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APPLYING THE THEORY OF RESOURCE CURSE TO
DISADVANTAGED MIGRANT COMMUNITIES AND CRIMINAL
OFFENDING: VIETNAMESE AUSTRALIANS AND THE HEROIN
TRADE AS A CASE STUDY

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ABSTRACT

Australia has a substantial Vietnamese community, a consequence of the refugee exodus from South-east Asia which followed the Communist victory in Vietnam in 1975. While Vietnamese Australians have contributed greatly to their host society, they are also stigmatised because of an association with the trade in illicit drugs, particularly heroin. Drug-related offending remains very high in Vietnamese Australian communities, with resultant high rates of incarceration and social exclusion. In its formative years the Vietnamese Australian community was faced with exclusion from economic and social opportunity, but was uniquely well-positioned as an ethnic enclave economy to take advantage of the growing demand for illicit drugs, especially heroin. I argue that the heroin trade had an effect analogous to ‘resource curse’, and has been a major source of continuing disadvantage and social harm to the Vietnamese Australian community.
THE VIETNAMESE IN AUSTRALIA

Australia’s Vietnamese community is a spectacular result of the law of unintended consequences. In April 1965, the Prime Minister, Robert Menzies, committed the Australian troops to a combat role in the escalating conflict in Vietnam. Menzies was vague about the purpose of this commitment, but he could not have intended it to result in large-scale Asian migration to Australia (Ham 2007). However, in the wake of the communist victories in Vietnam and Cambodia, millions of people were displaced. Australia was a major player in the global resettlement program (Robinson 1998). Between 1975 and 1995, Australia accepted more than 137,000 South-east Asian refugees (mostly Vietnamese, but also Khmers and Laotians), a total second only to the United States, and per capita more than any country in the world (Robinson 1998).

The refugee exodus from South-east Asia went through several overlapping phases. The first refugees were more likely to be elite Vietnamese who had been associated with the South Vietnamese government or armed forces, ethnically-Chinese business people and their families, and Catholics. All of these groups had well-founded fears of persecution at the hands of the Communist authorities. Later waves of refugees were more likely to be small business people and others with less clear anti-communist connections but considered ‘class enemies’. In the early 1980s, mismanagement of the economy in Vietnam caused famine and desperate poverty, and gave rise to new waves of refugees. Unlike the previous migrants, many of these ‘third wave’ refugees were farming people with little experience in business and low levels of education. Members of this last group often found the transition to life in more advanced economies very difficult (Robinson 1998).

The Vietnamese authorities, both by policy and through corruption, actively facilitated the refugee exodus at different times. Following an agreement reached in 1979, the ‘orderly departure program’, the proportion of migrants regarded as refugees declined. From being almost all Vietnamese migrants to Australia in the period 1975-81, the proportion of refugees fell to 93 per cent in 1981-86, 45 per cent in 1986-91, and was only 23 per cent of those who arrived in 1991-93 (McMurray 1999).
Refugees always find settling in a new country difficult (Aristotle 1999; Kunz 1981), but the Vietnamese migration to Australia was especially challenging. Before the fall of Saigon, there had been only about 1,000 people born in Vietnam living in Australia (McMurray 1999). From this small and dispersed base, the Vietnamese suddenly became the second-largest single group of migrants, after those from the British Isles. (Australian Bureau of Statistics [ABS] 2003). The late-1970s and early 1980s was a period of economic strain, with historically low levels of immigration and historically high levels of unemployment (ABS 2003): immigrants tend to attract greater hostility at such times. The Vietnamese were also physically distinctive, recognisable as members of a ‘race’ which had traditionally been particularly despised in Australia (Fitzgerald 2007; Markus 1979). Although only about 4,000 Vietnamese, a tiny percentage of the total, arrived directly in Australia by boat, these arrivals created a climate of hysteria about an ‘Asian invasion’, and some deeply unpleasant bigotry (Grant 1979; Viviani 1996).

