This paper examines the middleman minority characteristics of Korean immigrants in the United States. Like middleman groups in other societies, Korean immigrants in the United States are heavily concentrated in small business. A large proportion of Korean-owned businesses distribute merchandise to minority customers on behalf of large corporations. Korean merchants, like other middleman groups, maintain strong ethnic cohesion, which facilitates their commercial activities. Many of their black customers believe that Korean merchants are clannish and overly money-oriented, two stereotypes that are commonly applied to middleman minorities. Korean merchants have not encountered overt hostility from the general population, however Korean merchants in black neighborhoods have been the victims of physical violence, boycotts, arson, looting, and press attacks. Black hostility toward Korean merchants climaxed during the 1992 Los Angeles race riots in which 2,300 Korean stores were destroyed. Based on these analyses, we conclude that Korean immigrants in the United States exhibit middleman minority characteristics.

In many countries around the world, particular ethnic minorities have played the role of tradesmen and small businessmen. These groups include the Jews in Europe, the Chinese in Southeast Asia, the Indians in Africa, and the Parsis in India (Eitzen 1971; Palmer 1957; Porter 1981). These middlemen occupy a unique position of intermediate status as they operate between the elite and the masses, between the producers and the consumers (Bonacich 1973). The similarities in the social, political, and economic situations of these various groups are reflected in what has been referred to as “the Jews of” metaphor (Zenner 1991, pp.52-54). For example, the Chinese have been described as “the Jews of Siam” and “the Jews of the East,” and Indians as “the Jews of East Africa.” Indeed, this metaphor has been applied to many different ethnic groups by both Western and non-Western observers.

Middleman minorities are often hated by both sides of the host society’s distinct status gap. Middleman minorities are perceived as being clannish, disloyal, and unscrupulous outsiders. These stereotypes, along with the
often different physical characteristics of the middlemen, serve to identify and isolate them as scapegoats. During periods of economic or political distress, reactions to middlemen include boycotts, riots, expulsions, and genocide. For example, Indians in Africa have been the victims of violent riots and expulsions (Palmer 1957). The Chinese have confronted hostile host societies in both Thailand and the Philippines (Eitzen 1971). Jewish communities in Europe have suffered pogroms, expulsions, and genocide (Zenner 1991).

Middleman minorities are usually found in societies marked by distinct strata boundaries, very often between two racial/ethnic groups (Rinder 1959). In the United States, stratification is diverse and strata boundaries are flexible. However, an economic gap, if not a status gap, does exist between whites and the minority residents of low-income inner city neighborhoods. Many Jews in the United States played a vulnerable role as merchants, filling the gap between the residents of black and Hispanic neighborhoods and the dominant classes controlling banks, economic institutions, and political power structures (Porter 1981). Black anti-Semitism has been due, in part, to the economic role that Jews have played in black neighborhoods. Although Jewish Americans have been more sympathetic than other white ethnic groups to the civil rights movement and the economic struggles of blacks (Feagin 1989, p.150), Jewish merchants were the victims of boycotts and violent riots in black neighborhoods across the country, including Harlem, Detroit, and Watts (Weisbord and Stein 1970, p. 45; Capeci 1985; Cohen 1970).

A large proportion of Korean immigrants in the United States currently occupy the same position in minority areas that many Jews once held. As will be documented shortly, Korean immigrants in the United States are highly entrepreneurial and a significant proportion of Korean businesses are located in low-income black neighborhoods. Because of their commercial activities, many researchers (Bonacich 1980; Bonacich and Jung 1982; Kim 1981; Min 1991; Portes and Manning 1986; Waldinger 1989) have indicated that Korean entrepreneurs in the United States play a middleman minority role.

Social scientists, focusing on different aspects of the middleman minority phenomenon, may disagree over the way middleman minorities are defined. However, based on the work of several scholars who have contributed to the development of middleman minority theory (Blalock 1967; Bonacich 1973; Bonacich and Modell 1980, Chapter 1; Porter 1981; Rinder 1959; Turner and Bonacich 1980; Zenner 1991), we have deduced that a middleman minority group in the United States would be likely to display
the following characteristics: (1) concentration in small business, (2) providing services to minority customers, (3) dependence on U.S. corporations for their supply of merchandise, (4) strong ethnic cohesion, (5) subjection to stereotyping, and (6) hostility from the host society. This paper will determine the extent to which Korean immigrants in the United States exhibit these characteristics.

The above summary provides a clear idea about our definition of middleman minorities. However, since Bonacich’s (1973) widely read article has provided a different definition of middleman minorities, we may need a further clarification of middleman minorities as used in this paper. In her version of middleman minority theory, Bonacich (1973) argued that middleman groups originate as sojourners or temporary residents in host societies, who plan to eventually return to their home countries. The economic effects of sojourning include a tendency toward thrift to hasten a return home and concentration in certain occupations easily liquidated and transportable such as commerce and trade. The non-economic effects of sojourning include a high degree of internal solidarity and the maintenance of distinctive cultural traits. Several researchers have criticized Bonacich’s middleman minority theory for different reasons. Cherry (1989) and Zenner (1980) have indicated that Jews in the United States who Bonacich considered a typical middleman minority were not sojourners. Wong (1985) criticized Bonacich’s sojourning theory for stereotyping Chinese and Japanese in the United States as “sojourners,” “unassimilable,” “aliens,” etc. Both Cherry (1989) and Wong (1985) have questioned Bonacich’s sojourning theory partly because it gives the impression that Jews or Chinese in the United States entered small business by choice and thus it mystifies the reality that discrimination and disadvantage forced them to do so. Still other researchers basing their findings on empirical studies (Aldrich et al. 1983; Ward 1984) demonstrated that sojourners are more likely to prefer employment over self-employment.

