dess, 2001). Research on immigrant and ethnic entrepreneurship in particular reveals that neither personality traits nor the availability of opportunities explain the variation in self-employment among different ethnic groups (Kloosterman, 2010). By placing the social dimension center-stage, an embeddedness perspective goes beyond the “fatal
closure and narrowness that has characterized most entrepreneurship research” (Hjorth, Jones, & Gartner, 2008, p. 81), and presents a fruitful way to rebalance (Watson, 2013a) the field.

1.1.1 Dimensions of embedded entrepreneurship

Below, I outline the two dimensions that I consider central to the embeddedness perspective on entrepreneurship; process and context. First, an embeddedness perspective perceives entrepreneurship as a dynamic process (Jack & Anderson, 2002). Dominant perspectives in entrepreneurship studies, notably the discovery perspective (Shane & Venkataraman, 2000) and the evolutionary perspective (Aldrich & Martinez, 2001), speak of process in terms of development and growth, and assume linearity, predictability and equilibrium. Entrepreneurs, however, do not generally execute sequential steps; such as discovering an opportunity, deciding to exploit the opportunity, acquiring resources and designing a business strategy (Johannisson, 2011). Rather, entrepreneurial processes involve bricolage (Baker & Nelson, 2005) and serendipity (Dew, 2009), and reveal a “muddled, fuzzy and haphazard series of continuous adjustments, revisions and rescheduling of activities and deals” (Spedale & Watson, 2014, p. 771). As Sarasvathy (2001) convincingly argues, the process of entrepreneurship implicates “effectuation” (generating goals from the available means when imagining and aspiring to a particular business venture) more than “causation” (selecting means to actualize a predefined goal, as if the outcome is inevitable) (p. 45). Going beyond entrepreneurs as atomized actors to explore how they continuously engage with their environment, an embeddedness perspective understands entrepreneurship as an “ongoing practice of creatively organizing people and resources according to opportunity” (Johannisson, 2011, p. 137).

Second, the entrepreneurial process shows the dynamics between individuals and context. The notion of context has been frequently deployed with the aim of transcending the previously mentioned methodological individualism in entrepreneurship studies (Fletcher, 2011; Welter, 2011). Context can be described as “the set of circumstances in which phenomena (e.g. events, processes or entities) are
situated” (Griffin, 2007, p. 860). Despite its usual interpretation in entrepreneurship research (Welter 2011), context is more than a set of “factors” within an organization’s environment that need to be accounted for or “controlled” in analyses. This conception is insufficient, as the very logic behind using a broad notion like context – derived from the Latin “weaving together” (Welter, 2011, p. 167) – is the irreducibility of empirical complexity. When it comes to the recursive relationship between different levels of sociality, including the individual, organizational, institutional, and societal levels, context is better seen as a “mode of inquiry in its own right” (Fletcher, 2011, p. 73). It is not merely the “background” of entrepreneurial activity, but also exists “within entrepreneurs and their activities, as well as around them” (Spedale & Watson, 2014, p. 762, emphasis in original). Moreover, the earnest consideration of context does not only entail situating the phenomenon of entrepreneurship within society and its spheres of interaction, but also doing so with a general historical awareness. As Watson (2013a) asks:

“[H]ow can one contextualize […] any kind of entrepreneurial activity without setting it in its time, without locating local-level processes within processes of historical and institutional change and without drawing out the invaluable insights that come from comparing what is occurring in the present to what occurred in the past?” (p. 19).

Watson refers to Mills’ idea of the sociological imagination as a way of capturing what happens “at minute points of the intersection between biography and history within society” (Watson, 2013a, p. 23). In line with these arguments, I contextualize Cambodian Chinese entrepreneurship in Phnom Penh by showing the relationship between peoples’ business biographies to the history of Cambodian society.

1.1.2 Embeddedness and ethnic entrepreneurship

Literature on the embeddedness of entrepreneurship has furthered our understanding of the ways in which enterprising activities are tied up in social networks (Uzzi, 1999), place and community (McKeever et al., 2015; Vestrum, 2014), and family
settings (Steier, Chua, & Chrisman, 2009; Aldrich & Cliff, 2003). The most profound contribution of embeddedness research is the subsequent emphasis on the interrelatedness between entrepreneurship and other spheres of life. Polanyi (1944) initially coined the concept of embeddedness to criticize classical economics’ assumption that economic relations exists independent of other social spheres (McKeever et al., 2015). If we assume that “entrepreneurship is the creation and extraction of value from an environment” (Jack & Anderson, 2002, p. 468), then entrepreneurship research is bound to investigate how entrepreneurs draw from various aspects of their surroundings. In this vein, I investigate how Phnom Penh’s entrepreneurs are embedded in a number of life spheres that fall outside the economic sphere proper. While education, migration, and language also surface regularly, the empirical chapters mainly focus on spheres of ethnicity, family and politics.

As the sphere of ethnicity is central, the position of this thesis in relation to existing literature on ethnic (and immigrant) entrepreneurship needs a brief introduction. Literature on ethnic entrepreneurship (Aldrich & Waldinger, 1990; Dana & Morris, 2007; Ma, Zhao, Wang, & Lee, 2013; Phizacklea & Ram, 1995; Portes & Sensenbrenner, 1993; Rath, 2000a; Volery, 2007; Waldinger, 1989; Zhou, 2004) generally deals with urban ethnic communities in the West. Bluntly stated, the traditional claim surrounding entrepreneurship in these communities is that, in an economically disadvantaged position vis-à-vis the Caucasian majority (either as a result of discrimination in the labor market or a lack of access to formal institutions in the financial or educational sectors), ethnic entrepreneurs instead rely on informal relations with co-ethnics and family members for investment and credit, ideas, expertise, supply, labor and consumer markets. This has spurred notions of ethnic economies, ethnic enclaves and middleman minorities (see Zhou, 2004) that operate “outside” the national economies of the West, and that rely on “bounded solidarity” and “enforceable trust” to engage in economic transactions (Portes & Sensenbrenner, 1993, pp. 1324-1325).

Building on a seminal paper by Portes and Sensenbrenner (1993), many ethnic entrepreneurship scholars adopt an embeddedness perspective. Studies inquire into
differences between ethnic communities in terms of entrepreneurial orientation or management structure, into the ethnic community networks and resources that enable entrepreneurship or, conversely, into the manner in which the absence of ethnic resources and markets impels minority entrepreneurs to break out of ethnic communities to serve the general society (see e.g. Wang & Altinay, 2010; Tsui-Auch, 2005; Rath, 2000b). The “mixed embeddedness” perspective that was introduced by Kloosterman, Van der Leun and Rath (1999) amended the embeddedness perspective in an important way, arguing that ethnic firms are not only embedded in their own community, but also in external society and its time and place-specific opportunity structure (Kloosterman, 2010; Kloosterman & Rath, 2001). As my research question reveals, my study shows close affinity with the mixed embeddedness perspective. After all, I investigate how entrepreneurship in Phnom Penh is embedded in both Chinese ethnicity and Cambodian society. In another respect, however, my study diverts from existing literature on the embeddedness of ethnic entrepreneurship.

As will become clear throughout this thesis, the focus on ethnic communities that is largely taken for granted within existing literature (Nederveen Pieterse, 2003) is problematic when it comes to the ethnic Chinese in Cambodia (and Southeast Asia in general). First, the ethnic Chinese do not form a bounded ethnic community in Phnom Penh. Boundaries between Khmer and Chinese are blurred and the Cambodian Chinese are, for lack of a better term, integrated in Cambodian society. Second, the Cambodian Chinese do not so much occupy specific economic niches while “native” Khmer run the mainstream economy. Instead, they traditionally dominate the entire economy. This situation, as will be elaborated in chapters two and three, requires a focus on ethnicity not in terms of communal culture and identity, but in terms of an arrangement of social practices and cultural meanings that is more loosely coupled to ethnic background, and which may be enacted in business.

In this thesis, I largely disregard notions of ethnic community and identity, which – at least in the context of Southeast Asia – obscure rather than illuminate the mechanisms that are conducive to entrepreneurial activity. Instead, I explore how practices and meanings of Chinese enterprise are enacted in business endeavors. This
focus reveals that under the broad umbrella of ethnicity, entrepreneurship is in fact embedded in a range of interlocking life spheres. The “mode of organizing” (Hamilton, 2006, p. 236) that allows entrepreneurs in Phnom Penh to assemble resources and develop opportunities hinges on family and ethnic kinship ties in Cambodia and beyond, the family firm model, patronage ties with political power holders, and tacit cultural capabilities to develop reciprocity, informal trust, and affinity in business relations. Although this mode of organizing cannot be seen outside the sphere of ethnicity, merely focusing on ethnicity is a straightjacket. It is not ethnicity per se that explains entrepreneurship, but rather a number of distinct relations that historically emerged when the Chinese from South China sojourned and settled in Cambodia. I therefore build upon and expand ethnic entrepreneurship literature. Specifically, chapter four employs the notion of kinship – entailing family and ethnic affinity – to engage hitherto separate scholarly fields on ethnic entrepreneurship and entrepreneurial family firms. Chapter five employs the concept of patronage in order to elaborate on the interrelatedness of Phnom Penh’s business and political elite, revealing the manner in which entrepreneurship is simultaneously embedded in both spheres. Pushing the embeddedness perspective on ethnic entrepreneurship forward, this thesis investigates the ways in which entrepreneurship is embedded in ethnic, family and business-state relations.