Most of those who fled Vietnam in the late 1970s did so because they were connected in some way with the government or armed forces of the Republic of South Vietnam, Australia’s former ally. This was not (and is still not) widely understood or respected in Australia. Mainstream understanding of the Vietnam War is dominated by American popular culture. In these representations, the nation of South Vietnam and its armed forces are either ignored completely, or portrayed as corrupt, incompetent, unreliable and unworthy allies (Beidler 2007). By contrast the enemy are ‘the Vietnamese’. This distorted portrayal of the Vietnam War contributed to prejudice in the wider Australian community (Ham 2007; Nguyen & Cahill 1986).

By the mid-1990s, the Vietnamese community in Australia was substantial. At the 1996 Census there were 150,941 persons living in Australia who had been born in Vietnam (McMurray 1999). Vietnamese communities in Australia, as elsewhere, are highly urban and highly concentrated. Most host nations encouraged or even required Vietnamese migrants to disperse throughout the community. Such efforts were universally unsuccessful. In every instance, as soon as Vietnamese migrants were able to do so, they moved to be close to one another (Robinson 1998, pp. 146-51). Poor proficiency in English has
been advanced as both a consequence and a cause for concentrated populations. As late as 1996, only 55 per cent of those born in Vietnam reported that they spoke English well. This contributed during the 1990s to very high rates of unemployment for men born in Vietnam. The 1996 census found that the Vietnamese second generation (Australian-born, with at least one parent born in Vietnam) numbered 46,756. As would be expected, almost all of them were under the age of 25, and the vast majority, 93 per cent, were below the age of 15.

The process by which settler groups and a host society adjust to each other, negotiating new understandings and identities, is complex. The newcomers adapt to and are changed by the host society, but the host society is also changed, a process which takes time and is not always smooth (Barnes 2005).

Studies of refugee communities suggest a broad five-stage model of development. From the euphoria of the early months of arrival, there is a period of disillusionment lasting several years, but easing with time as the new community reaches adjustment to its new reality. This happier state of affairs is disturbed by generational conflict, between those who arrive in the new country as adults and their children. This period of social difficulty – which is likely to include a spike in criminal offending - can be expected to appear about 12 years after arrival, and to last for eight-to-ten years (Killian 2002).

While the children from later waves of migration face continuing challenges, their adjustment is less difficult. Their own community is larger, better resourced, and the first generation of adolescents have ‘done the hard yards’, bridging the cultural gap between the cultural worlds of the migrant parents and the host community (Esser 2008).

While such a general model will inevitably be subject to local variations, it has broad validity, reflecting the experiences of other groups of refugees who have migrated to Australia (Kunz 1988). Applied to Vietnamese Australians, the demographically-driven ‘troubled years’ would be expected to begin in the late 1980s as the children of the earliest arrivals reached adolescence, and peak in the mid-to-late
1990s before gradually receding. By the thirtieth anniversary of the fall of Saigon, in 2005, one would expect Vietnamese Australians to be mature minority community, with relatively few problems interacting with the dominant culture and its agencies, including the police (Kunz 1973; Nguyen and Cahill 1986).

However, Vietnamese Australians continue to experience high levels of disadvantage, social exclusion and morbidity (ABS 2008; Silove, Steel, Bauman, Chey and McFarlane 2007). Of particular concern is the high rate of criminal offending and incarceration among Vietnamese Australians (Australia Vietnamese Womens Association 2011; Australian Federal Police 2009). In 2013, persons born in Vietnam were incarcerated at a rate of 357 per 100,000 of population, more than twice the rate of the general population (ABS 2013). In raw numbers, those born in Vietnam represent the second largest group of foreign-prisoners, second only to New Zealand, and ahead of the United Kingdom. The relationship between Vietnamese Australians and law enforcement authorities remains poor, marked by distrust and suspicion on both sides (Meredyth, McKernan and Evans 2010). At the heart of this estrangement is the trade in illicit drugs, particularly heroin.
THE HEROIN TRADE IN AUSTRALIA