In this paper we consider Korean immigrants in the United States a middleman minority, not in the way Bonacich (1973) defined it, that is, not in the sense that Korean immigrants are sojourners. Survey studies (Min 1988a; Park et al. 1990, p.102) have shown that most Korean immigrants are permanent residents who plan to live in the United States for good. As will be discussed later in this paper, Korean immigrants’ language barrier and other disadvantages for employment in the general labor market rather than their sojourning orientation have mainly contributed to Koreans’ concentration in small business.¹ We consider playing the intermediary (commercial) role, connecting producers and consumers, in the delivery of
goods and services the central characteristics of middleman minorities. Finally, Cherry (1989), Wong (1985), and others do not like the characterization of Jewish, Japanese, Chinese, and Korean Americans as a middleman minority because, in their view, the middleman minority thesis, like the model minority thesis, depicts Jewish and Asian groups as economically successful and therefore excluded as recipients of welfare programs. However, by considering Korean immigrants a middleman minority, we do not intend to give the impression that Koreans are economically successful and problem free. By considering Korean immigrants a middleman minority group in contemporary America, we wish to emphasize that Korean immigrants' disadvantages for employment in the general labor market have forced them to small business and that their middleman role has increased intergroup conflicts and host hostility.

DATA SOURCES

Los Angeles County has the largest Korean population, approximately 200,000. The New York-New Jersey metropolitan area, the home to about 130,000 Koreans, is the second largest Korean center. This paper intends to analyze the middleman minority characteristics of Korean immigrants largely in the contexts of the Los Angeles and New York Korean communities. Although this paper has utilized the findings from several previous studies on Korean immigrants, it is based mainly on the following sources.

First, it is based on a survey of Korean merchants and their customers in black neighborhoods in New York City, conducted in Spring 1992. For the survey, 155 Korean merchants were randomly selected from directories of Korean merchants' associations in three predominantly black areas where a large number of Korean businesses are located. Ninety-five of them were successfully interviewed over the phone by four Korean students. Five hundred households in the three areas, closely matching the addresses of the selected Korean stores, were also randomly selected from the New York City public telephone directories. One hundred and fifty-one telephone interviews were successfully completed by four white and black students. Ninety-seven of the respondents were black and 51 were white.

Second, personal interviews with representatives of Korean trade associations in New York and Los Angeles provided another data source for

\[\text{This interpretation is close to the view held by Cherry (1989) and Wong (1985) that discrimination forced Jews or Chinese in the United States to make occupational adjustment in small business.}\]
this paper. Interviews with leaders of business associations in Los Angeles were conducted in August 1990, whereas interviews in New York were conducted in the Fall of 1991. These interviews focused primarily on Korean merchants’ business-related intergroup conflicts and their reactive solidarity. However, they also provided information on the number of businesses in each business type, the approximate racial distribution of customers, and the extent of hostility from customers.

Finally, stories relating to Korean-black conflicts have been well covered in Korean ethnic dailies. All articles on Korean-black conflicts that appeared in Korea Times New York between 1970 and 1992 were used for this paper. The articles on Korean-black conflicts that appeared in Sae Gae Times and Korea Central Daily New York between 1988 and 1992 were also used. For an analysis of Korean-black conflicts in Los Angeles, articles published in Korea Times Los Angeles were used as the major data source. Due to space limitation, many ethnic newspaper articles used for this paper are not cited.

CONCENTRATION IN SMALL BUSINESSES

The current Korean community in the United States is largely the byproduct of the 1965 Immigration Act. Korean immigration steadily increased in the late 1960s and the early 1970s. The annual number of Korean immigrants reached the 30,000 mark in 1976 and continued to exceed that number until 1990 (Kim and Min 1992). Nearly a half million Koreans came to the United States as formal immigrants between 1970 and 1990. As a result, the Korean population in the United States increased from 70,000 in 1970 to 800,000 in 1990. Korean American scholars roughly estimate that in 1993 there were approximately one million Koreans living in the United States.

The post-1965 Korean immigrants, particularly those who came in the 1970s, were highly educated and generally held white-collar and professional occupations in Korea. However, due to language barriers and unfamiliarity with American society, most Korean immigrants could not retain their white-collar and professional occupations.\(^2\) As an alternative to blue-collar occupations with which they were not familiar, Korean immigrants began opening small businesses (Min 1984). Due to their lack of business experience and training, Korean immigrants in the 1970s were at a

\(^2\) Korean immigrants, although highly educated, have more language barriers than other Asian immigrant groups with white-collar and professional backgrounds. For example, Filipino and Indian immigrants spoke English in their native countries and thus they are more fluent in spoken English than Korean immigrants.
disadvantage when establishing their own businesses. Moreover, in the 1970s few Korean immigrants arrived with enough capital to start their own businesses. Therefore, most Korean immigrants who came to the United States in the 1970s worked for many years as employees before they were able to establish their own businesses.

