Migrant self-employment between precariousness and self-exploitation*

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Abstract

This paper contributes to theoretical debates around migrant economies. I explore how migrant entrepreneurs are affected by the precarisation of independent workers in local labour markets in the processes of globalisation and neoliberalisation. The paper focuses on how migrant entrepreneurs, as service providers in metropolitan areas, take over parts of the retail trade, gastronomy and personal services. It scrutinises aspects relating to neoliberal labour markets such as declining regulations and protection for self-employed people as well as the need for high flexibility. Theoretically, the paper aims to bridge the gap between debates around precariousness – so far mainly discussed for non-migrant entrepreneurs or employees – and self-exploitation occurring in migrant economies. I explore in how far migrant self-employment can be conceptualised as a form of self-exploitation. Empirically I draw on the example of Vietnamese migrants in Berlin and their position on the urban labour market. Based on a qualitative explorative research including interviews with Vietnamese entrepreneurs in Berlin, I provide an outline of different economic strategies. Thus, I draw conclusions on the precariousness of such labour arrangements.

Introduction

Over the past decade the EuroMayDay movement, whose aspirations are rooted in the legendary 2001 Milan movement, has expanded its scope to a global scale.

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The movement draws attention to the precarious conditions of employees and their claims for long-term employment and decent working conditions. Migrants had played an important role in initiating EuroMayDay campaigns and ‘freedom of movement’ was another central claim put forward (Standing, 2011: 1f.). In many cases migrants are among the first to be affected by precarisation. They are forced to accept the lowest wages (Bourdieu, 1998) and incomes respectively. However the agenda of the EuroMayDay demonstrations suggests that the struggles of the objects of my paper – migrant entrepreneurs – were not directly addressed. Hurdles to access labour markets are one of the most significant challenges migrants face in receiving countries. Most European countries recognise highly qualified migrants as a welcome solution to shortages of skilled labour. At the same time, qualifications from countries of origin often stay unrecognised and a significant number of migrants in Germany lack professional qualifications altogether. Since access to the first and regulated labour market is restricted, unskilled migrants often choose to apply more precarious strategies such as self-employment. In this paper I argue that, when approached from this angle, debates around migrant self-employment are one-dimensional. Further perspectives highlighting the advantages of self-employment should be added. This way my paper contributes a critical perspective to current migrant entrepreneurship research.

In Germany, half of all self-employed slip under the poverty line (in 2006: 14,000 EUR), defined as 50 per cent of the average household income of the German population (Pongratz and Simon, 2010: 35). Most forms of self-employment can only satisfy basic needs if they are combined with the income of a second household member. Incomes of self-employed people with employees differ significantly from those of sole proprietorships who constitute the lowest income group (ibid.: 36; Bögenhold and Fachinger, 2010). Most migrant entrepreneurs can be found among the latter group, although they are rarely mentioned in debates and academic literature on precariousness.

I suggest to conceptually expand the theoretical framework of current research on migrant entrepreneurship. Linking the theoretical debates around migrant entrepreneurship research and independent workers allows us to shed light on a newly emerging precarious labour force. This approach may be supported by insights emerging from critical post migrant research (Kosnick, 2010; Langhoff, 2011). The latter rejects approaches to migration as a separate system at the margin of Western societies. Instead representatives of critical post migrant

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1 The terms ‘sole proprietorship’ and ‘independent workers’ are used synonymously in this text. Both describe self-employment as work arrangement without employees.
research suggest that migrant economies constitute an integral part of the host society’s labour market.

Many Vietnamese migrants in Berlin are unable to find employment in the first and regulated labour market because they lack the necessary qualifications. Drawing on their networks and special skills, they establish enterprises such as import-export businesses, snack bars, nail shops, retail and wholesale businesses instead. This form of self-employment seems to be an attractive alternative for migrants. It offers a prospect of higher income and an enhanced social status. Those running such businesses are required to be highly flexible and part of a dense social network. Long working hours (12-14 hours/day) as well as the (unpaid) employment of family members are not only common among Vietnamese entrepreneurs but also necessary to support their families.

In this paper I explore why the self-employment rate among Vietnamese is relatively high. I am particularly interested in the motivations that lead people to work under such precarious conditions. Following a brief historical placement of Vietnamese migration to Germany, I will focus on the period after the German reunification in 1990. Empirical findings suggest that there is a mismatch between the integration of skilled and unskilled migrants in Germany. The high share of self-employed people among Vietnamese migrants is closely connected to the difficulties migrants in Germany face when it comes to professional integration. Income differences and unequal opportunities on the labour market exemplify structural disadvantages. I argue that migrant economies are one way to avoid structural hurdles.