1.1.3 Embedded entrepreneurship and systems of social relations

In addition to a more holistic approach to the embeddedness of (ethnic) entrepreneurship, my study also contributes a more explicit theorization of embeddedness. Although I would not go as far as to argue that entrepreneurship scholars pay “superficial lip-service” (Spedale & Watson, 2014, p. 771) to Granovetter’s (1985) term or merely use embeddedness as a metaphor for social complexity (Johannisson, Ramírez-Pasillas, & Karlsson, 2002). I do concur with the latter among these critics that the full potential of the embeddedness concept has yet to be tapped (Johannisson et al., 2002). Embeddedness as “the mechanism whereby the entrepreneur becomes part of the social context through systems of social
relations” (McKeever et al., 2015, p. 52) has become commonplace in literature, but exactly how this occurs is poorly theorized. Embeddedness describes a mechanism, but in itself does not “work”. The operationalization of embeddedness requires a focus on the “concrete, ongoing systems of social relations” that Granovetter (1985, p. 487) speaks of, and especially on how these emerge as human actors express themselves.

Granovetter (1985) departs from the proposition that, resulting from a “widespread preference for transacting with individuals of known reputation” (p. 490), economic actors create relations that generate trust and discourage malfeasance. The creation of these relations, firstly, occurs within “concrete personal relations and structures (or “networks”) of such relations” (Granovetter, 1985, p. 490). Secondly, the production of trust in economic life occurs through “institutional arrangements or generalized morality” (Granovetter, 1985, p. 491) that transcend such concrete personal relations. In short, the systems of social relations in which entrepreneurial action is embedded comprise interpersonal relations and institutional configurations. As Kloosterman (2010) points out, however, Granovetter (1985) does not spell out this latter category in much detail. In their well-known treatise on the social construction of reality, Berger and Luckmann (1967) do explicate interpersonal relations and institutional configurations, making a brief outline of their line of thought worthwhile.

Berger and Luckmann (1967) elaborate on how reality is socially constructed in everyday life. As people express themselves in a world shared with others, they acquire a social stock of knowledge about social situations and their limits, the meaning of bodily movements or material artifacts, one’s own status and class position, types of actors, signification in language, appropriate behavior, and so on (Berger & Luckmann, 1967). Through continued social interaction, this stock of knowledge is subject to habitualization. Knowledge on how to go about everyday life is taken for granted instead of being re-negotiated in every social interaction. Moving from the interpersonal to the collective level of sociality, habitualization takes the form of institutionalization, which “occurs whenever there is a reciprocal typification
of habitualized actions by types of actors” (Berger & Luckmann, 1967, p. 54). Institutionalization is the historical process among a collective of actors in which human activity, and the meanings articulated through such activity, become cast in a pattern.

Although framed in terms of social psychology more than economic sociology, Berger and Luckmann (1967) elaborate on the systems of social relations that Granovetter (1985) refers to, and more explicitly argue that, indeed, these must be perceived as emerging on the interpersonal and institutional levels of sociality. In his later works, Granovetter (1992, 2000) has explicated this distinction in terms of relational embeddedness; direct micro-level ties among agents, and structural embeddedness; macro-level institutional configurations that transcend direct ties and link agents in a more indirect manner through shared understanding of the social situation. In entrepreneurship studies, Johannisson et al. (2002) similarly distinguish orders of embeddedness. They differentiate between first-order embeddedness, dyadic business relations and aggregate networks, and a second-order that concerns embeddedness in economic and social institutions. I build on this distinction between interpersonal relations and institutional configurations to elaborate on the embeddedness of Cambodian Chinese entrepreneurship in Phnom Penh and to show that “contexts, structures and individual actions interact and change together” (Granovetter, 2000, p. 23).

The systems of social relations – or socio-cultural arrangements, as I labeled these earlier – that organize entrepreneurship in Phnom Penh include “Chineseness”, kinship and patronage. Throughout this thesis, I argue that entrepreneurship in Phnom Penh is embedded in these arrangements both on the interpersonal level of social interactions and the collective level of institutional configurations. In capturing the interpersonal and collective levels, I employ concepts from anthropology and institutional theory respectively. Anthropology has a long tradition of studying social interactions and underlying cultural meanings on an interpersonal level, while institutional theory elaborates on how these practices and meanings become cast in patterns – institutionalize – on the collective level. Chapter three elaborates on the
articulation of “Chineseness” in (inter)personal business experiences, as well as on how business practices and cultural meanings associated with “Chineseness” are subject to institutionalization in Phnom Penh’s social economy as a whole. Chapter four reveals how entrepreneurs employ family and ethnic kinship to foster interpersonal business exchanges, while the shared norms, values and understandings of kinship “relatedness” broadly embedded in Cambodian and regional business milieus simultaneously come into focus. Chapter five investigates not only how patron-client ties are established between individual business tycoons and politicians, but also the institutionalization of patronage within Phnom Penh’s elite organizational field.

In sum, by unfolding the interpersonal and institutional levels of sociality, and by specifically employing insights from anthropological and institutional theory in the process, this research theorizes the dynamics through which entrepreneurship is embedded in context. The theoretical chapter (chapter two), which discusses the debate on ethnic Chinese enterprise in Southeast Asia, builds a case for the combined anthropological-institutional approach to embedded entrepreneurship.

1.1.4 Social and cultural dimensions of embedded entrepreneurship

A last contribution of this thesis to an embeddedness perspective on entrepreneurship is my take on embeddedness in reference to both social and cultural dimensions or, more precisely, to the intertwineament of these dimensions in “concrete patterns of social relations” (Granovetter, 1985, p. 493). The embeddedness perspective on entrepreneurship emerged in the field of economic sociology. As a result, social embeddedness has become widely used to study the role of social networks in entrepreneurship (Portes & Sensenbrenner, 1993; Uzzi, 1996, 1997), while it has been argued that the inclusion of culture or “other, more elusive, resources” has “proven to be insufficient for grasping entrepreneurship” (Kloosterman, 2010, p. 27). Although, indeed, social relations and networks evidently provide entrepreneurs with financial resources, access to raw materials or consumer markets, or the ideas and information to develop certain opportunities (Hung, 2006; Jack, Dodd, & Anderson, 2008),
networking behavior only makes sense in relation to the symbolic systems that “infuse it with meaning” (Friedland & Alford, 1991, p. 232). Vice versa, as Clifford Geertz (1973) put it, “behaviour must be attended to, and with some exactness, because it is through the flow of behaviour – or, more precisely, social action – that cultural forms find articulation” (p. 17). I therefore argue that embeddedness is about relationships and networks as well as the cultural meanings, norms, symbolic expressions and tacit knowledge that allow people to become part of the network, forge and maintain ties, and re-enact the structure (Jack & Anderson, 2002).

While economic sociology places the social above the cultural, the combined anthropological-institutional approach adopted in this thesis is better suited to perceive the social and cultural as intertwined (see Baba, Blomberg, LaBond, & Adams, 2013; Eriksen & Nielsen, 2001; Thornton, Ribeiro-Soriano, & Urbano, 2011). This will be elaborated on in more detail in the theoretical chapter (chapter 2). In the ensuing empirical chapters, the intertwinenment of social and cultural dimensions is consistently recognized; “Chineseness” is taken as template for business conduct encompassing social practices and cultural meanings; kinship entails interpersonal ties among family and co-ethnics and cultural norms of reciprocity, trust and altruism implied in kinship relatedness; and patronage comprises social ties between a patron and client and cultural notions of reciprocity, hierarchy and loyalty that underpin these ties.

### 1.2 Research context and debates

Before turning to the local and regional contexts relevant to entrepreneurship in Phnom Penh, it needs mention that it is also within these contexts that the rationale for this study must be seen. This study is part of a larger integrated research program entitled “Competing Hegemonies – Foreign-dominated processes of development in Cambodia” (for more information see [www.cambodiaresearch.org](http://www.cambodiaresearch.org)). The program – which is funded by the Netherlands Organisation for Scientific Research (NWO) Science for Global Development department (WOTRO) – departs from the
proposition that Cambodia constitutes a battlefield for various foreign and diasporic actors that aim to dominate processes of economic development, peace-building and democratization. After the Cold War, Cambodia lacked the formal institutions, economic resources and state capacity necessary to advance its own reconstruction, consequently spurring the involvement of a range of outside actors. These include Western donor countries and NGOs, Asian investors and state actors, and the Cambodian diaspora. In light of the country’s recent history, the research program investigates the extent to which foreign domination persists or, conversely, whether an independent and thoroughly Cambodian trajectory of development is unfolding. As I will outline in more detail below, the private sector entrepreneurs of this study are a highly relevant category of actors in this respect. Embedded in the local economic and political structure, these entrepreneurs potentially foster a Cambodian route to economic development that is not directed or dictated by foreign actors and interests. At the same time, however, these Cambodian entrepreneurs are of (partial) Chinese descent, raising the question whether – emanating the “rise of China” and the regional ethnic Chinese business networks – Phnom Penh’s entrepreneurs represent catalysts of foreign-dominated processes of economic development.

