Chapter 4

Towards a Kinship Perspective in Entrepreneurship Studies*

This chapter develops a flexible framework for analyzing the role and meaning of kinship, as an articulation of both family and ethnicity, in entrepreneurship. The framework is valuable to both family firm researchers and ethnic entrepreneurship scholars and bridges the divide between these two prominent entrepreneurship traditions. The framework specifies where and how different categories of kin take up a role in entrepreneurship and how certain cultural and social norms reinforce the extent to which exchange of knowledge, resources, and networks can take place and under which conditions. The framework can be adapted to represent specific contexts and settings.

* This chapter is based on Verver, M., & Koning, J. Towards a Kinship Perspective in Entrepreneurship Studies. Manuscript is under review (2nd round) at Entrepreneurship Theory and Practice.
4.1 Introduction

The aim of this chapter is to address and amend the divide between family business research and ethnic entrepreneurship studies. We will do so by reintroducing the concept of kinship in entrepreneurship research (see Stewart, 2003, 2010a, 2010b). We argue that both family and ethnic ties are expressions of kinship relatedness, and that similar socio-cultural dynamics underpin the involvement of family and ethnic kin in entrepreneurship. Kinship thus offers entrepreneurship researchers an integrated approach to analyze the role and meaning of family and ethnicity. The contribution of this chapter is found in the creation of a flexible framework that specifies where and how different categories of kin take up a role in particular entrepreneurship stages and how certain cultural and social norms reinforce the extent to which exchange of knowledge, resources, and networks can take place and under which conditions.

The chapter is based on ethnographic research among ethnic Chinese entrepreneurs in the capital of Cambodia, Phnom Penh. The events that left Cambodia ruined after the Khmer Rouge (1980s) meant that setting up new ventures took place in an environment of devastation, destruction and shortage. We will show that entrepreneurial legacies played a prominent role in reestablishing entrepreneurial activities and that kinship is a very suitable concept to analyze this rebuilding of an entrepreneurial climate in post conflict Cambodia. Even though the uniqueness of this context is considered key to understanding the Cambodian developments we will argue that there are interesting insights from this case for a wider use of kinship in both ethnic entrepreneurship and family firm research.

Although the field of family business is argued to generally investigate internal firm dynamics like succession and governance rather than entrepreneurial activity (Anderson, Jack, & Dodd, 2005; Dyer & Handler, 1994; Nordqvist & Melin, 2010), it has been acknowledged that family firms display strong entrepreneurial capabilities and initiatives (Aldrich & Cliff, 2003; Habbershon & Pistrui, 2002). The family institution provides entrepreneurs “a rich repository of resources: economic, affective, educative, and connective” (Steier, 2007, p. 1106). The field of ethnic entrepreneurship has its roots in the study of urban ethnic communities in the industrialized West (Aldrich & Waldinger, 1990; Portes &
Sensenbrenner, 1993; Rath, 2000a). Seeking to explain why members of ethnic groups display a propensity for self-employment, scholars investigate how ethnic communities represent vehicles for entrepreneurs to create business opportunities, recruit employees, and establish a consumption market (Zhou, 2004).

While family business and ethnic entrepreneurship studies thus each provide rich insight into the ways in which the domains of either the family or ethnicity shape the entrepreneurial process, to date they remain largely separate fields of inquiry. Scholars in both fields raise concern over this divide. For example Harris (2009) argues that the complexities of ethnicity are “apparent in general society, yet […] overlooked in studies of family business” (p. 293). Vice versa, Ram, Abbas, Sanghera, Barlow and Jones (2001) note that while the family business model is deemed to explain entrepreneurial success among certain ethnic groups, few studies make explicit the family dynamics in ethnic minority businesses. This observed lack of engagement is remarkable, most notably because the literature demonstrates that the involvement of family members and co-ethnics in business often overlap (Bhalla, Henderson, & Watkins, 2006; Chang, Memili, Chrisman, Kellermanns, & Chua, 2009; Danes Lee, Stafford, & Heck 2008; Iyer, 2004; Karra, Tracey, & Phillips, 2006; Katila & Wahlbeck, 2012; Kidwell, Hoy, & Ibarreche, 2012; Ram & Holliday, 1993; Wong, McReynolds, & Wong, 1992). Moreover, as arenas of social interaction and cultural meaning, the domains of family and ethnicity are highly intertwined. Norms and values within ethnic groups affect entrepreneurial activities or modes of business organization among family firms (Chrisman, Chua, & Steier, 2002; Harris, 2009), while the family is a critical “mediating institution” for these norms and values, and is “core to social networks within ethnic groups” (Danes et al., 2008, pp. 231-232). There is, in sum, good reason to investigate the concurrence of family and ethnic ties in entrepreneurship and we suggest that kinship is an important way forward.

Kinship entails interpersonal ties grounded in “relatedness” (Carsten, 2000), ranging from being “of the same blood” or relatedness through marriage, to broader ties of (putative) shared ancestry and descent (Peredo, 2003; Sahlins, 2011a). Hence, both family and ethnic ties *This definition implies that kinship is socio-culturally constructed rather than biologically given (Sahlins, 2011a), and as such allows an exploration of both family and ethnic ties in kinship terms. Post-birth means of
ties are expressions of kinship relatedness. The advantage of a kinship perspective in linking
the role of family and ethnicity is twofold. First, framing family and ethnicity in terms of
kinship allows to consider a continuum of interpersonal ties that differ in terms of kinship
proximity and strength, and to investigate how these different ties affect and shape the
entrepreneurial process. Second, a kinship perspective elaborates the socio-cultural dynamics
– including reciprocity, informal trust and norms of altruism – that support these
interpersonal ties. Bearing in mind that the domains of family and ethnicity are highly
intertwined, it is no surprise that dynamics that make up the “moral order of kinship”
(Stewart, 2003, p. 385) are identified in the fields of family business and ethnic
entrepreneurship as well (Carney, 2007; Janjuha-Jivraj & Spence, 2009; Karra et al., 2006;
Nederveen Pieterse, 2003; Portes & Sensenbrenner, 1993; Rath, 2000a; Sanders & Nee,
1996; Schulze & Gedajlovic, 2010; Sundaramurthy, 2008; Wahlbeck, 2007).

While the fields of family business and ethnic entrepreneurship display a tendency to
depart from family and ethnic groupings respectively, in this chapter we inquire into
entrepreneurial activity in the first place, followed by an exploration of family and ethnic
involvement in this activity (cf. Ma, Zhao, Wang, & Lee, 2013, p. 44). The chapter is based
on rich data of twelve firms and clusters of firms collected during ethnographic fieldwork in
Cambodia in 2010 and 2011. By investigating the entrepreneurial activities of these firms
since the 1980s we aim to establish how ethnic Chinese entrepreneurs in Phnom Penh are
engaged in different categories of kinship while doing so. Empirically, the data demonstrate
that kinship ties at various remove take up different roles and meanings within the
entrepreneurial process. Theoretically, in examining the interface of family and ethnic
involvement in entrepreneurship we contribute to both family business and ethnic
entrepreneurship studies. A kinship perspective offers ethnic entrepreneurship research an
alternative to the contested notion of ethnic community (Koning & Verver, 2013; Nederveen

establishing kinship are legion, including co-residence, working together, shared language-use, frequent
interaction, narratives of ancestry, and experiences of migration and discrimination (e.g. Carsten, 2013, p. 246;
Sahlin, 2011a, p. 4; Weber, 1968, p. 389). Ethnicity has also been defined in terms of “metaphoric kinship”
(Eriksen, 2002, p. 68), “the next kinship level” (Iyer, 2004, p. 246), and “a form of kinship community”
(Janjuha-Jivraj & Spence, 2009, p. 703). The difference, then, between family and ethnic kinship is that the
former relates to genealogy among a limited number of individuals whereas the latter is based on putative
genealogy among a broader category of people.
Pieterse, 2003) and addresses the importance of family in ethnic minority entrepreneurship (Ram et al., 2001). For family business studies, a kinship perspective represents an opportunity to broaden the scope of research beyond majority “white” entrepreneurs in the West (Harris, 2009) and to open up to the pivotal role of kinship ties outside the nuclear family in family firms (Tsang, 2002; Anderson et al., 2005).

The remainder of this chapter discusses our theoretical positioning, the research approach and the analysis of the firms explicating how different categories of kin take up different roles in specific entrepreneurial activities. We revisit the promise of a kinship perspective in the discussion and conclusion.