From workers to entrepreneurs

The former Vietnamese contract workers and their families form the majority of the 125,000 people of Vietnamese origin living in Germany (Wolf, 2007: 7, Federal Statistical Office/Destatis, 2009). With nearly 13,000 registered people in 2011, Berlin hosts the highest number of Vietnamese among all German Federal States (Amt für Statistik Berlin-Brandenburg, 2012). Between 1980 and 1990 about 60,000 Vietnamese came to work in the German Democratic Republic (GDR) as a result of bilateral contracts between the GDR and the Socialist Republic of Vietnam. To prevent their inclusion into the Eastern German society, contract workers were recruited according to a rotation system and accommodated in isolated residential areas (Hillmann, 2005: 88). While it was difficult to establish contacts with the host society or acquire German language skills, they maintained strong family ties to Vietnam. This early-stage marginalisation has had feedback effects on the integration of Vietnamese
contract workers into the German labour market. Over the time, a niche economy, dominated by tailoring services, emerged (Weiss, 2005: 83ff.). It allowed people to boost the income they received from official employments. Economic activities of this kind can be considered as a preliminary stage of gradually expanding Vietnamese entrepreneurship.

After the German reunification about 26,000 former contract workers stayed in Germany. They faced a new socioeconomic situation and struggled to obtain a legal status. From 1990 to 1997, most of them stayed on the basis of an exceptional leave to remain. Many former contract workers tried to make a living from running small market stands or working as mobile traders. In 1995, a representative study of former Vietnamese contract workers found a relatively high proportion of 55 per cent to be self-employed (Ascheberg, 1996: 512). About 36 per cent of the self-employed Vietnamese worked as mobile traders and 43 per cent owned a shop. Only 22 per cent worked as regular employees (ibid.). Over the time textile and grocery businesses were upgraded to small shops and by the late 1990s many business people started to engage in wholesale trading. During the 1990s, legal arrangements pertaining to rights of residence changed several times. As a result Vietnamese migrants lived in uncertainty and were reluctant to make sustainable investments in businesses. From 1997 onwards, Vietnamese migrants who could make a living were granted unlimited residence permits. Since the German reunification, the legal status had a persistent influence on their labour market situation.

More recent estimations reveal that among the adult population of Vietnamese origin 55 per cent are self-employed, 30 per cent work as employees and 15 per cent are unemployed (Dao, 2005: 120). This means an increase of Vietnamese employees from 22 per cent in 1996 to 30 per cent in 2005. It can be assumed that only those who are not able to open up their own business due to financial restrictions work as employees (ibid.). A significant share of self-employed Vietnamese entrepreneurs officially operates as sole proprietors. This reflects the general trend towards a higher share of self-employment in Germany. Over the past two decades numbers have risen from about 3 million self-employed in 1991 to about 4.3 million in 2010, i.e. around 11 per cent of the total labour force (Bispinck and Schulten, 2011: 13).

**Research questions and design**

Based on a case study carried out in Berlin from 2007 to 2009, I explore what motivates Vietnamese migrants to become self-employed. My assumption is that self-employment often constitutes a reaction to structural disadvantages in labour
market access. But self-employment may also be the result of individual choice. To support my first assumption, I looked at decision-making processes during the phase of peoples’ labour market inclusion. I was interested to understand to what extent Vietnamese migrants make an active decision to work in precarious labour market sectors. Subsequently, I will highlight some of the implications of such types of work with a particular focus on aspects relating to self-exploitation. I contend that self-employment as a prestigious professional position among Vietnamese migrants offers a chance for a social, professional and economic advancement. However, the risk of self-exploitation among self-employed Vietnamese migrants is high, especially if they work independently.

This paper is based on a broader research project, in which a qualitative, explorative approach was applied. Data was collected by means of participant observation in Vietnamese grocery shops in Berlin. This approach allowed me to explore operational sequences, daily routines and client-vendor relationships, as well as occasionally occurring informal arrangements. In total, 45 interviews were conducted with Vietnamese working in retail and wholesale trade, in gastronomy and as service providers. In the interviews I raised biographical questions, and explored motivations for shop openings, addressed family circumstances and more informal aspects like working conditions. I also conducted interviews with key personalities of the Vietnamese community in Berlin. Among them are heads of migrant organisations and migration commissioners. Additionally, consultants, scientists, heads of entrepreneurs’ associations, small-and-medium-sized enterprise associations, German-Vietnamese and German cooperations were interviewed. These interviews helped to complement my knowledge of my research object and to situate and discuss the outcomes of my fieldwork.

**Theoretical remarks**

The public and scientific discourse on precarious work primarily focuses on employees and independent workers (EC, 2005). It is based on the assumption that the ongoing transition to flexible labour markets and deregulation incurs higher risks for the majority of the labour force. In precarious working arrangements, risks and responsibilities are shifted from the employer to the worker (ILO, 2011: 5). These precarious working arrangements can be defined as all types of insecure and flexible work (Gill and Pratt, 2008: 3), often referred to as ‘atypical’ or ‘non-standard work’ (ILO, 2011: 5). Working arrangements under this broad term reach from illegalised and temporary labour to home working, piecework and freelancing (Gill and Pratt, 2008: 3).
Although precarious work is often described as ‘atypical’, ‘insecure’ or ‘unstable’ work (EC, 2005: 40), such categories only make sense when referring to clearly defined standards. Such standards can be empirical – measured with reference to data and statistics – or normative. The German collectively regulated employment relationship (‘Normalarbeitsverhältnis’), for example, is an outcome of the national employment protection legislation (EC, 2005: 40). Besides general discussions of precariousness, there are different national discourses about the precarisation of work. In Germany, it is discussed as an erosion of the collectively regulated employment relationship. Conversely in the UK, but also in Spain and Italy the discourse evolves around issues like flexibility, productivity and efficiency (EC, 2005: 34).

