Doing Business in Rural China
Heberer, Thomas

Published by University of Washington Press

Heberer, Thomas.
Project MUSE. muse.jhu.edu/book/21072.

For additional information about this book
https://muse.jhu.edu/book/21072

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=742758
Conclusion

The Influence of Nuosu Entrepreneurs

Nuosu entrepreneurs operate simultaneously in the dual worlds of the Chinese state-market economy and Nuosu clan society. I turn in this concluding chapter to a summary of the effects of entrepreneurship on society, economy, and politics in Liangshan. I consider the effects of Nuosu entrepreneurship in three areas: economic development, Nuosu society and culture, and Nuosu identity and Nuosu-Han relations. Finally, I present some thoughts on the comparative relevance of the Nuosu case for understanding the role of ethnic entrepreneurs in general. At the outset, it is important to reiterate that although the market has created a new value system, the moral economy still has a strong impact on the market behavior of the Nuosu entrepreneurs; they still live in the dual worlds of individual profit-making and clan obligation. Nuosu see the market as a value-laden moral economy, whereas Han see the market as a rational, profitable field of economics. The fact that Han and Nuosu have different working concepts of the market shows that markets are cultural systems, represented differently through people’s thoughts and actions. Entrepreneurship has not eliminated the division between these cultural systems, though it has blurred that division through the processes summarized below.

ECONOMIC DEVELOPMENT

This book is only marginally concerned with the economic function of private entrepreneurs although our research has shown that private entrepreneurs in Liangshan are essential resources for local economic development and as employers, as well as sources of county revenue. They change local economic structures and social institutions, and they finance social and eco-
nomic development projects, such as infrastructure development and educational and health institutions. Thus, encouraging entrepreneur contributions is “a low-cost strategy for economic development, job creation, and technical innovation” (Ray 1988: 4). Encouraging ethnic (Nuosu) entrepreneurs is of particular advantage because they consider development activities as part of their social obligations and because they mostly hire Nuosu personnel. Entrepreneurs are therefore not only agents of economic change, but also of cultural and social change.1

SOCIETY AND CULTURE

Because of strong ties to their communities, Nuosu entrepreneurs do not act only in their own individual and material interests but in the interest of maintaining their social status; they respect social values and meet moral and social obligations toward their communities. Non-economic motives are thus important forces in their economic success. Due to underdeveloped market structures and institutions, the moral economy is clearly visible in Nuosu society. This economy is maintained by reciprocal obligations and by the clans who also maintain bonds and values within the community. However, growing market influences and social changes are eroding existing social structures. Entrepreneurs thus face the trader’s dilemma of meeting social obligations on the one hand, and of pursuing entrepreneurial market interests on the other.

Our studies show that the primary identification of Nuosu, including Nuosu entrepreneurs, is not with the Nuosu or the Yi as a whole, but with their own clans and localities. In general, the heterogeneous community of the Liangshan Nuosu Yi shows different and sometimes contradicting degrees of identification and loyalty to the larger Yi nationality. However, apart from this, Nuosu entrepreneurs share some commonalities in their relations with their ethnic communities, their culture, and development. If entrepreneurs become aware of their function as social modernizers, they might also become important shapers of the future. A reference to the entire ethnic group would gradually replace the concern for particular clans; the moral economy would be defined less in terms of clans and would increasingly relate to Yi nationality as a whole. However, as James Scott (1976; 3–4, 167) and others have demonstrated, it is difficult to maintain a moral economy in which the actors’ obligations are to a group as large as the Yi, or even the Liangshan Yi (Nuosu). The moral economy may, therefore, reestablish along different lines or fade out entirely.
As entrepreneurship, industry, commerce, and services were not part of the traditional Nuosu economy, individual and private businesses are new phenomena in Nuosu society. These phenomena are part of an “ethnic learning” process. The learning is ethnic, because it takes place collectively; it includes a large number of Nuosu in private economic frameworks and it concerns activities that go beyond the clan. As part of this learning process, nearly all the entrepreneurs we interviewed have come to recognize entrepreneurship as the precondition for economic development. In turn, economic development, along with education, is seen as the only way for the Nuosu to assert themselves and develop as an ethnic community, and as a group within the Yi nationality.