4.2 Kinship in family firm studies

Stewart (2003, 2010a) has repeatedly argued for a kinship perspective in family firm research. He marked it as the “greatest unutilized resources for advancing the field of family business studies” (2003, p. 383). Stewart offered the field the term “kinship-based business” (p. 390) but its use has not really taken root in family firm research.

A kinship perspective is distinctive in two ways. First, a kinship perspective explores how kinship-based social interactions and cultural meanings affect “the lived experiences” of people doing business (Stewart, 2010b, p. 237). Stewart (2003) distinguishes the “moral of kinship”, which is based on personalized trust, reciprocity and norms of altruism, from the “amoral logic of markets” (p. 385), which is characterized by arm’s-length ties, rational decision-making, and formal business exchanges (see also Alsos Carter, & Ljunggren, 2014; Peng, 2004; Stewart & Hitt, 2010). Such a perspective thus inquires into the ways in which the domain of kinship (personal and socio-cultural milieu) enables and constraints the domain of the market (business, commerce), and how entrepreneurs maneuver these two domains in their business activities. Family firms, ultimately, “are precisely those organizations that invest energy and derive resources substantially in both domains” (Stewart & Hitt, 2010, p. 245; cf. Jones, 2005).

Second, a kinship perspective takes an explicit “sociocentric view” (Sahlins, 2011a, p. 13) that focuses on interpersonal ties. Such a view is especially suitable for investigating
entrepreneurial activities of family firms, as entrepreneurs “engage in an odyssey of relationship consolidation and building” (Steier, 2009, p. 273). These include relationships with family members that are directly involved in the business, but also family members “beyond the boundaries of the family firm” (Anderson et al., 2005, p. 135). It is well documented how entrepreneurs reach out to more distant family members for assembling resources, some of which are not be available within close family circles (Katila & Wahlbeck, 2012; Peng, 2004). In other words, we need to work with “as inclusive a definition of “family” as possible” (Aldrich & Cliff, 2003, p. 592) and take into account family ties of various distances, some of which cut across family firms (Nordqvist & Melin, 2010; Stewart, 2010b).

While literature that explicitly adopts a kinship perspective remains scant, in a recent study Alsos et al. (2014) use the concept of kinship to elaborate how resources and capabilities embedded in households are brought into the business domain. In the context of Norwegian farms, they favor the household over the business as unit of analysis because households run multiple businesses that must be seen as a single entity of interconnected activities; “each activity is viewed in light of how it fits into this entity from the perspective of the household” (p. 116). In the shift from studying family enterprises to enterprising families (Discua Cruz, Howorth, & Hamilton, 2013), a household perspective is a valuable contribution. A focus on households, however, also comes with a major limitation.

Considering that family business studies are very much centered upon the West, the focus on household or nuclear family-run firms is hardly surprising. In the West, “the intrinsic strength of consanguinity ties is preserved only for family members and the closest kin” (Peng, 2004, p. 1049). In contrast to Euro-American cultures, in putatively collectivist cultures (Danes et al., 2008; Harris, 2009) more distant kin as well as informal kinship ties – including lineage, community and spiritual ties – are potentially imbued with a strong sense of kinship as well (Khavul, Bruton, & Wood, 2009; Peng, 2004; Peredo, 2003). Indeed, while Stewart (2003, p. 384) initially adopts a definition of kinship that is restricted to relationships by blood and marriage, he later acknowledges “entrepreneurial discretion” in the creation of “kin-like ties” on the basis of, for example, territory or age (Stewart, 2010a, p. 294-295). Whereas kinship is an ambiguous concept that means different things in different societies
(Nordqvist & Melin, 2010; Stewart, 2010b), this is also its strength as it can span a range of relationships and thus offers a more inclusive exploration of the role and meaning of various forms of connectedness or relatedness in the entrepreneurial trajectory.

There is thus great promise for the term kinship in the field of family business, but we argue that a kinship perspective can offer more, namely the analytical integration of the role of family and ethnicity in business. Before outlining such this perspective, the next subsection explores how kinship features in the field of ethnic entrepreneurship.

4.3 Kinship in ethnic entrepreneurship studies

Research on ethnic entrepreneurship emerged from an observed propensity towards self-employment among particular immigrant groups, and their ability to exploit economic niches in their “host” societies (Barret, Jones, & McEvoy, 1996; Ram & Jones, 2008; Waldringer, 1989; Yeung, 2004). In investigating the sources of ethnic entrepreneurship, a major question concerns whether group characteristics (cultural features and social networks) push entrepreneurship among ethnic minority members, or whether the host country opportunity structure (market conditions, employment alternatives, discrimination and policies towards immigrants) is conducive to self-employment (Tsui-Auch, 2005; Volery, 2007; Waldringer, 1986). It is by now agreed upon that the divide between cultural and structural factors is a false one, and that business strategies are in fact embedded in both ethnic group resources and the local opportunity structure (Anderson & Jack, 2002; Kloosterman, 2010). Although this consensus captures the manner in which ethnic groups economically position themselves within their adopted society, what is missing is a micro-level investigation of entrepreneurial activity and the actual social relationships that foster new venture creation (Ma et al., 2013; Storti, 2014; Valdez, 2003).

Elaborating the social relationships that are conducive to entrepreneurship within ethnic groups, scholars often refer to family, friends, and kin (Cope, Jack, & Rose, 2007; Sciascia, Mazzola, Astrachan, & Pieper, 2012; Siqueira, 2007). For Waldinger (1989), “networks of kin and friends” represent “ethnic resources” that allow immigrant entrepreneurs to raise capital and find trustworthy employees without having to rely on
market processes (p. 56). Moreover, management and ownership of ethnic firms is generally in the hands of the family (Basu, 2004; Carney, 2007; Perricone, Earle, & Taplin, 2001; Sanders & Nee, 1996). Although this literature illustrates that “a lot of what passes for ethnicity at the local level is really kinship” (Eriksen, 2002, p. 159), conventional ethnic entrepreneurship literature takes kinship ties as expressions of ethnic group membership rather than making kinship dynamics explicit (Ram et al., 2001). It is noteworthy that whereas the concept of kinship is theorized but hardly applied in the family business field, in ethnic entrepreneurship literature it is the other way around; family and kinship ties feature prominently in empirical accounts, but are hardly theorized.

Indeed, because ethnic entrepreneurship rests on the use of ethnic and family ties, a kinship perspective is quite suitable. What is more, the social organization of ethnic firms also closely resembles the dynamics of kinship. In the words of Valdez (2003) “at its core, the ethnic entrepreneurship approach mirrors Granovetter’s (1985: 487) notion of embeddedness that social relationships rooted in kinship ties constrain or promote economic behavior” (p. 3). Arguably, it is not ethnicity per se that drives entrepreneurship among certain ethnic groups, but the propensity to adopt a kinship-mode of organizing business life (cf. Chrisman et al., 2002). Ethnic firms are kinship-based businesses (Stewart, 2003) in the sense that they rely on informal-personalized arrangements in settings where entrepreneurs seek an alternative to formal state, financial and educational institutions (Gambetta, 1988; Granovetter, 1985; Iyer, 2004; Welter & Smallbone, 2006). This has been argued for the case of developed economies where ethnic entrepreneurs face competition from “locals” who face no discrimination and are better positioned vis-à-vis the formal institutions of society, and for the case of emerging economies where formal institutions are considered weak and unreliable (Carney, 2007; Peng, 2004; Portes & Sensenbrenner, 1993; Zhou, 2004). What is central to both family and ethnic firms, then, is that business exchanges are not solely regulated by personal interests and economic motives but also by social morality within the kinship domain.
4.4 Prelude to a kinship perspective

The respective analytic focus on the family business in family firm research and on the ethnic economy in ethnic entrepreneurship studies – as well as the underlying assumptions of bounded family and ethnic groupings – is evidently too narrow, and obscures scholarly inquiry into the interface of family and ethnic involvement in entrepreneurship. Although the fields of family business and ethnic entrepreneurship largely retain this focus, in entrepreneurship studies broadly this is being recognized and there are a few examples of research into what is being labeled as the ethnic family firm (Bhalla et al., 2006; Danes et al., 2008; Kidwell et al., 2012). The business activities and operations of these firms are best understood as embedded (Granovetter, 1985) in the domestic household milieu and broader (extended family and ethnic) kinship networks outside the domestic environment. Ethnic family firms are thus part of a complex web of kinship-based social ties with varying strength and are argued to be a “paradigmatic case for sharp contrasts with modern notions of entrepreneurship, business contracts, and business management” (Iyer, 2004, p. 244).