Much of the literature about precarious working arrangements focuses on the new creative class, such as artists, fashion designers and new media workers. These jobs are characterised as temporary, intermittent and precarious. They involve very long hours and an erosion of the boundaries between work and leisure time. Poor pay and experiences of insecurity arising from uncertain and unsteady amount of work, a lack of career prospects and a limited access to social security (Gill and Pratt, 2008: 14; Bispinck and Schulten, 2011: 12, 14) frequently mark such working arrangements as well. The extent of these implications, however, depends on firm size, labour union coverage, hourly wages, benefits and working conditions (Cranford and Vosko, 2012).

Research has drawn on various indicators to measure the level of precariousness. These include i) family status and ‘family responsibilities’, ii) the percentage of household-income from self-employment and ways of coping with financial difficulties resulting from self-employment (social transfer payments, family support) and iii) the work context (sector and the place of work) (Cranford and Vosko, 2012). While approaches to precarious work were primarily developed for employees and freelancers, they can be extended to the field of entrepreneurs. I draw on a definition of entrepreneurs as self-employed people who employ paid employees or unpaid family members. The degree of precariousness of self-employed is defined by i) control over work schedule and content, ii) social insurance coverage and retirement preparation, and iii) adequacy of income or economic hardship (Cranford and Vosko, 2012).

This paper aims to extend current debates of precariousness in self-employment to migrant entrepreneurship as one special type of entrepreneurship. The above-cited indicators for precariousness in dependent working arrangements are common features of migrant entrepreneurship. Research findings suggest that in the case of migrant entrepreneurs, precarious working conditions primarily result from high degrees of economic dependencies, lacking formal
qualifications and language skills. Although superiors cannot exploit self-employed people, the latter can exploit themselves, as relations between work load and income often suggest. So far studies of self-exploitation were largely restricted to sole proprietors (Pongratz and Simon, 2010: 28). For independent workers, the capital stock is too limited to serve as ‘real capital’. Consequently, they compensate for capital deficiencies by effectively exploiting their own labour force (Candeias, 2008: 73).

Migrant self-employment was subject to academic interest since the 1970s. Although the reasons for migrants working in certain branches are widely studied, the side effects of self-employment, like precariousness and self-exploitation, have not been paid much attention. Self-exploitation is marginally brought into the picture as a matter of long working hours and low salaries (Waldinger et al., 1990; Boissevain et al., 1990: 147). While drawing on such general definitions Waldinger points out that migrants engage in markets where economies of scale are low so that high levels of efficiency can only be achieved under conditions of self-exploitation. This leads Waldinger to consider self-exploitation as a core strategy of migrant business owners to deal with intense competition (Waldinger et al., 1990: 26, 47).

A very early remark on self-exploitation in migrant entrepreneurship stems from Blaschke and Ersöz (1986; 1987). The authors see Turkish migrant businesses in Berlin as ‘products of an “economy of poverty”, which can only be sustained through a high degree of self-exploitation and the exploitation of family members’ (cited in Kontos, 2007: 450). Similarly, Pütz (2004) points out that self-exploitation and the assistance of unpaid family members are the only possibility for migrant entrepreneurs to retain the business (in Pütz et al., 2007: 496). Self-exploitation and the exploitation of family labour occur among migrant entrepreneurs in different professional sectors (Wilson, 1998: 110ff., Valenzuela, 2003). Until now research on migrant entrepreneurship has not come up with a precise conceptualisation of the term ‘self-exploitation’. Also the notion ‘precarious(ness)’ has not been brought into the debate. My research, however, has revealed that the precarious labour arrangements of Vietnamese entrepreneurs incur high risks of self-exploitation. Consequently I argue that research on migrant entrepreneurship research would benefit from paying more attention to instances of self-exploitation and precariousness.

The concept of exploitation has been developed in the 19th century to critically reflect the relationship between worker and capital owner who keeps a surplus value and leaves an imbalanced wage for the worker. Marx interpreted the stretching of a working day beyond the level of self-supply for the single worker as an accumulation of wealth and a form of exploitation. The profit a capitalist
makes for himself by means of wage labour is unjust (Blunden, n.d.). Self-exploitation is specific to self-employment. Exploitation is a relative concept and involves two sides: an exploited and an exploiting side. Consequently self-exploitation is measured as working hours in relation to profit. When considering profit in relation to working hours, it becomes evident, why the group of entrepreneurs, working more than 60 hours a week, is heterogeneous with respect to self-exploitation. Profits of entrepreneurs with a 60-hour working week vary greatly among sectors, degrees of entrepreneurial autonomy, firm sizes and other characteristics. This represents inadequate economic output in relation to labour (Cranford and Vosko, 2012).