The late 1970s and early 1980s saw the rapid growth of a large scale heroin trade in Australia (Manderson 1993). The explosive and apparently unstoppable growth of this trade and the ancillary crime and violence which were associated with it was a source of great anxiety to the police, and to the wider community (Makkai 2002; Victoria Police 1980). Although it attracts less attention than it once did, the heroin trade remains one of the world’s most significant criminal enterprises (United Nations Office on Drugs and Crime 2010). While its exact dimensions are not known, the global trade in heroin is enormous and hugely profitable (Paoli, Greenfield and Reuter 2009) and Australia is an entrenched part of this global market (Australian Crime Commission 2011). Despite a heroin ‘drought’ in Australia at the turn of the century, the causes of which are debated (Dietze and Fitzgerald 2002), the heroin trade has survived all attempts to eradicate it. There remains a large demand for heroin, and that demand is met by a supply and distribution network substantial and resilient enough that the street price of the drug remains relatively stable (Australian Institute of Health and Welfare 2011; Gaffney,
Looked at dispassionately, the global heroin trade is a triumph of entrepreneurship (Beyer 2004). A product which is illegal almost everywhere has to be grown and processed, smuggled across international borders, distributed to networks of wholesalers, then to further networks of retailers. There are no external guarantors of product quality, contracts can only be enforced through violence, and production and distribution networks must operate with little overall co-ordination. The product cannot be advertised. Even basic accountancy is complicated by the need to conceal transactions and launder profits. The industry does not pay formal taxes, but the need to corrupt public officials represents a heavy impost (Paoli, Greenfield and Reuter 2009). Ironically, the key to success in this difficult business is trust relationships, what economists call ‘relational capital’ (Vannostrand and Tewksbury 1999). The need for relational capital has been identified as the single most significant barrier to new entrants into drug trafficking (Paoli, Greenfield and Reuter 2009).

A mass market in heroin would have become established in Australia in the late 1970s and early 1980s, regardless of whether Vietnamese refugees arrived in significant numbers. The drug spread throughout the industrialised world in this period, including to communities which had no significant Asian migrant population (Block 1993; Chalk 2000; Greenwald 2009; Uchtenhagen 2010; Whitaker 1987). In the years since, a market for heroin has developed wherever people have acquired sufficient cash and personal freedom to make the trade profitable – including, after economic liberalisation, Vietnam and China (Kurlantzick 2002; Marr and Rosen 1999).

However, Vietnamese migrants and heroin arrived in in Australia the same period, and a significant number of Vietnamese Australians became involved in the heroin trade. This nexus was not inevitable. To the contrary, economic theory would predict that existing criminal syndicates - with established networks and relationships with corrupt officials, and access to venture capital – would be best placed to profit from the heroin trade. In most countries, this is exactly what occurred (Paoli, Greenfield and Reuter 2009). In Naples, for example, the local Mafia introduced heroin to markets under its control,
excluded rival operations, and enjoys enormous profits from its market dominance to this day (Four Corners 2011).

Given the terrible social costs which accompany the heroin trade, why did the Vietnamese Australian community become entangled with it?

In an attempt to answer this question, this article draws on two economic theories, the ‘ethnic enclave economy’ and ‘resource curse’ which provide valuable insight into the social processes which have led to an entrenched pattern of criminal offending in a particular refugee community.

**THE ETHNIC ENCLAVE ECONOMY**

The classical view of the economic role of migrants to wealthy nations was dominated by an ‘American dream’ model. By this view, migrants enter the dominant economy in low pay and low status occupations: the work no one else is prepared to do. Through hard work, they gradually move up the ladder of aspiration and reward until they enjoy cultural and economic fusion with the majority (Handlin 1951; Milton 1961). This somewhat complacent view was the target of a radical critique from the 1960s. For some groups, such as African Americans and Hispanics, it was argued that the barriers to full economic participation were insurmountable. These groups were trapped in a ‘secondary economy’ marked by insecurity and exploitation, victims of an ‘internal colonialism’ (Bonacich 1972; Hurst 1972).

The ethnic enclave economy thesis which emerged in the early 1980s, was a challenge to both the classical and radical views. Kenneth Wilson and Alejandro Portes published an influential study of the of the Cuban exile community in Florida, which had enjoyed fair economic success. Wilson and Portes concluded that if a migrant community is sufficiently large and cohesive, it can form a largely self-contained ‘enclave economy’ (Wilson and Portes 1980). The enclave offers its members jobs and other economic opportunities superior to those available in the wider marketplace (Wilson and Martin 1982). The ‘failure to assimilate’, by this view, is a rational economic choice.