An ethnic group or members of the group can also learn lessons from the past that are important for the group’s survival during the upheavals of modernization and social change. Part of ethnic learning is applying these lessons in ways that change or improve economic, social, and political behaviors, which, in turn, improve the group’s chances of survival. However, ethnic learning also involves developing new concepts and policies in order to solve current and future problems. Learning is a process of adjusting to situational changes in which it is necessary to solve problems with new solutions that will be acceptable to ethnic stakeholders. Although the stakeholders only represent specific constituents of the total group (communities, clans, organizations, and elites), they are the players who are capable of learning. This implies that learning is not a single process but rather develops as a sequence of processes in which people acquire more and more knowledge and experience learning at different levels (Haas 1990: 25–26), as well as the need for certain key players, such as well-known ethnic-group representatives who have enough social standing to push these processes forward.

Nuosu entrepreneurship itself is an expression of ethnic learning in the form of a social group breaking with traditional economic ideas. The entrepreneurs are pioneers of a transformation from self-sufficiency to market-orientation, and from a clan-oriented to a community-oriented society. They are not so much carriers of tradition as they are bearers of modernity. They facilitate Nuosu society’s adaptation to modernity, which takes place under the influence of the entrepreneurs rather than under pressure from the state.

There are two trends of changing loyalties among the Nuosu today. One trend is caused by the impact of the market and of entrepreneurship as systems of communication. Economic interactions between entrepreneurs and within the market generate circles of loyalty beyond families and clans. Nuosu ethnicity and status as an entrepreneur are emerging as new points
of reference. The other trend is initiated by state and Party endeavors to bind successful entrepreneurs into non-local and trans-ethnic circles of loyalty. Becoming a member of entrepreneurial associations, the Party, parties, or mass organizations, or a deputy of a People’s Congress or a Political Consultative Conference creates such bonds.

In China, trans-ethnic, sense-giving, eschatological ideologies such as the “Communist project” are now crumbling and eroding. Currently, the nationalist project is replacing the eschatological ideology. The Chinese nationalism of the Nuosu and of the Yi may actually be supported by Yi scholars’ historical and cultural studies, which I analyzed in chapter 8. For example, if the Yi are the founders of Chinese culture, they are unlikely to want to separate from China. This may be why so much chauvinistic Yi history is allowed to be published, while Uighur or Tibetan revisionist histories are ruthlessly suppressed (see Harrell and Li 2003).

Despite state or Party efforts to win them over to new loyalties beyond their immediate warm relationships, entrepreneurs still play a double role in organizations where relationships are based on cold loyalty. On the one hand, ethnic entrepreneurs are Chinese citizens and the Party or the nation is a new identifying group worthy of their loyalty. On the other hand, they represent the interests of their ethnic communities in political organizations or associations.

Rather than being replaced by cold loyalties and trans-ethnic connections, traditional warm loyalties to ethnic groups and to the clan have experienced an intensified return. During our fieldwork, entrepreneurs defined themselves primarily as ethnic players with reference to their clan or ethnic group. They consistently prioritized local development and Nuosu Yi interests over references to higher circles of loyalty such as the province, the state, and the Party.

Rapid economic and social change and increasing individualization lead to increased social insecurity and a weakening of social bonds. This applies to the entrepreneurs and to the Nuosu as a whole. The result is a state of permanent insecurity among the Nuosu, which is only intensified by the erosion of their culture and language. Insofar as they belonged to a clan, Nuosu traditionally differentiated themselves from other people based on clan membership, not ethnicity. Thus, the clan was actually the main reference point for identity, and it remains a central element of Nuosu identity today.

Another part of Yi identity is the belief that Yi, especially the Liangshan Nuosu, are especially courageous, aggressive, and fear nothing. Courage and bravery have always been associated with common clan feuds, in which not a few have lost their lives. Angst played (and plays) only a small role within
their community; the main source of angst is the threat of exclusion from the clan community. Heroism and heroic ideals have possessed (and still possess) an important place in socialization, and psychological stability has been guaranteed by solidarity within the clan and not by religion or the promise of a better life after death.

Entrepreneurship offers an economic method of breaking down insecurity if it actually promotes economic development, creates jobs, and increases ethnic-entrepreneurial self-confidence. Socially conscious entrepreneurial strata could take care of social obligations that the clans are increasingly unable to meet. The entrepreneurial stratum also offers an answer to the ethic of heroism; not a few entrepreneurs argue that they display such virtues as gallantry and courage.