Only a few empirical studies elaborate this intersection of family and ethnicity. As has been argued for the case of China (Peng, 2004) and Uganda (Khayesi, George, & Antonakis, 2014), Iyer (2004) holds that among ethnic family firms in India, “extra-family relationships also mimic the ties and transactions within the family” (p. 247). He argues that both intra- and extra-family identity relations foster the informal trust necessary to reduce uncertainty in business transactions (cf. Katila & Wahlbeck, 2012, p. 296). According to Harris (2009) “ethnic groups may view as a kind of extended family those businesses with which they share common values, norms, beliefs, images, gestures, and communication habits” (p. 295).

Building on these insights, Karra et al. (2006) elaborate a case of a Turkish entrepreneur who articulates shared experiences of living under communism to “create a form of quasi-family” (p. 862) with distant kin and co-ethnics well beyond the center of the family firm. They suggest that family, kin, and ethnic ties “can perhaps be thought of as a set of concentric circles of decreasing rights and obligations as we move outward from family to kin and, finally, ethnicity” (p. 872). Their study may be interpreted as a prelude to a kinship
perspective in the sense that they recognize how similar interpersonal dynamics buttress the involvement of family and ethnic ties in entrepreneurship, and integrate both categories of ties in their analysis. However, while Karra et al. (2006) set apart family, kinship and ethnic ties, we propose that family and ethnic ties are both expressions of kinship relatedness. This chapter contends that a kinship perspective – investigating the many guises of relatedness – goes beyond reified understandings of family or ethnic firms and better captures what actually sets these firms apart. We will support this claim in the findings and discussion section but first continue with addressing the research setting and research approach.

4.5 Research setting and approach

The research in the city of Phnom Penh among Cambodian Chinese entrepreneurs has been conducted using an ethnographic approach. We position ourselves in the social science view on entrepreneurship (Swedberg, 2000; Watson, 2013a) that portrays how context pervades and affects “the micro processes that give entrepreneurial actions their substance and potency” (Zahra, Wright, & Abdelgawad, 2014, p. 480; cf. Welter, 2011; Zahra, 2007). It is increasingly recognized that entrepreneurship is not an individualistic endeavor, nor an isolated (economic) activity (Dimov, 2007; Dodd & Anderson, 2007; Steyaert, 2007). Instead, it is recognized how the individual entrepreneur is embedded in his or her social and cultural environment, and how the activity of entrepreneurship is interlinked with other spheres of life. An ethnographic approach suits such an understanding (see Johannisson, 2011) and aims to get “as close as possible to the situations under study in order to generate extensive, descriptive, and particular details” (Locke, 2011, p. 623). Ethnographers position these thick descriptions (Geertz, 1973) of human (inter)actions and meanings in the socio-cultural setting of entrepreneurs, and the broader societal and historical context in which entrepreneurship takes place (Watson, 2013a). The following paragraphs therefore, sketch the context against which the entrepreneurial activities of Cambodian Chinese must be perceived.

Chinese migration to Cambodia has a long history but saw a large influx in the first half of the 20th century under French colonial rule (Willmott, 1967). In particular the Teochiu (dialect group) established a strong network of rural and urban shopkeepers. They
ultimately emerged as Cambodia’s leading business community at the end of the French colonial period (1863-1953) and retained this position in the post-colonial period (1953-1970) (Edwards, 2009; Willmott, 1967). The majority of ethnic Chinese in the capital Phnom Penh was not particularly wealthy and owned small, family-run shops or worked as shoemakers, carpenters, barbers or bakers. Ethnic Chinese firms relied heavily on family and ethnic ties for investments, supply, distribution, and control over the businesses (e.g. Dahles & Ter Horst, 2012; Muller, 2006).

Between 1970 and 1975 the country suffered a civil war followed by the Khmer Rouge regime. Connections to the outside world were cut, families displaced, the intelligentsia killed, and all private enterprise, property, commercial transactions and the use of money banned. The ethnic Chinese were persecuted for being urban dwellers, capitalists or Chinese, labels which were often conflated (Edwards, 2012). By the time the Vietnamese invaded Cambodia late 1978, Cambodia’s economic and social fabric was completely shattered. The Vietnamese withdrew at the end of the Cold War (1989), leaving behind a rather trivial but functioning economy (Gottesman, 2003; Slocomb, 2003). To avoid another civil war, the United Nations led a peace-building mission (1991-1993) followed by national elections. Subsequent elections saw the rise of Hun Sen and his Cambodian People’s Party (CPP). Under Hun Sen (current Prime Minister) private enterprise was encouraged, the Cambodian economy opened up, and Chinese language, cultural expression and business acumen were re-appreciated (Edwards, 2012).

The entrepreneurs in this study thus set up businesses in an environment that was characterized by insecurity, resource-scarcity and weak formal institutions on the one hand, and emerging economic opportunities and a re-appreciation of Chinese kinship on the other.

The research on which this chapter is based consisted of 12 months of ethnographic fieldwork in Phnom Penh (between October 2010 and December 2011). Experience oriented, a flexible research design was adopted in which observed particulars inspired new research themes (Locke, 2011). Through observations, informal conversations and semi-structured interviews, insights were generated about the business lives (company management, business network, operations, new business activities) and personal lives (upbringing, education,
migration, family, ethnicity) of the entrepreneurs with the aim to deconstruct how business endeavors are contingent upon personal and socio-cultural surroundings.

Initial contact with entrepreneurs was established through acquaintances and business associations in Phnom Penh. Because of the explorative nature of the study sampling was open to variety in terms of age and gender of entrepreneurs, the size of their businesses, and the economic sectors in which they are active. By approaching family members, employees, friends and business partners of entrepreneurs already among the research participants, empirically rich narratives were created. This snowball approach was appropriate considering that we are interested in “particular people in particular places, doing particular things, at particular times” (Van Maanen, 2001, p. 236), yet the approach naturally comes with limitations in terms of generalizability.

The twelve businesses used in this chapter were selected because their entrepreneurial trajectory has its roots in the post-conflict 1980s and 1990s. The businesses are all characterized by a high degree of family involvement in terms of ownership, management, and – where children are old enough – the number of generations involved. Regarding ethnic background, research participants are 2nd, 3rd or 4th generation “migrants”, and are largely of Teochiu or Cambodian-Teochiu descent. In most businesses one or more Chinese languages are spoken. Table 4.1 offers an overview of the core business characteristics.

<table>
<thead>
<tr>
<th>Case</th>
<th>Economic sector</th>
<th>Number of employees</th>
<th>Business activities since 1980 (core business indicated in italics)</th>
<th>Ownership &amp; Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trade</td>
<td>25</td>
<td>Father was medical doctor (&lt;1994), <em>domestic rice trade</em> (1994†), rice export (2009†).</td>
<td>Parents are owners. Father CEO; mother manages supply; son ICT; daughter operations &amp; administration; two cousins export processing &amp; quality control.</td>
</tr>
<tr>
<td>2</td>
<td>Production Trade</td>
<td>70</td>
<td>Producing and selling rice wine in suburbs (1980-87), <em>import and retail of mattresses</em> (1987-97), production, wholesale and retail of mattresses (1997†).</td>
<td>Parents are ‘background managers’ (and owners); one son, general manager; other son, mechanic; two daughters do sales in the shop; son-in-law manages factory operations.</td>
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Table 4.1. Continued