I define self-exploitation as a condition in migrant self-employment that is highly precarious. It involves long working days, a weekly work load of more than 60 hours, marginal working shifts, a lack of free time and breaks during work as well as the unpaid support of family members. Working conditions of this kind are likely to incur working on weekends and rarely allow for holidays (Apitzsch, 2005: 84). Consequences of such working conditions are exhaustion and ill health. In sum self-exploitation results from precarious working conditions and is connected to low earnings, indebtedness and financial insecurity.

Changing motivations for Vietnamese self-employment

My empirical findings suggest that the reasons for Vietnamese people to become self-employed changed over time. Initially self-employment was a reaction to the restrictions of the German labour market but gradually turned into a prestigious professional position among Vietnamese migrants. Self-employment offers chances for social, professional and economic advancement (Exp. B5; Floeting et al., 2005: 10) and thereby provides opportunities to accommodate work and family life.

To structure my analysis I explore the changing motivations of Vietnamese migrants to become self-employed. Therefore, I look at three different periods of time. In the aftermath of German reunification, people started engaging in entrepreneurship because their legal status restricted their access to the regular German labour market. A study conducted in the mid 1990s shows that 68.2 per cent of the self-employed chose this mode of employment because they were unable to find other work. Before taking up self-employment nearly all of these Vietnamese migrants had been unemployed – the majority of them for more than one year (Ascheberg, 1996: 519). Self-employment in this period can thus be seen as the only way for people to satisfy their economic needs. Only 19.4 per cent considered self-employment as an opportunity of earning more money.
compared to being employed or expressed a genuine interest to be self-employed (ibid.). The author of the study concludes that the Vietnamese motivation for self-employment emerges in conjunction with economic necessities (see also Bührmann, 2010: 278). However this only applies for the early stage of Vietnamese entrepreneurship in the 1990ies.

The second period, lasting from 1997 to 2003, was a time of economic expansion for many Vietnamese entrepreneurs. Most of those who ran market stands or worked as mobile traders set up retail or wholesale shops in this period. Continuous demand for low priced consumer goods helped people to stabilise their income. In the light of changing conditions, experts in the Vietnamese community began to interpret self-employment among Vietnamese migrants as a preferable working arrangement (Exp. B5). Based on their entrepreneurial skills – gained since the German reunification – Vietnamese migrants experienced a social and professional advancement.

The third period is shaped by the rise of globalisation and increasing competition that threatened many entrepreneurial endeavours. Since about 2004 competition became more intense and particularly affected the textile branch – partly because of newly emerging discounters in this sector. Incomes in many branches declined in this period, and the global economic crisis starting in 2008 additionally fortified this trend (Schmiz, 2011: 207f.). At the same time, the Internet, new telecommunication and transportation technologies led to a decline of several advantages Vietnamese entrepreneurs had enjoyed because of their knowledge of the Vietnamese market, culture, language and wide-ranging professional and family networks (Schmiz, 2011: 208). Over the time, however, English as a global business language has become more important for Vietnamese entrepreneurs (see also Light, 2007). In parallel the service sector within the Vietnamese economy in Berlin grew and diversified over the third period. New branches include freelance insurance agents, consultants, lawyers, interpreters and driving schools. Many enterprises in these sectors are sole proprietorships. Recently there has been a remarkable expansion of import-export-business, grocery as well as nail and cosmetics studios (Exp. B5; Schmiz, 2011: 207).

Self-employment as advancement

Experts suggest that the motivation of Vietnamese migrants to become self-employed lies in their ambition to achieve higher incomes. Being self-employed Vietnamese entrepreneurs earn more than their qualification would allow for in an employee’s position (Exp. B5; see also Schmiz, 2011: 239). This observation echoes the emphasis researchers have placed on upward mobility as driving
peoples’ motivation to become self-employed (see e.g. Light and Rosenstein, 1995; Bates, 1997). A grocer’s shop owner reflects her motivation to become self-employed:

I just wanted to make a living, to earn money to be able to feed my family [...]. I wish to have a well-ordered life and a regular income. If my children attend school and find a good job and if they cope with appealing to their social surrounding, then I am happy. (E8) ²

Self-employment of Vietnamese entrepreneurs should also be discussed as a way of ‘climbing the social ladder’. Vietnamese migrants choose self-employment to gain acceptance within their own community and beyond. This is reflected in the following excerpt statement:

Firstly, self-employment is relatively strongly anchored in [Vietnamese] tradition. You can experience that when you come to Vietnam. That is like... the own shop, the own business is just something very desirable...and very positive. (Exp. 3)

Through self-employment, self-realisation may go hand in hand with an enhanced social status. This is one of the main reasons why none of the interviewees expressed the wish to work as an employee instead. Self-employment is seen as reputable within the Vietnamese community in Berlin as it implies success (Schmiz, 2011: 244).