The Korean immigrants who have come to the U.S. since the early 1980s, in contrast to the Korean immigrants who arrived in the 1970s, have had enormous advantages in opening their own businesses. Working as employees for Korean-owned stores, newly arrived immigrants have been able to acquire business information and training more easily. Also, due to the improvement in economic conditions in South Korea and recent changes in emigration policy, Korean immigrants have been able to emigrate with more money than they had previously. For example, according to a pre-departure survey conducted in Seoul, a prospective Korean immigrant in 1986 was expected to take an average of $14,500 with him/her to the U.S. and later send an additional amount of $25,200 (Park et al. 1990, p.66). Recently arrived Korean immigrants can also borrow money from friends and relatives that are already settled.

According to available data, the Korean community has witnessed a phenomenal increase in the self-employment rate since the early 1970s. For example, a survey conducted in 1973 (Bonacich et al. 1976) indicated that 25% of Korean household heads in Los Angeles were self-employed. The self-employment rate of household heads in the Los Angeles Korean community increased to 40% in 1977 (Yu, E. 1982). A 1986 survey showed that 45% of Korean workers in Los Angeles and Orange Counties were self-employed, with another 30% employed in Korean-owned stores (Min 1989). A survey of Korean married women in New York City conducted in 1988 revealed an even higher self-employment rate. As presented in Table I, 49% of Korean wives and 61% of their husbands in New York City were self-employed in 1988, with only 14% of them employed in non-Korean firms. Case studies conducted in Chicago and Atlanta also indicate that approximately one-third of Korean adult immigrants are self-employed (Hurh and Kim 1988; Min 1988a). These studies demonstrate that Korean immigrants in the United States are heavily concentrated in small business, a common characteristic of middleman minorities.

Since Korean immigrants are concentrated in several business specialties, it is now easier for new Korean immigrants to acquire business information from their relatives and friends.
TABLE 1. NEW YORK CITY MARRIED KOREANS' SELF-EMPLOYMENT AND ECONOMIC SEGREGATION RATES BY SEX

<table>
<thead>
<tr>
<th>Job Type</th>
<th>Husbands</th>
<th></th>
<th>Wives</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>172</td>
<td>61.4</td>
<td>102</td>
<td>48.8</td>
<td>274</td>
<td>56.0</td>
</tr>
<tr>
<td>Employed in Korean Firms</td>
<td>69</td>
<td>24.6</td>
<td>76</td>
<td>36.4</td>
<td>145</td>
<td>29.7</td>
</tr>
<tr>
<td>Employed in Non-Korean Firms</td>
<td>39</td>
<td>13.9</td>
<td>31</td>
<td>14.8</td>
<td>70</td>
<td>14.3</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>99.9</td>
<td>209</td>
<td>100.0</td>
<td>489</td>
<td>100.0</td>
</tr>
</tbody>
</table>


CONCENTRATION IN MINORITY NEIGHBORHOODS

A middleman minority bridges two groups in a racially or ethnically stratified society, often distributing products made by the ruling group to the consuming masses. We will show that Korean immigrants in the United States play a role similar to the one played by traditional middleman minorities by demonstrating (1) that a large proportion of Korean businesses are located in black and Hispanic neighborhoods, and (2) that Korean merchants largely depend on U.S. corporations for the supply of their merchandise. This section will examine the extent to which Korean merchants depend on minority customers. The next section will examine the extent to which Korean merchants depend on U.S. corporations for their merchandise.

Level of Concentration in Minority Neighborhoods

Korean businesses serve whites, minority members, and coethnic customers. However, they serve a much larger proportion of black and Hispanic customers than the chance factor might allow. Korean merchants in New York depend heavily on black and Hispanic customers. Residentially, Koreans in New York City are heavily concentrated in

Some Hispanic Americans, like African Americans, are black. For this reason, many social scientists prefer to use the term "African Americans" rather than "blacks" to differentiate them from Hispanic Americans. However, in this paper we use the term "blacks" and "Korean-black conflicts" instead of "African Americans" and "Korean-African American conflicts" because Korean merchants serve Caribbean immigrant blacks as well as native-born African Americans and they have been subject to hostility by both groups of the black population.
Queens, with less than 9% residing in Brooklyn and the Bronx. However, a significant proportion of Korean-owned stores are located in Brooklyn and the Bronx. According to Korean business leaders, about 3,000 Korean-owned stores are located in Brooklyn and 1,500 in the Bronx. They respectively make up 25% and 13% of Korean-owned businesses in New York City. The vast majority of Korean-owned stores in Brooklyn are located in black neighborhoods where black immigrants from Haiti, Jamaica, and other parts of the Caribbean Islands constitute the majority of the population. The Bronx is heavily populated by Hispanics, and Korean businesses in the Bronx are concentrated in these Hispanic neighborhoods. In addition, Korean merchants own many businesses in Harlem (Manhattan) and Jamaica (Queens), two primarily black areas. It should also be pointed out that more than 600 Korean peddlers and flea market vendors in the New York metropolitan area also serve mainly black and Hispanic customers.