<table>
<thead>
<tr>
<th>Case</th>
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<tbody>
<tr>
<td>3</td>
<td>Production, trade</td>
<td>380</td>
<td>Convenience store (1980s), <em>import and wholesale of nuts and candy (1990</em>)<em>, managing a Singaporean-owned rice cracker factory (daughter, 2000-2002), production and wholesale of rice crackers (2002</em>) and jelly sweets (2003*).</td>
<td>Eldest brother owns and manages import venture. Eldest brother (60%) and cousin (40%) own jelly factory. Sister owns and runs the rice cracker factory; younger brother runs the jelly factory; father helps out fixing the machinery in both factories.</td>
</tr>
<tr>
<td>4</td>
<td>Service</td>
<td>400</td>
<td>Selling rice wine and noodles (&lt;1983); import and wholesale of commodities (1983*), <em>import and wholesale of alcoholic drinks (1994</em>)<em>; hotel, real-estate development, logistics, producing drinking water (1996</em>).</td>
<td>A Singaporean owns the importing firm; mother is MD; son in high management position; mother’s sister manages subsidiary. Mother (owns the other companies) hires (ethnic Chinese) professional managers from Malaysia for other positions.</td>
</tr>
<tr>
<td>5</td>
<td>Service</td>
<td>22</td>
<td>Mother worked for her parents, father was an employee in a hotel (1988-98), <em>set up their own hotel (1998</em>)<em>, import and wholesale of cleaning products (2001</em>), second hotel (2007*).</td>
<td>Parents own and run their own hotel, as well as another hotel across the street that is owned by an elder sister who lives in Australia.</td>
</tr>
<tr>
<td>7</td>
<td>Service</td>
<td>90</td>
<td>Casino at Thai border (father, 1980s), <em>bakery store (mother and uncle, 1986</em>)<em>, opened second bakery store (2009</em>).</td>
<td>Mother is owner (manages in the background); eldest son runs the main shop; daughter runs second shop; two cousins are shop floor managers.</td>
</tr>
<tr>
<td>8</td>
<td>Trade, service</td>
<td>300</td>
<td>Officials at state’s photo department (1980s), commodities trade (1989-1992), <em>photo shops, hotel, traveling agency (1993</em>)<em>, commodities import, music school, wedding dress rental service, second photo shops firm (2000s</em>).</td>
<td>Eldest brother is government official but informally heading the family firm, two younger brothers run the various companies together with their spouses, a sister-in-law, the eldest brother’s son, and a cousin.</td>
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Table 4.1. Continued

<table>
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<tr>
<th>Case</th>
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<th>Ownership and management</th>
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<tbody>
<tr>
<td>9</td>
<td>Trade</td>
<td>20</td>
<td>Commodities import and retail (1980s), import, wholesale and retail of silk and embroidery textile (1988&gt;), second branch at another market (1995&gt;).</td>
<td>Parents are owners. Father and son run the business at one market, mother and daughter at another.</td>
</tr>
<tr>
<td>10</td>
<td>Production</td>
<td>60</td>
<td>Commodities trade (1980-82), soya sauce production (1980s), production and wholesale of soya sauce and soya bean beverage (1990&gt;).</td>
<td>Parents are owners. Father is MD, son runs the factory, and daughter-in-law only helps with Chinese (Mandarin) language transactions.</td>
</tr>
<tr>
<td>11</td>
<td>Construction</td>
<td>100</td>
<td>Construction / maintenance firm and Asian supermarket (in Canada, 1980s), construction and trading firm (in Cambodia, 1990&gt;); karaoke bar, real-estate development firm, land bank (2000s&gt;).</td>
<td>Parents are owners; father chairman / CEO; daughter runs construction firm; four other children each run a subsidiary firm.</td>
</tr>
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<td></td>
<td>Trade Service</td>
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The interviews were conducted in English or Khmer (with support of an interpreter), and all interviews were transcribed. For this chapter, some fifty interviews were used; thirty with people who directly relate to the twelve businesses, i.e. the owning-managing families, employees, friends, business partners and managers, and twenty with key informants knowledgeable on Phnom Penh’s private sector, i.e. journalists, business consultants, government officials and researchers (see Appendix D for an overview).

Our data analysis proceeded in two steps. By marking passages of text in interview transcripts and field notes, several rounds of meaning making took place. While inquiring into the social and cultural dynamics that enable and constrain entrepreneurship in Phnom Penh, the role of family and ethnicity recurred continuously. Ethnographic analysis is a “conjectural activity” (Locke, 2011), which means that insights are generated by going back and forth between empirical observations and theoretical ideas that potentially synthesize these field-instances (Koning & Ooi, 2013; McKeever et al., 2015). Through this iterative
process, we found that “what actually happens” (Watson, 2013a, p. 25) in the Cambodian Chinese businesses under investigation urged an analysis of various kinship ties (rather than treating family and ethnic involvement separately). Once this was established, a second step involved a more systematic analysis through a kinship lens. The data was “sifted” (McKeever et al., 2015, p. 54) in order to draw together relevant empirical material on the entrepreneurial trajectories of the businesses in general, and on the role of family and ethnicity within these trajectories in particular. NVivo8 data analysis software was used to substantiate our earlier “hunch” that different family and ethnic ties play different roles in business ventures, and to organize the empirical details. Ultimately, as the ensuing section will elaborate, this impelled us to distinguish five categories of kinship across four dimensions of the entrepreneurial process.

4.6 Kinship in Cambodian Chinese entrepreneurship

This section addresses how Cambodian Chinese entrepreneurs employ legacies of family and ethnicity, re-articulated as kinship, in initiating and consolidating their business ventures. The three subsections below elaborate three core dimensions of the entrepreneurial process. The first two sections elaborate start-up, and credit and supply of goods. Both were key in the development of entrepreneurial activities in the post-Khmer Rouge 1980s, and enabled the setting up of more viable ventures around 1990 (the “core businesses” indicated in Table 1). The third section discusses business expansion and diversification that roughly occurred in the mid and late-1990s. A fourth dimension, the rationale for start-up, is only briefly addressed in the other sections.

The chosen dimensions illustrate the contextualized nature of the developing entrepreneurial trajectories and show how kinship affects each of these dimensions of entrepreneurship. We distinguish five categories of kin: the nuclear family (parents and children), the extended family (grandparents, parents’ siblings and their nuclear families, and children-in-law), far relatives (family members living abroad), the Teochiu dialect group (wherever they are located), and ethnic Chinese in the Southeast Asian region (outside the Teochiu dialect group). Table 2 below provides a more comprehensive overview of how the
five categories of kin play a role in each of the four entrepreneurial stages of the twelve businesses.

4.6.1 Start-up
After leaving the Khmer Rouge labor camps, people went looking for family members – many of them discovering not everyone had survived – and made their way to Phnom Penh. They had to rebuild their lives and often had little more than a few kilos of rice, a chicken, or some ounces of gold that they were able to hide. Families initiated small-scale and home-based business activities in the early 1980s. The material resources to set up such new business ventures – including money, land, buildings and machinery – were largely assembled within nuclear families. They ran a small café or general store in one of the city’s re-emerging business districts, started producing and selling basic food and beverage products such as sausage rolls or rice wine, or ventured into petty trade (see next section). These activities were largely undertaken by nuclear families; husbands mostly engaged in trade or production while their wives – sometimes helped out by children – sold the goods in the shop or on the market. It is also within nuclear families that material resources were accumulated, which were subsequently re-employed to set up more viable business ventures at the end of the Cold War.

Case 5 is typical when it comes to the accumulation of material resources in the early 1980s. The mother, then still young, together with her parents and sisters settled near a market on the outskirts of Phnom Penh, just across a bridge that connects to the city center. Her father started producing sausage rolls, as he had done before the Khmer Rouge. His wife and his daughters then sold the rolls on the local market. As they started to make some profit, the family began to purchase small plots of land in the city center. These plots of land proved the springboard for the family to set up more stable business ventures after the Cold War. Around 1990, as rumors spread that the United Nations were coming to Cambodia, and anticipating that UN personnel would need a place to stay, the family decided to start building hotels on the purchased land. They first built two ovens to make bricks, and subsequently the six sisters – who were married by now while their parents had already passed away – and their husbands started building hotels. Between 1990 and 2000, eight
hotels were built on the land inherited from their father; one for each of the six sisters, and
two more for their eldest brother and sister who had fled to Australia before the Khmer
Rouge. Their story is typical with regard to the accumulation of material resources. Like
them, many ethnic Chinese business families in the early 1980s made profit from small-scale
food production, retail or petty trade, and re-invested the profit in land or a shophouse in the
economically more promising city center. *

This story reveals the way in which, from one generation to the next, material
resources are divided within nuclear and extended families. Parents attempt to develop their
business in such a way that it can be divided among their children when the time is ripe.
Either they create a number of viable business ventures or – as in the example above – they
provide the land or money for the children to initiate a venture themselves. Nuclear families
thus practice portfolio entrepreneurship (Reuf, Aldrich, & Carter, 2003) in the sense that – by
way of succession strategy – assets and capital are transferred between established and novel
businesses within the family. It must be noted that, like in case 5 above, when parents have
already passed away elder siblings adopt the parental role and take care of their younger
siblings, even if the siblings have already established nuclear families of their own. After all,
“we have to help out the family” (interview 6, case 3).