Being one’s own superior (see also Pongratz and Simon, 2010: 44, 46; Candeias, 2008: 67) facilitates the compatibility of work and family life. Entrepreneurs control their own working life and benefit from freedom at work on a small scale. Previous studies suggest that people who achieve a higher quality of life through self-employment had difficulties going back to dependent work relationships and preferred to stick with more precarious arrangements in self-employment (Pongratz and Simon, 2010: 47; Lorey, 2005).

Combining work and family

The paper not only aims to highlight the social and economic advancements that are connected to self-employment. I am also interested in the motivation to become self-employed in order to reconcile work and family life. Reasons for the increasing numbers of family businesses can at least partly be derived from the higher flexibility family with business allows for, compared to regular employment. For women, sole-proprietorships offer a possibility to re-enter professional life after the reproduction phase. The possibility to reconcile work

² Interviewees’ quotes were interpreted from Vietnamese into German language directly in the field. Afterwards, they have been translated from German into English by the author.
and family life is one of the central explanations for the increase of sole proprietorships, especially those run by women (Pongratz and Simon, 2010: 44ff.).

In the case of a Vietnamese family in Berlin a business was created in reaction to family- or life-cycle-related circumstances. Before her children were born, the interviewee worked in two different jobs. As an employee, she could not earn enough money for her family while her newly arrived husband struggled to find work because of his poor German language skills.

I had a job, but my husband did not. After applying everywhere... but since he cannot speak German... and then I found work. Then I earned money by myself and my husband did not have any income. This did not work, because we have children and so on. We have to pay the rent. Everything has to be paid. And with my single income it was too little. Then we said I stop my job because I earned too little and we try to work here, both. This is hard, too. These days, everything is hard. Not so easy... (E6)

In order to make a living the family opened a corner shop. Living and working under the same roof, the woman could help out in the shop for several hours a day. At the same time she took care of the children, while her husband managed the business. It seems that self-employment is especially reasonable when reproduction implies spatial and temporal work constraints (see also Pongratz and Simon, 2010: 42).

Managing even small businesses, however, is demanding as peoples’ social and family life has to be integrated in the working day. For this reason the co-existence of parallel management structures is characteristic for small businesses. Most shop owners have to buy goods from wholesale centres several times per week. Normally, they purchase goods in the early morning so they are able to prepare their shops before opening. They often share their shifts with their spouses. Often the revenues of such small enterprises do not suffice to pay additional personnel and cover social insurance costs. Family members are then employed informally, as they work without social insurance cover and receive no salary (Exp. B10).

A participant observation conducted in a Vietnamese corner shop in Berlin reflects this type of teamwork of a Vietnamese couple. It revealed that their working days are strictly organised. In between they manage their household and take care of three children. Many Vietnamese in Berlin live in spatial proximity to their working places (Schmiz, 2011: 199, 335) and the shop of this couple is located across the street from their apartment. The children often do their homework in the shop or carry out small duties in the business. On one day of
my participant observation, the two daughters, in the age of 7 and 12, helped to re-stock goods on the shelves:

The shop owner’s wife enters the shop to help a little. During a short conversation, she tells me about her three children in the age of 3, 7 and 12 years and that she cares for them at home. Her husband came to Germany in 1988 and she came nine years ago. They operate the shop for 8 years now. Her husband shops at the wholesale market in the Berlin district of Wedding three times a week and therefore rises at 3 to 4 am. Since he is tired then during the daytime, she displaces him for two hours in the midday while he carries up on sleep. They live vis-à-vis the shop. The shop is open until 8 pm. Afterwards clearance needs one hour. During the weekend, the owner shops Asian food and products in the Vietnamese wholesale centre in Berlins Hertzbergstraße with his own van. [...].

The shop owner’s wife is alone in the shop. She tells me that her husband is staying in Vietnam for a month. In this time, she manages the shop on her own and is responsible for the children. Her sister in law supports her in childcare. Colleagues do the purchase at the wholesale centre. (Extract from author’s field notes)

This observation exemplifies the double burden of entrepreneurial migrant families. Still I assume that the couples’ decision to become self-employed is based on a strategic choice in order to reconcile work and family life.

From precariousness to self-exploitation

In this section I draw on the case of Vietnamese migrants to illustrate migrant self-employment as a precarious labour arrangement. I argue that self-employment, especially in the dominant form of sole proprietorship, is often precarious because it incurs high risks of self-exploitation.