We conducted a survey of Koreans in Los Angeles and Orange Counties in 1986, which included data on the racial composition of customers of Korean-owned businesses in these two counties. The percentage of Korean businesses serving primarily black and Latino customers was nearly equal to the percentage of those mainly serving non-Hispanic, white customers, approximately 35% (the other 30% served Koreans). However, an examination of the ethnic composition of the population in Los Angeles and Orange counties in 1980 and 1990 revealed that Korean merchants were serving a disproportionately high percentage of minority customers. Furthermore, Korean merchants' dependence on black and Hispanic customers has drastically increased since we conducted the survey study in 1986. In 1985 Korean immigrants in Los Angeles began developing indoor swap meet businesses, "a new form of retailing in which individual sellers lease booths in a large building and sell their wares independently" (Chang 1990). According to the president of the California (Korean) Swap Meet Sellers' Association, approximately 100 out of 130 indoor swap meets in Southern California were owned by Koreans, and 80% of the Korean-owned swap meets were located in African American/Mexican areas.

**Types of Korean-Owned Businesses in Minority Neighborhoods**

There is a significant correlation between the type of Korean-owned business and the ethnic composition of its customers. Generally speaking, Korean retail stores are heavily concentrated in minority neighborhoods. In Los Angeles, the most common type of Korean-owned businesses that are
located primarily in black and Hispanic neighborhoods are grocery/liquor retail stores. According to an informal survey by Korea Times Los Angeles, as of December 1991, 80% of grocery/liquor stores and gas stations located in South Central Los Angeles were owned by Koreans (Korea Times Los Angeles, 1992a). As noted above, Korean-owned outdoor and indoor swap meet retail stores have mushroomed in Los Angeles since 1985 and an overwhelming majority of them are located in black and Hispanic neighborhoods. In New York, grocery and produce retail businesses are the most common Korean businesses and a large percentage of them are located in black and Hispanic neighborhoods. Retail stores dealing in wigs, handbags, jewelry, and other manufactured goods that are located in New York City's black and Hispanic neighborhoods are also owned primarily by Korean immigrants.

In contrast, Korean non-professional service businesses, such as dry cleaning shops and nail salons, are heavily concentrated in white middle-class neighborhoods. And, according to the 1986 Los Angeles survey, 75% of Korean professionals such as medical doctors, lawyers, and accountants primarily served coethnic members (Min 1989).

Reasons for Concentration in Minority Neighborhoods

As is clear from the above discussion, the two most common Korean-owned businesses in minority neighborhoods are (1) grocery/liquor and produce retail stores and (2) those dealing in fashion items such as wigs, clothing, handbags, jewelry, hats, and shoes. A close examination of the nature of each of these two types of businesses will help us understand why these businesses are overrepresented in minority areas.

In white neighborhoods, Korean-owned small grocery stores are unable to compete with large chain supermarkets. However, due to the low spending capacity of the residents, high crime rates, and vandalism, large grocery chains are unwilling to invest in low-income minority neighborhoods (Light and Bonacich 1988; Min 1988a, p. 73). For the same reasons, independent white business owners are reluctant to open grocery stores in low-income minority neighborhoods (Min 1988a, p. 73). As a result, Korean immigrants can open up small grocery stores in these areas without competition from large chain supermarkets and white store owners. Moreover, capital requirements to operate a store, including commercial rents, are significantly lower in a low-income minority area than in a middle-income white area. Therefore, disadvantaged Korean immigrants can start grocery businesses with a smaller amount of capital.

The other major type of Korean-owned business in minority areas is the
fashion business. Korean-owned fashion stores largely deal in items imported from South Korea and other Asian countries, such as wigs, handbags, hats, clothing, jewelry, and shoes. The easy access that the owners of these stores have to Korean wholesalers and importers has led to their rapid development. These merchants have not had to compete with department stores that are often unwilling to invest in low-income areas. Furthermore, structural changes in the U.S. economy have provided Korean-owned fashion stores with an additional advantage. Because fashion cycles have become shorter in the contemporary postindustrial economy, large department stores, which must operate through several channels before new merchandise can be ordered, have faced difficulties in obtaining “hot” items quickly. Independent Korean merchants easily acquire these items from Korean suppliers (Chang 1990).

Comparison with Other Entrepreneurial Immigrant Groups

As discussed above, Korean businesses serve all three groups of customers: non-Hispanic whites, minority members, and Koreans. However, compared to other immigrant business owners, Korean merchants depend more heavily on low-income minority customers. Although Cubans in Miami have developed a high level of immigrant entrepreneurship, most Cuban businesses are located in a Cuban enclave and serve coethnic members (Portes 1987; Portes and Bach 1985). Thus, Cuban immigrants in Miami follow an enclave economy pattern rather than a middleman minority pattern (Wilson and Portes 1980).

Chinese immigrants are also active in small businesses. However, only a small percentage of Chinese businesses depend primarily on blacks and Hispanics. Chinese restaurants, garment manufacturing, and gift shops selling Asian imported manufactured goods are the three most common Chinese businesses (Kwong 1987; Zhou 1992). Whereas Chinese restaurants serve both Chinese ethnic customers and the U.S. general population, Chinese gift shops, mostly located in Chinatowns, serve Chinatown tourists, particularly white tourists. Chinese garment factories, as well as Korean garment factories, subcontract work from large manufacturers. Iraqi Chaldean-owned small groceries in Detroit are heavily concentrated in black neighborhoods (Sengstock 1974). However, unlike Korean immigrants who concentrate their small businesses in minority neighborhoods in cities

Non-Korean white Americans also import fashion items from South Korea and other Asian countries, but they distribute Asian-imported items mainly to department stores in white areas.
throughout the U.S., Iraqi Christians appear to play this role only in Detroit. Thus, Korean immigrants are more likely to serve minority customers than any other immigrant group in the United States that is active in small business.