The clan still functions as a social organization offering social certainty and mutual support, and clan ties have become stronger through quasi-modern institutions. On the other hand, the clan still limits the formation of a shared (ethnic) consciousness amongst the Nuosu, as clan interests are prioritized over the interests of the Nuosu as an ethnic community. However, a clan-transcending consciousness has emerged despite such limitations, carried at least partially by the new wave of entrepreneurs. On the other hand, identities have become fragile due to the destabilization of the moral economy and the social and economic change. Moreover, the relative participatory equality generated by the clan is dissolving.

**ETHNIC IDENTITY AND NUOSU-HAN RELATIONS**

Ethnicity can be economically constructed and utilized for commercial gain. Granovetter has suggested that particular groups or persons may strategically use ethnic features and characteristics to maximize their income, solve economic problems, or ensure loyalty (Granovetter 1995: 148). For example, entrepreneurs wear traditional Nuosu garb, commission bimo to drive out spirits, or have Nuosu symbols placed on buildings and businesses in order to reinforce their ethnic employees’ loyalty and to strengthen relationships with Nuosu clients and customers. In this context, cultural and symbolic capital is utilized toward economic ends.

The presence of differing ethnicity does not necessarily lead to ethnic conflicts. Peaceful and cooperative relationships between Nuosu and Han do exist. Conflicts only come about in the course of the modernization process when economic inequality increases, the battle for scarce resources intensifies, and the gulf between “us” and “them” (i.e., Nuosu and Han) widens.
The rise of entrepreneurship has begun to dissolve the cultural division of labor, which Hechter has classified as “internal colonialism” (Hechter 1975). The situation in which Han are employed in high-status occupations and exploit the Nuosu, who are employed in low-status occupations, has been changing. In spite of having different economic starting points, Nuosu and Han have equal opportunities for becoming self-employed. Furthermore, Nuosu entrepreneurs are standing up for their ethnicity by dispelling the dominant negative images historically developed by the Han and thereby dismissing the accompanying norms.

The notion of “reactive ethnicity” seems most suitable as the cause of ethnic entrepreneurship amongst the Nuosu. A reactive ethnicity originates from Nuosu experiences of economic discrimination and the perceived necessity of ensuring their ethnic group’s survival. It is also a reaction to cultural and political discrimination. Previously, companies were established and run primarily by Han Chinese, and the workforce consisted of Han personnel from other regions. Economic development thus is a way of ensuring ethnic survival and counteracting discrimination by promoting upward mobility and assisting Nuosu in climbing political ladders.

However, it would be inaccurate to regard Nuosu entrepreneurship simply as a form of reactive ethnicity because its reactive nature is only in response to development. Entrepreneurship is also an active modernization force working in the interest of maintaining and developing the Nuosu and their culture, and it also creates the ability to shape local development rather than merely react to development. Entrepreneurship also has a passive function, namely the effects of entrepreneurs’ lifestyles and social image on the other members of Nuosu society. Scarman argues that ethnic entrepreneurship and a greater involvement in business contributes to community stability, as it allows ethnic minorities to participate more in society, economically as well as politically (1982: 16–68; see also Mars and Ward 1984: 1). It has not been proven whether this is true for the Nuosu.

Ethnicity is not the only or essential factor in ethnic entrepreneurship. It is quite possible that some Nuosu will become entrepreneurs without being in situations where there are ethnic interactions. On one level, ethnic entrepreneurs are nothing but entrepreneurs first and foremost; the economic and entrepreneurial interests they share with other entrepreneurs may be greater than their differences along ethnic lines.

Unlike in Tibet or Xinjiang, there is no hard ethno-nationalism among the Yi in general or among the Nuosu entrepreneurs in Liangshan, in the form of striving for a separate state or for special status within the People’s
Republic of China. However, soft ethno-nationalism is widespread and is characterized by a desire for expanded autonomy and for the classification of the autonomous prefecture (Ch: zizhizhou) as an autonomous province (Ch: zizhiqu). However, cultural nationalism is even more common and its goal is to maintain and support script and language traditions while recognizing modernization as the precondition for revaluing traditional culture and the ethnic group. There is, undoubtedly, a desire for respect as an important population within the Chinese nation. Yi ethnic consciousness in this sense is like African-American ethnic consciousness. The Yi are as unambiguously Chinese (in the national sense of Chinese as Zhongguo ren) as African Americans are Americans. However, both populations believe that they are not accorded the respect due to first-class citizens of China and the United States, respectively. The Yi strive to correct this through cultural politics and through ethnic entrepreneurship.