The sections below respectively elaborate on the Southeast Asian and Cambodian context within which entrepreneurship in Phnom Penh is embedded, and identify the contributions of this study to academic debates pertaining to these contexts.

1.2.1 Regional context: Chinese capitalism in Southeast Asia

Since the rise of the so-called tiger economies of East and Southeast Asia in the late 20th century – including Taiwan, Hong Kong, Singapore, Malaysia and Thailand – academic as well as popular accounts have puzzled over explanations for the region’s economic success. Ethnic Chinese business communities were seen as a main driving force of the private sector and, hence, of economic growth. These communities mainly emerged in colonial times, when poverty and political turmoil in southern China pushed the Chinese to look for novel opportunities abroad, and the high
demand for Chinese coolie laborers and trading partnerships by colonial regimes pulled them to Southeast Asia (Kuhn, 2008; Reid, 1996).

In Cambodia, Chinese economic presence dates back as far as the Angkor Empire in the 13th century (Daguan, 2007 [1296-97]), but most Chinese arrived during the French colonial period (1863-1953), sometimes via destinations such as Singapore, Ho Chi Minh City or Bangkok. Willmott (1967) estimated that some 135,000 Chinese lived in Phnom Penh when that late King Sihanouk was in power (1953-1970), making up 33.5 percent of the city’s inhabitants. At the time, most ethnic Chinese families in Phnom Penh were not particularly wealthy, but owned family-run shops, working as shoemaker, carpenter, dentist, cinema owner, barber or baker (Muller, 2006; Osborne, 2008). A smaller group consisted of wealthy business magnates that were either active in trade with the Vietnamese twin-city of Saigon-Cholon, or engaged in revenue farming (Muller, 2006; Osborne, 2008; Willmott 1967). The latter was especially profitable, and entailed an arrangement that enabled the monarchy to subcontract opium, gambling, fisheries, pawning, and other activities to businesspeople at an annual fee (Cooke, 2007; Osborne, 2004). Almost exclusively, these contracts came into the hands of strategically-positioned ethnic Chinese entrepreneurs; they entertained strong connections to the Khmer throne, had access to extensive regional kinship networks to round up capital and credit (Muller, 2006), and possessed the local connections necessary to erect a pyramid system of sub-farmers and agents – who were, again, mostly ethnic Chinese – in order to manage the revenue farming operations (Cooke, 2007).

Three or four generations post migration, the ethnic Chinese constitute numerical minorities that nevertheless dominate the national economies in most of contemporary Southeast Asia (Hamilton, 2006; Yeung, 2004). Seeking to explain their regional propensity to entrepreneurship and money making, the body of literature that has emerged from this observation questions the relationship between Chinese background and practices of business organization. This has fuelled an image of Chinese businesses in Southeast Asia as one based on informal trust, ethnic affinity, family loyalty, personalism, flexibility, transnational networks and patron-
client ties (e.g. Dahles, 2010a; Fukuyama, 1995; Hamilton, 2006; Koning, 2007; Ong & Nonini, 1997; Redding, 1990; Yeung & Olds, 2000). The literature on “the Chinese way of doing business” accrues to what has become known as the debate on Chinese capitalism in Southeast Asia (Yeung, 2004).

As with other countries in the region, the prominence of the ethnic Chinese in the Cambodian economy is uncontested in literature on the post-Khmer Rouge period (Chan, 2005; Dahles & Ter Horst, 2006, 2012; Edwards, 2009; Gilley, 1998; Gottesman, 2003; Hughes & Un, 2011a; Slocomb, 2003, 2010; Tan, 2006; Ter Horst, 2008; Widyono, 2008; Willmott, 1998, 2012). With a few exceptions that focus on the silk trade (Dahles & Ter Horst, 2006, 2012; Ter Horst, 2008), however, this literature fails to link up with the debate on Chinese capitalism in Southeast Asia. Most of these studies either focus on community structure and questions of ethnic identity, or present ethnic Chinese enterprise as a footnote to broader accounts of Cambodia’s political economy. In this study, I focus on the actual activity of entrepreneurship among Phnom Penh’s ethnic Chinese and, in doing so, engage the regional debate and the Cambodian case. While the absence of the Cambodian case in itself represents a lacuna, a more thought-provoking motivation for studying Cambodian Chinese enterprise in the context of Southeast Asia concerns the troubled yet intriguing history of the ethnic Chinese in Cambodian society.

In a nutshell, the history of the Cambodian Chinese is best compared to the swing of a pendulum (Filippi, 2010). William Willmott (1967, 1970), who conducted seminal fieldwork on Cambodia’s ethnic Chinese during the post-colonial rule of King Sihanouk (1953-1970), describes Cambodia as a harmonious plural society structured along ethnic lines; with the Chinese making up the middle and upper commercial class while the ethnic Khmer majority was largely involved in farming. Plural society, however, was completely uprooted during the civil war (1970-1975) and the subsequent rule of the communist Khmer Rouge (1975-1979). The Khmer Rouge emptied the cities, closed off connections to the outside world, killed the intelligentsia, and banned private enterprise, property and all commercial transactions. The ethnic Chinese were hit particularly hard as they were persecuted for being urban
dwellers, capitalists or Chinese, labels which were often conflated (Edwards, 2012). Discrimination continued into the Vietnamese period (1979-1989), but private enterprise was largely tolerated and Cambodia’s ethnic Chinese ventured into petty trade and established home-based businesses around Phnom Penh (Gottesman, 2003; Slocomb, 2003). It was only when the Vietnamese withdrew at the end of the Cold War, however, that the pendulum decidedly swung the other way.

Under the auspices of a United Nations peace-building mission (1991-1993) and into the 1990s, Cambodia made the transition from communism to capitalism and from isolation to regional and global economic integration. Public enterprises – a legacy of Vietnamese-imposed communism – were privatized (Gottesman, 2003) and the relationship between Cambodia and China was restored to the level of before the civil war (Heng, 2012). From the small-scale import and retail of consumer goods in the city’s bustling markets to the large-scale exploitation of Cambodia’s natural resources, the Cambodian Chinese reestablished themselves as the driving force of the economy. Also, ethnic and religious freedom of expression was given constitutional protection, and Chinese schools re-opened. Penny Edwards’ 1995 study (2009) shows a careful reassertion of Chinese language and cultural expression, while Daniëlle Tan (2006) more decidedly speaks of an identité recomposée a decade later. From a regional perspective, the revitalization of Cambodian Chinese enterprise presents a compelling case in a number of respects.

Cambodia is far from the only country in Southeast Asia where the ethnic Chinese have been subjected to discrimination and persecution, and where their business activities have been hampered. In the post-colonial period, the ethnic Chinese were paradoxically portrayed as both capitalist exploiters and a fifth column of communist China. Consequently, they were “othered” in the nationalist rhetoric of political power-holders (Carney & Gedajlovic, 2002; Kuhn, 2008). Throughout Southeast Asia in the latter half of the 20th century, this resulted in various anti-Chinese riots, assimilationist policies, state-led attempts to curb Chinese economic dominance, and mass evictions (see Pan, 1998). To a large extent, this historically insecure position of the regional Chinese has resulted in a tendency to distrust people
outside close social circles, spread risk by diversification and shifting capital, maintain cross-border linkages, and be suspicious of state officials (Carney & Gedajlovic, 2002; Kuhn, 2008).

In relation to their regional co-ethnics, the history of the Cambodian Chinese is not unique in its nature. The scope of destruction under the Khmer Rouge, however, is certainly extreme. The Chinese population was decimated, and businesses, families and networks were displaced. Although many ethnic Chinese managed to flee to France, Australia and North America through refugee camps in Thailand, many others died in the rural labor camps that were supposed to represent the ideal type agrarian society. Cambodia’s total ethnic Chinese population dropped from an estimated 430,000 in the early 1970s to 40,000 in 1982 (Tan, 2006). Considering that, by the end of the Khmer Rouge, the private sector was virtually absent and resources to initiate business activities were scarce, the dynamics that spurred the subsequent re-emergence of ethnic Chinese enterprise merit academic investigation. The presented findings reveal the ways in which – in an environment marked by resource-scarcity and insecurity – entrepreneurs in Phnom Penh enact legacies of Chinese background in attempts to assemble financial, material and social capital to set up firms. Moreover, it becomes clear that the “close-knit and far-flung” (Dahles & Ter Horst, 2012, p. 220) regional Chinese family and ethnic networks play an important role in the re-emergence of entrepreneurship in Phnom Penh.