The majority of Vietnamese enterprises in Berlin fall under the EC category of micro enterprises. Micro enterprises are businesses with up to ten employees and an annual turnover of max 2 million EUR (EC, 2003). Sole proprietorships, falling under the category of micro enterprises, make up a part of 57 per cent of all self-employed work arrangements in Germany (Koch et al., 2011: 13). A study on former Vietnamese contract workers in the federal state of Brandenburg reveals that after the German reunification 19 per cent of the sample were never unemployed. 51 per cent were unemployed once and 30 per cent were unemployed several times. The study also drew attention to significant differences between the weekly working hours of employees and those of the self-employed. 83 per cent of the self-employed worked 40 hours per week or more, of whom 51 per cent worked 60 hours a week or more. Only 8 per cent of the self-employed worked less than the regular 40-hour working week (Mäker, 2008:
A study of Vietnamese entrepreneurs conducted in 1996 reported weekly workloads of more than 60 hours for 37 per cent of the respondents (Ascheberg, 1996: 521). The percentage of Vietnamese with a weekly workload of more than 60 hours has risen from 37 per cent in 1996 to 51 per cent in 2008. In many cases enterprises not only depend on entrepreneurs working long hours but also require the (often unpaid) support of family members. Considering the low incomes of Vietnamese entrepreneurs, such working arrangements should be seen as a case of self-exploitation. In the 1990s 48 per cent of self-employed Vietnamese considered their incomes as just about sufficient but 60 per cent of them preferred to remain self-employed (Ascheberg, 1996: 524f.).

In the German federal state of Brandenburg, Vietnamese sole-proprietors account for 59 per cent of all self-employed Vietnamese (Mäker, 2008: 20). However, among Vietnamese entrepreneurs some incidents of polarisation can be observed. Some entrepreneurs opened up businesses in new branches or changed their concepts. A wholesaler complains about her situation while she points out her prospective economic strategy:

> Well, business has been slow lately. I have to ask around until the end of this year because now I am doing everything for nothing, working for nothing. 100 sqm, 2000 € rent, nothing remains. But I am thinking about moving to a smaller shop with a lower rent where I can maybe go on [...]. New labour functions are needed; new clients are there. This means, one has to test what is working out, what is well received and then one has to go on. And what is not working, one leaves out. (G14)

The respondent suggests that the revenues her small enterprise generates do not even suffice to pay for the rent. Such concerns can be found among several Vietnamese wholesalers who interpret their rental agreement as an adhesion contract. Similarly, another wholesaler speaks about her plans to move from a declining outskirt wholesale centre to a new Vietnamese trading house that is located in a representative building in the city centre:

> Is it not like not working out, this branch, but I am moving. I am moving with my commodity here to the Viethaus. And there, I will directly sell to German clients. And there, the contact is more direct and it is closer [...]. And many even do not know that this [centre] exists here. (G11)

Both quotes underline that the location of businesses can lead to the economic marginalisation and spatial marginalisation of these wholesalers. But both wholesalers already made plans to get out of this precarious situation.
Currently, a large number of Vietnamese micro enterprises is not profitable or even indebted. Business revenues are declining, often as a result of the economic recession in the late 2000s. The trade of luxury goods like for example flowers has been hit particularly hard:

I am not content with my earnings but I just have to work. In the years before, it worked out. In Germany, so many taxes and concession taxes have to be paid, thus little remains. (E9)

Another flower seller complains about her declining income and identifies the economic downturn in Germany as the main reason for her problem:

Well, the sales volume certainly declined. Yes, for sure this is connected to the wages paid to the people here and with the overall economic situation in Germany. Well, three to five years ago, selling flowers worked out but now things turned more difficult. (E2)

Two other flower sellers describe their problematic situation in different words:

It doesn’t work that well but not really badly. But I don’t care [...]. It is fun, sometimes it doesn’t work and sometimes it works [...]. It is because of the economy, because of the German economy. Many come here and tell me they don’t have money. (E4)

Of course, there are difficulties. Peoples’ loans declined and it is harder to sell. (E3)

Both respondents point out that flower sellers tend to search explanations for their decreasing income in macro-economic structures, but do not blame microeconomic structures or their own decisions. Neither competition in Berlin’s highly saturated flower market nor low investment rates of these mostly small-sized firms were mentioned to explain their situation. As a consequence, parts of the owners close their shops while others continue to operate at the margin of subsistence (Exp. B3). For the latter, Pichler coined the term ‘survival economy’ (‘Überlebensökonomie’), referring to the extreme precariousness of parts of the migrant economy (Pichler, 1997: 106, 119). When asked for the competition in the sectors of textiles and mixed commodities, the owner answers:

Well, the shop is fairly running... not that good but there is no competition around here [...]. Well, it isn’t enough for the family [...]. My wife cannot work, thus we get social welfare [Hartz IV]. (E7)

Seen in the light of earlier theoretical reflections this quote reveals the income of the shop in relation to the family income is really low. In order to cope with this situation, the entrepreneurs’ wife receives social transfer payments.
In different interviews as well as through participant observation, gender specific structures explaining the precarious situation of women could be identified. The aforementioned study shows that 85 per cent of the respondents engage in paid work. But there seem to be gender specific differences. 79 per cent of male respondents were self-employed and 20 per cent worked as employees. Among female respondents the self-employment rate was 41 per cent while 56 per cent of them were employees, including 19 per cent employees in family businesses (Mäker, 2008: 17-18). Overall there is a very high share of male Vietnamese shop owners as opposed to a 19 per cent share of women who help informally in family business. This legal situation of women makes them more vulnerable in case of professional or private crises and they depend more on their husband than husbands depend on their wives. While women perform a balancing act between work and reproduction, their situation is relatively insecure (Schmiz, 2011: 175). Due to this vulnerability, women are often caught in the enterprise and lack security networks that could support them in cases of divorce or death of their husband. The situation of women in migrant entrepreneurship is especially precarious when women remain in the role of ‘helpers’ in family business arrangements (Light and Gold, 2000: 146).