The economic advantages of an enclave include: access to capital through informal but effective means
such as pooled savings; access to labour with strong cultural and kinship ties; preferential access to sources of supply and distribution, and; tight business networks based on kinship and culture. These factors combine to offer both vertical and horizontal integration, which in the dominant economy can only be achieved by very large firms (Ndofor and Priem 2011).

An extra stimulus to the formation of enclave economies is the barrier of prejudice and hostility from the majority population and state agencies such as the police. In such circumstances, the formation of an enclave is functional: a logical response which defends the community’s interests (Portes and Jensen 1989).

An enclave economy has disadvantages. Socially and psychologically, it can be a trap: a defensive, inward-looking, self-perpetuating closed community. Those with low status and few resources - the young, recent migrants, illegal migrants, those without family - are vulnerable to exploitation. It is very difficult for the weaker members of enclave communities to seek support from the agencies of the dominant culture (Song 1992; Song and Hurysz 1995).

Jeremy Hein’s study of South-east Asian refugee communities in the United States argues that the ethnic enclave economy model applies to many of these communities (Hein 1995). The enclave economy model has not been much studied in Australia (exceptions include Adhikari 1999; Coughlan 1998), but it has obvious validity. Signature behaviours such as extensive co-ethnic employment, entrepreneurial networks based on informal links, and the ability to raise capital through unorthodox means are all well-recognised characteristics of the Vietnamese Australian business community (Taylor 2006; Viviani 1996).

Early proponents of the enclave thesis assumed that close physical proximity was a necessary factor. However, as Pnina Werbner has argued, while ethnic enclave economies are often spatially concentrated, that this is not essential. What matters are strong trust networks of exchange and community. These networks can link dispersed clusters of population; indeed physical dispersal can be an advantage, facilitating horizontal integration across national boundaries (Werbner 2001).
Werbner also argues that the character of an enclave economy is greatly influenced by its core business, recognising the ‘agency of objects’ on the communities which handle them. There are ‘different constraints and opportunities underpinning, say, the manufacture and sale of aeroplanes, movies, clothes or pop music’ (Werbner 2001). Or, it could be added, illicit drugs.

The traded commodity, heroin, has played a major role in shaping the Vietnamese Australian enclave economy. It has been a largely destructive role, which can be understood by looking to another economic theory, resource curse.

RESOURCE CURSE

The term ‘resource curse’ was coined in the 1970s to describe an apparent paradox. When a nation receives an influx of wealth from a valuable mineral resource, particularly oil, this often coincides with economic growth and development inferior to that of nations with fewer natural resources (Gelb 1988). A major international comparative study found that ‘economies with abundant natural resources have tended to grow less rapidly than natural-resource-scarce economies’, a negative relationship which held good even when controlling for variables such as government efficiency (Sachs and Warner 1995).

Exploiting valuable resources such as oil reserves, the argument goes, is enormously profitable, and does not require a particularly large workforce. A government in control of oil can exact monopoly rents, and so does not need domestic taxation revenue, or a healthy and educated labour force. Oil income can be used to maintain a network of patronage and repression: giving plum jobs to favoured groups, while also employing a large security apparatus. The controlling elite has the capacity both to buy loyalty and to crush dissent (Auty 1993; Gel’man 2010). Nigeria is regarded as a classic case study (O’Neill 2007); other commonly cited examples are Venezuela, Mexico, Iran, Iraq and Russia (Gel’man 2010; Gelb 1988; Sachs and Warner 1995).

The resource curse thesis has been honed, contested and extended. It has been argued that adverse effects of resource curse extend beyond economic life: other ‘pathologies of development’ include civil
strife, endemic official corruption, and deteriorating political and civil rights (Gel’man 2010; Williams 2011). The thesis has been applied to other sources of mineral wealth besides oil (Murshed and Serino 2011), and also to non-mineral resources, such as coca leaf. For Columbia, it is argued, cocaine has acted as a resource curse: a source of wealth and social disaster in equal measure (Angrist and Kugler 2008; see also García Márquez 1998).