While Cambodia is an extreme case when it comes to the obliteration of ethnic Chinese enterprise and socio-cultural life in the 20th century, this same history has paradoxically resulted in a relative absence of tension between the Khmer and the Chinese in contemporary Cambodia. Cambodia is not the only country in the region where relations between “natives” and the ethnic Chinese are cordial; this also applies to Singapore (where the population’s ethnic majority is Chinese) and Thailand (where the ethnic Chinese have conformed to societal expectations of “Thainess”, see Chantavanich, 1997; Koning & Verver, 2013). Nevertheless, ethnic relations in Cambodia – as was the case in the 1960s – are “probably better than in any other country in Southeast Asia” (Willmott, 1967, p. 40). Indeed, the ethnic Chinese are
said to have successfully assimilated into Cambodian society (Dahles & Ter Horst, 2006, p. 131) and, especially in Phnom Penh, ethnic boundaries between Khmer and Chinese are highly ambiguous. This is a result of spontaneous processes such as intermarriage and the adoption of Khmer cultural and religious practices, but also an effect of the Khmer Rouge period, when the ethnic Chinese were forced to “become Khmer” in terms of the food they ate, the way they dressed, the names they adopted, the language they spoke and the work they did. In present-day Phnom Penh, most ethnic Chinese are third or fourth generation migrants, speak Khmer as their mother tongue, hardly organize themselves on the basis of ethnicity, and have often never been to China. Labels such as “overseas Chinese” or “diaspora Chinese”, which are often used to denote the ethnic Chinese in Southeast Asia and ascribe a belonging to China (Douw, 1999), seem ill suited to describe the Cambodian Chinese.

In light of these blurred ethnic boundaries, a word on terminology is pertinent. William Willmott (1967) distinguished a broader category of Sino-Cambodians, Cambodian citizens of full Chinese descent, from a narrower category of Sino-Khmer, people of mixed Chinese-Cambodian descent. This distinction, however, is problematic when acknowledging ethnic identification as a process of social construction and political representation, as opposed to a straightforward reflection of descent. Given that “Cambodian” marks citizenship while “Khmer” marks ethnic belonging and cultural “authenticity” Willmott’s distinction implies that a Chinese person lacking Cambodian descent can never be Khmer – or in other words, culturally Cambodian. Moreover, as will be illustrated in this thesis, “the ethnic Chinese in Cambodia” has become a flexible category that acquires meaning through the situated representation of societal actors. Research participants often self-identify as Khmer or Khmer Chinese when asked explicitly, and, depending on the topic of conversation, are apt to articulate both “Chineseness” and “Khmerness” in their narratives. For these reasons, I disregard the terms “Sino-Khmer” and “Sino-Cambodian”, opting instead for the broad labels “Cambodian Chinese” or simply “ethnic Chinese” to refer to Cambodian nationals of (partial) Chinese descent.
In any case, ethnic Chinese business networks, enterprising activities, and cultural expressions have re-emerged, while at the same time a Chinese community is largely absent and ethnic boundaries are blurred. Dahles and Ter Horst (2012) make the same observation (cf. Dahles & Ter Horst, 2006; Ter Horst, 2008) in one of the few studies that explicitly links the Cambodian case to the debate on Chinese capitalism in Southeast Asia. In the context of the Cambodian silk industry, they describe how, irrespective of actual ethnic background, businesspeople situationally employ both Khmer and Chinese ethnicity. Silk weavers are portrayed as Khmer (conforming to tourists’ expectations for “authentic” Khmer products) whereas silk traders and wholesalers are portrayed as Chinese (in accordance with the historical dominance of the Chinese in commerce). They argue that while Chinese commercial dominance is institutionally embedded in common ethnic descent, trust networks, reciprocity and patronage relationships that provided entrepreneurial resources in post-conflict Cambodia, “ethnic Chinese business itself is turning into an institution” that represents a “model of and a model for conducting business” (Dahles & Ter Horst, 2012, pp. 212-227). In this thesis, I extend their work beyond the Cambodian silk industry to show how Chinese ethnicity is indeed a dynamic resource; not tied to a definable community, but rather at the disposal of a broader category of Cambodian Chinese entrepreneurs. Building on this understanding of ethnicity as a model of and for business conduct among the Cambodian Chinese, this study not only contributes to the debate on Chinese capitalism empirically, but also critically redresses the debate conceptually.

The theoretical chapter (chapter two) elaborates on an understanding of ethnicity as an arrangement of cultural meanings and social practices. The chapter engages insights from anthropology and institutional theory, and builds on what has become known as an institutional perspective on Chinese capitalism in Southeast Asia (Dahles, 2010a; Hamilton, 2006; Yeung & Olds, 2000; Yeung, 2004). It argues that, although business conduct primarily flows from the capitalist behavior of entrepreneurs within the local market and political order, such conduct is also enabled and constrained by socio-cultural institutions. On the one hand, Cambodian Chinese
business ventures are shaped by the socio-cultural institutions that historically emerged when the ethnic Chinese migrated to and settled in Southeast Asia. On the other hand, entrepreneurs’ enactment of these socio-cultural institutions must be seen within the Cambodian social, political and economic context. The latter is the subject of the next section.

1.2.2 Cambodian context: Competing hegemonies in economic development

The emergence of “Chineseness”, kinship and patronage as socio-cultural arrangements that organize entrepreneurship in Phnom Penh broadly echoes the history of the ethnic Chinese in Southeast Asia, but cannot be understood outside the position of the ethnic Chinese within Cambodia’s political economy. Outlined in more detail below, the Cambodian Chinese are positioned “in between” a range of foreign and local actors that are involved in shaping Cambodia’s political economy.

Although the Cambodian economy is small (its GDP amounted to $15.24 billion in 2013), it is an emerging economy in the region, with GDP growth having topped eight percent between 2004 and 2012 (World Bank, 2013). To a large extent, this impressive growth stems from the involvement of foreign stakeholders. First, Cambodia is highly dependent on international aid, which totaled US$ 7 billion between 1992 and 2007 (Hughes, 2009). In 2005, aid equaled as much as 112.6% of the central government’s budget (Hughes, 2009). Second, according to the Council for Development of Cambodia, Foreign Direct Investment (FDI) in the Cambodian economy (62%) outweighs domestic investments (CDC, 2013a). China has emerged as the country’s major patron and financier. Although these figures are contestable (see Nyíri, 2013), total approved investments from China nearly reached US$ 8.9 billion between 1994 and 2011 (CDC, 2013b). Lastly, the garment factories – almost all of them owned by entrepreneurs from Taiwan, Hong Kong, Singapore, Malaysia and China – accounted for as much as 75% of Cambodia’s total exports in 2012 (Ly & Aldaz-Carroll, 2013).

Despite Cambodia’s dependency on these and other outside actors, the domestic private sector contributes 38% of total investments (CDC, 2013a).
Moreover, this figure only includes investments in excess of US$ 2 million (Nyíri, 2013), thereby largely excluding the role of Small and Medium Enterprises (SMEs). Taking into account that an estimated 99% of Cambodia’s enterprises employ only 1 to 100 individuals (Bailey, 2008), the role of the domestic private sector is arguably quite substantial. Considering that local entrepreneurship and a viable domestic private sector are crucial to processes of economic development (Bruton, Ahlstrom, & Obloj, 2008) and that, conversely, Cambodia’s dependency on foreign actors is said to hamper development (Ear, 2007, 2013; Hughes, 2009), the dynamics of Phnom Penh’s domestic private sector merit academic scrutiny. These dynamics are all the more intriguing considering the position of Cambodian Chinese entrepreneurs in relation to the competing hegemonies that influence Cambodia’s political economy.

Two competing hegemonies can be identified – the “Washington consensus” and the “Beijing consensus” – that roughly take the form of Western and Asian models for development (see Burgos & Ear, 2010; Dirlik, 2006; Heng, 2012), and affect Cambodian society in a multitude of ways. The first is an originally Western orthodoxy of democratization, sustainable development, transparency and “good governance”, which emerged in the slipstream of the United Nations peace-building mission of 1991-93. Propagated by Western donors, international NGOs and International Financial Institutions (IFIs) like the World Bank (WB) and Asia Development Bank (ADB), this orthodoxy is manifest in conditional aid programs and efforts to strengthen civil society. A second hegemony hinges on a more opportunistic model of economic development, on informal arrangements between the Cambodian elite and political and economic elites in the region, and on fostering a political culture of authoritarianism and patronage. South Korea, and especially China, provide large amounts of government-to-government aid that is unconditional in terms of human rights or transparency, but does seem to broker access for Korean and Chinese companies to Cambodia’s natural resources and cheap labor. In the business sphere, notably, these two hegemonies compete not only in terms of the actors involved, but also when it comes to the organization of business exchanges. While the former hinges on a formal, bureaucratic mode of contracting, accounting
and management, the latter is based on informal arrangements enabled through personalized trust and reciprocity.