4.6.2 Credit and goods

From the above we saw that most families set up a store or started producing basic food
products on the basis of nuclear and extended kin support. However, quite a number of the
businesses became involved in petty commodity trade. As trade with communist Vietnam
was hardly possible until the end of the Cold War (1989), the two available trading routes
were along Cambodia’s south coast – where ships from Singapore came to deliver goods –
and the border region with Thailand. Especially the cross-border trade between Thailand and
Cambodia supplied Phnom Penh with basic consumer goods, and enabled the revitalization of

* Like the family in case 5, ethnic Chinese families often settled on the outskirts of Phnom Penh after the Khmer
Rouge, and only later bought property in the city center. Because the Khmer Rouge had destroyed ownership
documents no one could claim property in the city center. By way of inciting loyalty, the Vietnamese provided
land and housing in the city center to those who came to work as civil servants for the newly installed regime.
Towards the end of the 1980s, ethnic Chinese business families started to buy out these civil servants in order to
establish businesses in these economically more promising locations.
the city’s SME sector. Traders, mostly men, went back and forth between Phnom Penh and the Thai border – a trip that took them almost a week – to import commodities.

Teochiu kinship ties facilitated these trade partnerships through credit arrangements that represent a “very informal contract” (interview 3, case 2). In a climate of scarcity, the traders from Phnom Penh lacked the financial capital to buy sufficient quantities of goods. The Thai counterparts thus provided the goods on credit, trusting that the traders would repay later. A strong partnership with a Thai trader became even more vital as the 1980s progressed. Competition amassed as the Thai border region became flocked with traders from Phnom Penh that imported whatever cheap commodities were available. In order to stay competitive entrepreneurs started to focus on the import of more exclusive and expensive products. The owner-manager of case 9, for example, befriended a Thai Teochiu from Bangkok in 1984, after he had imported “all kinds of goods” – cutlery, clothes and mosquito nets (interview 24, case 9). While he was cash-strapped, his Thai friend could supply him embroidery textiles – an expensive kind of textile used for making wedding dresses – on credit. According to the daughter, their shared Teochiu background facilitated the credit arrangement, supposedly impelling them to “trust each other more and know they will not cheat each other in business” (interview 25, case 9).

In this and other accounts, interviewees narrate that Teochiu business culture fosters the informal trust necessary for these credit arrangements:

“I think the Teochiu Chinese are focused on trust. They say that word is gold. So if you say something you have to commit to it, you don’t need any contract or anything. Even making less money is better than cheating people. That’s the way Teochiu are.”
(Interview 28, case 11)

Moreover, a sense of kinship is present in these accounts:

“Teochiu give preference to doing business with other Teochiu. I don’t know why, when people are Teochiu they understand each other better, they consider each other to be the same people.” (Interview 28, case 11)

Since the Khmer Rouge, an emerging network of Teochiu entrepreneurs dominated the trade. For instance the rice trade is “traditionally mainly Teochiu” and “if you speak to them in
Teochiu dialect, you have an advantage” (interview 45, key informant). Access to such trade networks was crucial, “you needed to be in, to know about opportunities and learn from each other” (interview 16, case 6).

After Vietnamese withdrawal (1989), Cambodia’s borders opened up and new supply routes emerged beyond the Teochiu corridors at the Thai border. Entrepreneurs thus established partnerships with ethnic Chinese (Teochiu and non-Teochiu) from around the region, based on similar patterns of trust now extended to kinship among ethnic Chinese more broadly.

“When I speak Chinese with them, it is a strength. They say, ‘okay, you are a Chinese man’, that’s the word they use. ‘We are all Chinese men, so I will not cheat you’. There is credit in being Chinese.” (Interview 20, case 7)

Before we turn to the expansion of the businesses, we look briefly at the rational for starting a line of business and the role of kinship in doing so. In the above it was shown that the business activities that families initiated immediately after the Khmer Rouge were not very viable. Phnom Penh’s business areas became overcrowded with general stores and home-based production firms. Entrepreneurs went looking for market-niches that allowed them to develop business opportunities of a more specialized and durable nature. While they re-employed the material resources they had accumulated within close (nuclear and extended) family circles and build on credit and supply partnerships with Teochiu and ethnic Chinese in the region, the rationale behind these new business ventures brings a diversified picture where it comes to the role of kinship ties (see Table 4.2).

In the case of trading firms, the “rationale” to import a particular product was largely dependent on what Teochiu business partners were able to provide. In other cases expertise within nuclear families – in computers or photography for example – urged the choice to initiate a particular business venture, while in yet others grandparents – many of who had owned businesses before the Khmer Rouge – provided the technical expertise, experience and connections that allowed parents to venture into particular economic sectors. Since resources such as machinery, raw material, money, import connections or technical expertise were not easily obtained in post-conflict Cambodia, it can be argued that the rationale for many start-
ups was characterized by bricolage; “making do by applying combinations of the resources at hand” (Baker & Nelson, 2005, p. 333). The following section explores how, having established business ventures, entrepreneurs in Phnom Penh expanded and diversified these ventures from the late 1990s onwards.

### 4.6.3 Expansion and diversification

The late 1990s marked a period of expansion and diversification of many enterprises that continues until today. In the 1990s, Cambodia went through a process of gradual political stabilization and regional economic integration. The country opened up to the inflow of people, goods and investments, creating a range of opportunities to expand and diversify business activities. While Teochiu trading networks intensified, for business expansion and diversification two other categories of kinship emerged as highly resourceful; the regional ethnic Chinese and far relatives.