In this paper, I propose to further extend the thesis. The resource curse effect need not involve physical control of a resource. Just an enclave economy is primarily based on trust networks, and these networks can and do transcend local and national boundaries, the resource curse effect can occur even if the source of wealth is not directly owned or controlled. *When an enclave community has a strong comparative advantage in a lucrative but illegal economic activity and is excluded from opportunity in the dominant economy, the illegal activity will have a social effect very similar to resource curse.*

Writing of the post-war migration of displaced persons to Australia, Kunz identified a widespread attitude in Australian society that ‘the one salient characteristic that all migrants have in common is that they are lucky to be here’ [256]. Consequently ‘the incorporation of the refugees . . . should not require change, effort or financial sacrifice from the hosts’ [257]. (Kunz 1988). As Braithwaite argues, such ignorance and narrow-mindedness can lead to serious longer term problems (Braithwaite 2012).

One case study is the El Salvadoran refugee community which formed in the United States in the early 1980s. Long observes that one of the unfortunate effects of the attempt to distinguish between ‘political refugees’ and ‘economic migrants’ is that the economic needs of refugees are neglected or even deliberately blocked (Long 2013). The Salvadoran community in the United States, more than one million strong at its peak, was excluded from the legitimate economy and discriminated against even by existing Hispanic communities. But as veterans of a guerrilla war the Salvadorans had a comparative advantage in violence, and in operating clandestine transnational networks: skills which translated into success in the illegal drugs trade (Valdez 1999). This source of wealth has been a poisoned chalice for the Salvadoran community. Since the end of the civil war in their homeland, the criminal skills acquired
by Salvadoran gangs have been repatriated, forming a damaging legacy of entrenched violence and criminality (Braithwaite 2012).

THE HEROIN TRADE AS ‘RESOURCE CURSE’ IN AN ENCLAVE ECONOMY

The Vietnamese refugee community arrived in Australia in most adverse circumstances. The new arrivals had little or no capital, faced enormous difficulties of language and culture, and were traumatised by war and flight (Viviani 1996). Vietnamese Australians very often experienced a significant loss of status, a major source of stress and morbidity in refugee communities (Bui and Morash 2008; Kunz 1988). Subjected to hostility, rejection and misunderstanding by the host culture, retreating into an enclave economy was both understandable and rational (Reid, Higgs, Beyer and Crofts 2002). Strong ties of kinship and culture, reinforced by upheaval and social isolation, were almost the only asset the community could draw on as it struggled to readjust.

This phase of development coincided, as we have seen, with the global explosion of heroin as a mass market drug. The heroin trade was risky but the potential rewards were lucrative: vastly greater than those on offer within the mainstream economy (Toy 1992). As members of a diasporic community, Vietnamese Australians had access to personal trust relationships which extended across international boundaries. As South-east Asians, they had personal knowledge and connections in regions where heroin was transhipped. Within the enclave economy was a substantial pool of potential drug trade ‘foot soldiers’ – alienated young men and women who had poor English, struggled to find employment, and were experiencing both discrimination and inter-generational conflict (Higgs, Maher, Jordens, Dunlop and Sargent 2001; Reid, Aitken, Beyer and Crofts 2001; White, Perrone, Guerra and Lampugnani 1999).

Vietnamese Australians were faced with multiple social and economic disadvantages, but as an ethnic enclave economy with diasporic links they were uniquely well-positioned to exploit the economic opportunity presented by heroin. The heroin trade was the one field of economic activity where Vietnamese Australians enjoyed a comparative economic advantage.
Like Nigeria’s oil or Columbia’s cocaine, heroin brought wealth to some people within the Vietnamese Australian community, but only a small number. The very nature of the good traded – an illicit substance with a powerful social stigma – served to confirm many of the prejudices of the host community. This led to further exclusion and hostility, and in turn reinforced the closed enclave economy in which the heroin trade could thrive.

Perhaps the most damaging aspect of the involvement of Vietnamese Australians in the heroin trade is that it exposed them to the worst face of Australian policing.