DEPENDENCE ON U.S. CORPORATIONS

The classic middleman merchant acted as a go-between, distributing products to the peasant masses, on behalf of the ruling class. In contemporary U.S. society, there is no fixed ruling class and strata boundaries are more flexible. However, it is true that large corporations dominate the U.S. economy. Korean immigrants in the United States can be considered a middleman minority not only because they cater to a disproportionately large number of minority customers, but also because many of them depend on large U.S. corporations for the supply of their merchandise. Korean grocery and liquor retailers distribute corporate products to minority customers whereas Korean garment subcontractors, although not engaged in retail trade, also benefit large U.S. manufacturers by providing them with a source of low cost labor (Bonacich 1980; Bonacich et al. 1976; Light and Bonacich 1988).

Table 2 lists the major Korean-owned businesses in New York. Korean grocery and liquor stores constitute more than 12% of the total number of Korean businesses in the New York metropolitan area. Korean grocery and liquor retailers are prototype middleman merchants because they depend entirely on U.S. corporations for their supplies while operating stores primarily in minority neighborhoods. Two other types of Korean-owned

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produce, Grocery and Liquor Retail</td>
<td>2,950*</td>
<td>19.7</td>
</tr>
<tr>
<td>Dry Cleaning Service</td>
<td>1,500</td>
<td>10.0</td>
</tr>
<tr>
<td>Wholesale of Asian- and Korean-Imported Items</td>
<td>500</td>
<td>3.3</td>
</tr>
<tr>
<td>Retail of Asian- and Korean-Imported Items</td>
<td>2,220</td>
<td>14.8</td>
</tr>
<tr>
<td>Nail Salons</td>
<td>1,400</td>
<td>9.3</td>
</tr>
<tr>
<td>Fish Retail</td>
<td>720</td>
<td>4.8</td>
</tr>
<tr>
<td>Garment Manufacturing</td>
<td>350</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>9,640</td>
<td>64.3</td>
</tr>
<tr>
<td>Others</td>
<td>5,360</td>
<td>35.7</td>
</tr>
<tr>
<td>Estimated Total Korean Businesses</td>
<td>15,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>
businesses in New York that depend completely on white suppliers are the produce shops and fish stores. In other cities, the percentage of Korean-owned grocery/liquor businesses is even greater. For example, in 1982, Korean grocery, vegetable, and liquor stores constituted 31% of all Korean businesses in Atlanta (Min 1988a, p.43). It is also known that 36% of Korean business owners in Toronto engaged in the grocery business (Yu, J. 1986). Korean immigrants clearly dominate the grocery/liquor retail trade, a prototype middleman occupation, in many inner-city African American neighborhoods throughout the country.

There are about 350 Korean-owned garment manufacturing businesses in New York. According to our interviews with staff members of the Korean Garment Subcontractors Association of New York, 95% of them subcontract work from large garment manufacturers. Garment subcontracting is more common among Koreans in Los Angeles; there are approximately 700 Korean garment subcontractors there. Strictly speaking, Korean garment subcontractors are not middlemen because they do not serve disadvantaged minority customers. However, they are middlemen in the sense that they connect U.S. manufacturers with non-Korean employees, particularly Hispanic employees. Chinese garment subcontractors usually hire coethnic workers, new immigrants from mainland China and Hong Kong, as employees (Kwong 1987) and thus they do not play a middleman role. By contrast, Korean garment subcontractors in both Los Angeles and New York largely depend on Hispanic employees (Light and Bonacich 1988; My interview with the president of Korean Garment Subcontractors Association of New York). Hispanic garment employees are exploited with the low wages and poor working conditions, but the ultimate beneficiaries of their exploitation are not Korean garment subcontractors, but the manufacturers (Bonacich 1993).

There are approximately 500 Korean-owned wholesale businesses in the New York metropolitan area. Korean retail stores dealing in wigs, handbags, jewelry, clothing, and other related manufactured goods depend on these coethnic wholesalers to supply them with imported items from South Korea and other Asian countries. As discussed above and as shown in Table 2, Korean retail stores selling these items make up a large proportion of Korean-owned businesses in minority neighborhoods. Because Korean store owners selling imported fashion items primarily serve disadvantaged minority members and have encountered hostility from their customers, they may be seen as middlemen, although in a limited sense.6 As noted thus

6Bonacich (Bonacich 1973; Bonacich and Modell 1980) considered Japanese farmers in
far, some types of Korean businesses exhibit more middleman minority characteristics than others.

ETHNIC COHESION

Many social scientists have emphasized unwillingness to assimilate and strong ingroup ties as a major middleman minority characteristic. While the middleman groups' internal cohesion often facilitates their commercial activities, it may also increase hostility toward them. Some researchers view middleman groups' strong internal cohesion as culturally originated (Light 1972), whereas others have noted that economic activities and ethnic cohesion mutually reinforce each other (Bonacich and Modell 1980; Reitz 1980).