The emergence of ethnic entrepreneurship does not necessarily generate ethnic mobilization and ethno-nationalism. However, this could be the case if an ethnic group and its entrepreneurs are discriminated against or disadvantaged in trans-regional markets. In this case, ethnic entrepreneurs could be tempted to instrumentalize and mobilize ethnic tensions and prejudices for their own interests. In the final analysis, however, conflicts may be reduced or prevented by equal opportunity and “affirmative action” policies. Thomas Meyer writes, “fair dealings on the part of differing cultural identities with each other, that is, a constructive politics of identity, presupposes equality as the main motive for actions.” This in turn entails “fairness in access to the core opportunities of social life and political power as well as mutual recognition and respect” (Meyer 2002: 34). In this context, entrepreneurship forms a basis for equal treatment, albeit primarily within the market. It promotes local development, creates a socially aware business elite, and strengthens Yi identity. Nevertheless, entrepreneurship in Liangshan is still unstable, as its development depends to a large degree on the local bureaucracy. Realistically, legal safeguards and well-aimed assistance programs are needed in order to better protect and support the growth of this very promising aspect of Yi social development.

RELEVANCE OF THE NUOSU CASE

Our conclusions bring us to an important question. What is the relevance of our findings for China’s ethnic groups or for policy? Entrepreneurship is probably one of the most effective ways to integrate ethnic minorities into
the local and national economy. At the same time, as an integrating and stabilizing element, it may also be an important factor for poverty alleviation. However, China’s ethnic communities differ in their economic dispositions. Some ethnicities have strong merchant, trading, and craftsman traditions, such as the Uighurs or Hui. Others were traditionally farmers, herders, or hunters and gatherers. Some ethnic groups are primary ethnic groups, behaving as closed communities within the larger Han society. Other ethnic groups are secondary groups, and have historically participated in Han society economically and politically.3

The Liangshan Yi used to be a primary ethnic group, and some member groups in the mountains still are. By means of ethnic integration, particularly in urban areas (including county towns), a large share of the Nuosu has become a secondary ethnic group, though both ways of life continue to exist. Entrepreneurs cannot exist under secluded and remote conditions; they have to have access to the market. Therefore, they function as carriers of the transformation into a secondary ethnic group.

In multi-ethnic states, minority ethnic communities develop different social and political strategies for survival, such as isolation or accommodation, where the latter involves participation in Han social and political domains. Other strategies include communalism (communal control in areas where an ethnic group constitutes the majority), autonomism (particularly on cultural and political issues), separatism, and irredentism (see Smith 1981: 15–17 for more details). In terms of entrepreneurship, accommodation appears to be the most appropriate strategy for acting according to market logics. Government officials might strive for communalism or even stronger autonomism, but the choice of a specific strategic behavior or even a combination of different strategies depends on the ethnic community’s distinct historical, social, economic, and political setting. Hence, different ethnic groups turn to different strategies. Social changes leading to stronger social mobility and stratification may even generate different strategies among different strata or regional communities within one ethnic group; therefore, it would obviously be inappropriate to make arguments that claim to be true for all ethnic communities within China.

Entrepreneurs are a crucial part of economic, social, and political processes in all ethnic communities. However, changes in social and institutional settings affect not only a given minority ethnic group but the relationship and interaction of that group with the dominant group. The relationships among the different minzu in China are changing as well, though in different directions, oscillating between isolation or separatism and
accommodation or integration. As demonstrated in this book through the example of Nuosu society and Nuosu entrepreneurs in Liangshan, the entrepreneurial economic elite that is emerging has a strong self-consciousness which contributes to the strengthening of the group’s ethnic identity and its modern ethnicity, while functioning as an agent of development and modernization. Future research on entrepreneurship among other ethnic communities in China will allow us to review the arguments presented here and to explore the contribution of ethnic entrepreneurship to nationwide social and institutional change.