With the notable exception of Indigenous communities (Cunneen 2006), by world standards Australian communities are well-served by their police services (Kutnjak Ivković 2008). However, the policing of illicit drugs in this country has been marred by scandal, misconduct and systemic corruption. This is partly the result of ill-conceived laws and social hypocrisy (Stokes, Chalk and Gillen 2000): even so, the record of Australian policing in this area is poor, and Vietnamese Australians have been disproportionately exposed to the consequences.

‘BLAME CABRAMATTA’: STREET SWEEP POLICING

From the mid-1990s, there was a large increase in the involvement of young Asian Australians in the heroin trade, both as users and dealers, and open street drugs markets emerged (Webber 2002). There is a stream of scholarship in criminology and media studies which portrays the public response to large-scale open drug markets as largely a media creation, a ‘moral panic’ (Rowe 2002). There is some truth to this view, but it is also important to acknowledge that a large and openly operating street-based drugs market presents an unacceptable state of affairs for residents and local businesses, as well as for the wider community (Dixon and Coffin 1999; Dixon and Maher 2005). Even so, media coverage of heroin markets in this period was often prejudiced and irresponsible.

The drug market which attracted the greatest amount of national media attention was in Cabramatta, a western suburb of Sydney with a large Vietnamese Australian population (Dreher 2002; Stevens 1999). The ABC Television current affairs program Four Corners labelled Cabramatta ‘Australia’s heroin
capital’ in 1997, declaring ‘death and violence are now a way of life in Cabramatta – and the business of heroin rules the streets’ (Four Corners 1997).

In 2001, the commercial current affairs program *60 Minutes* ran a special feature on Cabramatta. The program’s host, Ray Martin, who had a Walter Cronkite-like status in Australia at this time, declared:

> If somebody in your family or your town dies from heroin — blame Cabramatta. An addict has robbed your home or a dealer is selling drugs outside your kid’s school — again, blame Cabramatta . . . this Sydney suburb is now the hub of organised crime in Australia. Heroin, gangs, robberies, murder — whether you live in Brisbane or Perth or a country town, Cabramatta affects you. (60 Minutes 2001)

In the symbolic language of the time, ‘Cabramatta’ meant Asians, particularly Vietnamese (Dreher 2002). The damage of such discourse to the public image of the Vietnamese Australian community, in New South Wales and elsewhere, was considerable (Dreher 2002). In terms of building social trust with a minority community, it is hard to imagine more damaging and reckless media texts (Hurst and White 1994).

The media trope of ‘Asian gangs’ was driven in part by an internal policing dialogue portraying Asian youth as hyper-criminals. American policing journals (which also circulate in Australia) conveyed a message of unprecedented threat, made worse by deviousness:

> because of the youthful appearance of Vietnamese males the [supposedly young] offender is actually an adult masquerading as a juvenile. The distinctions are meaningless [anyway], since a 14-year-old Vietnamese gang member can be a ruthless vicious killer . . . More and more attractive young women, mere girls in many cases, are voluntarily joining gangs . . . they are as dangerous and growing a threat as their male counterparts. (Krott 2001)

Among the consequences of this quasi-mythology and its adoption by mainstream media and public figures was the adoption of a ‘zero tolerance policing’ (ZTP) approach in Cabramatta (Maher and Dixon 1999). ZTP, in combination with police corruption and lesser forms of misconduct, greatly harmed the relationship between the police and the Vietnamese community (Dixon and Maher 2002). Young Vietnamese Australians felt themselves to be the targets of racism: ‘stop and search’ procedures, for
example, were routine (Dixon and Maher 2002).

The heroin trade in Melbourne attracted less national attention, but it was (and remains) very substantial (Beyer, Reid and Crofts 2001; Dietze and Fitzgerald 2002; Gaffney, Jones, Sweeney and Payne 2010). Heroin trafficking was not new to Melbourne, but the trade had traditionally been reasonably discreet (see for example Noble 1989). However, the high visibility of the drug markets which emerged from the mid-1990s markets caused public outcry (Rowe 2002). This lead to several large scale police ‘street sweep’ operations designed to clean up problem areas such as Footscray, Frankston, Dandenong and Springvale, all areas with large Vietnamese communities. (Beyer, Reid and Crofts 2001) (Victoria Police 1997).