Like middleman minority groups in other societies, Korean immigrants in the United States maintain strong ethnic cohesion. For example, Hurh and Kim (1988) report that 90% of Korean immigrants in Chicago spoke Korean at home and that 82% were affiliated with one or more Korean organizations. A comparative study of three Asian ethnic groups revealed that a much larger proportion of Korean Americans (75%) than Filipino (50%) or Chinese Americans (19%) joined at least one ethnic association (Mangiafico 1988, p.174). In June 1992, one month after the Los Angeles riot, KSCITV (Channel 18) asked Gallup to take a survey of Korean, Filipino, and Chinese Americans on ethnic attachment and assimilation. The results of this survey demonstrated that Korean respondents were more likely to use their native language and form friendships with coethnic members than the Filipino and Chinese respondents (Korea Times Los Angeles 1992d).

Is there a cultural basis for the strong ethnic cohesion found among Korean immigrants? Korea's cultural homogeneity may be seen as providing a cultural basis for the strong ingroup ties that are formed by Korean immigrants in the United States (Min 1991). South Korea, from which almost all post-1965 Korean immigrants emigrated, is a small country where there is a single race with one language. Having only one language gives Korean immigrants an enormous advantage over other Asian immigrant groups in maintaining their ethnicity in the United States. Nearly
all Korean immigrants can read native language ethnic newspapers and understand ethnic television programs. Because regional differences are nearly insignificant in South Korea, Korean immigrants, regardless of their province of origin, identify themselves as Koreans or Korean Americans. In contrast, Indian and Filipino immigrants need to use English in their ethnic media because they come from countries where many languages are spoken. Unlike Korean immigrants, they are more likely to identify themselves as belonging to a particular region (Pido 1986; Saran 1985).

While the middle class background of Korean immigrants plays an important role in their ability to establish businesses, their ethnic resources may be equally as important (Light and Bonacich 1988, chap. 6; Min 1988a; Yoon 1991). Like middleman minorities in traditional societies, their commercial activities maximize the use of ethnic resources. Whereas help from their children is not as important for Korean business owners as it was for Chinese business owners during the prewar period (Light 1972), husband and wife coordination has been found to be central to Korean immigrants' success in small businesses (Min 1988a, pp.113-17). Although Korean merchants do hire non-Korean workers, only rarely do the latter handle cash or work as cashiers (Min 1988a). Light and Bonacich (1988, p. 233) demonstrated that in 80% of the cases Korean liquor store owners in Hollywood, Los Angeles sold their businesses to other Koreans. Although Korean immigrants' class resources—individual earnings and money brought from Korea—are the most important sources of their business capital, Korean immigrants are more likely to rely on private loans for business capital than native born Americans (Min 1988a, pp. 80-81).

As previously noted, Korean immigrants' cultural homogeneity contributes to their internal cohesion, which in turn facilitates their ethnic business development. However, it is also important to note that Korean immigrants' concentration in small business has further enhanced ethnic cohesion (Min 1988b, 1991). Concentration in small business has partly strengthened ethnic ties by segregating Koreans to an ethnic subeconomy. Most Korean immigrants are self-employed and many other Koreans are employed in coethnic businesses. Thus, Koreans' economic segregation increases their social segregation. Koreans in an ethnic subeconomy (the vast majority of the Korean work force) interact with fellow Koreans, speak the Korean language, and practice Korean customs more frequently than those in the general economy (Min 1989). Moreover, to deal efficiently with business-related intergroup conflicts, Korean businessmen have had to unite, further strengthening their ethnic cohesion.
Middleman minorities are commonly charged with being clannish, cheap, and disloyal. Rinder (1959) believed that these negative stereotypes as well as the middleman minority's visibility and vulnerable position in the economy led to scapegoating. This section will examine the degree to which black and white respondents accept negative stereotypes of Korean immigrants. In the next section we will discuss the various forms of hostility that Korean merchants have encountered.

In our 1992 New York City survey, black and white respondents were asked to indicate their level of agreement with four statements. Three of these four statements reflect the image of Korean merchants as overly moneyoriented, unassimilable, and clannish. Table 3 shows the percentages of black and white respondents who either strongly agreed or moderately agreed to each statement. As expected, a large proportion of the respondents accepted each negative stereotype. However, a significantly larger percentage of black respondents than white respondents endorsed each statement. The more negative response of blacks is understandable, considering that fact that Korean merchants in black neighborhoods have encountered more hostility than those in white neighborhoods.

In their study of anti-Semitism in the United States, Selznick and Steinberg (1969) included in one of their surveys the statement "Jews only care about their own kind." Forty-three percent of blacks agreed with this statement. We substituted Koreans for Jews in the statement and obtained a nearly identical result. Selznick and Steinberg conducted their study in the late 1960s when many Jews occupied the same position in the ghetto.

<table>
<thead>
<tr>
<th>Stereotypes</th>
<th>Black Rs (N = 97)</th>
<th>White Rs (N = 50)</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Koreans are overly concerned</td>
<td>45.4</td>
<td>26.0</td>
<td>p &lt; 0.05</td>
</tr>
<tr>
<td>with making money</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Koreans do not try to learn</td>
<td>34.4</td>
<td>24.4</td>
<td>p &gt; 0.1</td>
</tr>
<tr>
<td>English and American customs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Koreans only care about other</td>
<td>44.3</td>
<td>30.0</td>
<td>p &lt; 0.1</td>
</tr>
<tr>
<td>Koreans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) Koreans are in general rude</td>
<td>22.7</td>
<td>8.0</td>
<td>p &lt; 0.05</td>
</tr>
<tr>
<td>and nasty people</td>
<td></td>
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</tbody>
</table>

economy that Koreans presently occupy. While the middleman group has changed, the stereotype remains the same.