Gendered structures and precarious entrepreneurial conditions are particularly prevalent in flower retail and in the manicure business. A flower retailer portrays her situation as follows:

In the beginning, I hardly had any customers. In this time, I really worried about my employees and my shop. I earned only 20-30 € a day, which is really little. (E2)

Compared to German entrepreneurs, Vietnamese tend to resist economic ups- and downs. This can be explained by a high tolerance for long working days of 14 to 16 hours. Also most Vietnamese entrepreneurs work six to seven days a week. The flower seller cited above states that she works 17 hours per day, from 3am to 8 pm. A lack of free time, often combined with limited scope for holidays and weekend work, is a typical case of self-exploitation (Apitzsch, 2005: 84). Managing such enormous workloads, which imply a direct exploitation of body, strength and force, long-term exhaustion and negative health effects are likely to occur (Bispinck and Schulten, 2011: 50).

For many Vietnamese shopkeepers wholesale centres are the only place and opportunity to maintain contacts to other migrant entrepreneurs. A flower seller reports that she meets other Vietnamese retailers in the early morning at the flower wholesale centre. But she does not have the capacity necessary to get organised in an entrepreneurs’ association (E2) or in a labour union. Low levels of affiliation among Vietnamese entrepreneurs mirror the generally low
numbers of union members among precarious entrepreneurs (Cranford and Vosko, 2012).

Most Vietnamese talk about long working days although they do not always explicitly state the number of their working hours. The example of a flower seller, however, suggests that working hours often exceed the opening hours of shops. Flower sellers go to the wholesale centres between 2 am and 4 am, twice or three times per week. In this case, the shop is open from 9 am to 9 pm (E4) but working days are much longer:

Oh, I’m working long days, from early until 10 pm. (E4)

She states the need for long working hours referring to her low business revenues. But she also expresses her wish to have a higher income so that she can rest on one or two days per week or to go on holiday (E4). The interviewee draws a direct connection between workload and profit. In a similar way, another flower seller reports:

Well, I get up at 1.30 am and at 3 am I am in the flower wholesale centre. Tuesday, Thursday and Saturday are the main days. And the others [other flower retailers; authors note] are already there at 2.30 am and I come only at 3 am, which is already late. (E2)

The interviewee’s quotes show that working long hours combined with low profits is common among Vietnamese entrepreneurs in Berlin. An expert described such working conditions as self-exploitation, emphasising the precariousness of this kind of work:

Small and smallest enterprises, family enterprises with a permanent tendency to self-exploitation – well, extreme working hours, extreme investments of force and mind; there is little time left for the family. And the family is finally included into the labour process. (Exp. B3; see above)

This statement makes direct reference to self-exploitation and also mentions two defining elements of self-exploitation: the extreme physical investment and the inclusion of the family into labour processes (see also Cranford and Vosko, 2012; Bispinck and Schulten, 2011: 50). My data contains many further statements concerning working hours. The respective respondents were wholesalers who work 10 hours per day (G15), 9 hours per day (G9), 8.5 hours per day (G2) and 8 hours per day (G8). The accounts of these respondents show that a high workload is a widespread phenomenon among Vietnamese entrepreneurs, although not every Vietnamese entrepreneur works a significantly longer working day than the German legal basic daily work load of 8 hours.
Another wholesale trader refers to high seasonal differences in working hours. Workloads may vary from 6 to 15 hours per day depending on the delivery of commodities. During seasonal peak times, wholesalers work up to 21 hours per day.

Now, you came off-season, when we have little to do. Then nobody is coming here and I only go to work at 2 pm or 1 pm […]. But, like mentioned before, there are times... in season we already come at 5 am and work until 10 pm […]. Off-season is always late and in season always early […]. Then it is sometimes running until 1 or 2 am and then we have to be here again at 5 am. (G1)

Long working hours occur not only in the wholesale sector but also in retail trade. The wife of one of the grocers seems to take the long working days of independent workers for granted:

I only assist if my husband is doing the purchase or so […]. If self-employed, my husband has to work about 15 hours daily. (E6)

All interviewees express a very high tolerance for long working hours. Also a Czech radio station reported about an averagely weekly workload of 57 hours among Vietnamese in Prague (Radio Praha, 2012).