In some respects, these operations can be viewed as a success. While the overall benefits are contested, visible drug markets in places such as Springvale are no longer evident (Aitken, Moore, Higgs, Kelsall and Kerger 2002, but see also; Degenhardt, Reuter, Collins and Hall 2005; Dixon and Maher 2005; Maher and Dixon 1999). Though a substantial drug trade continues more discretely, the amenity of such areas has improved (Carnovale 2009). However, one negative consequence of operations aimed at suppressing drug markets was that a large number of Vietnamese Australians came into contact with the criminal justice system at a time when they were young and vulnerable (Reid, Higgs, Beyer and Crofts 2002; Webber 2002).

Such contact has considerable potential for creating long term social harm (McAra and McVie 2007). Migrant communities have a shared memory - a set of stories, traditions and symbols by which define themselves (Campbell and Julian 2009). Such group memory is particularly important for communities which have experienced a traumatic relocation (Vietnamese Womens Association in NSW 1994). The formative experiences of the second generation of a migrant community are therefore enormously influential. The second generation, often perceived as ‘a problem to be solved’ by both their parents and host community authorities, are ‘mediators of cultural difference [who will] play a dominant role in shaping their communities’ in the future (Esser 2008).
In 1996, *Police Life*, a Victoria Police corporate magazine, interviewed a social worker who said of troubled Vietnamese teenagers: ‘We must show them patience. As they come to trust police more in this country . . . they’ll feel more a part of it [Australian culture]’ (Police Life 1996). Unfortunately, ‘street sweep’ policing combined with the introduction of tougher sentencing regimes for drug offences in 1997 had the opposite effect. Crackdown policing caused large numbers of arrests, while the new legislation increased the proportion of drug offenders receiving custodial sentences (Beyer, Reid and Crofts 2001).

The bare statistical outline of drug offending and ethnicity over this period is striking, and describes what can fairly be described as a social tragedy. In 1999, the rate of alleged offences in Victoria for persons born in Vietnam was extremely high, at 1,877 per 100,000 of population. There were other ethnic minorities whose offence rate was higher, but these were small communities; what is staggering about the Vietnamese-born figures is the large raw numbers they represent.\(^1\)

Only a small proportion of arrests of Vietnamese-born offenders were for violent crime – drug dealing was by far the major category of offence. In 1997-1998, the period of the ‘street sweep’ anti-drug operations, Victoria Police processed 3,405 alleged offenders born in Vietnam. This was an offence rate per 100,000 of population of 6,173 - almost twice the rate for the general population. The number of discrete offenders (allowing for persons who committed several offences within one year) was 1,220, second only to the Australian-born. A large proportion of the Vietnamese-born offenders were young: in 1997-1998, for example, of the 1203 Vietnamese-born distinct offenders charged in Victoria, more than one-third (344 males and 69 females) were aged 19 or younger. Young people of Vietnamese birth were far more likely both to come into contact with the criminal justice system, and then to be incarcerated, than any other significant ethnic community (Mukherjee 1999).

The National Prison Census records a rapid increase in the numbers of Vietnamese-born inmates in this

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\(^1\) Australian police and corrective services record place of birth, but not ethnicity, of offenders. There is no ready way to identify offenders of Vietnamese heritage who were born in Australia.
period (see Figure 1). The rate of increase for the Vietnamese born was the fastest of any group, at a time when imprisonment rates were increasing across all Australian jurisdictions (Mukherjee 2002).

Beyer et al. (2001) found that Vietnamese-born drug trafficking prisoners were generally younger and less violent than Australian-offenders (Beyer 2003). An extensive literature survey supports this contention. While the scope and quality of available research varies, consistent themes emerge. A 1993 study of Vietnamese perceptions of racism cites several examples of young Vietnamese reporting negative experiences with the police (Seyfort 1993). One complained of being stopped and searched for no apparent reason: ‘they left a scar on me . . . I will never trust the police as friends of the public and community anymore’ (Seyfort 1993). Ebrahim’s 1996 examination of ethnic youth and policing, though somewhat biased, is convincing in its picture of Vietnamese Australian youth as alienated from police (Ebrahim 1996). A 1999 study by White et al. also reports that young Vietnamese felt police targeted them. Participants complained of harassment, such as stop-and-search, and also alleged violence (White, Perrone, Guerra and Lampugnani 1999). Phat’s 1997 study of young Vietnamese Australian drug users reports allegations against the police ranging from rudeness to stealing money and drugs, and using excessive physical force (Phat 1997). McKenzie’s 2003 ethnographic study of Vietnamese Australians found that perceptions of police generally were very negative, and that many felt they were targeted by police (McKenzie 2003). Webber’s 2002 study also reported alienation towards police among young Vietnamese Australians.