#### Table 4.2. Entrepreneurial trajectories and the role of kinship

<table>
<thead>
<tr>
<th>Case</th>
<th>Start-up resources (for core business)</th>
<th>Credit and goods (for core business)</th>
<th>Rationale for start-up (of core business)</th>
<th>Expansion and diversification (from core business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>NF</strong>: Parents’ money (which father made as a medical doctor in the 1980s) and shophouse to set up the rice-trading house in 1994.</td>
<td><strong>TD, EC</strong>: Suppliers are Teochiu rice millers from the provinces; they also provided credit during the start-up phase. Packaging material bought from Vietnamese Chinese.</td>
<td><strong>EF</strong>: Grandparents were rural rice millers; parents used their connections and experience in the rice-trading sector.</td>
<td><strong>NF, EC</strong>: Move from domestic market to rice export (to US and EU) enabled by children’s studies in the US (knowledge of formal contracting and English language) and reprocessing machines imported from China.</td>
</tr>
<tr>
<td>2</td>
<td><strong>NF</strong>: Parents’ money (made from the rice wine business) and shophouse to set up retail shop in 1987.</td>
<td><strong>EC</strong>: In 1987, parents started buying mattresses from Vietnamese Chinese middlemen.</td>
<td><strong>NF</strong>: Parents anticipated mattresses import and retail to be a viable business opportunity.</td>
<td><strong>FR, EC</strong>: Move from import and retail to mattresses production in 1997 was enabled by a Singaporean Chinese (from who they bought machinery and chemicals) and a great-uncle in China (who is the main supplier of raw materials).</td>
</tr>
<tr>
<td>Case</td>
<td>Start-up Resources (for core business)</td>
<td>Credit and goods (for core business)</td>
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</tr>
<tr>
<td>3</td>
<td>NF: Parents’ money (which they made from running a convenience store in the 1980s) to set up the importing business.</td>
<td>TD: Eldest son bought nuts and candy directly at factories in Bangkok (owned by Thai Teochiu).</td>
<td>FR: The children of a great-aunt in Bangkok (where the eldest brother lived for a while) provided contacts for importing nuts and candy in 1990s.</td>
<td>NF, EF, EC: Rice cracker and jelly sweets factories set up by building on eldest son’s network of local buyers and daughter’s experience in production (and connections with suppliers from Vietnam and China). Also, a cousin co-invested in the jelly sweets factory, and they rented factory land (for cheap) from another cousin.</td>
</tr>
<tr>
<td>4</td>
<td>NF, EF: Mother used the money made from producing and selling rice wine (which she did with her mother and siblings in 1980-83) as start-up capital to venture into petty trade.</td>
<td>TD: Supplier of alcoholic beverages is a Singaporean Teochiu; he also provided credit during the start-up phase.</td>
<td>TD: Mother ventured into commodities trade between Cambodia’s South coast – where a Singaporean Teochiu delivered goods by boat – and Phnom Penh. In the 1994, mother teamed with the Singaporean to distribute alcoholic beverages.</td>
<td>FR, TD, EC: Diversification enabled through mother’s prominent position within the local (largely Teochiu) business elite, and import connections with ethnic Chinese around Southeast Asia. Also, mother is in contact with Malaysian and Singaporean members of her family name association who want to invest in projects.</td>
</tr>
<tr>
<td>5</td>
<td>NF, EF: They inherited land from mother’s father (who produced sausages in the 1980s and had bought plots of land in the city). Hotel construction financed by father’s savings and money provided by mother’s siblings.</td>
<td>n/a</td>
<td>EF: In the 1980s, mother’s father and elder siblings built two brick factories and hotels on father’s land. In 1998 (when father had already passed away), mother’s elder siblings helped them to build a hotel also.</td>
<td>TD, EC: Father approached ethnic Chinese suppliers from Singapore, Malaysia and Thailand to import cleaning products</td>
</tr>
<tr>
<td>6</td>
<td>NF: Parents money (made from commodities import) and shophouse to set up computer trade and store in 2000.</td>
<td>TD: Computer suppliers are Thai Teochiu; they also provided credit during the start-up phase.</td>
<td>EF, TD: In 1980s, father and his brothers imported commodities at the Thai border, sharing their connections to Thai Teochiu suppliers. In 2000, these connections allowed father to start focusing on computers.</td>
<td>NF, EC: Parents approached suppliers from Singapore and China to diversify their assortment of computers. Also, the involvement of their children in management enabled them to open a second and third store.</td>
</tr>
<tr>
<td>Case</td>
<td>Start-up resources (for core business)</td>
<td>Credit and goods (for core business)</td>
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<tr>
<td>7</td>
<td><strong>NF</strong>: Father’s savings (made from the casino business at the Thai border) used by mother and uncle to buy a shophouse and set up the bakery in 1986.</td>
<td>n/a</td>
<td><strong>EF</strong>: Mother and uncle’s experience in food production and shop keeping (they and their parents produced ice cream before the Khmer Rouge).</td>
<td><strong>NF, EC</strong>: The involvement of their daughter in the firm enabled them to open a second bakery store. Contacts of a son with ethnic Chinese in Malaysia used to import machinery and raw materials, and import through another son’s logistics company.</td>
</tr>
<tr>
<td>8</td>
<td><strong>NF, EF</strong>: Eldest son’s money made from commodities trade in 1989-92, plus money from extended family members, to buy the former state’s photo department (which they rebuild into a photo shop, hotel, and traveling agency).</td>
<td><strong>TD</strong>: Commodities import in 1989-92 through Thai Teochiu; they also provided credit. (They bought commodities at the Thai border not for the Cambodian market but for resale at the Vietnamese border).</td>
<td><strong>NF</strong>: Eldest son headed the state’s photo department in 1980s and two younger sons were also employed there. The three brothers had learned photography from their father, who owned a photo shop before the Khmer Rouge.</td>
<td><strong>FR, EF</strong>: They set up the music school and food products import venture with investment from and connections of a niece in Hong Kong. They set up a second photo shops firm for eldest brother’s son, and a wedding dress rental service for another brother’s sister-in-law to manage.</td>
</tr>
<tr>
<td>9</td>
<td><strong>NF</strong>: They used the money made on the import of cheap commodities to buy the more expensive embroidery textile and rent a market stall on a Phnom Penh indoor-market.</td>
<td><strong>TD</strong>: Silk suppliers are Cambodian Teochiu from the provinces. Embroidery suppliers are Thai Teochiu. The latter provided credit during start-up phase, and later Teochiu textile producers from Bangkok did so as well.</td>
<td><strong>NF, FR, EC</strong>: They diversified their assortment of embroidery textile by linking up with suppliers from China, France and Italy. Father visits Europe on invitation of a relative in France. Involvement of children in management enabled the expansion from one to two locations.</td>
<td><strong>EF, TD</strong>: In 1988, father befriended a Thai Teochiu supplier whose connections allowed him to start focusing on the import of textile. Parents ‘inherited’ connections in domestic silk trade from grandparents (who were rural silk weavers before the Khmer Rouge).</td>
</tr>
<tr>
<td>10</td>
<td><strong>NF, EF</strong>: Father made some money on commodities trade at the Thai border in 1980-82, but most resources (land, raw materials, machinery) provided by mother’s brother.</td>
<td><strong>TD, EC</strong>: Credit provided by Thai Teochiu traders when trading commodities. Suppliers of raw materials are ethnic Chinese from Vietnam.</td>
<td><strong>EF</strong>: Mother’s brother ran the only state owned soya sauce factory in the 1980s. He allowed his three sisters and their husbands access to his exclusive supply of raw materials from Vietnam.</td>
<td><strong>TD, EC</strong>: Product improvement through the import of machinery and raw material from Thailand and China.</td>
</tr>
</tbody>
</table>
### Table 4.2. Continued

<table>
<thead>
<tr>
<th>Case</th>
<th>Start-up resources (for core business)</th>
<th>Credit and goods (for core business)</th>
<th>Rationale for start-up (of core business)</th>
<th>Expansion and diversification (from core business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>NF: Parents’ money (made in Canada) was used to set up the construction and trading firm (which imports construction materials) in Phnom Penh in 1990.</td>
<td>TD, EC: Suppliers of construction materials are ethnic Chinese from around Southeast Asia (mainly Teochiu from Thailand at first).</td>
<td>NF, EF: In 1975, the family fled the Khmer Rouge to Canada. In 1990, father returned to Phnom Penh to start a construction firm (as he had done in Canada, and as his father had done in pre-Khmer Rouge Cambodia).</td>
<td>NF: Their children’s knowledge of formal contracting and the English and French languages (from studies in Canada) enabled them to acquire construction contracts from Western investors and donors.</td>
</tr>
<tr>
<td>12</td>
<td>NF, EF: Use the ground floor of grandparents’ house as the store. Parents’ used money they received at their wedding as start-up capital.</td>
<td>EC: Suppliers of computers are ethnic Chinese from Singapore, Malaysia and Hong Kong; regular suppliers among these sometimes provide credit.</td>
<td>NF: Father studied and was employed in IT in the 1990s, and in 2002 decided to open his own workshop as Cambodians started to use computers more.</td>
<td>EF, EC: They rent the building of their second outlet from a cousin (for cheap). Expansion and diversification of their assortment of computers through approaching suppliers from Singapore, Malaysia and Hong Kong.</td>
</tr>
</tbody>
</table>

**Note.** NF = Nuclear family (parents and children), EF = Extended family (grandparents, parents’ siblings plus nuclear families, children’s spouses), FR = Far relatives (family members abroad), TD = Teochiu dialect group, and EC = Ethnic Chinese (outside the Teochiu).

Regional ethnic Chinese business people have come to play a crucial role in the entrepreneurial activities of many business families. Entrepreneurs in Phnom Penh are increasingly able to go abroad and connect with regional ethnic Chinese suppliers or investors, while vice versa, ethnic Chinese from around Southeast Asia and “Greater China” (mainland China, Hong Kong, Macau and Taiwan) come to explore business opportunities in Cambodia: Vietnamese and Chinese middlemen come to sell consumer goods or raw materials, while garment factories are established by entrepreneurs from Taiwan and Hong Kong, and – as the following case shows – Malaysian and Singaporean business people are interested in establishing joint ventures or trading partnerships.

The family (case 2) that deals in mattresses used to buy the mattresses from Vietnamese middlemen to sell in their store in Phnom Penh. In 1997, a Singaporean businessman approached them who proposed to go into business with them by setting up their own mattresses factory. The son recalls:
"He walked into my competitor’s house [next door] as well. But it didn't work out. I think because she doesn't speak Chinese; she does not speak English or Chinese. But my mom can converse in Chinese. So they started talking; I did some interpreting. And then we went to Singapore.” (Interview 3, case 2)

The family built a factory and bought the machinery from the Singaporean, who also supplies them the chemicals needed for production. As this case shows, shared language is considered crucial in the articulation of kinship among ethnic Chinese.