In maneuvering, orchestrating and benefitting from these competing hegemonies, the role of the local political elite can hardly be overestimated. Prime minister Hun Sen and his CPP increasingly exercise control over Cambodian society in political as well as economic terms. As a former Khmer Rouge commander who fled to Vietnam in 1977 when the paranoid Khmer Rouge leadership began conducting internal purges, Hun Sen became prime minister in 1985 under Vietnamese control. Based on ties of loyalty and reciprocity, he has erected an extensive patronage system to ensure his position of power and to keep the opposition at bay (see Hughes, 2009; Hughes & Un, 2011a; Öjendal & Lilja, 2009). By placing loyal individuals in key state, military and business positions, and by distributing favors to reinforce this loyalty, Hun Sen and other top CPP officials have created an exclusive elite in Phnom Penh. Hun Sen has been characterized as a pragmatist rather than an ideologist (Gottesman, 2003), which is an apt description in relation to the competing hegemonies outlined above. Benefitting from investments and donor money from Asia and the West, Cambodia’s elite has managed to curb Western demands for democratization and “good governance” while exploiting increasing economic opportunities extended from Asia.

When it comes to how tensions between the competing hegemonies outlined above materialize, the majority of literature adopts a political science perspective and focuses on the interaction between the CPP political elite, lower level government, civil society and the rural electorate (Hughes & Un 2011a; Öjendal & Lilja, 2009; Springer, 2010; Un & So, 2011). Empirical studies that take the perspective of the private sector, however, not to mention studies that address entrepreneurship, are virtually absent. This reveals a lacuna. As will be discussed below, the position of Phnom Penh’s entrepreneurs vis-à-vis the described hegemonies as well as the local political elite renders them a vital category of actors in establishing the contours of Cambodia’s political economy.
To begin with, entrepreneurs in Phnom Penh are well positioned to link up with regional business communities that, to a great extent, are also of Chinese descent. As a result of immigration from southern China to Cambodia a few generations back (sometimes via Singapore, Ho Chi Minh or Bangkok), many businesspeople in Phnom Penh have relatives throughout the region with whom they establish business partnerships. In addition, the regional ethnic Chinese have become heavily involved in the Cambodian economy. The 1990s witnessed the influx of commodities, raw materials and investments from Singapore, Malaysia, Vietnam and Thailand (Edwards, 2012; Widyono, 2008). More recently, China has emerged as Cambodia’s predominant patron and investor, and, since the 1990s, the country has seen a new wave of economic immigrants from “Greater China” (China, Taiwan, Hong Kong and Macau) (Nyíri, 2012). These regional actors – family members and the ethnic Chinese from around Southeast Asia and “Greater China” – represent opportunities for domestic entrepreneurs by means of investment, expertise and trade. In terms of ethnic affinity, family ties, and language abilities, the Cambodian Chinese are well positioned to take advantage of these opportunities. Especially the findings presented in the chapter on kinship (chapter four) show that, indeed, the informal trust inherent in family and ethnic ties proves crucial in entrepreneurial endeavors.

Beyond ethnic Chinese business circles, partnerships with stakeholders from the EU, US and Japan have been established over recent decades. These include companies from the West that set up shop in Cambodia by means of joint ventures with local entrepreneurs, a large number of Japanese manufacturers that have set up factories in locally owned Special Economic Zones (SEZs), and other various trading partners in, for example, the import of machinery or the export of Cambodian rice. Likewise, projects from Western development agencies, the WB and ADB provide opportunities for entrepreneurs who are in a position to supply goods or who are active in the construction sector. A result of various factors, business families in Phnom Penh are increasingly acquiring the know-how – in terms of English language capabilities, formal contracting, accounting, or tendering procedures – to enable these partnerships. First, a large number of Cambodians escaped the Khmer Rouge by
fleeing to Australia, France and North America. Some of them returned to Cambodia in the 1990s and now employ their experiences and connections, acquired while doing business or attending universities in the West, to set up business ventures. Others stayed in the West, but provide their family members in Phnom Penh with access to resources, markets or institutes of higher education. Second, parents that can afford it often send their children to developed countries for business-related studies – most notably to Singapore, Japan and the US – and, upon their return, these children feed their knowledge back into the family firms.

Apart from these diverse foreign stakeholders, the role of the CPP political elite in facilitating and impeding entrepreneurial opportunities for business people is paramount. On the one hand, Cambodia hardly fosters a reliable business environment; state institutions are considered weak, the law is arbitrarily enforced and the system of revenue collection is unreliable (Dahles & Ter Horst, 2012). Corruption permeates society (Cambodia is ranked 156 out of 175 on the Corruption Perception Index of Transparency International in 2014), enriching the pocketbooks of top politicians while at the same time compensating for the meager salaries of lower-level government employees. For entrepreneurs who entertain political connections, on the other hand, the power in the hands of high-ranking CPP officials spells business opportunities in the form of government contracts, land concessions, and the protection of illicit business activities. This has created an either-or scenario for entrepreneurs; they can either establish reciprocal relationships with the CPP political elite in order to develop business opportunities, or avoid the political sphere and circumvent rent-seeking officials. As the chapter on Phnom Penh’s business-state elite (chapter five) illuminates, the divide between the politically connected and the politically bereft also implies a divide between large business groups and the SMEs, and between economic spheres under CPP control (such as land exploitation or monopolies) and economic sectors more or less beyond the reach of the CPP (such as trade, retail and tourism).

Cambodia scholars argue over the question whether a shift to a more advanced economy is currently taking place, and whether such a shift would represent a
substantive change in the development of the Cambodian economy. Some observe a shift from post-conflict economic activities (such as illicit trades, home-based retail or production, and natural resource and land exploitation) to more advanced and capital-intensive industries and services (such as manufacturing, banking, and export) (Chhair & Ung, 2013; Hughes & Un, 2011b; Kelsall & Seiha, 2014). As such, Hughes and Un (2011b) observe a shift from “illicit conflict trades” to “more respectable industries”, labeling it an “economic transformation” as it represents a “visible change in the level and nature of economic activities from the 1990s to the 2000s” (p. 9-10). Others instead point out that kinship ties among the ethnic Chinese and patronage arrangements between business and state actors remain the foundation of the Cambodian private sector (Slocomb, 2010). Slocomb (2010) draws a parallel between Cambodian society past and present, arguing that the persistence of these arrangements reflects the low level of general trust inherent in Cambodian society. Hence, she finds it “difficult to accept that genuine transformation has occurred in the Cambodian economy” (p. 298).

In this thesis, I show that while “Chineseness”, kinship and patronage are still the cornerstones of business ventures in Phnom Penh, entrepreneurs also surpass these informal and personalized arrangements in business exchanges. Depending on the economic sector in which they are active and the business ventures they envision, entrepreneurs assemble the practical, social, and rhetorical repertoire necessary to maneuver the hegemonies outlined above in attempts to expand and diversify their businesses. Whether and how they make such attempts depends, among other things, on the entrepreneurs’ connections, their language abilities, their family structure, their business sector, what their extended family members do for a living, their trajectories of migration, which school they attended, their technical expertise, and who they befriend. In other words, entrepreneurial activities are highly contingent upon the particularities of life. The ethnographic approach I elaborate on shortly is well suited to explore these particularities.
1.3 Ethnographic methodology

Each of the empirical chapters of this thesis features a section on methodology, but because these sections are limited and as different empirical material is used in each chapter, I provide a more comprehensive overview here. I first present ethnography as a suitable research paradigm for the study of embedded entrepreneurship. Second, I describe how, by means of an explorative approach, I collected empirical accounts from diverse entrepreneurs and businesses during my stay in Phnom Penh. Third, I elaborate on how I employed ethnography’s methodological toolbox, which includes interviews, informal conversations, observations, and the collection of documents. The fourth and fifth sections, respectively, describe the analysis of the empirical material and state the research ethic to which I have aimed to conform.

1.3.1 Ethnography and entrepreneurship

Ethnography, according to Bate (1997), can be defined in a number of different ways; as a way of doing, a way of thinking and a way of writing. As a way of thinking, ethnography focuses on the production of knowledge in interaction (Shehata, 2006), and reflects on how social relationships and cultural meanings stabilize or change throughout time and in congruence with the social context. As a way of writing, ethnography is about what Geertz (1973) famously labeled thick description; richly documenting not only literal actions or words, but also that which seems (but is not) external to it, like place, people, situation and expression (Yanow, 2006). As a way of doing, ethnographic fieldwork entails the detailed study of everyday behavior and experience, conversing and observing where social life unfolds (Atkinson, Coffey, Delamont, Lofland, & Lofland, 2001).