HOST HOSTILITY

The economic position of middleman minorities as well as their visibility, ethnic cohesion, and outsider status is believed to provoke hostility toward them. The middleman minority is often disliked by both sides of the traditional society's distinct status gap. Although our 1992 New City survey indicated that a significant percentage of whites accepted negative stereotypes, Korean immigrants have not had to confront white anti-Korean hostility or major anti-Korean governmental policies. Whereas Korean merchants in Hispanic neighborhoods have not encountered overt hostility (Cheng and Espiritu 1989), Korean merchants in black neighborhoods have suffered verbal and physical attacks, boycotts, looting, arson, and murder.

The recent riots in South Central Los Angeles during which about 2,300 Korean businesses were looted and/or burned have attracted attention to Korean-black conflicts there. However, in the 1980s, Korean-black conflicts were more severe in New York than in Los Angeles. In that decade, the New York Korean community encountered four long-term black boycotts of Korean stores and several cases of arson. These boycotts, which were usually organized by black nationalist groups, often spread to other neighborhood Korean-owned stores.

The longest and most intense anti-Korean boycott occurred in 1990 in the Church Avenue-Fulton Street area of Brooklyn, New York City. This boycott, like the others, began after a scuffle between a black customer accused of stealing and a Korean employee accused of beating up the customer. When the residents heard about the black customer beaten in the store, they quickly gathered in front of the store and began picketing. A few days later, black boycotters began picketing a Korean store that was across the street. During the first week of the boycott, over 150 black people rallied in front of the two stores. Although the boycott had originally been organized by a Haitian community organization, Sonny Carson's black nationalist December 12th Movement intervened and turned the demonstration into a long-term boycott which lasted for nearly 18 months. The boycott continued until the owner of the grocery where the boycott began sold his business to another Korean.

7Blacks picketed this store because its owner helped one Korean employee of the store where the altercation occurred to hide in his store from angry black residents.
During the boycott, several Korean merchants in Brooklyn were verbally and physically assaulted. An owner of one of the boycotted stores was spat upon and beaten by twenty young black men on his way home from his store, and a store owner's wife was beaten by a picketer inside her own shop (Sae Gae Times, 1990a). Another Korean merchant in the area was robbed and beaten after arguing with a customer who had eaten fruit without paying. Two days later, a gun shot was fired into his store and a Mexican employee was attacked and beaten. The store was later boycotted and picketed for three days (Korea Central Daily New York, 1990).

Although there were Korean-black tensions in Los Angeles in the 1980s, the Los Angeles Korean community maintained better relations with the black community than the New York Korean community before 1990. However, by the summer of 1990 Korean-black tensions in Los Angeles became severe. That summer, anti-Korean pamphlets calling for the elimination of Korean merchants from black communities were widely distributed by black nationalists, and several Korean merchants in South Central Los Angeles were attacked in their stores (Sae Gae Times, 1990b). In March 1991, a fourteen-year-old black girl in South Central Los Angeles was shot to death by a Korean female store owner, while struggling over an unpaid bottle of orange juice. The girl punched the owner three times before she was shot. A few months later, a black man was shot to death by a Korean liquor store owner in South Central Los Angeles while attempting to rob the merchant. These two incidents escalated black anti-Korean violence in the latter half of 1991 when several Koreans were physically attacked. The two stores where the shootings had occurred were boycotted and fire bombed.

Black hostility toward Korean merchants climaxed during the 1992 Los Angeles riots. During the riots, approximately 2,300 Korean businesses were looted and/or burned, one Korean was killed, and 46 Koreans were injured (Korea Times Los Angeles, 1992b). The property damages that Korean merchants suffered were estimated to be more than 350 million dollars, accounting for about 45% of the total property damages incurred as a result of the riots (see Table 4). Although a disproportionate number of small businesses in South Central Los Angeles were owned by Koreans at that time, there is evidence that Korean merchants were specifically targeted. An inquiry by the Federal Bureau of Investigation indicated that in planning the riots, black gangs had selected specific Korean-owned stores to be destroyed and looted (Korea Times Los Angeles, 1992c). Although Koreatown is located over 3 miles away from South Central Los Angeles, many stores there were also burned and looted.
During periods of stress and unrest, middleman minorities often serve as a scapegoat, acting as a shield for the superordinate by bearing the brunt of the subordinate's hostility. The Los Angeles riots began after a nearly all white jury's acquittal of the policemen that had beaten Rodney King. Yet most white Americans remained insulated from black anger while Korean immigrants and their stores were attacked. Acting as scapegoats during the riots, Korean immigrants replayed the classic middleman minority role. Historically, governments have failed to protect the rights of the middleman minority during periods of civil unrest, often taking a passive position (Blalock 1967, p.84). This passive position was exemplified by the Los Angeles police department's failure to protect Korean merchants during the riots (Korea Times Los Angeles, 1992e). The failure to enforce a court order to keep picketers 50 feet away from the entrance of the Red Apple grocery store during the 1990 Brooklyn boycott may be seen as another example of the government failing to protect the rights of a middleman minority (Korea Times New York, 1990).