Self-exploitation through long working days and opening hours is widely seen as a consequence of high competition (Boissevain et al., 1990: 145ff.; Waldinger et al., 1990: 46f.). My empirical research supports this assumption. This pertains especially to the low-skilled sector, like for example flower selling:

Well, there is a lot of competition around here, in the metro station, in the side street another two and over there another one. But I have to survive on the basis of my strategies. (E2)

A tailor describes a similar situation in her highly competitive field:

Here and there [are] alteration shops and over there, too. My shop is in the middle. Well, there is a lot of competition in this sector, of course. I am situated in the middle and to the right, to the left, up and down, well, there are four shops and in Germany there is competition everywhere. But when I do a good job, people will just come again. (D2)

Despite severe competition, there is a low fluctuation of Vietnamese shops. There seems to be sufficient scope for resilience although earnings from retail trade are at the margins of subsistence. An expert argues (Exp. B2) that the relatively low fluctuation of Vietnamese enterprises can be explained by the lack of alternative economic opportunities as a result of limited resources. A substantial number of Vietnamese entrepreneurs can be considered as ‘working poor’ (Pongratz and Simon, 2010: 44). Also Vietnamese entrepreneurs seem
more prepared to take risks than other groups of entrepreneurs (Exp. B2). This is reflected in a wholesaler’s statement:

Yes, like I mentioned before, this is only a family enterprise here [...]. Sure, everybody wants to fly at higher game, but we just want to remain constant. Some are growing on and on but take a high risk. We just want to remain constant, so that we will have enough to make a living, so that we may fulfil our desires. (G1)

Risk tolerance varies according to age, level of education, and household size (Xiao et al., 2001: 310). My findings indicate that wholesalers who are better educated and more experienced were more tolerant towards risks than retailers and service providers (Schmiz, 2011: 201). As part of precarious working conditions of employees, risks and responsibilities are shifted from the employer to the worker (ILO, 2011: 5). Similarly, in the case of wholesalers, the risk is shifted from the retailers to them, selling commodities on sale or return. This can be seen as a result of intense competition as well.

The Vietnamese economy counts high numbers of business start-ups, which are connected to the insufficient payment of temporary personnel. Those who can afford to set up a new business use the skills they gained from ‘training on the job’. ‘Training on the job’ is common in branches where specific techniques are required, such as flowers and manicure (Schmiz, 2011: 165, 309; Schmiz, 2012). However, the decision to become an entrepreneur is a decision in favour of higher risks and enormous work efforts. Ultimately it is a decision for a higher precariousness with a risk to self-exploitation.

**Conclusion: Free work?**

Throughout this paper I have argued that the decision of Vietnamese migrants to become self-employed cannot be explained in a one-dimensional way. Since the German reunification, former Vietnamese contract workers were affected by socio-political developments which had impacts on their residence status and working permission. While a ‘free choice’ of work was not an option during the first half of the 1990s many Vietnamese opened mobile businesses or market stands which they later transformed into shops.

The trend towards more self-employment reflects the status enhancement as well as the higher income this working arrangement incurs. At the same time Vietnamese entrepreneurs have to cope with a marginalised status on Berlin’s labour market. Most of the former Vietnamese contract workers are not in a position that allows them ‘free choice’ of their working arrangement. Insufficient German language skills and low levels of formal education are primary reasons
for this impasse. As employees Vietnamese migrants struggle to find positions, which come along with income prospects similar to those of self-employment. Based on empirical evidence I showed that for most Vietnamese migrants in Berlin, self-employment is the only way to earn enough to support themselves and their family. The prospect of achieving a higher income seems to be a key factor underlying the high share of self-employed Vietnamese in Berlin.

By distinguishing three different periods of Vietnamese business development, I reconstruct their careers in self-employment as a way of economic and social advancement. To date, self-employment remains the preferred working arrangement and continues to generate higher incomes than working as an employee. Being an entrepreneur can hence be interpreted as one form of self-realisation. Nonetheless, success in Vietnamese enterprises tends to come along with extremely high workloads and with a high tendency to self-exploitation.

Which new insights can be gained through the distinction of different motivations for self-employment and the historical description of Vietnamese labour market inclusion since the German reunification? I contend research on migrant entrepreneurship could open up new and insightful perspectives by borrowing from approaches and findings from the field of precarious labour market research. This could help to better explain why migrants find themselves in entrepreneurship to such a high degree.

Further research is needed on the future of migrant entrepreneurship. The case of Vietnamese entrepreneurs shows that the second generation chooses other professional careers than their parents. A relatively high share of second-generation Vietnamese attends secondary school or studies for a university degree. Subjects like engineering, economic and business sciences, medicine and pharmacy are particularly popular. Academic qualifications promise a way out of the precarious structures created and endured by first-generation Vietnamese immigrants (Schmiz, 2011: 248ff.). I suggest that the second generation’s aspiration to work under different conditions than their parents and to earn higher incomes can be seen in the light of intergenerational reciprocity. Intergenerational reciprocity provides old age insurance for the majority of the first generation, who never paid any contributions to the German social security fund. For the next generations, self-exploitative structures seem to be far less desirable than a more sustainable professional solution that allows them to be part of social security schemes. Future research would be well placed to explore if second-generation Vietnamese in Germany follow a similar path like the South Asian community in the UK (Jones and Ram, 2003; McEvoy, 2002). In the latter case a generational shift was observed, with the second generation rather opting
for higher education in the receiving country than ‘follow(ing) their parents into onerous self-exploitation’ (cited from Barrett and McEvoy 2007: 350).

references


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