Ethnography is well suited to capture the ways in which micro-level behavior – including entrepreneurial behavior – is embedded in context. As Van Maanen (2001) puts it, ethnography is about “particular people in particular places, doing particular things, at particular times” (p. 236). Ethnography has an almost obsessive focus on “the empirical”, and has been framed as an “emic perspective” that
investigates the view from within, as opposed to an “etic perspective” that merely employs outside academic categorizations and theories (Cunliffe, 2010, p. 229). Some have taken this argument to its extreme, claiming that ethnography uncovers “what it is like to be a member of a particular group or organization” (Neyland, 2008, p. 15). I agree with Watson (2011), however, that this claim of capturing “lived experiences” – or getting “inside” people’s heads – is somewhat pretentious. Instead, I perceive contextualization as the defining characteristic of ethnography; alternating “‘extreme close-ups’ that show detail […] with ‘wide-angle’ or ‘long shots’ that show panoramic views” (Ybema, Yanow, Wels, & Kamsteeg, 2009b, p. 7). In this thesis, I aim to make sense of what people do and say by connecting actions and verbal accounts to the entrepreneurs’ immediate social settings, and to the wider societal and historical context within which entrepreneurial activity emerges.

The organization and business sciences remain dominated by “hypothetico-deductive regimes” (Locke, 2011, p. 614) and concerned with validation. This contrasts sharply with ethnography’s “kind of madness” in not knowing exactly what empirical material will be gathered or what “case” to study in the first place (Locke, 2011, p. 623). Similarly, positivist, quantitative and deductive studies dominate mainstream entrepreneurship studies (Johnstone, 2007; Lindgren & Packendorff, 2009; Watson, 2013a). Nevertheless, the promise of ethnography is increasingly recognized throughout the organization sciences at large (Locke, 2011; Ybema, Yanow, Wels, & Kamsteeg, 2009a) and entrepreneurship studies in particular (Jack & Anderson, 2002; Johannisson, 2011; O’Connor, 2002; Watson, 2013b). As Johnstone (2007) contends, ethnographic methods “surely have the potential to uncover greater understanding of entrepreneurial behavior, new insights into how entrepreneurial ventures emerge and grow, and explain the cultural and institutional factors that surround and either constrain or enable the emergence of a venture” (p. 119).

The promise of ethnography for entrepreneurship studies’ methodologically cannot be seen separately from the emergence of approaches that focus on embeddedness, context and process. First, according to Steyaert (2007), exploring entrepreneuring as a creative process requires a logic of recursivity, a thick
understanding of the lived world, an understanding of entrepreneurship that is “sensitive to the stream of the past and the present”, and a focus on connecting practices to experience and “conversational texture” (p. 471). Ethnographic methodology is well equipped to examine entrepreneurship within these parameters. Second, ethnographic methods allow for a proper theory of context by uncovering entrepreneurs’ individual initiative and adaptability, and in turn linking these qualities to multilayered embeddedness (Welter, 2011). Ethnography, as a paradigm as much as a toolbox of methods, highlights the processual and contextual nature of business venturing (Bate, 1997), and is therefore suited to investigate the embeddedness of entrepreneurship (Uzzi, 1997). By sticking relatively close to the everyday life of entrepreneurs, ethnographic methods pay attention to the actual ways of creating new enterprise and reveal embedded “practical knowledge” (Swedberg, 2000, p. 10).

1.3.2 An explorative approach

Interspersed by a three-month period back in Amsterdam, I conducted ethnographic fieldwork in Phnom Penh from October 2010 to December 2011. Considering the small number of studies previously conducted on entrepreneurship in Phnom Penh, my research was best served by an explorative approach. From the outset, my aim was to investigate the diversity of entrepreneurial trajectories in Phnom Penh, especially in terms of economic sector, business size, and the age and gender of entrepreneurs. Upon arrival in Phnom Penh, I harbored the expectation that I would simply approach entrepreneurs and the people around them. In line with the embeddedness perspective on entrepreneurship, I aimed to discover how diverse trajectories are situated within the time and place-specific context of entrepreneurs. My “unit of analysis” was not set either. In contrast to conventional qualitative case study approaches within entrepreneurship studies (see Perren & Ram, 2004), neither the entrepreneur nor the business can be considered the “unit of analysis” in this study. As will be seen, the creation of business ventures in Phnom Penh is typically a collective endeavor, usually undertaken by nuclear or extended families. Moreover, entrepreneurs – or “entrepreneurial teams” (Iacobucci & Rosa, 2010) – often set up
and run more than one business venture over the course of time. Instead, I “followed” the entrepreneurial activities of businesspeople; pursuing conversations, observations and documents in those places where I might find more “clues” about how these activities came about. As such, connections between people and the interconnectedness of their activities are highly prevalent in the empirical accounts gathered.

During fieldwork, my explorative approach materialized through a combination of snowball and purposive sampling. Initially, I came in contact with businesspeople through individuals I met in Phnom Penh. At what became one of my regular restaurants, I got to know people that introduced me to entrepreneurs and, for example the same can be said of my Khmer teacher. Moreover, the entrepreneurs I met often put me in contact with their family members or friends who were also in business. Naturally, the more people I met during the course of my fieldwork, the easier it was to arrange new interviews and visit new companies. This process of serendipitous encounters and snowball sampling, however, created some biases in the characteristics of my interviewees. I found the younger generation of middle to upper-class businesspeople easiest to approach and get along with. They either worked for their parents’ business or had started their own company by building on family capital. Many of them had attended a university in the West, spoke English well, and were acquainted with academic research and willing to share their experiences and opinions.

Older-generation entrepreneurs and people who did not speak English – two categories that overlap to a great extent – were harder to approach. I was interested in speaking to the older generation as their children often stressed generational differences in business styles, and because older entrepreneurs could share their experiences of the post-Khmer Rouge period. Language was one barrier here. Although I took Khmer lessons throughout my fieldwork and was eventually able to order food and negotiate prices, I never reached a level where I could conduct interviews in Khmer, or even convince people to do an interview in the first place. A second barrier was a general mistrust on the part of older-generation businesspeople,
who sometimes suspected me of having a “hidden agenda”. Depending on the circumstances, they either worried that I would report them to the government’s tax department, steal their business idea or network, or end up exposing some level of internal corruption. Ultimately, although the bias towards the younger generation remained to an extent, I managed to speak to quite a number of older-generation entrepreneurs. Children often put me in contact with their parents, I occasionally hired a Khmer research assistant to call entrepreneurs and arrange for an interview, and I became increasingly skillful in convincing entrepreneurs (who did speak English) to participate.

In order to generate diversity in research participants, I gradually began approaching specific people to talk to, diverting from the snowball strategy that had characterized my fieldwork up until that point. Diversity in terms of gender among interviewees came about naturally; the majority of my cases studies were family firms, and so I often spoke to both women and men by approaching different family members. Creating diversity in terms of the economic sector required a more purposive sampling approach. I managed to contact entrepreneurs in different sectors – trade/commerce, production, construction/real-estate, natural resources/agribusiness, services/tourism – if not through acquaintances, then through business association meetings and websites; these include the Cambodia Chamber of Commerce, the Phnom Penh Small and Medium Industries Association, and the Young Entrepreneurs Association of Cambodia.

Lastly, I aimed for diversity in business size. Owner-managers of small enterprises were relatively easy to approach, although the language barrier sometimes posed a problem (outside the tourism sector). One initiative to gather more data on small enterprises was a modest research project on market vendors, carried out in collaboration with four master’s students from the Royal University of Phnom Penh (who conducted the research as part of a course on qualitative methodology). On the other side of the continuum in terms of business size, it was difficult to gain access to the tycoons in charge of large and diversified business groups. They often presumed I worked for an NGO or the international media, and intended to expose their sensitive
political connections. It was mostly via people I knew – who were more or less able to vouch for me – that I came to speak with these tycoons. All in all, the range of businesspeople is diverse in terms of the entrepreneurs’ age and gender, business size and the sector in which they are active. Nonetheless, my sample is biased towards the English-speaking middle and upper class as well as Phnom Penh’s city center.

I should mention that, compared to single-sited ethnography, the explorative approach I adopted presents a number of challenges in terms of ethnographic depth and detail. My research site was defined in rather general terms – Phnom Penh’s private sector – and my fieldwork consisted of multiple “ethnographic snapshots” that revolved around a number of observations, some textual material and various informal conversations and/or semi-structured interviews with the subjects involved. Although I grew to know numerous interviewees outside of formal interview settings, I cannot claim that I became “part of” or “immersed in” the business settings I was studying. Some would argue this does not necessarily spell dubious ethnography, pointing out that conducting ethnography in organizations is not the same as among, say, villagers. Business organizations can be difficult to get into or only partially accessible (Dahles, 2004). They represent closed domains packed with carefully guarded information (Van der Waal, 2009), and it is hard to do participant observation unless the researcher is actually employed by the firm (Czarniawska, 2004). Others instead emphasize that becoming “part of the situation being studied” (Locke, 2011, p. 626) by means of a prolonged stay and participation in people’s life-worlds is vital to generating a thick empirical understanding (see Bate, 1997; Locke, 2011; Watson, 2011). In an oft-quoted phrase, Bate (1997) complains about the in and out nature of much of the ethnographic work done on organizations, invariably turning “thick description” into “quick description” (p. 1150).