Beyond language abilities, the symbolic articulation of Chinese identity in itself enhances credibility in the eyes of foreign as well as local business partners or customers. Ethnicity, as Harris argues, “can be viewed as an upstream factor and as a kind of branding” (2009, p. 295). As a result of the historical dominance of the ethnic Chinese in Cambodia’s economy, and boosted by the wave of regional ethnic Chinese that have come to Cambodia since the 1990s, the notion that “doing business is an activity of the Chinese” (interview 38, key informant) prevails in Cambodian societal discourse.

Opportunities to diversify business activities also increasingly originate from far relatives. As a result of various trajectories of migration, Cambodian Chinese families in Phnom Penh have relatives in Asia as well as the West. As people migrated from South China to Cambodia – sometimes via Singapore, Ho Chi Minh or Bangkok – from the late nineteenth to the mid-twentieth century, ethnic Chinese in Phnom Penh have family members living in “Greater China” and Southeast Asia. Furthermore, because many Cambodian Chinese fled to the West around the Khmer Rouge period, people also have family members living in North America, France or Australia. These far relatives are called on to accommodate younger generation family members when they are doing business-related studies abroad, but also to foster novel business ideas in the form of expertise, investments or connections. The family of case 8, for example, has a niece in Hong Kong who – as explained below – helped her Cambodian family members to set up an importing venture.

“After 1989, some relative in France came in contact with her and passed the information to us. Later, we went to Hong Kong to visit. She is a representative for a company in the food business. She sometimes sends me samples from factories in
China; if it’s suitable for Cambodia, we import it. We cannot fly there ourselves to attend exhibitions and compare products. But also, we cannot trust anyone there unless friends or relatives recommend them. She has a big network in China and she knows how to select, so she can do it.” (Interview 22, case 8)

The trust that is characteristic of close family ties is present among far relatives in a comparable manner: “Even if we are in a far relationship we are close already. We can help each other because we are in the family tree together, and we can trust each other more” (interview 30, case 12).

With regard to the reach of family ties, family name associations stand out. These associations – which form around common Chinese family names like Lee or Huang – trace their roots to a person that lived in China thousands of years ago. Whether these family ties are real or imagined, “Chinese think that if you have the same family name you are like siblings” (interview 43, key informant). This is apparent in the case of one of the interviewees (case 4), who invited over 2000 people from Southeast Asia and North America to Phnom Penh for the gathering of the family name association she belongs to. In her own words: “Around the world the family is very rich. Now that they have seen Cambodia, they will come back to invest. I already had three calls from Malaysia and Singapore” (interview 7, case 4). Apart from the strength of kinship ties, the family name associations also point to the blurring of boundaries between family and ethnic ties. After all, they are based on family relatedness as much as the ancestral locality in Southern China. Ambiguously situated in between recognized and “metaphoric kinship” (Eriksen, 2002, p. 68), the family name associations suggests a continuum of family and ethnic ties into kinship.

4.7 A kinship perspective in entrepreneurship studies

While our findings unambiguously assert that kinship has a role and meaning in entrepreneurship among the Cambodian Chinese in Phnom Penh, the more interesting question is how kinship affects entrepreneurship. Building on our findings, we argue that the moral order of kinship (Stewart, 2003) is best captured through the notions of trust, altruism and reciprocity. More specifically, our findings suggest that different kinship ties involve
different degrees of trust, altruism and reciprocity, and that – in extension – different aspects of the entrepreneurial process ask involvement of different kin at various remove. Below, we theorize the notions of trust, altruism and reciprocity as the building blocks of a kinship perspective, and subsequently elaborate how these notions are manifested in the various kinship ties among Cambodian Chinese entrepreneurs.

Kinship, firstly, fosters trust (Welter & Smallbone, 2006), which involves the “subjective probability” that an agent will behave in a way that is expected (Gambetta, 1988, p. 217). In the business sphere, a high level of trust among kin not only offers a safe ground for cooperation, but also reduces the costs of business transactions (Iyer, 2004; Welter & Smallbone, 2006). After all, the existence of trust renders the costly and time-consuming procedures that come with the negotiation, implementation and enforcement of contracts redundant (Iyer, 2004). Secondly, norms of solidarity and obligation among kin impel acts of generosity that go beyond individual interests; something Fortes (1969) refers to as “the principle of prescriptive altruism” (p. 232). Altruism – acting in the interest of others without the expectation to get something in return (Schulze, Lubatkin, & Dino, 2003, p. 475) – ultimately connects the wealth of one individual to that of others within kinship groupings, and as such is way of pooling capabilities, resources and capital to the benefit of all members of the kin-group (e.g. Alsos et al., 2014; Karra et al., 2006).

Third, the degree of trust and altruism differs between close and distant kin, which is best captured through Sahlins’ (1972) typology of reciprocal relationships that occur between people that are – socially as well as spatially – close or distant (cf. Janjuha-Jivraj & Spence, 2009). Sahlins’ (1972) three ideal types, generalized, balanced and negative reciprocity, represent a “spectrum of sociability, from sacrifice in favor of another to self-interested gain at the expense of another” (p. 196). Generalized reciprocity occurs among close kin, and is the most altruistic form of reciprocity – the “pure gift”; the strict accounting of debts is considered morally inappropriate (Sahlins, 1972, pp. 193-194). The social side of the

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*Trust and altruism are not merely upheld as the result of kinship amity, but are also instrumental. Breach of trust may jeopardize one’s personal reputation within the family, or one’s family reputation within the business community (Iyer, 2004). Similarly, children that act altruistically by helping out in their parents’ business may do so out of loyalty, but also because they know their own future depends on the family firm (Schulze et al., 2003).
transaction thus represses the material side. The giver may expect a return gift, but “the counter is not stipulated by time, quantity, or quality: the expectation of reciprocity is indefinite” (p. 194). Balanced reciprocity, in contrast, occurs among more distant kin, and entails a more or less immediate material exchange of equally valuable goods or services. Although the material side is at least as important as the social side, balanced reciprocity is characterized by social norms of even-handedness and honesty, and as such is a vehicle for “alliance contracts” and “the transformation from separate to harmonious interests” (p. 220). Lastly, negative reciprocity is practiced with “other people” and is an impersonal mode of exchange where, through “self-interested seizure”, both parties seek to maximize their own gains (p. 191).

In line with Sahlins’ (1972) typology, our findings suggest that as we move from the narrowest (the nuclear family) to the broadest (the ethnic Chinese) category of kinship, the level of informal trust decreases, social norms of prescriptive altruism become less pervasive, and generalized reciprocity gradually turns into balanced reciprocity. Table 4.3 presents a flexible framework in which the different categories of kin, their role in the entrepreneurial activities, and the accompanying cultural and social norms that guide the exchange of knowledge, resources, and networks, is summarized.
Table 4.3. Framework: the role of kinship in entrepreneurial (and managerial) activity

<table>
<thead>
<tr>
<th>Category of kinship</th>
<th>Role in entrepreneurial (and managerial) activity</th>
<th>Kinship characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Content of kinship tie</td>
</tr>
</tbody>
</table>
| Nuclear family      | • Pool resources (money, property, expertise) for start-up of new ventures / expansion / diversification  
                      • Core management positions (control finances / decision making / stock-keeping / interaction with business partners)  
| Extended family     | • Rationale for start-up  
                      • Acquisition of resources for start-up (expertise, labor, connections, raw materials and machinery)  
                      • Less central management positions (operations / control of value chain / managing subsidiaries) | Shared genealogy, upbringing, and life experiences. | Close family relatedness and frequent interaction. | Generalized (in exchanging big gifts). |
| Far relatives       | • Ideas / connections for diversification  
                      • Investments / joint-ventures  
                      • Supply of consumer goods / raw materials  
                      • Business education of younger generation abroad | Shared genealogy and family history. | Family relatedness. | Generalized (in exchanging smaller favors). |
| Teochiu dialect group | • Credit arrangements to enable start-up  
                      • Supply of consumer goods  
| Ethnic Chinese      | • Supply of consumer goods / raw material / machinery  
                      • Business ideas for expansion / diversification, and (trading) partnerships to develop these ideas | Shared identification as Chinese and (secondary) language abilities. | Perceived closeness and business credibility. | Largely balanced, sometimes negative. |

The nuclear family unit comprises the strongest degree of kinship. The relationship between parents and children is characterized by generalized reciprocity in the sense that the “exchange” – children helping their parents run the firm and parents setting up a venture for their children – is highly protracted and unstipulated. Extended family ties are also characterized by generalized reciprocity, but are involved in a different manner. Whereas resources are pooled within the nuclear family, extended family members rather do each other “big favors” by providing money, resources, labor and expertise. Hence, the degree of
altruism between nuclear family members (children being loyal to parents and parents assuring their children’s future) and extended family members (helping out where possible by sharing entrepreneurial resources) is different. Moreover, extended family ties involve a lesser degree of trust. This is most visible when going beyond entrepreneurship to look at management positions within firms (as detailed in Table 4.1). Extended family members hold less central management positions than nuclear family members. Parents allow cousins or children-in-law manage operations, but their own children are in charge of the most vital tasks: control of finances, decision-making, and interaction with business partners. The smallest unit of kinship is thus employed at the heart of internal company affairs, where the most crucial information is at stake, the most critical tasks are performed, and the strongest sense of interpersonal trust is required.