As previously noted, Korean merchants have encountered overt hostility only in black neighborhoods. An examination of the role of anti-middleman ideologies in provoking host hostility helps to explain why Korean merchants in white and Hispanic neighborhoods have not encountered

<table>
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<tr>
<th>TABLE 4. DAMAGE (LOOTED OR BURNT) STATISTICS OF KOREAN-OWNED BUSINESSES IN LOS ANGELES AS OF MAY 6, 1991, COMPILED BY RADIO KOREA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Categories of Businesses</strong></td>
</tr>
<tr>
<td>Car Repair Shops</td>
</tr>
<tr>
<td>Beauty Salons</td>
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<tr>
<td>Dry Cleaners</td>
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<tr>
<td>Electronic Stores</td>
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<tr>
<td>Furniture Stores</td>
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<tr>
<td>Gas Stations</td>
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<tr>
<td>Jewelry Shops</td>
</tr>
<tr>
<td>Liquor Stores</td>
</tr>
<tr>
<td>Grocery Markets</td>
</tr>
<tr>
<td>Swap Meets</td>
</tr>
<tr>
<td>Restaurants</td>
</tr>
<tr>
<td>Clothing Stores</td>
</tr>
<tr>
<td>Video Shops</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

overt hostility. In response to Bonacich's (1973) article on middleman minorities, Stryker (1974) pointed out that in some societies middleman minorities have not faced host hostility and hatred. According to Stryker, antagonism toward middleman minorities develops in the context of a particular political configuration. He noted that middleman minorities have been persecuted in societies where an ideology associated with "emergent nationalism" has developed. In his recent book on middleman minorities, Zenner (1991) argues that antimiddleman ideologies play a critical role in spawning hatred toward middleman minorities. In his view, "anti-Semitism fits the nationalist conception that the nation must control its own economy and sees dangers in letting important sections fall under the control of strangers, such as Jews" (Zenner 1991, p.49). Like Stryker, Zenner suggests that host hostility toward middleman minorities develops in societies that are influenced by nationalist ideologies.

Black nationalists have consistently emphasized the importance of economic autonomy in black communities (Carmichael and Hamilton 1967; Turner 1973). In their analysis of Korean-black conflicts in Los Angeles, Light and his colleagues (1994) argue that black nationalism has played a significant role in shaping the anti-Korean views of blacks. In the past, black nationalists focused on the economic role played by Jews, Italians, and other white ethnic groups in black communities. Presently, black nationalists are targeting Korean merchants who currently own a large number of businesses in black neighborhoods.

Boycotts of Korean stores are commonly organized by black nationalist organizations. For example, Sonny Carson, chairperson of the December 12th Movement (a black nationalist organization), has played an influential role in organizing and intervening in all five major boycotts of Korean stores in New York. In many interviews with reporters during the boycotts, Sony Carson expressed the black nationalist concern about the outsiders' economic invasion of the black community. During a 1990 press interview, for example, he stated: "The Koreans become intruders, upstarts, exploiters...You get a certain ethnic dynamic that can easily become uncontrollable... Right now, all these folks come in, make the money, and take it out before the sun goes down" (English and Yuh 1990). Black nationalists have referred to Korean merchants as "vampires" and "blood suckers" who prey upon the black community. The perception that Korean merchants are draining blacks' economic resources is widely accepted in the black community. In the 1992 New York City survey, 54% of black respondents agreed with the statement that "Korean merchants drain black economic resources."
CONCLUSION

The middleman minority phenomenon was largely the product of preindustrial and colonial societies, closely related to their economic, social, and political structures. Theoretically, contemporary American society in the advanced capitalist stage is unlikely to be conducive to the development of a middleman minority. However, Korean immigrants in the United States clearly exhibit middleman minority characteristics.

In traditional societies, middleman minorities bridged the status gap between the ruling class and the masses. Highly entrepreneurial Korean immigrants in the United States operating small businesses in minority areas, may be seen as filling the gap that exists on the margin of black-white relations. Although there is no significant white-black status gap in this post-civil rights era, there is still a big economic gap between white American society and the inner city black underclass (Wilson 1987). Distributing corporate products to these disadvantaged inner-city minority customers, Korean grocers and liquor retailers play a similar middleman minority role. Although Korean-owned businesses are diverse and some may be seen as exhibiting more middleman minority characteristics than others, Korean immigrants are more likely to engage in minority oriented businesses than any other immigrant/ethnic group.

Korean immigrants, like middleman minorities in other societies, maintain strong ethnic cohesion. Their ethnic resources, along with their class resources, facilitate the development of their businesses. Korean immigrants' ethnic cohesion might be due, in part, to Korea's cultural homogeneity. However, there is little doubt that Korean immigrants' concentration in small business has enhanced their ethnic cohesion by socially segregating Koreans from mainstream U.S. society. Furthermore, Koreans' business-related intergroup conflicts have solidified not only Korean merchants but the Korean community as a whole.

Middleman minorities often confront hostility from the host society. However, Korean merchants operating businesses in white and Hispanic neighborhoods have not received overt hostility whereas Korean immigrants operating businesses in black neighborhoods have suffered boycotts, press attacks, arson, and murder. Black hostility toward Korean merchants climaxed during the 1992 Los Angeles riots in which 2,300 Korean-owned stores were destroyed. Many black nationalists have emphasized the importance of economic autonomy in their communities and are opposed to non-black businesses in their neighborhoods. The lack
of an anti-middleman, nationalist ideology in white and Hispanic neighborhoods may explain the dissimilar reactions to Korean merchants in different neighborhoods.

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February 13.


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