Undoubtedly, there is a trade-off between the focus on multiple business settings adopted in this study and the ethnographic depth and detail accomplished in the study of a single business organization. For two reasons, however, I am convinced that a focus on a variety of private sector actors and their activities was most suited to my research. First, I was particularly interested in studying people’s business lives in
depth, as opposed to their “entire being”. As Hannerz (2003) argued in reference to his study on foreign correspondents; “what mattered to me about their childhood or family lives or personal interests was how these might affect their foreign correspondence work” (p. 208). The interrelatedness between spheres of life is central to my study, but does not eliminate the possibility of keeping “hardnosedly in mind what more precisely one is after, and what sorts of relationships are characteristic of the field itself, as one delineates it” (Hannerz, 2003, p. 209). Second, as described above, my aim was not only to acquire an in-depth understanding of various entrepreneurial trajectories, but especially to comprehend the patterns – the similarities and differences – that exist across those trajectories, and that emerge in a shared Cambodian context. In other words, individual business ventures represent the “cases” in this study as much as “organizational modes of entrepreneurship” (Zahra & Wright, 2011, p. 67) do.

In my choice of an explorative approach, methodological anxieties similar to those identified within the literature on multi-sited ethnography arose (Marcus, 1998). Ethnography in scattered and mobile research settings does not allow for “the kind of ‘real’ fieldwork” (Hannerz, 2003, p. 208) associated with classic anthropologists like Evans-Pritchard, who felt a true ethnographer needs to be embedded in a single site for at least two years to holistically grasp the native’s point of view. Although, indeed, “something of the mystique and reality of conventional fieldwork is lost” in ethnographic accounts that “inevitably are the product of knowledge bases of varying intensities and qualities” (Marcus, 1998, p. 84), such accounts do unveil the “complex spaces into which fieldwork literally moves” (Marcus, 1998, p. 19). Entrepreneurship in Phnom Penh is one of those spaces.

1.3.3 Methods: Interviews, informal conversations, observations and documents
The explorative approach with which I aimed to uncover a multiplicity of perspectives goes hand in hand with multiple methods of collecting empirical material. I employed various methods of data collection derived from the ethnographic toolbox: interviewing, informal conversation, observation, and the
collection of textual material (Atkinson et al., 2001). Below, I outline how I employed these ethnographic methods during my stay in Phnom Penh.

Semi-structured interviews with businesspeople form the foundation of my empirical material. These interviews were structured to the extent that I knew what topics I was going to discuss, but no literal interview questions were formulated in advance. Interviews largely took the form of conversations; interviewees were free to discuss what they deemed important, and I probed when I thought matters were relevant (Hermanowicz, 2002). Nevertheless, I did make sure to address a number of broad themes and more specific topics in interviews with entrepreneurs in particular (see Appendix A). First, I elicited more factual answers on the activities and structure of their business(es). I asked questions on internal matters such as management, employment and facilities, and on external matters such as their business network, sector, partnerships and government relations. A second line of questioning aimed at uncovering the entrepreneurial resources employed to develop opportunities. Loosely applying Bourdieu’s notion of capitals, I elicited information on the human, cultural, social and economic capital employed in business endeavors. A third and last theme pertains to what Dahles (2004) deems “business-life-histories” (p. 4). By deconstructing the biography of the entrepreneur and his or her firm, I tried to unpack the congruence of social and business life throughout an entrepreneur’s career. As previously stated, entrepreneurship in Phnom Penh is often undertaken by families rather than individual entrepreneurs. As a result, interviews with different family members often supplemented each other, providing me with fuller accounts of the entrepreneurial trajectory as well as a multiplicity of experiences and perspectives on doing business (See Appendix B1 for the businesspeople I interviewed.)

Interviews were conducted in English or Khmer. I conducted interviews in English myself when an interviewee could do so sufficiently. If interviewees only spoke Khmer or limited English, then I brought along an interpreter. While my Khmer teacher sometimes took on this role, I occasionally hired an interpreter from a professional translation firm. Interviews were typically recorded, but on a number of occasions, when the interviewee preferred not to do so, I took notes instead. I
transcribed the interviews in English myself, and hired the same translation firm for translating and transcribing interviews conducted in Khmer.

Apart from semi-structured interviews with entrepreneurs, I acquired insight into their business ventures by speaking to people in their social surrounding, by means of observations, and by collecting documents. First, whenever possible, I spoke to the entrepreneurs’ employees, business partners, and extended family members. As these were largely informal conversations, I jotted down fieldnotes after these encounters, instead of using a voice recorder. Talking to employees when the entrepreneurs themselves were absent – especially in retail or tourism where I could easily hang around – provided a different viewpoint on how owners managed their firms, while (expatriate) business partners often told me illustrative anecdotes about business transactions.

Second, I took fieldnotes on what I observed. Writing descriptive fieldnotes on social situations – including the places, people and activities of which they are composed – serves as a springboard into understanding social and cultural meaning (Spradley, 1980). The interview event itself revealed inspiring and sensitive topics, which questions seemed (in)appropriate, and how interviewees used tone of voice, silence or agitation to express emotions and opinions. Considering potentially sensitive topics were discussed – including opaque business deals, tense family relations, and troubled histories – reflections on how things were said (and not only what) are important. I observed the businesses and people involved. By means of pictures, posters, golf clubs, gifts from business partners, religious shrines, awards, and so on, interviewees’ office artifacts showed how they wished to present themselves, and provided topics of conversation. Walking around businesses, often shown around by the entrepreneur, provided me with insight into production processes, locations, daily routines and interactions among staff.

Third, textual material often provided vital background information. Company websites described business activities and biographies, serving as empirical material and helping me prepare for interviews. More crucially, English language media archives, most notably of the Phnom Penh Post and Cambodia Daily, proved useful in
obtaining information on individual entrepreneurs, their businesses and activities. These newspapers report extensively on Phnom Penh’s larger businesses, specifically on ties between business tycoons and the ruling CPP. As the tycoons themselves often failed to mention these ties or merely talked about the subject in general terms, I relied on these newspapers (as well as on conversations with others) to acquire more detailed information on the actual relationship between business and political actors.

As fieldwork progressed, patterns of how entrepreneurs have been setting up business ventures since 1980 started to emerge. It became increasingly clear that Chinese background, upbringing and language abilities play a crucial role in entrepreneurship; trajectories revealed the relevance of Chinese family and ethnic ties in setting up and consolidating businesses; and a gap surfaced between the SME sector and the large business groups. In line with these findings, and in addition to my general focus on business ventures, I started collecting more and more empirical material on the patterns that stretched across the many cases. This required conversations, observation and the collection of textual documents beyond individual entrepreneurs or people in the immediate surroundings.

I conducted interviews and informally conversed with people not directly involved in entrepreneurial activities (see Appendix B2 for an overview). I interviewed those with knowledge of the inner workings of Phnom Penh’s economy, including representatives from the media, consultancy firms, business associations, relevant ministries, government think-tanks, and research institutes. The themes discussed differed according to their interests and expertise, but generally revolved around specific sectors (such as garments, rice, or manufacturing), the relationship between business tycoons and the political elite, Cambodia’s route to economic development, SME sector opportunities and constraints, the role of foreign investors and donors, the role of the government in fostering or hampering entrepreneurship, and the job market. Also, I elicited discourse on ethnicity and gathered insights on Cambodia’s ethnic Chinese by talking to academics and representatives of Chinese organizations. While the aforementioned themes were discussed in more or less formal settings with experts that I had approached for an interview, small talk with
people I encountered in daily life was often just as valuable. I learned a lot from talking to students, taxi and tuk-tuk drivers, people in restaurants and markets, neighbors, and so on. My favorite pub’s regular customers, most of who were involved in business one way or the other, provided me with a lot of insight into the wheeling and dealing of Phnom Penh’s private sector.

I visited events and locations around Phnom Penh and took notes on my experiences. Some of these observations focused on expressions of “Chineseness”; I visited Chinese temples and schools, shadowed (Czarniawska, 2008) a Chinese dance squad as they blessed businesses during Chinese New Year, and attended a gathering of a Chinese family name association. Other observations were inspired by entrepreneurs’ business lives; I observed economic sectors’ spatial clustering, attended business association meetings, and strolled around markets. Lastly, I collected textual documents on the Cambodian economy in general and specific sectors in particular, on Cambodian politics and society, and on Cambodia’s ethnic Chinese. In addition to the previously mentioned Phnom Penh Post and Cambodia Daily, these documents stem from government websites, and archives from the WB, ADB, and NGOs like Global Witness.

These methods amount to empirical material consisting of interview transcripts, fieldnotes and textual documents. The subsequent section outlines how I analyzed my empirical data.