Comparing extended family ties to ties among far relatives, a greater degree of altruism is implied in the former. Extended family members particularly help out by providing labor, money and material resources during the start-up phase, when “big gifts” are required but no return gift can be offered. Far relatives instead provide “smaller favors” in the form of importing connections, visas to a country in the West, or the accommodation of children when they are abroad for studies. Where siblings actually give each other money and resources (during the start-up phase), more distant family members (cousins and far relatives) instead co-invest in new ventures. Although the “small favors” of far relatives are often crucial in the endeavors of entrepreneurs, in terms of financial and labor costs they are exceeded by the “big gifts” from extended family members. Altruism thus seems to diminish in degree when kinship proximity decreases, a pattern that becomes even more salient when moving from “family” to “ethnic” kinship.

There are two main differences between the involvement of Teochiu and family members in entrepreneurship. First, whereas trust between family members is portrayed as a given, trust between Teochiu is process-based; it is mediated in interaction and requires nurturing. Second, whereas family members give each other gifts, in exchanges between Teochiu both parties know what they benefit from the transaction. In other words, generalized reciprocity makes way for balanced reciprocity. The credit arrangements between Teochiu are a form of balanced reciprocity because the obligation to reciprocate is well
understood by both parties, and because economic and material interests predominate over social norms of solidarity and obligation. Nevertheless, because the exchange is protracted (no immediate exchange of equally valuable goods or services), the arrangements are not strictly a form of balanced reciprocity.

Lastly, comparing pan-Chinese kinship to kinship among the Teochiu, a few observations can be made. First, whereas the Teochiu networks control particular economic sectors, demonstrating “institutional completeness and internal solidarity” along ethnic lines (Aldrich & Waldinger, 1990, p. 130), pan-Chinese kinship enables more opportunistic business transactions. Second, whereas shared Teochiu background as representative of shared language and business culture is sufficient basis to develop trust in business transactions, pan-Chinese kinship seems highly contingent upon shared (secondary) language abilities. In the absence of shared language abilities, balanced reciprocity may turn into negative reciprocity (thus indicating an absence of kinship relatedness). Pan-Chinese kinship is more pragmatically articulated to “smoothen” the establishment of business ties, but does not involve an exchange of favors beyond the choice to do business together.

Roughly, then, whereas nuclear family ties predicate particular business exchanges, ethnic Chinese ties rather open up the possibility for these exchanges, while the other categories of kin are found along a continuum in between these more binding and voluntary ties. The characteristics of kinship become less salient as kinship proximity decreases, or in Sahlins’ (2011b) words: “mutuality of being among kinfolk declines in proportion to spatially and/or genealogically reckoned distance” (p. 234). It needs mention that – as is reflected in Sahlins’ remark – it is not merely a difference in genealogical closeness (or affinity) that renders particular kinship ties suitable for particular entrepreneurial activities, but also a difference in terms of spatial closeness. Spatial clustering renders close (nuclear and extended) family ties especially suitable for pooling and sharing entrepreneurial resources, but at the same time close family circles tend to be characterized by “excessive homogeneity and sterility of resource provision” (Anderson et al., 2005, p. 141). Spatially more distant kinship ties – far relatives and ethnic kin – tend to deliver greater resource diversity. They are generally better positioned to supply raw materials, machinery and consumer goods, and to foster ideas for diversification that are not available in the immediate surroundings of
entrepreneurs. To the Cambodian Chinese business community in Phnom Penh, kinship facilitates both the “strategic strong ties” and “extensive weak ties” that are vital in entrepreneurship (Stewart, 2003, p. 388).

4.8 Conclusion

This chapter set out to bridge ethnic entrepreneurship and family firm research by reintroducing the concept of kinship. We have shown that family (the core variable in family business research) and ethnic ties (the equivalent in ethnic entrepreneurship studies) are both expressions of kinship relatedness, and that similar socio-cultural dynamics underpin the involvement of family and ethnic kin in entrepreneurship. For family business studies to accommodate research beyond the (Western) nuclear family, and for ethnic entrepreneurship studies to accommodate family dynamics in the analysis of ethnic firms, a kinship perspective offers a way forward. It does so because it articulates a continuum in which entrepreneurial activities are related to the importance of kinship and kinship proximity and thus circumvents reified understandings of family or ethnic firms. Instead it focuses on what makes these firms stand out (and which they share) namely, the embeddedness of their business activities in interpersonal relationships based on trust, altruism and reciprocity. We concur with Stewart (2010b) not to seek in vain for the “essence” of the family or ethnic firm, but to “think instead of “business with significant kinship involvements” and leave as an empirical matter just exactly what these are” (p. 233). In line with contextual approaches in entrepreneurship studies that aim to “rebalance” entrepreneurship by making more use of the “analytical resources available in social sciences” (Watson, 2013a, p. 16), this chapter argues that a kinship perspective more fully captures the complexities of ethnic family firms in their cultural and social context.

The framework we advance as our contribution to entrepreneurship studies must be interpreted as a flexible tool. Even though it is developed on the basis of Cambodian Chinese entrepreneurial activities set against the political and economic developments in Cambodia since the 1980s, we argue that the framework can be adapted to suit both family firm research and ethnic entrepreneurship studies interested in exploring the role and meaning of
relatedness of a variety of actors in entrepreneurship and business activities in a contextualized manner. Kinship categories and entrepreneurial activities can be inserted and relabeled in the framework depending on what is being explored. This makes the framework flexible and invites other researchers to use, modify and improve it in order to increase its wider applicability.

The research also raises issues for further exploration. The context-dependent character of kinship implies that the moral order of kinship takes different forms and is differently articulated across different societal contexts. One may thus expect that the kinds of ties that are involved in entrepreneurship in other societies differ from our case. Moreover, in some societies kinship ties relate to quite different forms of commonality such as spirituality (see Peredo, 2003), while in yet others family and community ties tend to be equally strong (Khavul et al., 2009). In emerging economies entrepreneurs might draw on informal institutions to mitigate the absence of strong formal state, legal, financial or educational institutions (Ahlstrom & Bruton, 2006; Bruton et al., 2008). They may enact informal arrangements based on friendship, religion, or patronage to assemble and secure entrepreneurial resources (e.g. Manolova, Eunni, & Gyoshev, 2008). Further research is needed to explore the nature and scope of kinship involvement in entrepreneurship in such other contexts, as it will broaden the range of relationships and roles in our framework.

A limitation of this chapter is that while we focused on the promise of kinship we did not go into detail on possible constraints of kinship to entrepreneurship (Karra et al., 2006; Portes & Sensenbrenner, 1993; Stewart, 2003). In the resource-scarcity and insecurity of post-conflict Cambodia, kinship evidently provided the social “glue” that enabled entrepreneurship. However, contemporary Cambodia is politically more secure and economically more diverse (see Hughes & Un, 2011a), and so kinship starts to constrain business activities in some cases. The tight coupling of company control and the nuclear family may hamper company growth, and the tendency to make deals based on informal trust among kin ties based on shared (putative) ancestry or language may foreclose business exchanges that require formalized business dealings. In curbing these constraints, entrepreneurs attempt to professionalize their firms (cf. Stewart & Hitt, 2012). While these developments may indicate that a process of “thinning” of kinship is starting to unfold, in the
past couple of decades the “thickening” of kinship (Carsten, 2013, p. 247) was of great importance to the “recovery” of entrepreneurship in post-conflict Cambodia.