In isolation, none of these studies can be regarded as authoritative. However, each reports specific allegations of police misconduct, ranging in seriousness from rudeness and insensitivity to theft and assault, made by people claiming to have been witnesses or victims. The number of distinct and specific allegations over a long period of time is sufficient to suggest an underlying problem of police misconduct and Vietnamese Australian resentment and alienation.

The issue of ‘Asian crime’ does not have the high public profile in Australia it had a decade ago. Public attention has shifted to more recent migrant groups, notably from the Middle East and Africa.
(Pickering, Wright-Neville, McCulloch and Lentini 2007; Victorian Equal Opportunity & Human Rights Commission 2008). It might be expected that this shift was due to the intermediate generation of Vietnamese Australians having matured, with levels of offending and punishment consequently declining. Unfortunately this is not the case. The resource curse effect of the heroin trade on Vietnamese Australians is less visible and attracts very little media attention, but has arguably worsened.

In 2000 there were 525 persons born in Vietnam serving custodial sentences in Australia, an increase of nearly 10 per cent from 1998 (ABS 2000). Since then the number of Vietnamese-born prisoners, already very high, has continued to increase (see Figure 1). Drug offending remains by far the most significant cause of incarceration. The 2012 report records 734 Vietnamese-born prisoners, a rate of 360.3 per 100,000, compared to 167.5 per 100,000 for the general population. Of these, the ’most serious offence’ was ‘illicit drug offences’ in 474 cases, 64 per cent of the total. If Vietnamese-born prisoners are excluded, the proportion of prisoners in Australia with an illicit drugs offence as their most serious offence is 10 per cent (ABS 2012).

Prisoners in Australia data is based on country of birth, rather than ethnicity. It must, therefore, underrepresent the full extent of Vietnamese Australian incarceration, as it excludes those of Vietnamese heritage born in Australia. There must also be a significant number of Vietnamese Australians, both first and second generation, who are charged with offences but who are either diverted from the criminal justice system or receive non-custodial sentences.

The continuing increase in Vietnamese-born prisoners cannot reflect a demographic trend. Since the mid-1990s Vietnamese migration has slowed to a trickle. Between 2001 and 2006, the Vietnamese-born population of Australia grew by only 0.3 per cent (ABS 2007). The great majority of Vietnamese-born prisoners are in their mature years.

Such high rates of drug-related incarceration reflects an illegal drugs trade which is structurally powerful within the Vietnamese Australian community, able to perpetuate itself both through
patronage and intimidation, both benefiting from and perpetuating the social and economic disadvantage of the bulk of their compatriots.

CONCLUSION

In this paper I have argued that the social and economic barriers experienced by the Vietnamese Australian community acted as incentives to form an enclave economy, one in which the heroin trade was functioned in a manner analogous to a resource curse. While law enforcement authorities alone cannot be blamed for this development, the actions of police exacerbated the harms caused. Both formal police policy, particularly the ‘street sweep’ suppression of heroin markets, and misconduct by operational police have contributed to the resource curse effect of the heroin trade. To the greedy or desperate within a disadvantaged community, corruption in drugs policing represents opportunity. To vulnerable young people involved in the drug trade and exposed to policing which racist or corrupt, distrust of police becomes a rational choice (Peel 1998). An entrenched distrust of police reinforces the power within the community of the drug traffickers (Song and Dombrink 1994). Resource curse becomes ‘locked in’, a stable and self-perpetuating social system. The consequences are continuing high levels of drugs offences and associated social harm, and entrenched estrangement between the refugee community and law enforcement agencies.
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