1.3.4 Analysis
In ethnography, the “phases” of collecting empirical material, analysis and writing are very much entangled and can be regarded as a single process. This process is characterized by a constant “interplay between observed particulars and conjectural (speculative) work” (Locke, 2011, p. 623). Fieldwork instances are potential clues to more general processes or issues that link to theoretical ideas. Throughout the analysis, “observations are explored, hunches occur, perspectives are considered, ideas are tried out or set aside, and so on” (Locke, 2011, p. 630). In the daily practice of doing fieldwork, this meant that apart from transcribing interviews and writing
descriptive fieldnotes on social situations, I also took separate analytical notes with the aim of grasping the meaning of these social situations and – in extension – sharpening my research focus. As argued by Emerson, Fretz and Shaw (2001), “the more explicitly the fieldworker identifies analytic themes, the better able he is to ‘check out’ different alternatives, making and recording observations that confirm, modify, or reject inprocess interpretations” (p. 362). The research “findings”, then, are ultimately the result of an ongoing “conversation” between the researcher, the research participants’ accounts, and analytic ideas. Ethnographers “do not simply observe and describe” but “interpret and inscribe” (Robben, 2007, in Koning & Ooi, 2013, p. 20).

That being said, my analysis roughly proceeded in two phases. The first phase encompassed my fieldwork and the period directly following. I started coding by means of NVivo8 data analysis software. I used coding to organize – rather than analyze – my empirical material according to the general themes I had identified during fieldwork and while re-reading interview transcripts and fieldnotes upon my return to Amsterdam. These themes include “personal background”, “business operations”, “business history”, “business-state”, “Chineseness”, “family business” and “Cambodian economy and society” With the aim of teasing out patterns across individual cases, I also made tables of entrepreneurs’ characteristics and their businesses, and identified more crucial and peripheral empirical themes.

While the first phase heavily relied on a “conversation” between empirical accounts and me, in the second phase theoretical ideas entered this “conversation”. Alternating between empirical data and theoretical perspectives, my argumentation eventually crystallized in terms of coherence and scope. Throughout the interpretive process, it turned out that a kinship lens was especially suited to making sense of family and ethnic involvement in entrepreneurship; that the concept of patronage best explains the socio-cultural dynamics among the business-state elite; and that practices and meanings of “Chineseness” require a broad analysis of the shifting position of Cambodian Chinese entrepreneurs throughout the history of Cambodian society. Having established these conceptual angles and working towards the individual
chapters, I revisited the empirical material in a more systematic manner to draw together relevant passages of text from interview transcripts and fieldnotes, and in order to make sure I was not missing important nuances or details.

1.3.5 Research ethics
During fieldwork, as well as throughout the process of deciphering my empirical data, I have consistently aimed to conform to ethnography’s ethical norms (see Murphy & Dingwall, 2001). When approaching entrepreneurs or other potential interviewees, I was sometimes persistent but never overly assertive. Before conducting semi-structured interviews, I informed interviewees of the purpose of my study, and asked whether they approved of the use of a voice-recorder. While conducting interviews or conversing with people informally, I aimed not to be offensive or obtrusive when addressing sensitive issues such as experiences during the Khmer Rouge period, family feuds, or strategic marriages. I did not push to acquire sensitive information on company matters (such as their finances or supply networks) when entrepreneurs refused to provide me with this information. I worked independently during my fieldwork, recognizing the importance of creating “closeness” in order to acquire insight into “other people’s life-worlds” and of retaining a degree of “distance” in order to avoid the “risk of becoming socially bound up” with research participants (Ybema & Kamsteeg, 2009, p. 101). Although I adopted a critical stance as to “distinguish between what people say they do and what they actually do” (Moeran, 2009, p. 139), I have primarily attempted to acquire insights into people’s experiences and viewpoints while avoiding judgment of their (business) conduct. When writing up empirical material, I altered interviewees’ names and took measures to protect empirical accounts from being traced back to individual interviewees, their businesses or the organizations they work for.

Lastly, I attempted to establish a degree of co-production and co-ownership of research findings between myself and research participants (rather than treating them as mere “informants”). This meant that I built in moments to acquire feedback from research participants on my own interpretations and to invite research participants to
elaborate on their interpretations of particular phenomena or events. Follow-up interviews with entrepreneurs, conversations with acquaintances, and workshops organized within the Cambodia Research Group (see www.cambodiaresearch.org) were particularly valuable to this end. These occasions provided alternative viewpoints and nuances, and often led to the identification of additional research topics that required further exploration.

1.4 Thesis outline

The remainder of this thesis consists of five chapters, three of which are co-authored. After the theoretical chapter (chapter two, co-authored with Heidi Dahles), which covers the Chinese capitalism debate, three empirical chapters follow. These chapters elaborate on the three socio-cultural arrangements that underpin Cambodian Chinese entrepreneurship in Phnom Penh, namely “Chineseness” (chapter three), kinship (chapter four, co-authored with Juliette Koning) and patronage (chapter five, co-authored with Heidi Dahles). The concluding chapter (chapter six) draws the empirical findings together, showing their relationship to debates on the context of Cambodia and Southeast Asia, as well as to the embeddedness perspective on entrepreneurship. Below, I outline these five chapters in a bit more detail.

Chapter two develops my perspective on the scholarly debate on Chinese capitalism in Southeast Asia. My co-author and I sketch the empirical themes – the practices and meanings of Chinese business organization – that will be revisited for the Cambodian case in the ensuing empirical chapters. In so doing, we also critically redress the Chinese capitalism debate. We discern four perspectives, each of which perceives the relationship between Chinese ethnicity and business life differently, that is to say: the culturalist, instrumentalist, transnational and institutional perspectives. We outline how the debate is hampered by the concept of culture, moving between essentialist and anti-essentialist interpretations. Offering an alternative, we re-conceptualize Chinese capitalism as an institution and make room for a more dynamic understanding of culture as interrelated to other dimensions in business organization.
Also, we extend the argument made with regard to the Chinese capitalism debate to include anthropology’s engagement with organization and business sciences at large. Ultimately, chapter two is our plea to engage business anthropology and institutional theory. In the three empirical chapters that follow, the combined anthropological-institutional approach manifests both explicitly and implicitly.

Chapter three focuses on the shifting position of Chinese enterprise throughout the history of Cambodian society, and adds an entrepreneurship and business angle to the small body of literature on Cambodia’s ethnic Chinese. I identify three broad periods that represent the emergence (pre-1970), uprooting (1970-1990) and revitalization (post-1990) of both Chinese socio-cultural life and private sector activity. By developing three diverse case studies of entrepreneurs in Phnom Penh, I show how practices of and discourse surrounding ethnic Chinese business success are highly conspicuous. I also illustrate how contemporary Chinese enterprise has taken on a fundamentally different form than William Willmott described in the 1960s. I argue that practices and meanings of Chinese business organization no longer reside within a definable ethnic community of Chinese in Phnom Penh, but that, instead, “Chinese business” has developed into a template at the disposal of a broader category of Cambodian Chinese. The two most salient dimensions of “Chineseness” – kinship and patronage arrangements – are investigated in chapters four and five.

Chapter four considers the role of kinship in entrepreneurial activity. Kinship entails interpersonal ties grounded in “relatedness” (Carsten, 2000), and hence both family and ethnic ties can be considered expressions of kinship. My co-author and I distinguish between five categories of kin – including the nuclear family, extended family, far relatives, the Chinese dialect group, and the ethnic Chinese broadly – that represent varying degrees of kinship proximity. Building on twelve business ventures since 1980, we investigate how Cambodian Chinese entrepreneurs in Phnom Penh employ these kinship ties in setting up, diversifying and expanding their businesses. We argue that the different degrees of kinship fulfill different roles in the entrepreneurial process. Theoretically, we engage the scholarly fields of family business and ethnic entrepreneurship. While these two fields focus on the family
business and ethnic economy respectively, we argue that a kinship perspective better captures the complexities of ethnic family firms. By focusing on interpersonal ties, a kinship perspective reveals that similar socio-cultural dynamics – including reciprocity, informal trust and norms of altruism – underpin the involvement of family and ethnic kin in entrepreneurship.

Chapter five considers the patron-client ties between business tycoons, who carry the honorary title of oknha, and the leadership of the ruling CPP. Among the business-state elite in Phnom Penh, the oknha receive business benefits – such as land concessions or public contracts – in return for loyalty and financial contributions to the CPP, and in particular to prime minister Hun Sen. By describing the interdependencies between tycoons and politicians that make up this “elite pact”, my co-author and I contribute to and critically engage with the burgeoning literature on the patronage system in Cambodia. Whereas the existing literature investigates the relationship between party politics and society from a political science perspective, we instead explore the relationship between business and politics by building on insights from anthropological and institutional theory. Adopting an anthropological perspective that focuses on interpersonal ties, patronage is best characterized by unequal, yet close and reciprocal, relationships between the oknha and CPP top-officials. From an institutional perspective, patronage arrangements are arguably subjected to processes of institutionalization within the elite organizational field, making the title of oknha both the medium and the outcome of the encompassing patronage system.

In the concluding chapter (chapter six), I answer the central research question by revisiting the three socio-cultural arrangements covered in the empirical chapters, and by identifying the arrangements’ overlapping elements. Moreover, I elaborate on the implications of my findings for the debates on Cambodia’s political economy and Chinese capitalism in Southeast Asia. With regard to the theoretical contributions of this study, I restate my contributions to an embeddedness perspective on (ethnic) entrepreneurship and, lastly, reflect on the liaison amoureuse between institutional theory and anthropology that is proposed in the ensuing chapter two.